

EIR

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Let Clinton save his presidency and Bosnia
Flood lessons: a jobs plan that will work
After Demjanjuk, will DOJ clean house?

**Peru cannot surrender
in its war on Shining Path**

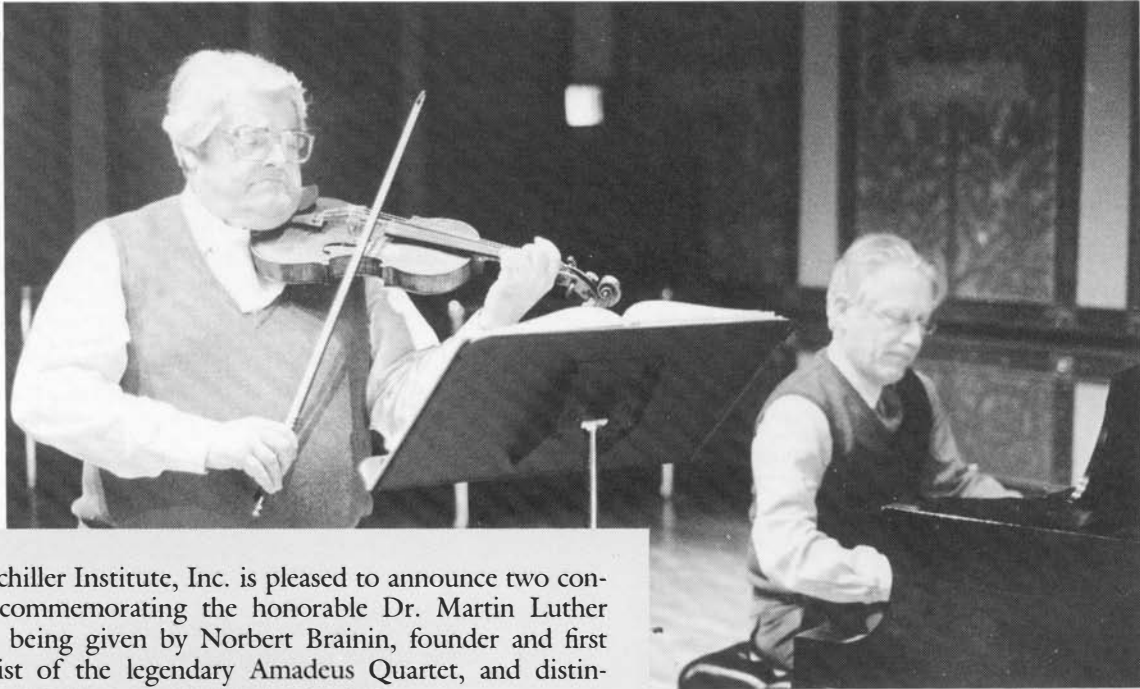


CONCERTS

In Memory of Dr. Martin Luther King, Jr.

BY

Norbert Brainin, *violin* Günter Ludwig, *piano*



Schiller Institute, Inc. is pleased to announce two concerts commemorating the honorable Dr. Martin Luther King, being given by Norbert Brainin, founder and first violinist of the legendary Amadeus Quartet, and distinguished German pianist Günter Ludwig.

In his book *Strength to Love*, Dr. King spoke of the emotional state required of those who fought most successfully against injustice in America. He used the Greek term *agapē*, and he said, "Agapē is understanding, creative, redemptive, good will to all men. . . . Theologians would say that it is the love of God operating in the human heart."

It is exactly this emotional state that great Classical music is intended to evoke, and it is that which great musicians, like Maestro Brainin, are able to produce in their audiences. Therefore, we see this concert as the marriage of two friends, the ideas of King, and the music of Beethoven, Mozart, and Franck, which both spring from the same source—this sacred love for all mankind, which makes mankind better just by its experience.

Program includes:

- L. van Beethoven, *Sonata for Violin and Piano in D Major*, Opus 12, No. 1 (1799)
- G. F. Handel, *Sonata for Violin and Figured Bass in D Major*, Opus 1, No. 13 (1750)
- C. Franck, *Sonata for Violin and Piano in A Major* (1886)

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From the Editor

In the lead section of *International*, I draw your attention to our exclusive report on the treachery carried out in Geneva by Lord David Owen. This is followed by coverage of the press conference where Congressman McCloskey demanded that the United States ask the European Community to dump Owen as their “peace negotiator.” We second that demand and reiterate our appeal to President Clinton that the United States, if necessary, carry out unilateral military action to stop the Serbian fascists from completing their annexation of Bosnia.

If you turn to the *National* section, you will see that events around the Demjanjuk acquittal leave the Anti-Defamation League and its Office of Special Investigations cronies fully exposed for their treachery. This makes it highly timely to expel these private, criminally-linked groups from their undeserved positions of power in government, and to redress other injustices, most notably the media and prosecutorial campaign which wrongly imprisoned Lyndon LaRouche and his associates.

With the cover *Feature* and the third installment of an exposé pamphlet on ex-President Carlos Andrés Pérez of Venezuela, in the *Investigation*, we open a powerful artillery blast against the Project Democracy crowd which is promoting narco-terrorism all over the world. The case study of Peru’s war against Shining Path is one of the most thoroughly documented *EIR* has ever been privileged to present, and shows the seamless web of conspiracy against a nation, which stretches from the respectable IMF bankers all the way down to the brainwashed zombies who carry out Shining Path atrocities. Take note that at the highest levels, Peru’s enemies are the same as Bosnia’s.

In *Economics*, take special note of Richard Freeman’s study of a productive jobs program which could be undertaken in the wake of the floods. We will follow up next week with comprehensive coverage of the flood disaster and the measures to overcome it, which you will not find in any other news medium.

In *National*, we also continue our campaign against outcome-based education (OBE), which we have exposed as “spiritual child abuse” spreading through our school system, by interviewing a Virginia parent who is leading a local campaign to stop OBE.

Nora Hamerman

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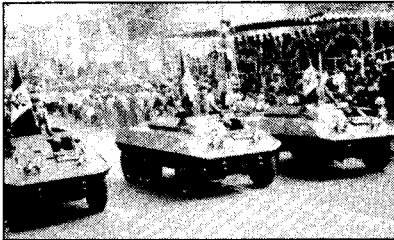
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European Monetary System becomes speculators' plaything

by Lothar Komp and John Hoefle

In the wake of a new round of Anglo-American currency warfare in July, the European Monetary System (EMS) is in shambles. With their economies already seriously weakened by depression, the European central banks—primarily the German Bundesbank and the Bank of France—were overwhelmed by the Anglo-American assault.

While the EMS's Exchange Rate Mechanism (ERM) currency regulation system still exists on paper, the decision by the European finance ministers, at an Aug. 1 emergency meeting in Brussels, Belgium, to raise the allowed fluctuation band to 15% for all currencies but the German mark and Dutch guilder, amounts to a de facto suspension of the ERM. Outside of continental Europe the decision to raise the fluctuation bandwidth is being dismissed as "hogwash," and the EMS is being described as "for all intents and purposes, dead."

Maastricht is dead

The EMS's currency regulation system was designed to pave the way for the creation of a single European currency, as called for by the Maastricht Treaty. But the Anglo-American attacks on the EMS have destroyed the prospects for Maastricht. Last September, the British pound and the Italian lira dropped out of the ERM, and there have been several currency devaluations since. Now, despite the proclamations of the French government, the French franc has been effectively devalued, and the finance ministers narrowly avoided the withdrawal of most of the remaining countries, including Germany, Netherlands, Belgium, and Denmark, from the EMS. Furthermore, the location of the new European Central Bank, which is supposed to oversee this planned single European currency, has yet to be decided, due to political brawling.

However much the European governments, and officials such as German Finance Minister Theo Waigel and his French colleague Edmond Alphandery, swear their allegiance to the timetable laid out by the Maastricht Treaty, the treaty has been derailed.

"Maastricht is now really dead," former British chancellor of the exchequer Norman Lamont recently declared, with undisguised relish. "There will not be a unified currency, and we shouldn't even try to create such a thing," he jeered.

Few tears will be shed over the demise of the Maastricht plan, which would have created a virtual bankers' dictatorship over Europe. But the end of an era of predictable currency relations will have considerable effects on trade among European countries, as well as trade between Europe and the rest of the world. Anyone who engages in trade within the European Community will have to expose themselves to the risk of abrupt currency fluctuations, or will have to take costly measures to protect themselves from that eventuality. Franco-German trade will be seriously hurt. EC Commissioner Henning Christophersen warns of significantly higher financial burdens to maintain the EC's agricultural budget, because of the expected currency turbulences. According to a poll conducted by the German Conference on Trade and Industry (DIHT), under current conditions Germany's export industry can count on experiencing a further collapse.

One of Britain's foremost foreign policy objectives is the prevention of a European union coalescing around Germany. The aim is to weaken Germany itself, while hurting Germany's relations with neighbors in Europe—France in particular. The British-led currency warfare operations against the EMS have significantly advanced that objective.

How did it all happen? On June 6, the megaspeculator

George Soros, a joint asset of the British Rothschilds and the Federal Reserve Bank of New York, declared war on the German mark. The first assault did not succeed in breaking the mark out of the EMS, and in the following days the other EMS currencies appeared to be weakened as money flowed back into Germany.

Taking a new tack, the currency warfare operators then decided to go after Germany indirectly, by attacking the French franc, whose value the Bundesbank was committed to defending. The attack on the franc had absolutely nothing to do with objective economic factors, since the economic crisis is equally catastrophic in Germany and in France.

The success of these speculative attacks depends solely on prearranged, simultaneous actions of large funds that wield "innovative financial instruments" which the central banks themselves are not permitted to use. These derivative practices enable the speculators to do 10 to 20 times more damage than the central banks can prevent with an equivalent amount of funds. Those are the rules of the game. More than \$1 trillion can be moved around the globe each day, while the currency reserves of all the world's industrialized nations taken together barely amounts to half of that.

The speculators, guided by the highest levels of Anglo-American finance, have their hands on the same inside information as the European central banks they are attacking. Therefore, the speculators' superior power over the central banks in "the world's freest market" is not surprising, and is now out in the open for all to see.

Warnings of a crash

That the intent behind the attack on the EMS is political as well as financial, is becoming more clear each day, especially in France and Germany.

The French daily *Le Figaro* writes that "the currency dealers prefer universal free trade. As became evident regarding GATT [the General Agreement on Tariffs and Trade], they are hostile to any European protectionism, and suspect France of being a secret ally of this protectionism."

An editorial in France's *Le Monde* says: "The war between the international speculators and the central banks is a clash of two different cultures. The one is upheld by liberal, Anglo-Saxon ideologies, the other by continental, dirigist ideals."

French Nobel Peace Prize winner Maurice Allais is now warning that as a result of the practices of the speculators, whom he describes as "the gravediggers of western civilization," the world is now hurtling toward a financial crash which will be far worse than 1987. "Ill-thought-out decisions could precipitate the entire world into a collapse, beside which collapse the stock-market crisis in 1987 would seem entirely negligible, and which would be quite comparable to the Great Depression," Allais wrote in a recent article in the French paper *Libération*. The "essential aim" of these gravediggers, Allais wrote, is "to realize gigantic profits by

unleashing psychological movements that tend to destabilize our western societies."

Stop the speculation

How will the gentlemen who head Europe's central banks and political parties react to this challenge? Will the representatives of the German Bundesbank, who so gladly prate about how independent they are of developments in German politics, buckle under to the dictates of international speculators? A few harsh verbal attacks have indeed been made. Just before the recent EMS decision to widen the fluctuation band, Kurt Falthauer, financial policy spokesman for the Christian Democratic-Christian Social parliamentary group, pointed to "well organized, large-scale international speculation," and called upon the EC nations' finance ministers and central bank heads "to resist the wave of speculation with all available means. The dam must not be breached, otherwise European unification is threatened. . . . We must not allow Europe to be murdered by speculation."

The technical means to restrain the speculation could be quickly made available. Ever since American physical economist Lyndon LaRouche's proposal for a 0.1% tax on every individual derivatives transaction began circulating in financial circles, the news media have been mooted that and other possible measures. American economist James Tobin recently proposed to impose a tax on all financial transactions worldwide in the framework of an international agreement.

But it is still doubtful whether anyone is ready to act on those proposals. According to one financial expert from the German Christian Democratic Union (CDU), Germany already has laws on the books providing for taxation of currency and other capital transactions which have terms of maturity under 6 months. But the political will is not there to put the laws into effect, so that all efforts to halt money laundering and to tax the income of capital investment firms have failed because they were opposed by the banks and by a few large industrial firms. Siemens alone employs hundreds of investment specialists in Luxembourg and other easy-money centers, in order to figure out the best way to invest the firm's money, while thousands of workers in Siemens's productive branches are losing their jobs. Maurice Allais is right when he speaks of the "psychological manipulation" which is being used by leading forces in the west to put everyone—from trade union bosses to industrial managers—under the magic spell of a worldwide casino economy. It no longer occurs to such people that the speculation requires the immediate creation of new billions *ex nihilo*, while the real economy is collapsing for lack of the financial means to get out of the crisis.

As Lyndon LaRouche put it in a pamphlet just issued by *New Federalist*, "A planet Earth that would tolerate the free run of derivatives, is not a planet in which any sane investor would invest."

Miners' strike in eastern Germany gains international support

by Rainer Apel

The hunger strike being conducted by miners at the Thomas Müntzer potash mine in Bischofferode, Germany, which is in its fourth week as we go to press, has become the focus of international attention and solidarity by those fighting for a new, just world economic order. The strike, in a small town in the eastern German state of Thuringia, is the first of its kind in German history. It represents an important strategic intervention against the free market austerity policies that are ripping apart the former communist states of eastern Germany, plunging the population there into unemployment and misery. This has implications far beyond Germany itself. Since the Schiller Institute issued a call several weeks ago for international support to be given to the miners, telegrams have been flowing in to strike headquarters (see *Documentation*).

As *EIR* reported last week, the Thomas Müntzer mine was scheduled to be closed down by the Treuhand agency, which has been overseeing the privatization of industry in the east since the reunification of Germany in 1990. This "privatization" policy has, more often than not, been equivalent to deindustrialization. Basing itself on the advice of the investment house Goldman Sachs, the Treuhand concluded that there was no international market for German potash. The miners strongly disagree; they are stubbornly refusing to be bought off by promises of jobs in other fields, insisting that the use of potash for fertilizer production is indispensable to meet the food needs of the Third World, and Africa in particular.

The strike received prominent coverage on July 26 in the Paris daily *L'Humanité*, in an article by former communist Roger Garaudy. "This movement," he wrote, "marks a shift in labor action for all of Europe: For the first time, the only possible solution is clearly indicated for unemployment in Europe and hunger in the Third World. . . . With this first awareness that the interests and the future of the workers of Europe and the people of the Third World are intimately connected, a seed of the future is about to germinate. Let us not allow it to die. It is urgent to organize international support for the Bischofferode miners."

Protest rallies in Thuringia

Two protest rallies in Thuringia July 28 and Aug. 1 marked a significant change in the hunger strike. The July 28 protest rally in Zella-Mehlis, which took several thousand workers of various east German firms to the streets against

the Treuhand policy of deindustrialization, was important because it documented to the potash miners that support for them was broad enough to enable them to resist phony or half-baked offers for "secured substitute jobs" and to continue their hunger strike. The day after that rally, July 29, the strike council in Bischofferode stated its commitment to continue the strike until the future of their mine was secured, so that they could produce potash again.

The miners' cause was supported in a July 30 Deutschlandfunk radio interview with Swiss expert Peter Arnold, who said that there were secured clients for the mine's 650,000 tons of annual production capacity, in Sweden, Belgium, Finland, and France. The mine runs below its capacity at present, producing only 12,000 tons per day—on directives from the mother company Central German Potash (MDK), whose merger agreement with the west German fertilizer group K&S/BASF included the halting of potash mining in Bischofferode.

The solidarity of workers from other Thuringian firms with the Bischofferode strike paid off directly for workers at the DKFL ball-bearings producer in Zella-Mehlis, who occupied it in mid-July to fight for its survival. The DKFL strike council reported on July 30 that the 600 workers had been able to extract a concession from the west German parent company FAG for the first time in weeks. FAG had refused to sign contracts with DKFL because of secret agreements with the Treuhand agency to close down the Zella-Mehlis plant along with three other production sites in east Germany, but has now decided to sign a contract of DM 2.9 million (\$1.7 million) to DKFL.

Strike leaders at DKFL welcomed the concession, but added that the plant would be kept occupied, in spite of the fact that production there has been resumed, for the time being, until FAG and Treuhand agree that the plant and its 600 workers be given a future.

The second protest event, drawing about 10,000 to Bischofferode for a "day of solidarity," was important because it helped to elaborate programmatically the slogan "Potash: Bread for the World," which has played a galvanizing role in the strike and also emerged at the July 28 rally in Zella-Mehlis.

In their speeches at various actions recently, many Thuringian factory council members could be heard demanding a

“new economic world order,” the cancellation of “illegal old debt,” and the “nationalization of the Bundesbank,” Germany’s central bank. Many eastern German workers have become fascinated with the idea that a debt moratorium for both Germany and the developing countries would be necessary before German industry could resume production at full capacity, and that under those circumstances, no glut would be in sight on the world market.

The programmatic aspect of the strike ferment is crucial, because it is the only way to prevent the protest from being put into the straitjacket of the labor bureaucracy, the commodity cartels, the government, and the post-communist radical groups, which are all working to turn the strike into a phony “social conflict” between the eastern and western German states, which would result in the destruction of even more jobs.

Reverberations felt in Bonn

The government of Chancellor Helmut Kohl is feeling the heat from the crisis in the eastern states. “The Treuhand is Germany’s biggest policy fiasco,” charged Manfred Kolbe, a representative from the state of Saxony to Germany’s federal parliament and a prominent member of Kohl’s Christian Democratic Union, in a statement at the end of June. The financial and economic consequences of the Treuhand’s “pure marketing policy” are catastrophic, Kolbe said, because, from the very start, it has pursued a “fundamentally wrong policy.” In order to stop the unparalleled dismantling of industrial jobs in Germany’s eastern states, and to have firms which can stand on their own feet economically, the Treuhand must be transformed into a common-stock industrial firm owned by the federal government, but with strong participation of the five eastern German states, he concluded.

From the mouthpiece of the liberal Free Democratic Party, Thuringia’s Economics Minister Jürgen Bohn, came complaints to the Treuhand and to the federal Finance Ministry, that the Treuhand has been using all the income from the firms it administers for the servicing of old debt, instead of investing it productively, and that therefore it is no mystery that already 75% of the jobs that existed in Thuringia in 1990 have been eliminated. The Thuringian Economic Association (VWT) issued a statement demanding an “end to shock therapy.”

These criticisms highlight the fact that behind the miners strike is the question of Germany’s future economic policy. It has become quite evident that Chancellor Helmut Kohl and the ruling Christian Democratic-Free Democratic coalition cannot continue to turn their backs on their own party members in the east.

The “Bonn people,” as they are called, never got to first base in their efforts to contain the Bischofferode strike by using a mixture of threats and “once-in-a-lifetime” offers (which has been the practice in western Germany for years), with the help of news media that are well-versed in how to lull the public into passivity. The political brushfire which

had been feared ever since the beginning of the Treuhand’s radical deindustrialization strategy in the summer of 1991 (following the assassination of its head Detlev Rohwedder), has now broken out, and is spreading into western Germany as well. In Duisburg-Rheinhausen in the Ruhr industrial district, steel workers who have gotten an equally raw deal from Bonn have joined in solidarity with the Thuringian potash miners. Indeed, workers in the fertilizer industries of Belgium and Holland, which get their potassium salts from Bischofferode, have sent delegations to the strikers at the Thomas Müntzer mine.

Two important contributions

There are two institutions that are making important programmatic contributions to the Bischofferode strike. The first is the Catholic Church: Two papal encyclicals on social questions, the 1987 *Sollicitudo Rei Socialis* and the 1991 *Centesimus Annus*, enjoyed a lively reception among the predominantly Catholic community of the mining region in northern Thuringia. That region stayed rebellious against the pro-Soviet east German communist regime in the 44 years of its rule, forcing the regime to make considerable economic and political concessions.

Many observers believe that this particular Catholic contribution supplies moral strength to the potash miners to carry on their protest against all odds, and even to consider an escalation. The July 30 issue of the *European* weekly, for example, carried a picture of miners attending a Catholic mass.

The religious aspect also surfaced in a speech by Gerhard Jüttemann, vice chairman of the Thomas Müntzer mine’s factory council, at the Aug. 1 Bischofferode protest rally. He said that when the hunger strike began, it first seemed to be as hopeless as the audacity of David to challenge Goliath: “Our slingshot today is the solidarity we’ve gained in this strike and for our cause. With that in our hands, we’ll win this battle.”

The other crucial programmatic input comes from two organizations inspired by Lyndon LaRouche: the new political party Civil Rights Movement Solidarity (BBS), which had organized support telegrams from the Americas, Asia, and Africa to the hunger strikers; and the independent Association of German Farmers (VDL), which endorsed the hunger strike in mid-July.

VDL executive member Walter vom Stein addressed the protesters in Bischofferode on Aug. 1, denouncing the deindustrialization policies of the commodity cartels and the International Monetary Fund. Stressing the key role of potash in food production, he blasted the lie of surpluses—whether of potash or of food—as self-serving lies invented by the cartels, which are benefitting from IMF policies, choking the economies of developing nations, and reducing their purchasing powers for potash imports and thereby creating the hoax that “markets are shrinking.”

Support messages flood Bischofferode

United States

I am a United Mine Worker. I am on strike in the state of Virginia in the United States. We too are on strike for a better way of living and better production.

I have learned about your strike and I think it is extremely important that you succeed. You have my full support.

Jimmy Viars, President, Mountain Empire Labor Council, Tazewell, Virginia

The following statement of support was circulated at a Schiller Institute meeting in Norfolk, Virginia on July 27:

. . . We see in your fight the demand to return to a rational economic policy to maintain and expand industrial production and technological progress to the benefit of all the people in your country and in the rest of the world.

We recognize in it the rejection of speculation, monetarism, and the wild free market liberalism, as demanded by the International Monetary Fund, which violate the inalienable rights of all men to economic justice.

We stand at your side under the banner, *Wir sind das Volk*.

We, the people of North Dakota, are in the midst of a great agricultural catastrophe, because of the continuing floods. We recognize the importance of potash in modern fertilizer production; also, we are saddened by the continued starvation in the world. . . .

Your hunger strike and occupation of the mines is in the spirit and tradition which brought down the Berlin Wall, stopped the segregation in America, and ended the phase of obvious colonialization in India. It is your courage, and the courage of such leaders like Martin Luther King and Mahatma Gandhi, which inspires us.

We are battling a new form of colonialism here in the United States. We, the undersigned, are gathered in North Dakota to revive the idea of *imago viva Dei*. To reassert this concept into our schools, so as to ensure that our children do not become photocopies of Satan.

We are inspired by the tradition of Schiller, Beethoven, and the Humboldt brothers as exemplary of the tradition to which we must return if we are to defeat the economic and

moral collapse of our civilization.

Your victory shall become our victory.

Africa

On behalf of the African Anti-Malthusian League of the Schiller Institute (an international solidarity organization), I commend all of you, moral human beings, for the unbridled action you have taken thus far in protesting on behalf of the inalienable rights of humanity. Your action reminds me of what Friedrich Schiller proclaimed in the poem entitled *Hope*, in which he said: "Each of us is born for that which is better." . . . It is in this regard, I view our struggle as one.

Furthermore, as an African, I understand your plight and applaud your stand for the fact that if a similar stand had been taken in the 1960s by the Republic of Congo in resisting the exploitation of the "fertilizer cartels," the Congo fertilizer projects would have been saved, and Congo would have experienced genuine development in this area. Therefore, your slogan that reads, "The potash is needed to feed the population in the developing sector nations, including Africa," is not only correct, but humane.

Baltimore, Maryland, July 26, 1993

Siahonkron Nyanseor, chairperson, African Anti-Malthusian League of the Schiller Institute (Amalesch), citizen of the Republic of Liberia

We, the Somalis in Sweden, very much regret the planned closure of the Thomas Muntzer potash mine in Germany. We fully support the cause of the German workers and therefore request an immediate reversal of the decision to close the mine.

Stockholm, July 29, 1993

Somali Community in Stockholm, Sweden

Europe

I have learned of your strike from the Schiller Institute, and of the battle that you are conducting in "your" potash mine.

Your enterprise is politically important, in two respects: 1) because of the defense of jobs; and 2) because of the consideration that potash is important for fighting against hunger in the world.

I wish you full success in the battle which you are leading in the general interest.

Cordially,

Sen. Edda Fagni, Rome, Italy

As a candidate for Mayor of Munich, I support your courageous battle and assure you that I am campaigning fully for the defense of the Bischofferode mine. Your battle is decisive for the future of the whole republic.

Elke Fimmen, candidate for mayor on the Civil Rights Movement Solidarity ticket, Munich, Germany

The following message was sent from Moscow in English to the strikers at Bischofferode.

We are greeting and expressing moral support for the strike of the potash mine in Bischofferode. Cutting production and closing of enterprises is a dead end. People need more commodities and increasing production at a time when half of the world is dying of starvation.

Between communism and liberalism there is a third way, one approach of which was reproduced in the infrastructure development project, which was proposed by "Civil Rights Movement Solidarity."

We wish you success.

Vasyl Kolomatsky, Schiller Institute, Moscow, Russia

Viktor Petrenko, Schiller Institute, Moscow, Russia

Vladimir Matveyev, Democratic Union, Moscow, Russia

Ibero-America

The new world order was already old when it was born, but appeared under more brutal features than ever before. The growing, irrational use of military might to impose its will upon nations which it already made victims of hunger and death, is only one example of its sordid intentions. That international bodies openly make themselves accomplices of this barbarism calls for imminent, immediate solidarity to fight them.

We Panamanians have lived through the unpardonable, violent, criminal, cowardly invasion of our country by the armed forces of the U.S.A. in December 1989, followed by occupation, the aim of which is to keep the Panama Canal under the control of the U.S. government and to keep its bases on our territory.

Your bold struggle is exemplary and takes on greater importance day by day. It is precisely by exercising such courage and determination that the perpetrators of this international injustice and its "new world order" will be finally defeated.

From exile in Europe, July 30, 1993

Elmo Martínez Blanco, former Minister of Trade and Industry of the Republic of Panama

The right to work and to development is a fundamental issue for human life. When the working class places itself at the front of the fight for the defense of the most precious national rights, we identify fully with that act. And that's the situation with you, who have had to resort to a hunger strike for your demands to be heard.

Forward in your fight for the right to work and for the sovereign development of your country.

Sincerely,

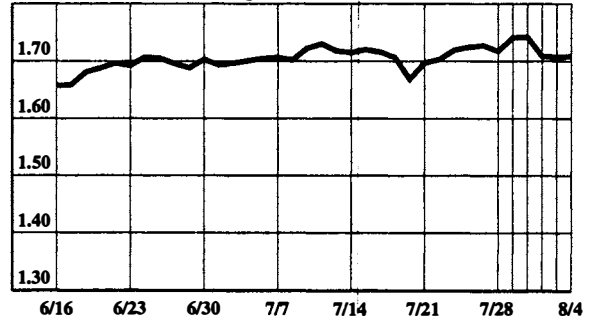
The United Trade Union Front of the State of Jalisco, an affiliate of the Mexican Confederation of Trade Unions (CTM)

Zapopán, Jalisco, Mexico, Aug. 1, 1993

Currency Rates

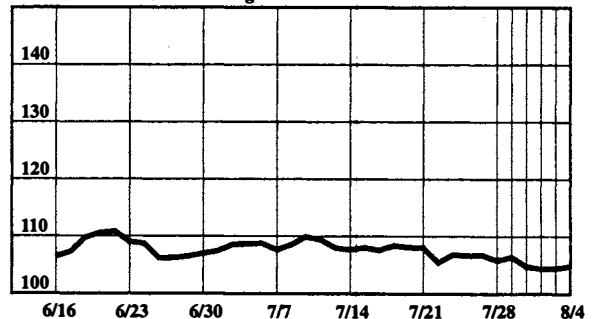
The dollar in deutschemarks

New York late afternoon fixing



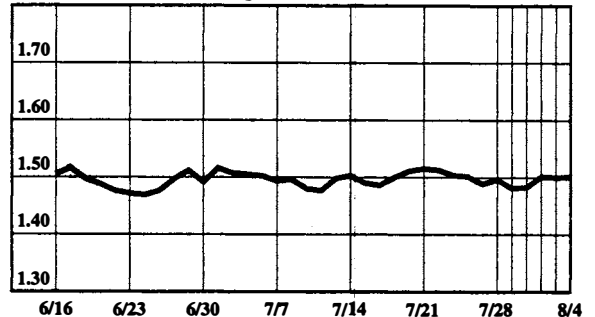
The dollar in yen

New York late afternoon fixing



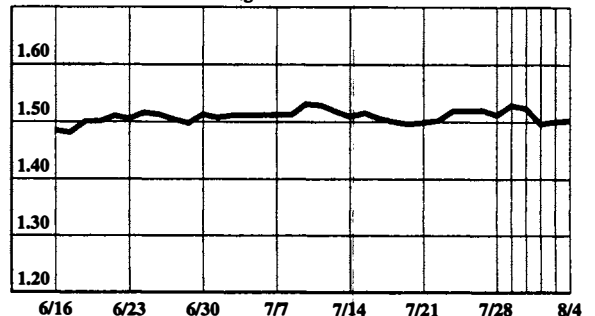
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Argentine tractorcade rattles Carlos Menem

by Gerardo Terán Canal

On July 27, Buenos Aires' Plaza de Mayo became the site of a raucous, aggressive protest as over 3,000 vehicles and 10,000 farmers filled the historic park in front of the government palace, the Casa Rosada, to demand that President Carlos Menem and Finance Minister Domingo Cavallo put an end to the neo-liberal economic policies which have destroyed thousands of farms. The motorcade of tractors, pickup trucks, cars, and other vehicles wound its way through the streets of the capital carrying chickens and pigs and other farm animals, while farmers tossed grain onto the streets and handed out produce free to onlookers. Bystanders applauded and waved, offering their wholehearted support.

The flags and banners they carried expressed farmers' anger: "Menem Was Handed the Country in Flames, But He Never Said He Would Hand It Back in Ashes," read one. "Why Import Pigs?" another read, referring to the unrestricted import of pork. "There Are Plenty of Fatsos in the Government!" Particular vitriol was reserved for Cavallo, the Harvard-trained monetarist who has refused to even discuss producers' demands or consider the slightest change in policy. One banner showed the minister's face with a skull and crossbones superimposed and the slogan "Danger—He Exterminates Farmers!"

The demonstration, organized by three of the country's four largest agricultural producer federations, caused such panic in the government that Menem and his staff fled the capital rather than face the producers. But this is only the first of several demonstrations planned over the next two months to protest the government's "convertibility plan" implemented on the orders of the International Monetary Fund (IMF). On the same day, producers throughout the country, including in Córdoba, Santiago del Estero, Mendoza, Neuquén, and Santa Fé, also conducted tractorcades against government policy.

Prohibitively high interest rates, high taxation and indebtedness, and a free-trade policy which has allowed unrestricted entry of foreign agricultural products have made it impossible for farmers to produce and make a profit. On top of this, devastating floods have destroyed crops in the *pampa húmeda*, the country's most important agricultural production zone covering most of the province of Buenos Aires and parts of Santa Fé and La Pampa. All of these factors have driven thousands of smaller and medium-sized producers out of business. At least 30% of farm debt held by banks is in default.

The quality of the vehicles in the motorcade told part of the story of the agricultural crisis. Of 3,500 vehicles, there were only 18 tractors, almost none of them new. The demand for tractors has declined dramatically in recent years because farmers can't afford them. Many had signs attached to them which read, "This Is Borrowed," or "This Belongs to the Bank." The delegation from the Argentine Agricultural Federation (FAA) brought with it an old Pampa tractor, the first produced in Argentina in the 1950s. The sign on it read "Perón Built Me, But Menem Finished Me Off." The Pampa was first built during the government of Gen. Juan Perón (1946-55).

Policy changes needed

Like agricultural producers across Ibero-America (see p. 12), Argentina's farmers are demanding relief from the IMF's onerous policies. A statement circulated July 27 by the three organizations leading the strike, the FAA, Rural Confederations, and Coninagro, called for refinancing agricultural debt with six-year terms at low interest rates and a two-year grace period, general availability of cheap credit through private and commercial banks, incentives to encourage production, tax relief, and barring imports of subsidized foreign agricultural products with which Argentine goods cannot compete.

Yet the government will hear none of this. Agriculture Secretary Felipe Solá, the only cabinet member who stayed in town on July 27, issued a press release which lied that the strike "didn't have the massive support of Argentina's farmers," and passed the demonstration off as a ploy to sabotage next October's congressional elections. The statement blamed the agricultural crisis on provincial governments and told producers to hold their protests there. Cavallo, whose arrogance has earned him the hatred of most of Argentina's productive sectors, went so far as to say that agriculture would no longer be the mainstay of Argentina's economy. In the past, he said, "governments lived on agriculture, but not now. Neither the government nor the producers can live from the profits generated by agriculture."

This attitude is fueling producers' rage. When Felipe Solá told farmers on a nationally televised talk show to accept their "difficult" fate, he was booed and shouted down. Countering the government's assertions on the success of the tractorcade, Arturo Navarro, president of Rural Confederations, declared that "this mobilization is a cry from the interior, from the agricultural family, which is felt in the country's industry and trade. . . . It is carried out by the regional economies—the Patagonia, the unprotected fruit producers. . . . The diagnosis has been made. Agriculture is in a terminal crisis." Referencing the "stability" allegedly produced by Menem's economic program, Navarro added, "I no longer believe in the stability of the cemeteries. . . . I believe in the dynamic stability of growth in production and export." This is what Argentina needs, he concluded.

Ibero-American farmers rebel, form movement demanding debt moratoria

by Carlos Méndez

Last July 5, interim governor of the Mexican state of Jalisco, Carlos Rivera Aceves, made public a message sent to President Carlos Salinas de Gortari from his state's agricultural producers demanding a moratorium on their farm debts. The same day, the newspaper *a.m.* of the city of Celaya in Guanajuato state revealed that "the call for a debt moratorium, which was the battering ram of leftist groups in years past who even enjoyed the backing of Fidel Castro, has now become the banner slogan of Mexico's farmers, both those on the *ejidos* [Mexico's agricultural cooperatives] and individual private farmers, who have joined together in the so-called National Forum of Rural Producers."

Protests against neo-liberal economic policies by farmers are being held not only in Mexico, but in many more Ibero-American countries. A huge continental movement for debt moratoria is rapidly emerging. This movement is most advanced in Mexico, but it is also growing rapidly in Venezuela, Argentina, and Colombia, where protests multiplied during July. Actions ranged from blockading highways to dumping produce on the street. In Argentina, three of the four major farm sector organizations held a large protest march July 27 in Buenos Aires. On June 12, pork producers drove 250 trucks loaded with pigs into downtown Buenos Aires and released the animals right in front of the Government Palace to protest the indiscriminate importation of pork.

What makes this movement different from those of a decade ago, is that the demands for debt moratoria are coming directly from the producers themselves, not from heads of state, political parties, trade union leaders, or other prominent public figures. Moreover, the so-called "non-governmental organizations" (NGOs) affiliated with the United Nations, which bellyache so loudly about issues supposedly vital to "the people," have not raised so much as a finger in support of the farmers on this issue in any country. This is because not a single NGO opposes the new neo-liberal economic order imposed by the International Monetary Fund (IMF) and the World Bank.

Although the detonator for the new debt moratorium movement has been Mexican banks' decision to begin seizing property of debt-ridden farmers, it is no spontaneous revolt.

The seizures were merely the last straw which shattered the last vestiges of farmers' illusions that there was anything good to be expected from the "free market" and the policies of economic liberalism or neo-liberalism.

The causes of the bankruptcy of agricultural producers are exactly the same from country to country, and the response of governments has also been identical in each case: They will not modify a single codicil of their IMF policies, even when it means their countries will be left without food production.

Given this response, the solution to the crisis can only come from the action of the "fourth branch of government," the citizenry, through their natural forms of organization, and from the joint programmatic action of the producers of the entire continent.

Thus, the calls for debt moratoria, although they address a fundamental aspect of the collapse of world agriculture, are not enough. The policy must be changed as a whole, and a program for real economic recovery and development put in place, such as that proposed a decade ago by Lyndon LaRouche in his celebrated work *Operation Juárez*.

Mexico: Permanent Forum of Rural Producers

In Mexico, not a week goes by during which the agricultural producers from one state or another don't close down a highway, protest to the government authorities, or dump their unsaleable produce on the street. The vanguard of the debt moratorium movement is the Permanent Forum of Rural Producers (FPPR), created in Sonora, the state which is known as Mexico's breadbasket. In the short time since its founding earlier this year, the FPPR has expanded to other states, and now has chapters in the states of Jalisco, Baja California, Sinaloa, and Guanajuato.

On July 5, in a message published in *El Occidental de Jalisco*, Carlos Rivera Aceves, governor of the state and member of the ruling PRI party, announced that the Coordinating Subcommittee for Credit and Loan Arrearages of the State of Jalisco had requested that he intervene with the Mexican President to demand, among other things:

"1. Immediate suspension of legal actions against land

owners in debt to the banks. . . .

"2. Restructuring of the loans that are in arrears or default according to the following formula:

"a) cancellation of 100% of back interest owed;

"b) cancellation of 100% of normal interest;

"c) cancellation of part of the remaining principal;

"d) that the remaining principal owed be made payable over a 15-year period with low interest rates, in line with international interest rates, which are payable;

"e) that even these payments have a three-year grace period for payment of any interest, and that principal payments be very small from the first year on. . . .

"4. Provision of new credits, when needed and at low interest rates, coupled with a policy of not importing agricultural products that lead to falling prices. . . .

"7. Immediate action on these demands, to prevent paying a higher social cost."

These demands indicate how the process of protest has accelerated. The Jalisco chapter of the FPPR was just founded in mid-April of this year, coordinated by José Ramírez Yañez, an agronomist and engineer who is president of the municipality of Gómez Farías. Since then, the Jalisco FPPR has held dozens of public and private meetings with producers throughout the state.

The strength and rapid growth of the political power of the FPPR was shown by the fact that the PRI governor of Jalisco felt compelled to make the farmers' message public. Three months ago, when the Sonora FPPR agreed to suspend payment on loans that were in arrears, the PRI governor of that state, Manlio Fabio Beltrones, had to issue a reply on April 26, saying that "debt forgiveness" was not the solution, and warning that "it is easy to make irresponsible demands."

One of the FPPR's founding leaders, farmer and agronomist Adalberto Rosas López, replied to the governor that more than 80% of the debts that were in arrears were illegitimate, since they had been "generated and then increased because of low prices for farm produce, high costs of production, the opening to cheap imports, and high interest rates of between 87 and 200%," which further augmented the debts owed as this unpayable interest was capitalized monthly into ever more principal. All of these decisions, he added, "were not made by the farmers, nor were the farmers consulted about them," but rather were imposed on them.

The situation is so explosive that congressmen from the PRI, PAN, PPS, and PARM parties on June 29 asked the government to intervene to solve the farm debt problem of the nation's farmers. On July 7, the National Peasant Federation (CNC), the peasant arm of the ruling PRI party, was forced to issue a document affirming that the carrying out of seizures and bankruptcies against farmers "on a massive scale . . . is creating discontent and a climate of uneasiness" among the peasants. He requested a restructuring of the debt arrearages.

But despite all of this, President Salinas insists on main-

taining his pro-IMF economic program without change. On June 5, Salinas reiterated in a speech to the leadership of Mexico's largest businesses, the economic "strategy is now defined, and will not be changed."

Moratorium requested in Venezuela

In Venezuela, under pressure from farmers, the governors of the country's 11 agricultural states met on May 29 in a summit with leaders of the agricultural associations, on the crisis in Venezuelan agriculture. The result of this summit was the "Guarico Declaration." Point 12 reads: "It is necessary to put in place a program to refinance farm debt that guarantees the real possibility of the sector's survival and consolidation. To achieve this, the governors of the agricultural states demand that the national government implement measures to grant a general debt moratorium or cessation of debt payments for a period of 180 days while a program for debt refinancing can be devised."

In the meeting's plenary session, the resolution of the Mexican FPPR of Sonora was read, and after the meeting it was also published in several Venezuelan newspapers.

As in other countries, the situation of Venezuela's farm producers is disastrous, and has the same causes. Pedro Solano, president of the Consultative Council of the Association of Producers of the State of Guarico, said that this region once produced 1 million tons of grains, but in 1992 it only produced half that, and in 1993, due to the high interest rates, production would be much less even than last year.

On May 18, independent deputy Reinaldo Cervini denounced the fact that while agriculture receives only 2.2% of Venezuela's federal budget, the government directs 28% of the budget to paying the foreign debt. On July 14, Cervini said that he had proposed to President Ramón J. Velásquez that he declare a moratorium on the foreign debt and reduce its share of the national budget to 10%.

Although the removal from office this past May of President Carlos Andrés Pérez (unaffectionately known as "CAP") offered some hope to farmers that policies might be changed, a coherent policy has yet to emerge. The indecision is largely due to battles taking place inside the government's economics team, and the refusal of free-trade advocates to abandon the policies which made CAP so hated by the overwhelming majority of Venezuelans. At the beginning of June, Velásquez named Hiram Gaviria, a farmer and president of the Farmers Federation (Fedegro), as the new agriculture minister. Gaviria is known for his opposition to free-trade policies and high interest rates. In his first public statements after being appointed, Gaviria said that the government would support the agricultural producers.

On June 21, the president of the National Cattlemen's Federation (Fedenaga), Zeilah Carrasco, proposed that the government refinance the agricultural sector's debt owed to commercial banks. The next day, the head of the Venezuelan

Bankers Association, Juan Tomás Santana, replied that the bankers would not refinance the agricultural debt, and made the incredible assertion that “in no country of the world have the problems of agriculture or of any other subsector of the economy been caused by the banks.” Further, he claimed that the Central Bank of Venezuela cannot be converted “into a development bank [because] that will benefit no one.”

In late July, Agriculture Minister Gaviria attacked the free trade policy and proposed that domestic farm prices be subsidized by creating a guaranteed price for farmers. The move drew immediate fire from many quarters, including U.S. Ambassador Michael Skol, who walked right into Gaviria’s office and threatened him not to consider returning to the “madness” of the past “and throwing away four years of sacrifice of the Venezuelan people [sic].” But on Aug. 2, Gaviria reiterated his proposal, and justified it by saying that higher prices to farmers should come at the expense of the speculators and middlemen who were making a killing at farmers’ expense. He blamed the situation on high interest rates and scarcity of credit—moves instituted supposedly to control inflation—and declared that inflation cannot be controlled by measures that destroy the country’s productive base.

Colombia: trade unions defend farmers

In Colombia, in early June the assembly of the south-central state of Huila demanded that the national government implement effective measures to rescue the state’s agricultural sector with measures such as forgiving back debt payments owed by smaller farmers to the Agrarian Bank and the Coffee Bank, which are owned by the government. The assembly also proposed writing off the interest owed on the back debt.

At the beginning of July, the Society of Colombian Agricultural Producers (SAC) decided to withdraw from the High Level Consultative Committee that the society itself had proposed and helped create as a joint body with the government. SAC said that it was pulling out because the government had done nothing to resolve the farm crisis.

In June, at the Fifteenth National Congress of the National Grain Growers Federation (Fenalce), its president Adriano Quintana said that “the agricultural sector has never before had to deal with such threats. . . . We have been told that many of our products must disappear.” Quintana proposed trying to get farmers elected to Congress to defend the agricultural sector.

On July 14, the United Workers Federation of Bogotá and Cundinamarca (Futraboc) attacked the policies of the Bank of the Republic (Colombia’s central bank) and the government because “they guarantee the bankruptcy of farmers.” Futraboc said that these policies were dictated by the World Bank and the IMF, and called “on the Colombian people and especially the trade union movement to join us in defense of agriculture, and with it, the right to life of all Colombians.

. . . Clearly, the board of directors of the Bank of the Republic, and the government’s economic team . . . believe that land which now produces food, can be better utilized to produce narcotic drugs, of which many of them are confessed users.”

Argentina: producers rebel

In Argentina, which together with Mexico is the Ibero-America’s chief producer of wheat and beef, the agricultural sector has been one of the hardest hit by the pro-IMF reforms of President Carlos Menem and his predecessor, Raúl Alfonsín, who was President 1983-89. According to an article in the June 18 Buenos Aires daily *El Economista*, 75% of Argentina’s exports are agricultural, or agro-industrial, which “makes clear the strategic importance of agriculture for the nation’s trade balance, balance of payments, and export earnings.”

Nevertheless, the Menem government suicidally insists on destroying the agricultural sector, as made clear by the following example. The El Rioplatense meat packing company, one of the country’s most important, which is devoted almost entirely to domestic beef consumption, had to offer 48% of its assets to its creditor banks, including Citibank and the World Bank’s International Finance Corp., just to stay in business.

The president of the Pork Producers’ Association, Miguel de Mediguren, charged on June 12 that last year 32,000 tons of pork, 52% of national production, was imported, and that this year the imports would rise to 60% of national production.

After three months of statements, protests, and regional and national demonstrations, the agricultural producers converged on the capital in a large motorcade on July 27 (see article, p. 15). The object of this protest was to “modify the financial, tax, and profitability policies affecting medium-sized and small producers,” said Leonidas Gasoni, president of the Inter-Cooperative Agricultural Confederation (Coinagro).

With his customary cynicism, Finance Minister Domingo Cavallo said, “The countryside is entering on slippery terrain, especially after the recent floods. Farmers have to throw themselves fully into reconversion. If [some farmers] have to switch to raising carpinchos [a large South American rodent], so be it. . . . But in Buenos Aires, farmers should also think about switching to fishing, because in the flooded zones, mackerel and freshwater fish may be a good alternative to carpinchos.”

In statements to *La Nación* printed July 8, Arturo Navarro, head of the Argentine Rural Confederations (CRA), said that the government officials “are going to agree with us only when they have exhausted [the income from] privatizations, no more foreign capital comes into the country, and they have problems with the balance of payments.”

Lessons of the floods

In Part 1 of a series, Richard Freeman proposes employing the nation's youths through the paradigm of the Army Corps of Engineers.

The surging floodwater of the Mississippi and Missouri rivers, which has cut a path of destruction through the midwestern states through which they flow, has in a cruel way raised two urgent questions: First, how long will the United States suicidally neglect its infrastructure, at the cost of incurring tens of billions of dollars in preventable damage? Second, who will rebuild the infrastructure and homes and businesses in the Midwest, and shouldn't these workers, whoever they are, tackle the other parts of the national infrastructure deficit, which now totals cumulatively \$4-5 trillion? Will the flood, and not just its pictures of displaced people, but its long-term tragic consequences, have taught America enough to act?

These interrelated questions pose one additional question. Does America have a paradigm, or can it construct a paradigm from its experiences, which will guide it should it decide to tackle the infrastructure problem?

The flood has started to trigger a national debate on these questions. The most vocal part of this debate, so far, centers on the National Service proposal of President Bill Clinton, which, as *EIR* goes to press, is expected to pass the Congress and be signed into law. The National Service is supposed to be an employer for younger people so that they can perform service to this country, in a useful area, in lieu of military service, which will also generate monetary credits which they can then apply to paying for a college education.

This article will examine the National Service proposal, and consider whether it can be, or is even designed to be, an agency that will employ youths in infrastructure building. Next, it will look at youth and young adult unemployment, which is a condition crying out for correction, and which a proper National Service proposal should address. The government officially admits that 2.973 million of those in the age-range of 16 to 24 years old are unemployed. The real number is much higher. Yet even the official figure represents a whopping 14.7% of those in the labor force in the 16-24 age bracket. The official number of young unemployed is a one-third of the total number of 8.858 million unemployed people million that the U.S. government admits to.

Finally, in our conclusion in Part 2, we will examine the paradigms that the nation can use in infrastructure building. The Civilian Conservation Corps of the 1930s, but significantly improved, is one such experience. But above all, the greatest infrastructure-building agency in American history,

and perhaps in world history, is the U.S. Army Corps of Engineers. Perhaps an education-work program for a CCC can be designed by the Army Corps for the nation's young, who are not only out of work and abysmally educated, but are being lost to the rock-sex-drug counterculture. The Army Corps was to a significant degree built on the curriculum of the famous Ecole Polytechnique of France of Lazare Carnot and Gaspard Monge. The Corps of Engineers' brilliant history is synonymous with the development of the American System of National Economy. However, that history has been buried, for the most part, by the dedicated enemies of the United States, the cult worshippers of the Adam Smith school of rentier-finance usury.

Infrastructure negatively demonstrated

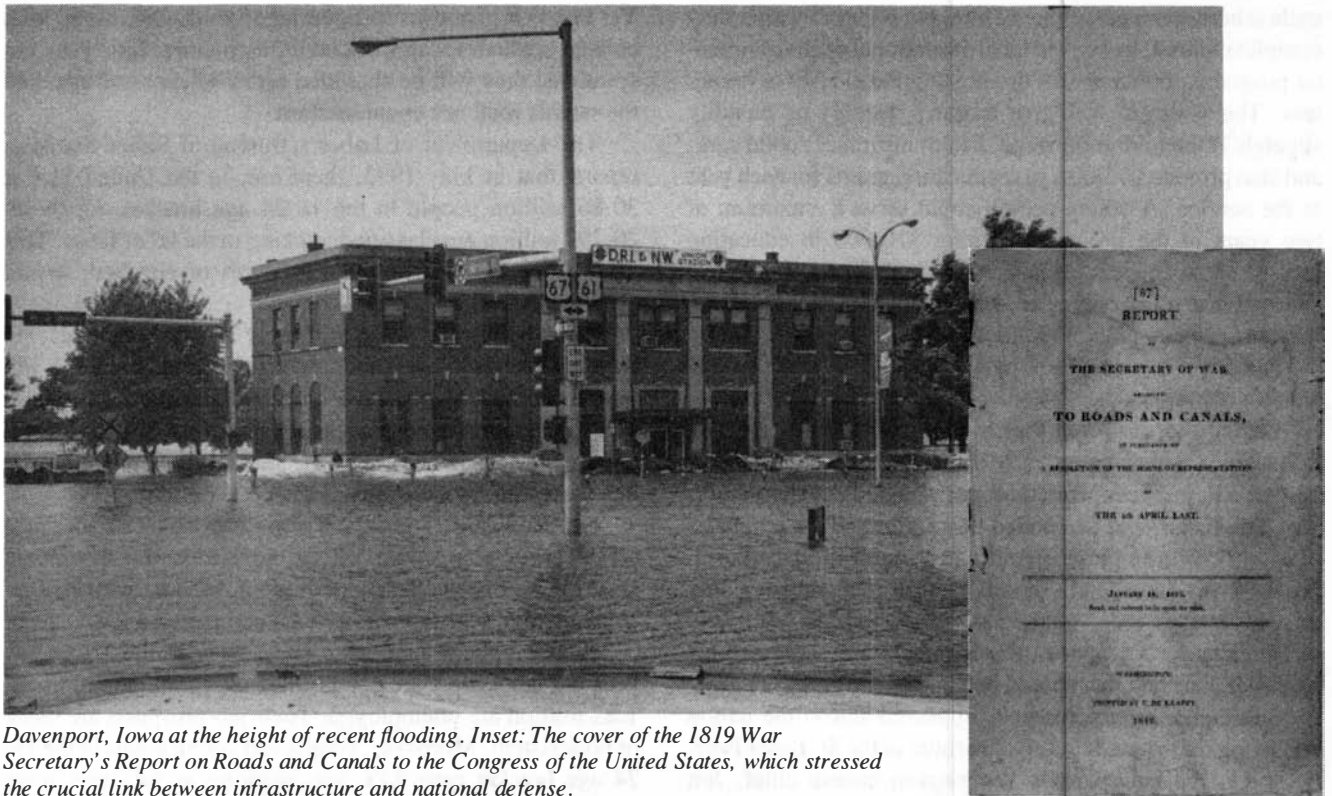
It should be emphasized, that after basic scientific and technological discovery, infrastructure is the most essential element required for the functioning of an economy. Infrastructure makes the alterations of nature, with respect to water management, energy generation, transportation, as well as education and health services, which drive forward the development of an educated work force, and of manufacturing, agriculture, mining, and construction. If the expenditures for maintenance and improvement of infrastructure are not made or are sacrificed to short-sighted budget-cutting, the real physical economy's productivity plummets, its output contracts, and the overall loss is enormously greater than the chiseled, unmet expenses of maintenance and improvement. The Mississippi-Missouri flood of 1993 demonstrates this principle with a vengeance.

This point was recognized early on in the country's history with regard to the development of the Mississippi and all water management. On Jan. 14, 1819, U.S. Secretary of War John C. Calhoun, in a "Report on Roads and Canals to the Congress of the United States," stated:

"A judicious system of roads and canals, constructed for the convenience of commerce and the transportation of the mail only, *without any reference to military operations*, is itself among the most efficient means 'for the more complete defense of the United States' "(emphasis added).

On Feb. 6, 1816, the committee in the Senate appointed by the President on roads and canals, issued a report which included this formulation:

"That a view of the extent of territory, the number and



Davenport, Iowa at the height of recent flooding. Inset: The cover of the 1819 War Secretary's Report on Roads and Canals to the Congress of the United States, which stressed the crucial link between infrastructure and national defense.

magnitude of navigable lakes, rivers, and bays; the variety of climate, and consequent diversity of productions embraced by the United States, cannot fail to impose the conviction, that a capacity exists in this country to maintain an internal commerce. The variety of productions peculiar to the several parts, invites to the prosecution of a most interesting kind. . . . Any practicable scheme, therefore, for the improvement of roads and inland navigation . . . has strong claims to the . . . aid of a government constituted to promote the general welfare."

Granted, not all damage from a catastrophe can be prevented. But frequently, much of it can be. The Mississippi River itself, its ports and harbors, the river's depth, its flood plain, its system of diversionary escarpments, and their development and improvement over the last 175 years, at the hands of the best infrastructure-building agency in America, the Army Corps of Engineers, is proof positive that much damage from catastrophes can be prevented or minimized. Had this extraordinary flood of today occurred 50 years ago, before the Corps instituted certain improvements, the level of the damage and loss of life could have been 30-50 times greater. Yet, on the other hand, if over the last 10 years, because of "budget-balancing ideology," had the Congress not nickel-and-dimed the Army Corps and the Mississippi River Commission (MRC) to death, and instead spent even as little as \$2-4 billion more than it did on further improvements on the Mississippi River system flood control and

navigation plan, such as expanded water diversion programs and a mandatory standardized levee system, perhaps one-third to four-fifths of the current damage could have been avoided! The book, *The History of Public Works in the United States* reports that, according to Army Corps of Engineers documentation, between the end of World War II and the mid-1970s, \$8 billion was spent on flood control, resulting in \$40 billion in damages that were prevented, a return of \$5 in damages spared for every \$1 spent.

The Clinton National Service initiative

Since inauguration, President William J. Clinton has advocated a National Service plan defining work projects for youths. This plan, embodied in the National Service Trust Act of 1993, is expected to pass the Congress sometime before Aug. 6. The advocates of the plan state that it is intended to be a domestic version of the Peace Corps, instituted during the Kennedy era, in which young people went to countries in the developing world to help those countries.

The Clinton proposal is scaled down from its original dimensions. It currently authorizes spending \$1.5 billion spending over three years, starting with \$300 million the first year. The program will work through a newly created Corporation for National Service, which combines the functions of the Commission on National and Community Service and ACTION, and re-authorizes support for the tiny Civilian Community Corps. It will hire 25,000 students of college or

trade schools per year, either before, but preferably after they complete school, to work in local educational or environmental programs, police work, or assisting the elderly or homeless. The program will give training, weekly or monthly stipends at the minimum wage, health insurance, child care, and also provide \$5,000 a year education grants for each year in the service. A young person could serve a maximum of two years in the program, earning \$10,000 in education grants. Thus, by definition, the National Service plan is an alternative to military service, which helps pay for education, for those already going to school.

Already, the program has generated a considerable amount of national discussion.

During the third and fourth weeks of July, as cresting floodwaters struck his state, Minnesota Sen. David Durenberger, a Republican, called for passage of the National Service Trust plan, and demanded that an immediate emphasis of its work be in employing youths in cleaning up and rebuilding the areas damaged by floods. While appearing at a July 20 whistle-stop press conference in St. Louis, when told of Durenberger's proposal, President Clinton expressed his approval, and said that should be done.

Subsequently, articles have appeared across the nation endorsing that view. In a July 23 article in the *St. Louis Post-Dispatch*, the newspaper's Washington bureau chief, Jon Sawyer wrote, "For Eli Segal, the man who heads President Bill Clinton's office of national service, the great flood of 1993 couldn't have come at a better time." That same day, the *Post-Dispatch* carried an opinion column by James Pinkerton of the Washington, D.C.-based Manhattan Institute, entitled, "Project for Teens Flood Control." Pinkerton wrote, "Let's hire inner-city teen-agers to repair the damage and prevent future damage."

EIR's discussion with the President's Office of National Service indicates a good degree of flexibility in how and what areas it could employ youths.

However, unless it is radically changed, as presently proposed and constituted, the National Service is undermined by three devastating flaws. First, it is a program for the college and trade school student, mostly the college student, and it is not at all, and does not purport to be, a program for the growing army of the unemployed.

Second, it has a bias in favor of the post-industrial society. It decidedly pushes for the creation of service sector jobs, combined with wasteful environmentalism.

Third, even by its own standards and objectives, the National Service plan is scanty, offering just 25,000 jobs to young people per year. This is a minute percentage of those attending college, and an even smaller percentage of those youths and young adults in the 16- to 24-year-old age range.

Mass youth unemployment

For the moment, the Clinton National Service is turning its back on almost all unemployed youths and young adults.

Yet this is a gigantic untapped labor pool who, along with college graduates, can work on infrastructure. If they are not employed they will be shredded up by idleness, drugs, and the satanic rock-sex counterculture.

The Department of Labor's Bureau of Labor Statistics reports that in May 1993, there are, in the United States, 30.86 million people in the 16-24 age bracket. Of these, 20.293 million are classified as being in the labor force. This labor force is then classified in terms of enrolled, or not enrolled in school.

Enrolled: Some 7.376 million of 16 to 24 year olds, are enrolled in either high school, college, or trade school; 1.153 million of these students are classified as either full-time or part-time unemployed. For the most part, these jobs are not luxuries. They are needed by the students to help their families make ends meet, or to pay the costs of college.

Not Enrolled: Some 12.917 million 16 to 24 year olds are not enrolled in school. This group's education attainment level ranges from high school dropout, to those who graduated from high school, to those who completed a few years of college, to college graduate. Thus, 64% of the 16- to 24-year-old labor force are not enrolled in school, and of these, 1.82 million are unemployed. Their job prospects are bleak or nonexistent. Moreover, youths and young adults in the 16-24 age bracket earn 34% less working as full-time wage and salary workers than the national average for full-time workers, a gap that is getting wider over the years. These younger people end up in lowering paying jobs, and right now, 1.82 million can't even get the lower paying jobs.

The combined unemployment level of young people in the 16- to 24-year-old age group is a staggering 2.973 million. *The official unemployment rate for this age bracket is 14.7% and is even higher, 30.2%, for blacks in this age bracket.* But the official unemployment figures are cooked and unreliable. This news service has devised a method to determine the actual unemployment for the entire labor force, after uncovering hidden unemployment (see page 11 for the August chart of this monthly feature). That method reveals that the real level of unemployment for those in the 16- to 24-year-old age bracket is closer to at least 5.5 million youths and young adults.

An alternative: a recovery program

Despite all its limitations, President Clinton's National Service Plan has created a golden, historic moment, generating national discussion and planting the idea that alternative conceptions to handle national employment are in order. America has historical paradigms of what it can do to bring about national service. Better still, it can create full employment for both the younger and older portions of the work force in job occupations in the productive side of the economy. This full employment program can have a youth component. But rather than creating, as the National Service Trust would do, a domestic peace corps that attends to destructive

environmentalism, and some useful functions on a very limited scale, this program would physically transform both urban and rural areas alike, upgrade the educational and medical care section of the economy, and create the basis for a renaissance. In particular, it would infuse the science and technological content back into the high schools and colleges, as well as job-training programs.

Such a paradigmatic program is based on overall economic recovery strategy, which has been reported on before in this magazine. It centers around *EIR* founding editor and economist Lyndon LaRouche's plan for federalizing the Federal Reserve System into a Third National Bank. Such a bank would generate \$800 billion in credit—not debt—at low interest rates in infrastructure building projects, and the productive sides of the economy that would supply that infrastructure with capital goods machinery, raw materials, etc. It would also develop "soft" infrastructure, such as education and health care. Three million jobs would be created in the infrastructure section of the economy, and 3 million more in the productive economy that supplies infrastructure.

But as a youth component, for those youths and young adults who either are not employed by the recovery program, or whose cognitive powers have been damaged, or are not equal to the technological requirements of today's economy—which means millions of young people—a combined work and skills-training education program could be run under the rubric of a revived Civilian Conservation Corps (CCC). If the skills-training and education of such a program, as well as the work assignments of the CCC, were placed under the supervision of the U.S. Army Corps of Engineers, a total transformation of these youths might be effected.

The CCCs

In an open letter to Albert Shanker, president of the United Federation of Teachers, entitled "Saving Our Children: Reintroducing Classical Education to the Secondary Classroom," on July 26, 1985, Lyndon LaRouche declared:

"The time has come for a national youth rehabilitation program better than the CCCs of the 1930s. It is past time to match the lost generation of demoralized youths, with the needs of freshwater management and other major elements of a wasting national basic economic infrastructure. Had we our wits about us, we would enlarge the assignment of the U.S. Army Corps of Engineers to include a work-education program, through which credibility of upward mobility provided the motivating environment for remedial secondary education."

A program better than the Civilian Conservation Corps (CCC) could work for youths and young adults. A little background will help. On March 31, 1933, Congress passed the enabling legislation creating the CCC. The program was run by the departments of the Army and Labor, and the National Forest Service. The Corps admitted men, 18-25, who were unmarried. To show how quickly the government can move when the idea

of an emergency is impressed upon it by the population, by the middle of June 1933, less than three months after the enabling legislation passed, 1,300 CCC camps were established and by the end of July, over 300,000 young men were sent into the woods. Over the next few years, over 2.5 million young men passed through the camps. Historian Arthur Schlesinger described how the camps functioned:

"They planted trees, made reservoirs and fish ponds, built check dams, dug diversion ditches, raised bridges and fire towers, fought blister rust and pine-twig blight and the Dutch elm disease, restored historic battlefields, cleared beaches and camping grounds, and in a multitude of ways protected and improved parks, forests, watersheds, and recreational areas."

The CCCs assisted in building a "shelter-belt" to break wind, snow, and dust in a 100-mile-wide zone stretching along the 100th meridian from Canada to Abilene, Texas, as part of a barrier against a new eruption of the dust bowl. They planted a wind break of 200,000 trees.

One participant described the work: "Here they teach them how to pour concrete and lay stones and drive trucks, and if a boy wants to go out and get a job after he's been in the C's, he'll know how to work." The CCC also had its own significant problems, which verged on the dangerous. It attempted to preach, without great success, a proto-environmentalist, back-to-nature outlook, and more strongly, a folksy fascist ideology, in keeping with the Mussolini-like outlook of the National Recovery Act. It lacked a serious science and engineering component to educate the young men in the camps and thus, to seriously advance their knowledge and their skills.

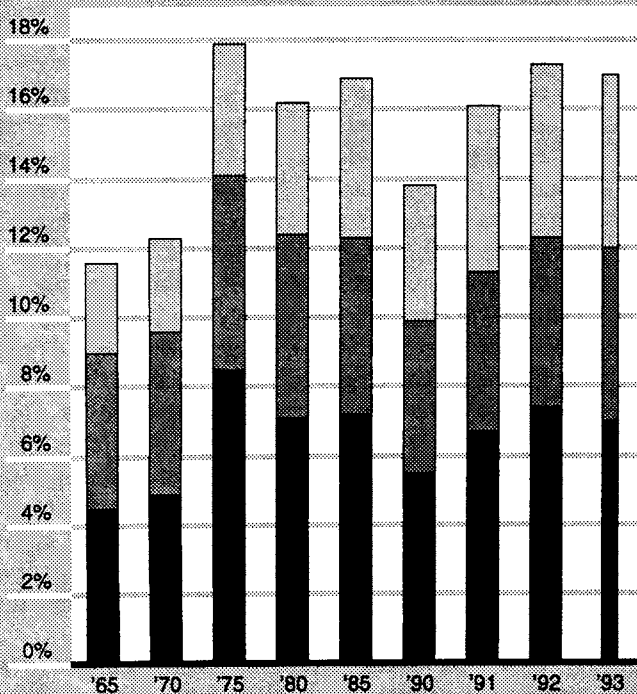
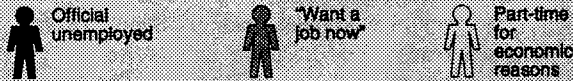
The parallel Works Progress Administration (WPA) and Public Works Administration (PWA) for adults—which did not work on a work-camp basis—built highways, buildings, airports, immense dams, city transit systems, schools, hospitals and so forth.

To make the CCCs better, the anti-scientific ideology of the CCCs of the 1930s would have to be eliminated, and the minimum wage and some of the health and child-care provisions of the Clinton national service should be instituted. But the most important improvement would be to instill science and engineering and genuine knowledge to those who are enrolled. The CCCs would have to be a real work-education program. To give that real content, the CCCs should be placed under the enlarged assignment of the U.S. Army Corps of Engineers. If the original core curriculum of the Corps of Engineers, based in significant measure on the Ecole Polytechnique curriculum, were used, teaching constructive geometry and the science needed for every from of infrastructure building, then progress would be made. The CCC member would not only get education and skills training but first experience in infrastructure work, providing for lifetime skills. Several million youths and young adults could be passed through such a program.

In Part 2: The Army Corps of Engineers model.

U.S. Unemployment Coverup

Total unemployed and partially employed (percent of total civilian labor force)



JULY 1993

Official unemployed	8,769,000	6.8%
<i>Last month</i>	<i>8,908,000</i>	<i>7.0%</i>
"Want a job now"	6,399,000¹	5.0%
<i>Last month</i>	<i>6,399,000¹</i>	<i>5.0%</i>
Part-time for economic reasons	6,489,000	5.1%
<i>Last month</i>	<i>6,322,000</i>	<i>4.9%</i>
Total	21,657,000	16.9%
<i>Last month</i>	<i>21,629,000</i>	<i>16.9%</i>

Civilian labor force 128,070,000
Last month 128,127,000

Employed 119,301,000
Last month 119,219,000

Non-farm payroll employees 110,264,000
Last month 110,102,000

1. Compiled quarterly

Source: U.S. Bureau of Labor Statistics

Compiled by Laurence Hecht

What the graph shows

The U.S. Labor Department's monthly unemployment rate (U-5b) is based on a statistical sampling of approximately 57,000 households. But in order for someone to be counted as *unemployed*, the respondent member of the household (often not the person who is out of work) must be able to state what specific effort that person made in the last four weeks to find a job. If no specific effort can be cited, the jobless person is classified as *not in the labor force* and is ignored in the official unemployment count.

But over 6 million of these discarded people are also reported on the quarterly survey indicating that they "want a regular job now." These appear in the graph in dark gray shading. In addition, over 6 million more people are forced into *part-time work for economic reasons*, such as slack work or inability to find a full-time job. These people show up as *employed* in the official statistics, even if they worked only *one hour* during the survey week. These appear in the graph in lighter-gray shading.

Total unemployed and partially employed (1965-93)

(in thousands)

Year	Civilian labor force (a)	Official unemployed		"Want a job now"		Part-time for economic reasons		Total unemployed and underemployed	
		(b)	% (b/a)	(c)	% (c/a)	(d)	% (d/a)	(b+c+d)	% (b+c+d)/a
1965	74,455	3,366	4.5%	na ¹	—	1,928	2.6%	na ¹	—
1970	82,771	4,093	4.9%	3,881	4.7%	2,198	2.7%	10,172	12.3%
1975	93,775	7,929	8.5%	5,271	5.6%	3,541	3.8%	16,741	17.9%
1980	106,940	7,637	7.1%	5,675	5.3%	4,064	3.8%	17,376	16.2%
1985	115,461	8,312	7.2%	5,933	5.1%	5,334	4.6%	19,579	17.0%
1990	124,787	6,874	5.5%	5,473	4.4%	4,860	3.9%	17,207	13.8%
1991	125,303	8,426	6.7%	5,736	4.6%	6,046	4.8%	20,208	16.1%
1992	126,982	9,384	7.4%	6,181	4.9%	6,385	5.0%	21,950	17.3%
1993 ²	127,644	8,887	7.0%	6,390 ³	5.0%	6,374	5.0%	21,652	17.0%

1. "Want a job now" category estimated as 3,350 or 4.5% for bar graph.

2. Average to date of monthly seasonally adjusted figure.

3. Weighted average of quarterly compiled figure.

A Bering Strait rail link

A rail link between the Eurasian and American continents would be no more difficult to build than the Franco-English Channel Tunnel.

There is renewed discussion in Russia of the benefits of great infrastructure projects for economic development. Many economists and commentators scoffed at such projects in recent years, calling them cases of the "gigantism" disease that afflicted communist leaders. The Baikal-Amur Mainline (BAM), for example, the second trans-Siberian railroad, lost its status as "project of the century" and was termed a "road to nowhere."

Built in the 1970s and 1980s, the BAM, which had military significance and a role for shipping out Siberian raw materials for export, was unfortunately divorced from infrastructure improvements in the economy as a whole; while the huge BAM was built, most railroads in European Russia were still single-track lines.

But several years of bitter experience have now demonstrated to Russians that the "invisible hand" of the free market, in the version promoted by Harvard professor Jeffrey Sachs and other International Monetary Fund-linked advisers from the West, is that of a pickpocket. Talk has turned back to some big projects, which could only be carried out through the efforts of several governments, as well as private companies.

The Moscow daily *Izvestia* reported on one of them on July 17, under the headline: "A Unique Twenty-First Century Project: Tunnel under the Bering Strait."

According to author Boris Konovalov, the plan for a rail link between

Alaska and far northeastern Russia, developed at the turn of the century by an engineering team in Paris, has been revived by an international consortium called Transcontinental.

Several Russian engineering organizations and the Russian Academy of Sciences have joined its Russian section, headed by Academician P. Melnikov. "According to the preliminary opinion of the specialists," reported Konovalov, "laying this tunnel will be no more difficult than the creation of the underwater link between England and France," the English Channel tunnel which is now operational.

The Transcontinental scheme envisions two nine-meter-wide tunnels for rail lines, plus a six-meter-wide service tunnel in between them. The tunnels will be 100 kilometers long, reaching from Cape Uelen on the Russian side to the Seward Peninsula in Alaska.

On neither side, however, are these remote, nearly Arctic regions serviced by rail lines now. "Their construction makes the project unique in its grand scale," wrote Konovalov. With adequate international investment, he outlined, the Russian network could be built northwards from the BAM nexus at Tynda, and along the Lena River through Yakutsk. "The transportation artery solves the problem of year-round delivery of freight to the Sakha Republic [formerly Yakutia] and will sharply accelerate its development."

Konovalov estimated the cost of the project at \$50 billion, comparable

with the plan for American-European-Canadian-Japanese financing of Space Station Freedom at \$70 billion. "Thus, implementation of this project for a transcontinental railroad is fully within the capability of the international community."

Russia, he added, has "the technical experience in construction in roadless areas and permafrost."

Konovalov concluded with a discussion of the broader gains from such a rail link:

"The railroad will be of extraordinary significance not only for Russia, but also the United States and Canada. It will provide these countries direct rail communication with China, Mongolia, Korea, and later on, Japan and Indochina, as well as opening the way into Central and South Asia, the Near and Middle East. . . . Preliminary calculations show, I was told by President B. Gusev of the Russian Engineering Academy, that the delivery of freight by rail from the U.S. Pacific Coast, for example, to Bombay, would be 1.5 times cheaper than by sea. The greater part of humanity has an interest in the linking up Eurasia and America, and that provides the basis to believe that, despite all the difficulties, this grandiose project will come to be."

These proposals and plans are in line with *EIR's* comprehensive proposal last year for a Eurasian rail system which would connect to a number of "great projects," including Lyndon LaRouche's European "Productive Triangle" proposal. See *EIR's Feature*, July 17, 1992, p. 20, in which Jonathan Tennenbaum reviews the Productive Triangle proposals for the development of Eurasian rail lines in combination with incorporating the most up-to-date technological advances, and the updated map of these Eurasian projects in the issue dated Oct. 9, 1992, p. 36.

Cartel monopolizes U.S. seeds supply

The "intellectual property rights" clause proposed by GATT would have devastating effects on farming worldwide.

In all the world's great religions and cultures can be found in some form the wise injunction to save some of your harvest, to prepare for the planting of the next year's crop. However, under the sweeping "intellectual property rights" clause of the Uruguay Round of negotiations of the U.N. General Agreement on Tariffs and Trade (GATT), this practice is to be denied to farmers, and to whole nations.

The "intellectual property rights" argument serves the interests of a select group of chemical, pharmaceutical, oil, grain, seed, and livestock breeding companies, such as Cargill, British Petroleum, Monsanto, and Pioneer, which is bent on almost total control of what food is produced, who gets to eat, and who doesn't. These companies specialize in brand-name and numbered high-producing hybrid seeds for corn and certain other crops. And they are now securing patents for genetically engineered varieties of grain. For example, Monsanto recently obtained a patent for a new strain of wheat. Any farmer or nation interested must pay to make use of advances that would augment their crop. Moreover, any farmer or nation stands to be fined and ruined if found to be in violation of the monopoly privileges of the cartel of seed control companies.

In India, the offices of Cargill, Inc. have been repeatedly attacked over this issue. Indian activists point out that in their nation it is anathema that there be private control exerted over living things, e.g., plant life. In

late July, Indian farmers protested at the Cargill building in Navalgund against the cartel seed control policy. The protest leader, who is head of the farmers' union, characterizes himself as a "follower of Mahatma Gandhi," and says that Cargill uses its "clout to impoverish Third World farmers. . . . Cargill wants to install a patents regime in genes, plants, and all farm inputs to gain control of a nation covertly."

Until now, Indian farmers have been getting seeds stocks from the agricultural universities, multiplying them for their own use, and selling them to other farmers. This sharing of seeds was the lifeline of the Green Revolution. Now, the cartels want to cut that lifeline and force the farmer to buy the seeds he needs every year from the company.

Look at the extent to which the tight cartel of such companies, mostly Anglo-American based, has come to dominate U.S. seed stock supplies, and those of many other nations.

Iowa-based Pioneer Hi-Bred International, Inc., the largest seed company in the world, boasts that it possesses the largest single proprietary pool of germ plasm in the world from which to develop new hybrid corn seed. Founded in the 1930s by Secretary of Agriculture Henry A. Wallace, Pioneer today controls about 40% of the U.S. market, and dominates many markets abroad. For example, it controls 32 to 58% of the market in Spain, Austria, and Italy. In France, Pioneer controls about 32% of the seed corn market. In Hungary

and Egypt, it has 90% of the market. And it has aggressive efforts under way to expand its market share in Brazil, Thailand, and other Third World countries. Its most aggressive initiatives have been largely in Ukraine and Hungary.

Sitting on the board of directors of Pioneer is Herman H.F. Wijffels, chairman of the board of the Netherlands-based Rabobank, the world's largest agricultural bank. Pioneer's next closest competitor in the United States has 9% of the U.S. domestic market.

During the 1980s, two London-based multinational giants, British Petroleum (BP) and Imperial Chemical, Inc. (ICI), went on a buying spree, and, working together, they consolidated some of the largest seed companies in the United States.

ICI purchased the Iowa-based Garst Seed Co. in October 1985, and went on to consolidate an additional four major U.S. seedstock companies under the Garst name.

BP acquired Edward J. Funk and Sons seed corn company in December 1986. By October 1989, BP had consolidated five other major U.S. seed companies under the Funk banner.

Then, in October 1990, BP sold Edward J. Funk and Sons to ICI's Garst Seed Co. Thus, in less than five years time, 11 of the largest U.S. seed companies were consolidated into one that is owned lock, stock, and barrel by the London-based giant ICI.

The boards of directors of British Petroleum and International Chemical, Inc. overlap the boards of of such well-known international institutions as the Bank of England, Deutsche Bank AG, S.G. Warburg Co., Barings Bank, and the European food giants Nestlé S.A. and Unilever, to name a few. The boards also include the former head of the U.S. Federal Reserve System, Paul A. Volcker.

George Soros descends on Mexico

Citizens are rebelling against the international speculators and their corrupt allies in government.

On July 15, the London *Financial Times* reported that two companies, Reichmann International and Soros Realty, owned, respectively, by Paul Reichmann and George Soros, are planning to develop an array of new real estate projects in Mexico City, similar to the Santa Fe project, which is considered the largest commercial mall in Ibero-America. The Santa Fe mall, currently under construction at a cost of over \$2 billion, is being raised where a garbage dump and one of Mexico City's largest shantytowns once stood.

According to the *Financial Times*, Soros and Reichmann have agreed in principle to purchase 120,000 square meters of the Santa Fe mall to build a complex of homes, office buildings, and stores. They are also negotiating the purchase of \$500 million worth of projects in the Alameda Central, an historic area of the city which has remained uninhabited since the 1985 earthquakes. They also plan to build what could prove to be the tallest building in Ibero-America, on the city's main thoroughfare, the Reforma, with an investment of over \$300 million.

According to Juan Enríquez Cabot, the city official in charge of the Santa Fe project, Soros's "investment is a vote of confidence in Mexico and in its economic future," reports the London financial daily. Juan Enríquez Cabot is the son of Antonio Enríquez Savignac, tourism minister under the previous Miguel de la Madrid government, and of Mrs. Cabot Lodge, heir to the Cabot fortune which founded

the Bank of Boston in the United States.

Antonio Enríquez Savignac is president of the group Mexico 2000, which designed one of the world's costliest real estate investment projects, involving the urbanization of wooded hills to the west of Mexico City. The Mexico-Toluca superhighway runs through those same wooded hills, and is, not accidentally, the place where the Santa Fe project is located.

In late June, just 48 hours before the closing of the regular sessions of the Mexican Congress, the House of Deputies approved as law a presidential bill submitted by Carlos Salinas de Gortari. The law completely deregulated the Mexican real estate market, and reformed the Civil Code, the Procedural Rules Code, and the Federal Consumer Protection Law.

Analysts say that the new law which Salinas proposed "opens the way for the major real estate investors." In other words, it represents an explicit act of presidential corruption to benefit the international speculator George Soros and his partner Paul Reichmann.

These reforms also paved the way for what is known as the New Rental Law, which in one fell swoop has stripped away all manner of protection from Mexico's renters. Now, under the slightest pretext, renters can be expelled from their homes and onto the streets, without the protection of law. The original pretext of the new law was to "liberalize" rent collection.

The new law is riddled with so

many irregularities that it was only approved without their even knowing it by the majority of the ruling party (PRI) deputies, while representatives of all the other parties in Congress abstained from the vote. It is estimated that the new law will affect some 700,000 families currently living in rental dwellings, encompassing a total population of some 3 million Mexico City inhabitants.

On July 28, several different organizations pulled together a gigantic rally in the Federal District to protest the New Rental Law. Coming from every corner of the city, some 30,000 demonstrators (twice the number that came out the previous Sunday to celebrate the national soccer team's victory over the U.S. team) marched on the presidential residence at Los Piños.

The marchers were met by an impressive security deployment that beat demonstrators but was nonetheless unable to contain their advance. Only an offer by President Salinas to meet with delegates from the marchers and hear their demands was able to calm the multitude, among whom were many furious housewives.

In the tense calm that reigned in the city in the aftermath of the demonstration, Mexico City Mayor Manuel Camacho Solís as well as the ruling PRI party itself have offered to revise and modify the New Rental Law during the upcoming extraordinary session of Congress.

In any case, President Salinas's move to impose a decree benefitting international speculators like Soros and Reichmann has opened up a Pandora's box. In view of the fast-approaching 1994 presidential elections, both the current government as well as the panoply of pre-candidates from the ruling party are going to have to respond to an outraged population which no longer believes in Salinas de Gortari's "economic miracle."

Business Briefs

Infrastructure

Proposal blocked to stem Bangladesh flooding

Following the recent intense flooding that left some 2,000 people dead in South Asia, Bangladesh is having trouble convincing India and Nepal to control major rivers that flow through those countries, the Aug. 1 *New York Times* reported.

The floods have left over one-third of Bangladesh under water and have cut off Katmandu, Nepal's capital, from the rest of the country. They have also caused major damage and a number of deaths in several Indian states, including Assam and West Bengal.

Bangladesh "wants India to persuade Nepal to build dam reservoirs on its major rivers," the paper reported. But, in exchange, India wants Bangladesh to curtail illegal immigration and to stop helping Indian rebels in the northeast. To help solve both the problem of floods and Bangladesh's periodic shortage of water, India is proposing that the two countries build a giant canal connecting the Brahmaputra River to the Ganges River. "But Bangladesh has dismissed the project as flawed, saying it would go against the lay of the land, disrupt the natural drainage system," displace more than a million people, and disrupt food production.

National Economy

German industry demands policy change

The Association of German Industry called for a change in industrial policy in the eastern states in late July, recommending that the state subsidize companies that are capable of producing but lack the financial flexibility to invest in modern machinery, including giving them an extra tax rebate of 15% of their total expenses. This, association President Tyll Necker explained, would help to stabilize several hundred thousand jobs and cost DM 5 billion (\$3 billion) annually, which the state would otherwise spend for unemployment benefits.

Necker said that it was time that industry, especially the *Mittelstand* (medium-sized producers), which "has had the least advantages from the process of reunification," finally receive the backing of government support programs that it deserves. Necker's remarks are also an attack on the Treuhand policy, which he criticized a few days ago for having caused "an unprecedented loss of industrial jobs."

Meanwhile, the economic policy spokesman of the Social Democratic Party in the German Parliament, Uwe Jens, attacked shock therapy on July 27 and proposed a \$60 billion investment program for the next 10 years to stop the decline of the economy in eastern Germany. He demanded a change in the policy of the Treuhand agency and the establishment of institutes to encourage trade, which could allow barter deals between east German companies and eastern European countries. Unfortunately, to finance his investment program, he suggested a further increase in taxes on energy and oil consumption, rather than a tax on derivatives and other speculative transactions.

Demographics

Japan population drop threatens family

A report by the Japanese Management and Coordinating Agency released in late July warns that due to population control measures, the number of elderly people is growing in Japan. The drop in population growth is threatening traditional family relations.

In the last 25 years, the number of persons over the age of 65 in Japan has doubled, and now stands at 13% of the population. By the year 2020, this figure is expected to rise to 25%. The number of workers supporting each elderly person is expected to decline from 6.6 to 2.5 in the next decade, imposing a heavier burden on each productive worker.

The problem has also distorted Japanese society. Always a practitioner of the extended family, Japanese workers, facing the growing burden of the elderly, are abandoning them to the state. As a result, the cost of medical treatment for the elderly has risen dramatically and now accounts for

26% of the national expenditure.

Japan is also plagued with labor shortages. Finding young people to fill factory production jobs is proving difficult. There are now more than 5.6 million migrant laborers in Japan.

Corporate Strategy

IBM write-offs, layoffs won't solve anything

"The huge write-off of \$9 billion and layoffs of 60,000 from IBM won't solve anything," noted a London financial analyst with direct knowledge of the internal situation at the world's largest computer maker, in reference to IBM's announcement in late July.

"In a few months, IBM will again be forced to cut deeply, but no upturn is on the horizon," the source said. "They already have lost their most creative talent and the mood inside the company is demoralization. The company will not likely survive another year in recognizable form. They brought in a man who knows nothing about computers to do one job: cost cutting. This is no solution, but the lemmings of Wall Street think it helps company profit so they bid up the price of IBM stock; it's a sign how out of touch with reality financial markets have gotten."

Eco-fascism

Malthusians scheme to lower population

Malthusians are planning to hold a conference in Cardiff, United Kingdom Aug. 9-11 to define "optimal population levels" for the world as a whole and for various individual nations. This event is being sponsored by a recently created entity called the Optimum Population Trust (OPT), and is a feeder event for the September 1994 Third U.N. World Conference on Population in Cairo.

The conference will involve participation from a number of ecologist groups. As one example of the kind of thinking being devel-

oped, an OPT spokesman reported that a paper will be delivered recommending that the British population, now close to 60 million people, be reduced to 7 million, since that is the total number of Britons that can be sustained by "self-sufficient" agriculture policies and by phasing out all imports of fertilizers. Others, however, feel that Britain's population should "only" be reduced by half, to around 30 million. Asked how the halving of the population would be accomplished, the OPT person chuckled and said, "The rest will die, eventually, although it will all take some time." He noted that the British Green Party plans to make a statement in Cardiff, on the necessity of reducing Britain's population.

While "fertility rates are already below replacement rates in many European countries," from a global perspective Europe is "overpopulated" and requires a significant reduction in population "over the next 100 years," he claimed.

Another group, "Australians for Sustainable Development," is agitating to combat the idea that Australia is "sparsely populated," since, in their view, "Australia is overpopulated, by an ecological definition of that."

Agriculture

World milk production declining since 1990

World milk production has been going down since the beginning of the 1990s, according to estimates of the U.S. Department of Agriculture, *Agra-Europe* reported in late July. The production of cows' milk will go down by another 2% or 7 million tons to 410.4 million tons this year. In 1990, production worldwide still was at 442 million tons.

The biggest decrease in production will take place in Russia and the other republics of the former Soviet Union. In Russia, milk production will go down by another 9% to 77.8 million tons, a drop of 24 million tons compared to 1990. In the Baltic republics, milk production will go down by 7%, and it is estimated that by the end of this year it will be only one-third of the level the three republics had in 1989.

The world's biggest milk producer, the

European Community, is cutting production by another 1% down to 110.7 million tons; the same is expected for the United States.

Already back in 1989, one-third of the world population could only consume 0.6 liters, or just over a pint of milk, per week in liquid milk or the equivalent in milk products; the figure includes milk consumption by babies.

Space

India and Kazakhstan plan out cooperation

The outlines of a plan for cooperation between India and Kazakhstan in the areas of space technology and atomic energy emerged at the end of a two-day meeting in New Delhi in late July of the Indo-Kazakhstan Joint Commission. The possibility of such cooperation assumes significance in light of recent pressure from the United States on India to withhold or call off the development of nuclear, missile, and satellite technology. At a meeting with journalists, Kazakh Deputy Prime Minister Galym A. Abylseitov said that India would be invited to participate in setting up a new international space company in Kazakhstan.

The cosmodrome at Baikonur will serve as a base for the new company. In the field of atomic energy, Kazakhstan has proposed greater cooperation between its National Atomic Center and India's Bhabha Atomic Research Center. While the details of cooperation between the two countries in atomic energy are still to be worked out, for a start, Kazakhstan has offered to meet India's requirements of uranium oxide and uranium pellets.

Kazakh Deputy Prime Minister Abylseitov was one of the foremost laser physicists in the former Soviet Union and has spent 35 years in the Academy of Sciences in Moscow. He has apparently played a key role in the current discussions.

India has also agreed to set up a technical college at Almaty and to receive a large number of students from Kazakhstan for higher studies. Two credit lines, totaling \$20 million, have been issued by India, allowing Kazakhstan to procure equipment from India for that purpose.

● **GERMAN INVESTORS** who had bought stocks in countries investing in China have begun selling them off and going into gold instead, according to German press reports. Investors had bought these stocks in anticipation of an economic "boom" in China.

● **INDIAN** scientists have developed a nuclear fuel to run the Tarapur atomic power plant, after France refused to renew its 10-year contract for supplying uranium fuel for the plant unless India accepts IAEA safeguards. Minister Bhuvesh Chaturvedi said on July 29 that mixed uranium and plutonium would replace the low-enriched uranium from France.

● **TUBERCULOSIS** is making a comeback in London, its strongest showing since Victorian times. Infection rates are 10 times those of the rest of the country. In London, 50 people per 100,000 have TB, which is a marker for AIDS and general deterioration of public health.

● **TECHNOLOGICAL** apartheid, the withholding of technology to developing nations, is being more tightly controlled across the board. The Trigger or Zanger list which controls nuclear technology transfer has been expanded to include technologies not directly related to the nuclear field, such as numerically controlled machine tools, furnaces of different types, superconducting electromagnetic vacuum pumps, oscilloscopes, photomultiplier tubes, high-voltage DC supplies, and robots.

● **DERIVATIVES** markets should be minimally regulated, the Australian Securities Commission recommended in a report on the "rapidly growing \$800 billion-plus derivatives market." Participants "who possess requisite expertise or sophistication should be able to judge for themselves" whether to speculate.

● **THE MONETARIST ERA** has come to an end, the July 31 *Frankfurter Allgemeine Zeitung* proclaimed in an editorial entitled "Sunset for Milton Friedman."

What's at stake in Peru's war with Shining Path

by Dennis Small

The nation of Peru is locked in a battle to the death with the most bloodthirsty subversive apparatus that has ever appeared in the western hemisphere, the bestial Shining Path narco-terrorists. Their stated objective is to murder 1 million out of 23 million Peruvians, in order to shatter the nation and establish an ethnically "cleansed," indigenist brand of Inca primitive communism. Only the genocidal Pol Pot regime in Cambodia, or the Serbian butchers of Bosnia, can compare with this brutal organization. When Peruvian President Alberto Fujimori took office on July 28, 1990, the country had already been at war against Shining Path for over a decade—and was losing. In his three years in power, as we document below, Fujimori, working closely with the top military command headed by Gen. Nicolás de Bari Hermoza, has turned the situation around almost 180 degrees:

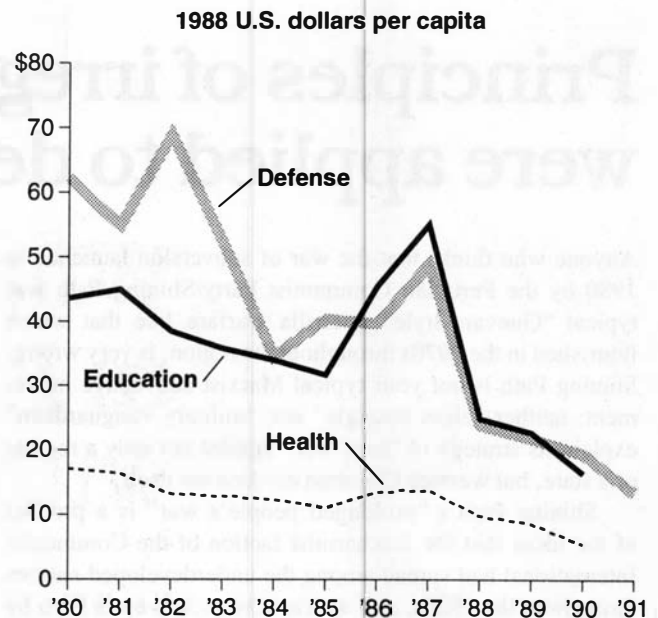
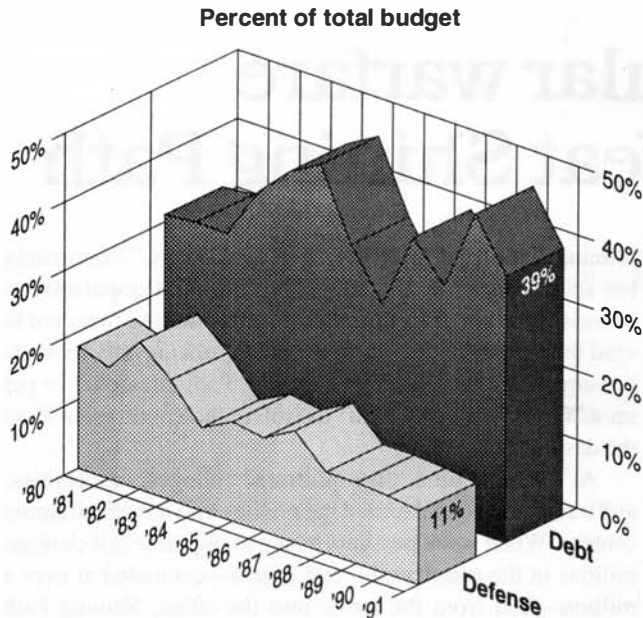
- Most of the Shining Path command have been captured and given life sentences, including the feared leader Abimael Guzmán.
- Shining Path's sister terrorist organization, the Tupac Amaru Revolutionary Movement (MRTA), has been even more thoroughly dismantled, with its entire top leadership in jail and its rank and file turning themselves in to the authorities.
- The Shining Path support apparatus in the legislative and judiciary branches has been dealt a body blow which has allowed the military war to be pursued.
- Most important of all, the people of Peru have been given back a sense of dignity and optimism, earning President Fujimori the strong support of the Peruvian population and of its patriotic Armed Forces.

But the Peruvian government has had to achieve this in the face of the hostile, organized opposition of the U.S. State Department (under both Bush and Clinton); most of the other governments of Ibero-America; the international human rights lobby organized in various non-governmental organizations such as Amnesty International and Americas Watch; and a domestic political apparatus called the Democratic Forum.

As the Peruvian Movement for Ibero-American Solidarity (MSIA) recently

The IMF has tried to strangle Peru's war against Shining Path

Government expenditures, by sector



Source: Instituto Nacional de Estadística e Informática, Lima, Peru, 1992.

warned, these same forces are currently deployed “in an imminent, new intended coup against the government of Peru, including the possibility of assassinating President Alberto Fujimori and Gen. Nicolás de Bari Hermoza, the main figures in the successful war against Shining Path. . . . As President Fujimori stated . . . in Brazil, the nations of the Ibero-American subcontinent have a debt to the current Peruvian government, for having stopped the continental threat posed by Shining Path, which had already infected various South American countries. For its own survival, all of Ibero-America today must make common cause with Peru and its government in saying no to the globalist forces that want to blow up the continent, just as they have blown up the Balkans, the Middle East, and Africa.”

For all its successes to date, however, the Fujimori anti-terrorist strategy has two crucial flaws.

The first of these is economic: The Peruvian government remains committed to the free-market austerity policies of the International Monetary Fund (IMF) and the creditor banks. This has led to an impoverishment of the population, which is a political time bomb. As *EIR* founder Lyndon LaRouche recently warned in an interview with this magazine: “If you are carrying out an IMF program against your own population, and you are trying to fight guerrillas, you are facing a losing battle.” IMF policies have also forced government budget cutbacks in all areas except debt service payments (see graphs). In terms of defense expenditures, this has meant a drop in outlays from \$62.10 per capita in 1980,

to \$13.40 per capita in 1991—a devastating 78% decline. The results are well known. The Peruvian Armed Forces are desperately short of the most basic matériel needed to pursue the war against Shining Path: helicopters, fuel, and even uniforms and simple weapons. Peruvian sources report that the military has been forced to rehabilitate weapons dating back decades and even a century.

It is a testament to the patriotism, resourcefulness, and sheer courage of the Peruvian military that they have been able to achieve as much as they have with so little. Yet a decisive final victory against Shining Path requires putting the Peruvian economy on a war footing as well, to prioritize national security expenditures over debt payments to the banks, and to free up the necessary resources for long-overdue investments in infrastructure, industry, and agriculture.

The second flaw is best described as an ideological blind spot. It is not enough to destroy Shining Path; it is necessary to also root out Shining Path’s *mother*, the evil ideology known as “indigenism” which has infected Peru and many other nations of Ibero-America for hundreds of years.

To aid that task, we have dedicated a large part of our *Feature* to exposing Shining Path’s historical ideological roots, and to presenting shocking new evidence that proves that today’s Peruvian promoters of Shining Path indigenism are part of an international network of psychiatrists trained at London’s Tavistock Institute, British intelligence’s psychological warfare division, where the leaders of Serbia’s genocidal policy of “ethnic cleansing” were also trained.

Principles of irregular warfare were applied to defeat Shining Path

Anyone who thinks that the war of subversion launched in 1980 by the Peruvian Communist Party/Shining Path was typical “Guevara-style” guerrilla warfare like that which flourished in the 1970s throughout the region, is very wrong. Shining Path is not your typical Marxist subversive movement: neither “class struggle” nor “military vanguardism” explain its strategy of “total war” against not only a regime or a state, but western Christian civilization itself.

Shining Path’s “prolonged people’s war” is a product of the ideas that the Bukharinist faction of the Communist International had spread among the underdeveloped nations throughout the 1920s, and which were picked up in Peru by José Carlos Mariátegui, who was the inspiration for Shining Path. In Mariátegui’s view, the class struggle and the anti-colonial revolution should join forces with the most backward “racial cultures” within Peru’s population, in order to combat western values. This concept spread from the military arena into cultural, political, psychosocial, and economic warfare: Shining Path’s “total war.”

For example, in the political sphere, the role of Shining Path’s fifth column within the state and social apparatus—from education, justice, and the congress to the press and the academic community—was a central reason for the state’s ineptness in containing subversion. At the same time, the Shining Path leadership achieved a macabre expertise in using terrorism as a weapon of military policy. Its escalating “strategies of tension” went a long way toward undermining the nation’s morale and confidence in a state already infested by the enemy.

The first stage of its “people’s war” began in the most isolated region of the country. Shining Path attempted to impose its marching orders through sheer terror, enrolling the peasants in its terrorist ranks under threat of death, running bloody “people’s trials” against any individual charged with collaborating with the “rotten state,” and even slaughtering entire communities which refused to yield to their intimidation. Shining Path tried to eradicate the presence of the state and any concept of progress. It destroyed police stations, town and state office buildings, research and development centers, and machinery. It murdered both domestic and foreign technicians; the mere effort to improve the lives of the population was cause for execution by Shining Path.

Under the Maoist slogan “From the country to the city,”

Shining Path tried to create “liberated zones,” eliminating the state’s presence and subjecting the rural population to terrorist systems of local control such as forcing them not to send their products for sale to the cities, sowing only for local consumption, etc. In effect, Shining Path attempted to put up a “Great Wall of China” to isolate the countryside from the dispersed cities.

At the same time, they infiltrated colleges, universities, and trade unions, and turned the prisons into terrorist training centers. When some peasants began to organize self-defense militias in the countryside, and others—estimated at over a million—fled from the terror into the cities, Shining Path infiltrated the slums, known as “young towns,” that grew up around the major cities. Little by little, the center of gravity of Shining Path’s operations was transferred to the cities.

The selective assassinations, bombings, and blackouts from sabotaged electricity towers took their toll on the cities. Thousands of community, trade union, business, and academic leaders were assassinated—often in front of their neighbors, colleagues, or students—for the “crime” of collaborating with the authorities to improve the community’s welfare. In the face of government inaction, the people grew increasingly desperate. The bloody attacks escalated; the 1993 assault on the offices of the government Popular Action Party and the burning down of the Bayer industrial plant, for example.

In 1992, Shining Path began to use car-bombs, multiplying their destructive power by mixing dynamite with ammonium nitrate. Shining Path concentrated its violence in its so-called “armed strikes,” during which the population was forced to stay home from work under threat of bloody assaults and sabotage of their workplaces. The strikes were begun in the cities of Ayacucho, Huancayo, Cerro, and Pasco. They later moved to Lima, starting in the industrial zones and the slums, until they eventually affected the entire city.

A crucial element of this subversion was the close alliance with the drug trade and the strategy of destroying Peru’s physical economy. Shining Path’s first deployments were launched from its birthplace Ayacucho, into the Upper Huallaga Valley—the largest coca-growing zone in the world—and to surrounding coca cultivation areas, which combined brought in some \$3 billion a year. Shining Path stationed itself in the Upper Huallaga in the early 1980s,

before its spectacular growth was anticipated. It infiltrated the coca growers, and created, in effect, a “Huallaga Cartel,” garnering as much as \$60 million by providing protection services to the traffickers. This money enabled them to maintain a People’s Guerrilla Army, while also building up an immense semi-legal and recruitment apparatus.

In terms of material losses caused by Shining Path, their systematic destruction of physical infrastructure cost an estimated \$25 billion, a sum greater than Peru’s foreign debt. The effect of discouraging investment in the economy by both Peruvians and foreigners was also immense: Entire regions of the country helplessly watched as businesses fled the terror and lack of protection. Shining Path’s advance across the country proceeded like clockwork. Shining Path boasted that its military arm was only one element of its structure; the majority of its militants were not guerrilla fighters, but constituted an immense network, including Socorro Popular, the Association of Democratic Lawyers, the Association of People’s Artists, the Class Workers Movement, and, of course, its propaganda outlets.

Shining Path also insisted that its military successes go in parallel with its political successes, and not precede them. Already by late 1991, Shining Path was able to announce with impressive certainty in its own media that it was moving from a strategy of “defense” to a strategy of “equilibrium.”

The 1980s: weakness, corruption, complicity

Shining Path steadily advanced for 10 years, starting on May 18, 1980, when the first “democratic” government in 12 years was elected and the “armed struggle” was launched.

They could not have chosen a more opportune moment. Starting in 1976, the government of Gen. Francisco Morales Bermúdez subjected the country to the brutal austerity policies of the International Monetary Fund, causing a dramatic growth both in poverty and in the drug trade, thereby creating the ideal “material conditions” for Shining Path subversion.

The Fernando Belaunde government (1980-85) took two long years before admitting that Shining Path was no mere “band of outlaws,” but a serious subversive threat guided by the concept of “total war” in collusion with the drug trade. It was not until 1982 that the Anti-Terrorism Directorate (Dircote) was created. Anti-subversion efforts were so improvised that Abimael Guzmán was actually imprisoned in 1978—two years before the war was launched—and militarily surrounded in 1982 (according to several reports). But on both occasions he was soon allowed to go free.

From the 1970s onward, the primary recruiting ground for Shining Path was neither the peasantry nor the labor unions, but the students of both high school and college level, and the professors themselves. One of Shining Path’s bunkers until a few months ago was the Pedagogical University. Current President Alberto Fujimori notes that Shining Path was founded on state campuses by individuals who were on the state’s payroll. Until 1990, terrorist propaganda freely

circulated under “freedom of the press” provisions; *El Diario de Marka*, the Shining Path newspaper, and *Cambio*, the mouthpiece of the Tupac Amaru Revolutionary Movement (MRTA), openly celebrated each terrorist action in their pages. Subversion also received scarcely veiled sympathy from the “legal left,” as well as from the Marxist daily *La República*.

In 1983, the government decided after great hesitation to call upon the Armed Forces and to identify Ayacucho and surrounding areas as the first “emergency zones.” Military

During the 1980s, nearly 8,500 terrorists were absolved by the judiciary. It reached the point where judges were openly threatened with death in their courtrooms. The judicial power was a sieve, unable to contain the enemy.

chiefs were given political and military control over these zones. The legal left-wing congressional opposition, fully aware that a military offensive in Ayacucho had the potential to stop subversion in its tracks, immediately charged that such measures were unconstitutional. The Army’s offensive was, however, halted by an unhappy development that was fully exploited by the Marxist press and its allies. In 1984, the directors of several newspapers sent a group of journalists to the Ayacucho “red zone,” in express violation of military orders. The journalists, who were supposed to investigate charges of “human rights abuses” in the area, were savagely murdered. The press immediately launched a national and international campaign to blame the military, and the government changed the military command and called off the offensive.

Throughout this period, several government figures were openly calling for “dialogue” with the terrorists—which implied halting all counter-terrorist action. When the APRA government took power in 1985, the leading proponents of “dialogue” were Armando Villanueva, Javier Valle Riestra, and Prosecutor General Miguel Cervero. The MRTA, which surfaced in 1984, called a “truce” to test the alleged “anti-imperialism” of the APRA government. By then, Shining Path had turned the jails into terrorist universities and planning centers. The problem reached total crisis proportions in June 1987, when an armed riot by Shining Path prisoners was crushed, resulting in dozens of deaths.

The so-called “prison massacre” became a rallying cry for the international human rights lobby, leading the APRA government to abandon the anti-subversion fight and to hand

the Interior Ministry over to "dialogue" advocate Armando Villanueva. In July 1990, just weeks before the transfer of power to the new Fujimori government, MRTA chieftain Víctor Polay and 50 members of that group "escaped" from the Castro Castro security prison in Lima. The press openly acknowledged the government's responsibility, noting the long-standing friendship between Polay and Alan García, the lame-duck President of Peru.

Making matters worse was the spectacle of impotence presented by the judiciary, which, through fear, corruption, and the absence of any legal support structure, proved incapable of convicting the terrorists captured by the police and Armed Forces. The pro-terrorist left within the Congress successfully sabotaged approval of anti-terrorist legislation, since the crime of terrorism was no longer acknowledged by the new Constitution.

Repeated attempts to pass enabling anti-terrorist legislation failed in the face of the left's propaganda apparatus and the complicity of the APRA and other political parties. There were no drastic penalties against terrorism; apology for terrorism was not a crime; the judiciary had no guarantees. The anti-subversion fight had no legal backing.

Nearly 8,500 terrorists were absolved by the judiciary during this period. It reached the point where judges were openly threatened with death in their courtrooms. The judicial power was a sieve, unable to contain the enemy.

Why was the 'Fujimorazo' unavoidable?

President-elect Alberto Fujimori assumed office in July 1990, after defeating the candidate of the international banks, Mario Vargas Llosa, in a run-off election. Fujimori was left without a majority in the Congress. The "Fujimori phenomenon," an unknown candidate "without a chance" until just a few weeks before the first electoral round, won the presidency and stunned the world. Nonetheless, Fujimori was forced by the system into forging alliances with the other parties in order to guarantee the weak and conditional support of the Congress. The President announced his goal of totally defeating subversion by the end of his mandate, in 1995, but few believed he could do it under the circumstances.

Fujimori's governability pact was shipwrecked even before the end of 1991, when the parties in Congress rejected the new anti-terrorist legislation which the government had prepared in order to give a definitive and coherent form to the anti-terrorist fight. The pacification laws, among others, gave the National Intelligence Service adequate powers for the first time ever to conduct an effective campaign. In December 1991, the political parties "approved" the decrees, but at the same time *annulled* the changes that were introduced by the decrees! Already back in September 1991, the parties had announced their decision to "demilitarize" the anti-terrorist fight. This implied that the military presence in the emergency zones, terrorist-infiltrated universities, and so

forth, were now illegal. What the parties had accepted as an anti-subversive strategy was "dialogue" with subversion, and they had pressured the government for months to turn the National Pacification Council into the conduit for said "dialogue."

The proposal for dialogue was of course rapidly accepted by Víctor Polay, head of the MRTA which had already, as of mid-1991, launched its Free Fatherland (*Patria Libre*) movement as a legal electoral front.

Meanwhile, the judiciary continued to release terrorists as fast as the Armed Forces and security police could capture them. "Until April 5, 1992," said President Fujimori in June of that year, "justice under my government had freed 220 terrorists," many of them the authors of bloody attacks shortly after their release, for "lack of evidence" or "on bail." The maximum sentence that could be applied was 30 years, but that was imposed in only one case.

In December 1991, the recently named Army Commander Gen. Nicolás Hermosa announced the Armed Forces' full support for President Fujimori, who was in a showdown with the Congress over its sabotage of the anti-subversion fight and its rejection of the relevant legislation to pursue that fight. The terrorists' legal fifth column and the liberal establishment blocked every possible effort to confront the terrorist offensive.

Over the following weeks, the confrontation intensified, until President Fujimori finally moved on April 5, 1992 to dissolve Congress, reorganize the corrupt and intimidated judiciary, approve drastic anti-terrorist legislation, and dictate a series of emergency measures.

Washington's reaction to the "self-coup" was immediate rejection and support for the political parties. These in turn refused to acknowledge the legitimacy of the regime, and began a campaign of destabilization, whose climax was the failed coup attempt and assassination plot against Fujimori on Nov. 13, 1992. All the "experts" on Shining Path predicted in the aftermath of the "self-coup" that the radical sectors of the various political parties would join the subversive fronts, and that the situation would polarize even further.

Shining Path understood the implications of Fujimori's actions, and reacted with a series of bloody assaults, such as the attack on Channel 2 television in Lima. In May, they began a series of car-bombings against targets in the very heart of Lima. On July 16, 1992, the world was shaken when a 600-kilo car-bomb exploded on a street of apartment buildings in Lima, killing 25 and wounding 100. The very next day, Shining Path carried out simultaneous attacks against the township of El Salvador outside of Lima and against police stations in various poor neighborhoods. In this atmosphere of generalized terror, rumors flew in all directions. On July 22 and 23, an "armed strike" hit Lima. While the government's new anti-terror strategy would take time to yield results, Shining Path was playing all of its cards at

once. It announced that on Oct. 12-13, it would enforce another "armed strike" to coincide with the 500th anniversary of the evangelization of the Americas.

As early as 1991, Shining Path was forced by Fujimori's anti-terrorist offensive to condense its own timetable, and with the April 5 "self-coup," launched a parallel offensive for which it was not really prepared. With its indiscriminate, genocidal actions against the cities, Shining Path left no doubt in anyone's mind that its goal was nothing less than its promised mass slaughter of 1 million Peruvians. The images of the car-bombings transmitted by television woke Peru's population up, and created a new popular fighting spirit. This was the beginning of the end of Shining Path.

The anti-terrorist command structure made a dramatic decision: to concentrate all available resources on the capture of Abimael Guzmán and the circle around him which planned and issued the marching orders. Previously, they had delayed in going for the head, instead concentrating on cutting off one or another of the monster's extremities. The damage caused was major, but the tentacles continued to reproduce themselves, because they were continuously fed from the head. With the new decision, failure could mean losing everything. The command structure decided on all or nothing.

In the early months of the Fujimori government, the Shining Path Central Committee had already been dealt several blows. In late 1990, a committee chapter was dismantled and a video was seized which permitted the identification of nearly every member of the Central Committee. In January 1991, the head of Shining Path finances, Nelly Evans, was captured. The liaisons between the Central Committee and the national operations apparatus were the Department of Organizational Support (DAO) and the Group of Partisan Support (GAP). Both the DAO and GAP had taken several major hits since 1990. But without the decision to concentrate all forces on the capture of Guzmán and his staff, these blows would have no lasting effect. With the capture of the Central Committee, the fall of the more disconnected regional commands would be just a question of time.

The lessons of irregular warfare

In the 1980s, it was already clear that the situation required a new conception of "irregular warfare," non-conventional, different from the classical conception. The Peruvian Armed Forces were up against a kind of "total war" which they had never before experienced. Limited to a military response and straitjacketed by a weak state under the domination of corrupt political parties, the Armed Forces found it impossible to adequately respond to the variety of forms of subversion, some under legal cover. The war could not be pursued in the political and psychosocial, much less cultural, arena where Shining Path concentrated its sophisticated apparatus. The release in 1987 of the book *Modern Irregular Warfare*, by German Gen. August von der Heydte (ret.),

analyzed these details through a comparison of the various subversive phenomena in the world, and had tremendous impact on the Peruvian situation. The naming of General Hermosa as Army commander in December of 1991, consolidated the orientation toward a strategy of "total war" against subversion.

Peruvian military thinking had already distanced itself from both the "scorched earth" policy—argued by Gen. Luis Cisneros (ret.)—and the absurd thesis of "structural violence," in all its forms. The state's evaluation of Shining Path

The anti-terrorist command structure made a dramatic decision: to concentrate all available resources on the capture of Abimael Guzmán and the circle around him which planned and issued the marching orders. . . . With the new decision, failure could mean losing everything. The command structure decided on all or nothing.

in the 1980s had gone from viewing it as a "band of outlaws," to seeing it as a response to the underdevelopment of the peasantry in the Peruvian Andes. Years were lost in defining the necessary response to subversion.

As long as subversion remained in the Central Sierra of the country, the thesis of "structural violence"—that is, that subversive violence was a "natural" response to state violence—seemed innocuous enough. But when Shining Path began to cut a genocidal swath across the country, murdering authorities and attacking military installations in Lima and elsewhere, it became clear that the attacks were being used to buy time to consolidate the "armed struggle." As opposed to its original slogan of "from the country to the city," Shining Path in recent years concentrated its actions on the cities, in part because of the strategy employed by the Armed Forces to arm the peasantry in anti-terrorist militias. The brutal assassinations of peasants in "people's trials" caused a furious rejection of Shining Path.

The strategy of forming "peasant militias" was intensely discussed in the late 1980s. On the one hand, the state was fearful of handing over weapons to a peasantry that could later be infiltrated by the subversives. But on the other hand, the congressional left and the "Theology of Liberation" networks feared such militias as a potentially devastating anti-subversive weapon. In 1991, Gen. Luis Pérez Documet be-

gan to hand weapons over to peasant militias which had already organized themselves into the Mantaro Front years earlier. Now, with the full backing of the state, the Army trained and armed these self-defense groups, which succeeded in routing the majority of the subversives from the Central Sierra, although a few Shining Path columns remained to terrorize their "terrorist base" through a continued indiscriminate use of violence.

Largely ousted from the countryside, Shining Path shifted into the cities. In 1992, a new strategy to halt Shining Path infiltration of Lima's shantytowns was established: the so-called *rastrillajes* (literally, "clean sweeps"). Surmounting the efforts of the leftist press and of Shining Path to provoke popular resistance to the military within the shantytowns, the Army abandoned its initial strategy of installing permanent bases and militarily encircling those neighborhoods that were infiltrated by Shining Path. With the *rastrillajes*, the Army would encircle the shantytowns—with voter registration drives and offers of medical and other assistance to the residents. With each such "offensive," the resident Shining Path cell would invariably be taken by surprise, and would surely fall. Despite the terrible logistical, material, and financial limitations of the Armed Forces—the result of budget cut-backs demanded by the International Monetary Fund and accepted by the Fujimori government—Shining Path's "iron belt" was slowly being deactivated.

These advances would have come to nothing had the government accepted the Congress's blackmail and abandoned its anti-terrorist proposals, as that body had demanded at the end of 1991. Immediately following Fujimori's "self-coup," the decrees were put into effect. These contained many vital elements, among them the reorganization—under the new strategic perspective—of the National Intelligence Service and of the anti-terrorist command of the National Police.

The decrees also clearly defined the crimes of terrorism, apology for terrorism, and criminal association with a terrorist organization, and provided more severe penalties for these crimes, up to and including life imprisonment. The new legislation guaranteed and legalized a military presence in the emergency zones and on the universities. Further, they permitted the more effective trial and sentencing of captured terrorists by the only courts possible—military courts—while introducing the system of the "faceless judge" in order to protect magistrates from terrorist retaliation.

Subversion in defeat

On Sept. 12, 1992, the country leapt with joy upon hearing the news that Abimael Guzmán, and an important section of the Shining Path Central Committee, had been captured in Lima, without a single shot being fired. Seized along with Guzmán were Elena Iparraguirre and Maritza Garrido Lecca, among others. Later, other Shining Path leaders fell in rapid succession: Laura Zambrano Padilla, the director of Socorro

Popular; political chief of Lima operations Martha Huatay; and the heads of the Association of Democratic Lawyers Jorge Cartagena and Alfredo Crespo. A few months earlier, in May 1992, MRTA chieftain Víctor Polay had been recaptured, and a wave of arrests of MRTA leaders followed. The military chief of the MRTA in Lima, Luis Cárdenas Schulte, had been arrested shortly before. In 1993, after being nearly totally deactivated in Lima, the MRTA began to fall apart in its only other operational front, the Upper Huallaga, following the capture of Lucero Cumpa Miranda and its entire communications and logistics network.

In June and July, the majority of remaining fugitive MRTA leaders surrendered to the Army under the Law of Repentance, which allowed any subversive who contributed to the capture of his leaders to be pardoned and protected. Nestor Cerpa Cantolini and César Rincón are currently the only MRTA leaders still in hiding. In the Upper Huallaga, there remains but a single column of 60 MRTA guerrillas still in operation. It is estimated today that 98% of the MRTA leadership and 85% of the Shining Path leadership are either in captivity or dead.

The downfall of subversion following the capture of Guzmán and Polay was also in large part due to the strategy of psychological warfare used. Following their capture, Guzmán and cohorts were publicly displayed at least three times in striped prison uniform and in a cage. Previously, in 1991, the police had released the captured Shining Path video showing a drunken Guzmán dancing with other members of the Central Committee. The myth of Guzmán's invulnerability was deflated from then on.

In just 15 months of anti-subversive warfare, the Dincote alone captured 832 terrorists. By June 18, the special prosecutor for terrorist cases announced that in the previous nine months alone, 432 terrorists had been sentenced, 103 of them to life imprisonment. Thus, the number of those sentenced in nine months—in the period following April 5—was nearly equal to the number of terrorists sentenced over the previous 10 years.

Today, terrorist attacks have slackened off dramatically. "Armed strikes" are not having nearly the effect they had earlier. In the countryside, surviving terrorist columns reappear sporadically, but continue to suffer important defeats. The "birthplace" of Shining Path in the south central Andes, is becoming peaceful. While neither subversion nor its philosophical and cultural "mother"—that is, anti-Christian indigenism—are totally destroyed, a sense of victory is in the air throughout the country.

On July 15, 1993, at the Ibero-American Presidential Summit in Bahia, Brazil, President Fujimori said that the defeat of terrorism is "today a tangible reality. And it is not only to the benefit of our people, but to the entire region, that we annul the possibility that this disgrace may spread to our brother countries, thereby preventing the terror and violence we Peruvians have already suffered from reaching them."

A parallel with Serbia: the hidden agenda of Peru's Democratic Forum

by Gretchen Small

Seventy-five Peruvian social scientists, journalists, businessmen, and party politicians established an umbrella opposition group called the Democratic Forum in April 1993 to coordinate the domestic side of the international operation to overthrow the government of President Alberto Fujimori.

The Forum is modeled on the National Civic Crusade of Panama, a movement established in 1987 with U.S. government funding and direction, whose destabilization of Panama in the name of "democracy" prepared the ground for the U.S. invasion in December 1989. (See *EIR*'s "White Paper on the Panama Crisis," December 1987.) Leaders of the Democratic Forum have already proposed that foreign intervention and occupation of Peru may be required for their project to succeed.

A more precise model for the changes which top controllers of the Forum seek to induce in Peru, however, can be seen in the ethnic genocide in the Balkans unleashed by the communist clique running Serbia today.

This is not a merely theoretical parallel. As we document below, two key leaders of the Democratic Forum, Francisco Sagasti and Max Hernández, function as part of the same psychological warfare division of British intelligence, the Tavistock Institute and its offshoots, which trained the Marxist psychiatrists who are today leading the Serbian Chetniks, the rape camps, and ethnic genocide in the Balkans.

Like their Serb counterparts, Sagasti and Hernández believe that man is inherently evil, infinitely manipulable, and defined by his race. Their stated intent is to turn the Democratic Forum into an instrument to "socially dismantle" Peru, using the psychiatrists in their ranks to direct the outcome of the devastation. In this way they would assure the fate which Sagasti projected for Peru during a 1988 conference at the Woodrow Wilson Center in Washington, D.C.: a bloodbath of years of killing, in which Peru "will become a number of territories within one country as in Lebanon."

It is urgent that these facts be known by both those honest Peruvians fooled into joining the Democratic Forum out of a concern for democratic functioning, and well-meaning U.S. policymakers who may be supporting them on similarly mistaken grounds. Support for the Democratic Forum will not bring any form of democracy to Peru, even a flawed one. It will ensure instead that the Shining Path can regenerate,

sinking Peru into the kind of unimaginable ethnic warfare and genocide the world now witnesses ravaging Bosnia-Herzegovina.

Plotting in Washington

Leaders of the Democratic Forum spent much of the month of June 1993 in Washington seeking money, instructions, and international backing for their war against their government and their country. Two public events built their cause. The first, a June 1-2 strategy session sponsored by a U.S. government think-tank, the Wilson Center, served as a planning session for Forum leaders and supporters with top U.S. and Peruvian experts.

The second event, the June 21 presentation of the Forum in the conference room of the House International Affairs Subcommittee in the U.S. Congress, was more of a publicity event, designed to promote the Forum in Washington as *the* voice of Peruvians while providing an aura of power for the group back in Peru. Public interest from the United States appeared minimal, however. More than half the people attending the event were Peruvians, resulting in the embarrassing spectacle of Forum leaders debating with other Peruvians, in U.S. congressional offices and fractured English, over what strategy to employ to overthrow their own government.

In both events, Forum leaders admitted outright that 1) the Forum does *not* have a strong political base inside Peru, but the Fujimori regime does; and 2) therefore, intervention by the "international community" is required if their project is to succeed. They specified that they consider the primary obstacle which must be removed before their political project can advance to be the alliance between President Fujimori and Army Commander in Chief Gen. Nicolás de Bari Hermoza.

It was during the semi-public Wilson Center symposium that Forum leaders revealed that what they most fear at this time, is that the Army and government might succeed in defeating the Shining Path terrorists. In their view, Shining Path's defeat would irredeemably damage their project to establish what they consider to be "democratic culture" in Peru.

The participants did criticize the Shining Path leadership.

For what? For having made mistakes which allowed the Peruvian Armed Forces to corner them militarily! Forum member Carlos Iván Degregori (an anthropologist, director of the Institute of Peruvian Studies [IEP], and close associate of the Tavistock psychiatrist who runs the Forum, Max Hernández) charged that Shining Path chief Abimael Guzmán was captured in September 1992 only because of Shining Path's errors. But, he insisted, the group would soon be able to rebuild its capability for terror. Shining Path expert Gustavo Gorriti complained that the terrorists had failed to respond

Peru must be put through "a kind of social dismantling process," declared former World Bank official Francisco Sagasti, a leader of the Democratic Forum, to his comrades at the Woodrow Wilson Center's symposium.

"adequately" to Guzmán's capture, thereby allowing the effects of his capture to multiply against them. Others complained that until Shining Path recovers its capability to act, the population will continue to back the Fujimori government.

Democratic Forum founding member Fernando Rospigliosi, an associate of Degregori at the IEP, took the lead in calling for foreign intervention into Peru, and if necessary, foreign occupation of the country. In a paper prepared for the symposium, Rospigliosi argued that the "international community" must be prepared to back a military coup by "institutionalists" against Fujimori, or if that fails, to intervene directly, as in El Salvador or Cambodia. "The influence which foreign governments and institutions can exercise over Peru today is enormous, given its precarious economic situation and its dependence on the multilateral institutions (IMF [International Monetary Fund], World Bank, Inter-American Development Bank)," he wrote. "There are extreme cases of intervention, such as those in El Salvador or Kampuchea [Cambodia], where the international community formed almost a parallel government. In the case of El Salvador at least, this has been very useful up until now. . . . The international community should be prepared for the possibility of a new military action in Peru and evaluate it closely," he wrote.

In his oral remarks, Rospigliosi called for international "monitoring" of Peru's military, demanding that the international community "understand" that the situation in Peru is similar to that of Panama before the invasion. No one present—journalist Manuel D'Ornellas and Tavistockian Fran-

cisco Sagasti were on the podium with him—objected to this proposal.

"Military analyst" Enrique Obando captured the anti-national outlook of the group. Obando stated angrily that no one in the military, including the "institutionalist" coup-plotters, should be trusted because, he argued, military officers are interested in only two things: the institution of the Armed Forces and the nation, "*La Patria*."

Tavistock's social scientists require chaos

What kind of political project is it, which would be irredeemably hurt by the defeat of the genocidal Shining Path? What concept of "democratic culture" could possibly require the continuation of Shining Path's bestial war against the nation, for Peruvians to accept its tenets?

A good starting place to find answers to these questions is an investigation into the outlook, allegiances, and training of two of the Democratic Forum's top controllers: former top World Bank official Francisco Sagasti, and his associate, the Tavistock-trained psychiatrist and socialist Max Hernández. The two operate as a team within the Forum, using as their base an outfit they have set up called Project Agenda-Peru, which they co-direct.

Who is **Francisco Sagasti**? Before returning to Peru in 1992 to direct the opposition to the Fujimori government, Sagasti served as chief of strategic planning at the World Bank. Prior to that, he had been a visiting professor at the University of Pennsylvania's Wharton School, the unofficial headquarters of Britain's Tavistock Institute in the United States. A member of the advisory board of *Futures*, the Club of Rome-associated magazine published out of London, in all his posts Sagasti has been an outspoken advocate of malthusianism and environmentalism, the fraudulent doctrines which the international financial institutions use to reimpose colonialism upon the Third World.

In 1989, Sagasti told an international conference at the Center for Human Ecology at Scotland's Edinburgh University that, because it is impossible for the developing nations to acquire the same living standards as the industrialized world, the next decades would see "battles between North and South over the huge difference in material standards of living." Sagasti wrote in *Futures* in April 1989 that many Ibero-American countries "have to abandon their current scientific and technological work," to instead concentrate on creation of low-technology jobs and "adapting technology for the exploitation and processing of primary materials which Latin America has traditionally exported."

Sagasti is downright obsessed with "turbulence" and chaos, the premise of several of his articles. The obsession comes straight from Tavistock, whose operatives have spent decades studying individual and societal reactions to "turbulence" and violence, and designing strategies to twist those reactions to their own ends.

In *World Development* magazine (April 1988), Sagasti

wrote that he bases his work heavily upon the work of three individuals, two of whom advised him directly on this article. All three are top operatives of the Tavistock Institute. They are:

Dr. Fred Emery, a senior psychiatrist at the Tavistock Institute for many years, who moved to the Wharton School in the 1980s. Emery developed the “turbulence” theory in detail. For three decades, he studied how human reactions to a world turned “turbulent”—chaotic, overwhelmingly unpredictable—can be used to ram through a “paradigm shift,” that is, a fundamental change in the “‘mental model’ that underlies the missions, systems of governance, strategies, organizational characters and structures” that characterize a society, group, or an entire civilization.

Dr. Eric Trist, effectively, the head of Tavistock operations within the United States since 1960. A Mason, Trist was one of the brains behind the creation of the zero population growth movement internationally. He collaborated with Emery in developing the “turbulence” theories, and advised Sagasti on his development planning paper.

Dr. Russell Ackoff, director in the 1980s of the Wharton School’s Management and Behavior Research Center. Ackoff worked at Tavistock for over a decade, continuing to serve on the editorial board of Tavistock’s magazine *Human Relations* after he moved to Wharton, where he worked with Sagasti. In interviews published by *EIR* in March 1982, Ackoff argued that developing countries such as Mexico and India should forget about modern technology. “They don’t need the technology, they don’t know how to use it. . . . We look at the underdeveloped natives [sic] and we usually say, ‘What’s the point of developing them, they’re happy?’ ”

Nazi-communist psychiatrists

What about Sagasti’s partner, **Max Hernández**?

Hernández trained as a psychiatrist in Great Britain in the 1960s, at the University of London’s Institute of Psychiatry, the Institute of Psychoanalysis, and finally, the Tavistock Institute’s clinic. He returned to Peru in the early 1970s to teach at San Marcos University, building up a coterie of students within the ultra-left milieu in which he concentrated his organizing. He maintained his international ties, however, serving from 1987-89 as vice president of the Freudian International Psychoanalytical Association.

Hernández believes that human beings are inherently sick and impotent. Freud taught us that ideology “arises from our inability to accept our helplessness and defenselessness,” Hernández wrote in 1988; a delusory attempt “to cover the narcissistic wound caused to mankind by the progress of rational knowledge.” The role of psychoanalysis, he argues, is to reverse the centuries of dominance in the world of “western rationalism, whose narrow-mindedness was demonstrated by Freud.”

Hernández bases his work on the same school of radical anti-western psychiatry and philosophy in which the leader-

ship of the Serbian butchers ravaging Bosnia and Croatia was trained: the Marxist ideologues at the Institute of Social Research (“Frankfurt School,” founded by the Comintern in the 1920s) who cooked up the insane philosophy known as “deconstructionism.” Throughout his writings, Hernández cites the leading figures of this school: philosophers Jacques Derrida, Michel Foucault, and Jürgen Habermas, and psychiatrist Dr. Jacques Lacan. The last two in particular are the leading intellectual influence cited by the Marxist psychiatrists who today lead Serbia’s genocide (see *EIR*, Feb. 12, 1993).

The dismantling of Peru

What do they seek in Peru today? Let us return to the discussions at the Wilson Center this past June, with Tavistock’s methodology now in mind. Sagasti there outlined four points which are crucial for understanding the hidden agenda which motivates the Tavistockian duo controlling the Democratic Forum:

First, a commitment to driving Christianity out of Peru. “The European conquest of the Inca empire was the traumatic foundation of Peru; a catastrophic event,” Sagasti stated. But the current crisis is “the most profound crisis Peru is enduring in more than a century,” and opens up the possibility of changing that basic parameter.

Second, the premise that the Catholic Church and military are *equivalent* to the bestial Shining Path. How? Sagasti argued that the only institutions which remain standing and functional in Peru are “what sociologists call total institutions,” because they provide people with principles, values, norms, guidance for actions, and day-to-day codes for behavior. There are three of these left in Peru: the Catholic Church, the military, and Shining Path, he stated.

Third, that the Fujimori government will not be able to carry out the radical economic shock program he considers necessary to its ultimate conclusion. “Unhealthy tendencies” to weaken the program are cause for concern. “A well-seasoned team of policymakers and managers” running a “democratic” government must be established to guarantee economic shock, he argued.

How are these goals to be secured? Peru must be put through “a kind of social dismantling process,” Sagasti explained to his comrades at the Wilson Center. The older generation should be written off as unable to change their vices, habits, and ways of thinking. But “political training” can change the generation of 40- to 50-year-olds and younger. This is where psychiatrist Max Hernández enters the picture, Sagasti stated. Hernández’s role is to “understand the peculiar psychological needs” of people caught up in the “political learning process.”

The Democratic Forum has thus become the mechanism through which Tavistock intends to control what Sagasti euphemistically calls the “social guidance dimension” of dismantling Peru in the name of “democratic governance.”

Indigenism, Shining Path's cultural warfare against civilization

by Luis Vásquez Medina

A little-known and poorly understood but crucial aspect of the war that the Peruvian nation is waging against the Shining Path is the ideology known as "indigenism," so named after the indigenous people whose interests Shining Path cynically claims to represent. Although indigenism was imposed from outside the country, during recent decades it has managed to undermine the Christian cultural matrix upon which Peru was founded nearly 500 years ago.

According to Max Hernández, a psychiatrist with the infamous London brainwashing center, the Tavistock Institute, "indigenism" could be summed up as a belief in two worlds: the world of the Indian and the world of the white man, each unassimilable and antagonistic toward the other, linked only through a relationship of domination and exploitation.

To be historically accurate, one must give Bartolomé de las Casas (1474-1576) the sad title of inventor of this racist ideology. Las Casas was a half-mad monk who supposedly defended the Indians, at the same time that he pushed black slavery in the New World. Without a doubt, this Dominican monk is the father of both indigenism and the modern heresy known as Theology of Liberation. The flood of slanders Las Casas produced against the evangelization of America was the starting point for that British political operation against Spain known as the "Black Legend," the historical myth that everything Spanish and Catholic is backward, authoritarian, and feudal, by definition.

Had it actually been implemented, Las Casas's proposal for "peaceful evangelization"—which basically involved excluding the soldier from accompanying the missionary in his efforts at redemption—would have brought Spain's evangelization epic to a halt. Ever since the works of Las Casas were published, they have served to discredit not only Spain but also Catholicism. In this regard, it is interesting to note that in 1936, Hitler's National Socialist Party published, in the city of Leipzig, the masterwork of Las Casas: *A Brief History of the Destruction of the Indies*, with the subtitle "Under the Sign of the Cross" added.

The modern elaboration of "indigenism," a belief structure which in fact has nothing to do with the Indian population, can be traced back to the mid-1800s, beginning with the Italian gnostic and masonic currents that arrived in Peru during those years. Together with the Italian Giuseppe Garibaldi (1807-82), who arrived in Peru in 1851, came a number

of individuals linked to the masonic lodges of the New Europe, headed by Mazzini and Lord Palmerston. One of these individuals, Emilio Segui, who had been Mazzini's private secretary, was head of the masonic lodges of Lima and Callao for years. Segui stayed active for decades: In 1919, for example, he functioned as the protector of José Carlos Mariátegui, founder of the Peruvian Communist Party and intellectual father of Shining Path. Segui sponsored Mariátegui's visit to Italy for "training."

Also trained in these gnostic circles was Manuel González Prada, whom many consider the "father" of "romantic" indigenism in Peru. González Prada was a furious anti-Catholic militant, an admirer of the positivism of August Comte and of the anarchism of Pierre Joseph Proudhon. Also collaborating in the creation of romantic indigenism was writer Clorinda Matto de Turner, wife of a U.S. Adventist minister who was a member of the American Bible Society. She was expelled in 1895 from the country for her virulent attacks against the Catholic Church. This "romantic" indigenism is also the point of departure for the "social" indigenism which developed in the early decades of the twentieth century, which ended up producing José Carlos Mariátegui.

"Social" indigenism was consolidated as a movement through the founding of the Pro-Indian Association in Lima in 1912. Included on its first board of directors were: Joaquín Capelo, Emilio Segui, Daniel Alomías Robles, Rómulo Cuneo Vidal—all Masons—and the German Dora Mayer. The association was headed by Pedro Zulen, a graduate of Harvard University who was Bertrand Russell's correspondent in Peru. Zulen's lover, Dora Mayer—who would later collaborate with Spartakus socialist Rosa Luxemburg in Germany—wrote a book which presented Zulen as the theosophical reincarnation of the English poet Percy Bysshe Shelley. Zulen was a radical indigenist who maintained that only the Indians could save Peru. One of the most active members of the association was the Mason Segui, who in 1883 founded the newspaper *La Voce d'Italia*, which was published until 1930.

The Pro-Indian Association spread throughout Peru's interior, recruiting many people to indigenism, such as the theosophist Luis E. Valcárcel, who was key in creating the "indigenous conscience" which was later re-elaborated by Mariátegui. Valcárcel and Segui were the first to pose a "Marxist solution" to the Peruvian "Indian problem."

Indigenism as a communist weapon

Coming out of the 1922 Congress of the Communist International in Baku, the “globalist” faction headed by Bukharin upheld the thesis that world revolution would occur first in the backward countries, and later the industrialized ones. Thus, this communist faction maintained that the Marxist movements in the semi-feudal countries should try to draw the native peasant masses into the process of socialist revolution, by means of an ideological syncretism which mixed Marxism with native ideologies. This thesis was carried into practice, with the help of British intelligence, through the Chinese Communist revolution. Both José Carlos Mariátegui and Luis E. Valcárcel, the “prophets” of Shining Path, shared this view and helped to bring it about in Peru.

Although Mariátegui was not a masonic militant, gnosticism held a fascination for him ever since his early youth, when he organized a black mass in the Lima cemetery. In his adult life, Mariátegui found the ideas of Friedrich Nietzsche (who declared that “God is dead”) so attractive that he included an epigraph of that philosopher in his most important work, *Siete ensayos de la interpretación de la realidad peruano* (“Interpretations of Peruvian Reality: Seven Essays”). (Other Peruvian Marxists were openly masonic, as is Ricardo Martínez, the founder of the Peruvian Communist Party and author of the only Marxist history of Peru. Martínez ended his days as a spiritualist medium.

APRA and indigenism

One could say that the political party of Masonry in Peru is the APRA party. Agustín Haya de la Torre, its founder, was a radical gnostic. His eldest brother Edmundo was for a long time the head of the Scottish Rite Freemasonry in Peru. Haya de la Torre’s principal protector and financier was John Mackay, the Scottish director of the Anglo-Peruvian College and leader of the Young Men’s Christian Association (YMCA). Haya de la Torre considered himself a direct disciple of González Prada, and like him was also inclined toward spiritualism. His fame as an anti-Catholic was earned in May 1923, when he led masonic groups, students of San Marcos University, and certain workers’ circles against “the consecration of Peru to the sacred heart of Jesus.” The ensuing revolt caused several deaths, after which the project was cancelled at the request of the Catholic Church. The day after the revolt, the magazine *Variedades*, led by a Mason, Clement Palma—an ally of Haya de la Torre—came out with a cartoon of Jesus, hands bloodied, on its cover.

In 1987, Peruvian President Alan García Pérez gave Peru’s citizens gooseflesh with a fiery speech in which he praised the “mystique,” the “sacrifice,” and the “discipline” of Shining Path’s cadre. Addressing himself to the APRA youth of Ayacucho, García said that if Aprista militants “more closely resembled those of Shining Path,” the Aprista revolution would already have been won. To this Aprista admiration for Shining Path, one must also add their unabashed collaboration with the other narco-terrorist movement, the Tupac

Amaru Revolutionary Movement (MRTA). Just months before finishing his term, Alan García facilitated the escape from jail of his good friend, former Aprista and a leader in the MRTA, Víctor Polay Campos.

This obvious affinity was nothing new. José Carlos Mariátegui, in one of his most important essays, “The Problem of the Land,” wrote: “In Haya de la Torre . . . I find concepts that absolutely coincide with my own on the agrarian question in general, and on the indigenous community in particular. We proceed from the same viewpoints, such that it is inevitable that our conclusions should also be the same.” Haya de la Torre and Mariátegui offer “Marxist” interpretations of Peruvian reality, with only shades of difference between them: Haya de la Torre always reproaches Mariátegui for being too “European-like” and describes his own viewpoint as more “autochthonous.” He invented the term “Indo-America,” with its explicitly racial allusion. “As a race,” said Haya de la Torre, “the Indian is not only an economic and social force but a traditional and telluric one.” He proposed creating a “new Indian” based on returning to the “socialist-idiosyncrasy of origin.”

Anthropologists and psychiatrists

The contemporary phase of indigenism was launched in the mid-twentieth century by a network of anthropologists, ethnologists, and other “social scientists” from the French structuralist school of Claude Lévi-Strauss, coming primarily out of the Sorbonne. In the mid-1950s, these people deployed into the Peruvian mountains to carry out ideological profiling studies of the Indian communities.

The Peruvian guru of this group was Luis E. Valcárcel, who led them to establish an urban base of operations, founding such apparently respectable and exclusively academic institutions as the Institute for Peruvian Studies (IEP), established in 1964 by Valcárcel’s student and intimate colleague José Matos Mar. All of these people and their institutions maintained an “academic” profile while producing biased studies on such subjects as how to dismantle the Armed Forces, allegedly “exposing state violence,” and “human rights violations.” By 1969, a study had already been produced on “the subversive potential of the Ayacucho region,” and the University of Huamanga—later the birthplace of Shining Path—had been refounded with money from the Ford and Rockefeller foundations, among others. Also, thanks to financing from the Ford Foundation, these same sociologists and anthropologists took control of the social science faculties of various Lima universities.

The orientation of this entire movement can be summed up by Valcárcel’s frank comment, “Ethnology was the fountainhead from which the new indigenism sprang.”

During the 1970s, this network of anthropologists joined forces with a group of psychiatrists and “social psychoanalysts” who had been trained at the Tavistock Institute. Tavistock got its start as the psychological warfare division of British intelligence after World War I. The studies of these

Sex and drugs used to push indigenism

One of the principal concerns of the school of psychohistory of Max Hernández is that of unveiling the "true history" of the "resistance" of the indigenous culture against the penetration of western civilization. To this end, they have applied the method of psychoanalysis to some of the key myths and historical events of Peruvian history. One of these interdisciplinary analyses is that of the Quechua myth of "Taki Ongoy," which turns out to be especially important for understanding how these "social scientists" who are in charge of carrying out Shining Path's cultural warfare in Peru, also did the basic studies which were subsequently used to design what became Shining Path.

The "Taki Ongoy," literally translated as "the Chant Disease," refers to a nativist movement which appeared in 1565 in the Ayacucho region. It was a religious movement in that its priests preached a message of rejection of western religion and culture; they instructed their followers in the details of a complicated ceremonial which included chants, dances, and which ended in complete bacchanales with all kinds of carnal acts. As detailed in the interdisciplinary study done by Hernández, Lemlij, Pendola Rostorowsky, and Millones, initially published by the Institute for Peruvian Studies under the title "The Return to the Huacas" (the Huacas are the pre-Inca gods), the followers of Taki Ongoy were not allowed to wear Spanish dress, nor to enter churches, nor to use Christian names, nor to taste Spanish foods. In their ceremonies

they used hallucinogenic drugs to induce communal orgasmic rituals.

In their sophisticated psychoanalytical study, Max Hernández and company establish the importance which this regional anti-western uprising had in what they term the movement of rejection of the West, which had the "greatest response potential against the Spanish" in this era of Peruvian history. It was even higher than the military uprising of the Inca nobility at the end of the sixteenth century. The superiority of the Taki Ongoy movement was based on the fact that this movement was directed toward controlling the deepest part of the mind of the indigenous peoples. The communal ritual orgies were essential in this function, because according to these psycho-historians, following the Freudian maxim that "the ego is primordially and fundamentally a corporal ego," through these orgies the indigenous would reconstruct their "ego," which had been (allegedly) destroyed by the violent phenomenon of the Spanish conquest. The orgies, by the same mechanisms in which physical contact between infant and mother creates the "ego" in the individual—conclude the psycho-historians—must rebuild a new "ego" for the indigenous.

In short, the return to the native religion, as proposed by the "indigenists" who back Shining Path, and also proposed by the psychotic indigenist Rigoberta Menchú, was a model designed by psychiatrists connected with the Tavistock Institute in Great Britain. The model includes the generalized use of drugs in the Shining Path ranks, and a recruitment method based on the rule that "the revolution enters by the womb"—a rule which, according to the confessions of jailed Shining Path members, was used when Shining Path would recruit by force among the indigenous population.

Tavistock-trained Peruvians were published in the early 1980s by several groups: the Institute for Peruvian Studies, of Valcárcel and company; the Peruvian Society of Psychoanalysis; and the highly important Interdisciplinary Seminar of Andean Studies, or SIDEA.

SIDEA was founded by psychiatrist Max Hernández, after he returned from years of training at Tavistock. The group's personnel included:

- **Max Hernández**, Peruvian psychiatrist. Studied at the Institute of Psychiatry of the University of London and at the Tavistock Institute. Former president of the Peruvian Society of Psychoanalysis, and former vice president of the International Association of Psychoanalysis. Founder of the Interdisciplinary Seminar of Andean Studies, SIDEA.

- **Moises Lemli**, Peruvian doctor also trained at Tavistock. Member of the Royal College of Psychiatry in London.

Specialist in the use of drugs in psychoanalysis. Member of SIDEA. His last book is entitled *Alucinogenos y Shamanismo en el Perú* (*Hallucinogens and Shamanism in Peru*).

- **María Rostworowski de Díaz Canseco**, historian of the Institute of Peruvian Studies and of the Institute for Andean Research at the University of California at Berkeley in the United States. She has dedicated her entire career to writing a refutation of the Augustinian version of Peruvian history written by the Inca Garcilazo del a Vega.

- **Luis Millones**, Peruvian anthropologist. Studied in the United States, and was professor at the University of Huamanga together with Shining Path chieftain Abimael Guzmán. Also a member of SIDEA.

- **Carlos Iván Degregori**, Shining Path "expert" of the Institute for Peruvian Studies, one of Max Hernández's favorite disciples.

In the late 1980s, SIDEA published a series of collective writings that had been under preparation since the 1970s. Among these are: "Entre el mito y la historia" ("Between Myth and History"), "Psicoanálisis y pasado andino" ("Psychoanalysis and the Andean Past"), "El umbral de los dioses" ("Threshold of the Gods"), "Psicoanálisis y educación" ("Psychoanalysis and Education"), and "Memorias del bien perdido" ("Memories of the Lost Good"). The last is a psychoanalytical study of Garcilaso de la Vega written by Max Hernández.

Destroying Peruvians' identity

The "theoretical" work of the SIDEA crew, headed by Hernández, is a sophisticated deconstructionist effort to destroy the identity of the Peruvian. Hernández and company prepared a new psychoanalytic view of Peruvian history centered on destroying the figure of Garcilaso de la Vega (1539-1616), an Incan and a Christian Platonic humanist, the true founder of the Peruvian nation.

According to Hernández, the Peruvian and his nation are the product of an act of lust and sin, the rape of the Indian mother by the savage Spanish conquistador. He shares this view with the Mexican "historian" Octavio Paz, who says that the most profound image he holds of the American mestizo is dominated by the rape of his Indian mother. According to Hernández, the mission of the "psycho-history," which he inaugurated, is to expose the "concrete condition of the mestizo and the copulation which gave rise to him, which lie submerged in the most remote areas of the subconscious."

The conclusions of this "historic" work of Hernández and company are that Peruvians, after 500 years of domination, have not been able to shed this self-image of bastardy stemming from the first encounter between Pizarro and the Inca Atahualpa, in Cajamarca in 1532, described as the "fundamental image of our nation, which gave shape to the conjunctions and disjunctions that continue to capture our national imagination." The first encounter between Incas and Spaniards, which Hernández calls "object rape," "beginning of the degeneration," and "stamp of bastardy," has deep sexual meaning, according to Hernández: It is the "victory-penetration" of the Spaniards who make all Peruvians bastards, "children of chance and sin."

For Hernández, history is a cycle which goes from "construction to the deconstruction of structures." The present-day "internal structure of Peruvian society is made up of four parts: Two parts are white, and two are Indian. . . . One Indian part is shamed by defeat and servility; one dominant and contemptuous white part complains that Pizarro didn't do away with all the Indians; another part is the heir of Bartolomé de las Casas and feels guilt for being white; and finally, there is the other Indian part, resentful, furious, in pain, which wants to do away with the other three parts."

These lines make it clear, if not altogether explicit, that

this last part of Peru's present-day "internal structure" is represented by Shining Path, which has begun the "deconstruction" of society.

Max Hernández's work is intended to wipe out all reference to the act of love, of *agapē*, which guided the birth of the first Peruvian and, correspondingly, of the Peruvian nation. Hernández's psychoanalytic history uses Garcilaso de la Vega as the "original" symbol of the violent carnal rape of the Indian mother by the Spanish father. In his study of Garcilaso, Hernández resorts to what he calls a "deconstruc-

The "theoretical" work of the SIDEA crew, headed by Hernández, is a sophisticated deconstructionist effort to destroy the identity of the Peruvian. Hernández and company prepared a new psychoanalytic view of Peruvian history centered on destroying the figure of Garcilaso de la Vega (1539-1616), an Incan and a Christian Platonic humanist, the true founder of the Peruvian nation.

tionist" biographical analysis which allows him to reveal the most intimate "disfiguring" of the individual.

The actual life and work of Garcilaso de la Vega denies this ill-intentioned view. Garcilaso is the first Peruvian to incorporate the Christian Platonic culture of the Golden Italian Renaissance within the maternal Quechua culture. This direct descendant of the last great Inca Cuzqueqo, was raised from childhood with "an intense tenderness and love"—as he himself says—for both his noble Inca forefathers and for his Spanish father. Upon his father's death, Garcilaso was sent to study in Spain, where his uncle Capt. Alonzo de Vargas, an aide to King Philip II, protected and loved him, as Garcilaso put it, "as if I were his own son."

All of SIDEA's work sends a message closely tied to the globalist project of the new world order: This creation, which calls itself the Peruvian nation, is not worth the effort to defend it, unless one is, as they themselves insinuate, a homosexual who "derives pleasure from the initial victory-penetration." Thus, a disciple of Hernández says euphemistically: "Peru has not yet arrived at becoming a nation . . . at a time when, paradoxically, nationhood as a social order is coming to the end of its historical cycle. This can be clearly seen in the case of Europe, which is getting to the point at which the nationalists are going to be transcended by a more universalist ideology."

Let Clinton save his presidency and Bosnia

The following article was compiled from reports put together from persons in contact with the Bosnian delegation at the Geneva "peace" talks during the first week in August.

On July 31, Britain's Lord David Owen was formally accused of having lied to Bosnia President Alija Izetbegovic and of having tried to trick him into signing an agreement that would strip Bosnia of its statehood. The dramatic denunciation at a press conference given at 7 p.m. that day in Geneva was made by Prof. Francis Boyle of the University of Illinois, Champaign, the counsel to the Bosnia and Hercegovina government and an authority in the field of international law. At the same time, in a letter delivered to the co-chairmen of the International Conference on Former Yugoslavia, Owen and Thorvald Stoltenberg, President Izetbegovic stated that he cannot accept the draft agreement presented to him, because, contrary to what the two co-chairmen told him, the agreement implies that Bosnia would lose its statehood.

President Izetbegovic's letter

Thus, President Izetbegovic froze his approval of the draft until such time as the formulation is changed. The Bosnian authorities also released the minutes of a discussion between Owen's legal adviser Dr. Paul Szass, Professor Boyle, and other Bosnian officials including Dr. Kasim Trnka, a justice of the Bosnian Constitutional Court, and Prof. Lamiya Tanovic, the Bosnian representative to Denmark. The minutes reveal the scandalous, insulting, and threatening attitude of Owen's team, and, according to experts, constitute in themselves sufficient cause to demand the immediate removal of Lord Owen from his position of mediator. They also confirm the strong will of Bosnia's representatives to resist the partition schemes.

The letter of President Izetbegovic to Owen and Stoltenberg reads in part: "Sirs, Yesterday I gave my preliminary approval of the draft on Constitutional Agreement on the Union of Republics of Bosnia and Hercegovina. My approval

was given upon your statement that the agreement does not question the status of statehood for the future Union and thereby its membership in the OUN [United Nations Organization]. However, I have been warned this morning by experts in international law that Article 1 of the agreement, as it is, leaves doubts relating to the legal status of the Union of the Republics of Bosnia and Hercegovina. . . . Therefore I have to insist upon an unambiguous answer to this question. . . . I have to inform you that, until I receive the answer, I remain reserved regarding the wording of Article 1."

Article 1, in the draft originally presented to President Izetbegovic, reads in part: "The Union of the Republics of Bosnia and Hercegovina is composed of three Constituent Republics." The formulations avoid the use of the word "state." Despite that, Lord Owen told President Izetbegovic that the draft does "not question the status of state" for the future Union. This is clearly false, and Lord Owen could not have been unaware of it. The consequences of accepting such a formulation would be, as Professor Boyle described in a written analysis, the dissolution of Bosnia. "In theory then, Bosnia might lose its U.N. membership automatically and have to re-apply for admission, which will never happen. . . . So the sentence is misleading," Boyle wrote.

At his July 31 press conference, Professor Boyle answered with an unequivocal "yes" to the questions of several reporters whether Lord Owen "had lied," and whether he had tried to "trick" President Izetbegovic. When he said, "Yes, Owen and Stoltenberg lied!" he was greeted with applause and cheering from a dozen among those reporters present.

Owen adviser admits real aim

In his discussion with Bosnian officials that took place on that same day at the Palace of Nations in Geneva, the legal adviser of Lord Owen, Dr. Paul Szass, admitted the real intention of Owen and Stoltenberg. He also admitted that his original formulation was changed by his superiors. The full minutes of the discussion are available to the public upon

request to this press agency. What follow are quotations from the minutes:

Professor Boyle wants to know whether or not the "Union" is in fact intended to be a state, and if not, then what? Dr. Szass: "There were so many disagreements, that we wanted to avoid using certain words and expressions, like that of State." Boyle objects this will destroy the continuity of the Bosnian state. Professor Boyle: "We cannot throw away our U.N. membership. Article 1 cannot be accepted as it is. . . ." Dr. Szass: "This language is meant to establish a new state without explicitly using the word State. . . ." Professor Boyle: "Did you write this, Dr. Szass?" Dr. Szass: "I had tried to be more precise about the question of statehood in my original wording. *But it was changed.* . . . I can tell you there will be little understanding in the international community about these theological questions. . . . Somehow you will get assurances that the problem of your membership in the U.N. will be solved. If all parties start nit-picking and blocking on one article, then we will never get beyond square one. I can tell you, if you go on in this way, the Security Council will tell you to go to hell" (emphasis added).

Emerging from the talks, President Izetbegovic was greeted by a thousand weeping and cheering Bosnian and Swiss sympathizers, who tried to climb the crash barriers to embrace him. They were waving Bosnian flags and shouting "Don't Give In!"

A wrench had clearly been thrown into the works. Not that the Bosnians' military situation on the ground had improved one iota—five bullets a day per man is the quota for the defense of Sarajevo—but the mere fact that Bosnia after one and a half years of one of the most brutal invasions in history, is still fighting, on all fronts, demonstrates a principle of resistance which waves the red flag before the British bull.

The City of Sarajevo was about to fall, as the plump, gleaming David Owen and his Norwegian crony Stoltenberg took their walks along the lake and their meals in Geneva's smartest restaurants. Meanwhile, the government and opposition of the Bosnian state had been hanging around for days in the vicinity of Sarajevo Airport, waiting for a lull in the shelling so they could be brought out to Geneva. The Bosnian delegation arrived haggard. Most have health problems caused by the lack of rest attendant upon the constant shelling, lack of fresh water, hygienic facilities, suitable food, exercise, and sunlight, because taking any form of fresh air in Bosnia's besieged cities is excessively dangerous.

The Bosnian delegation was not made up of professional politicians but medical doctors, professors of history and philosophy, engineers, and scientists. Their staff was a group of Bosnian youths who have come in from different parts of Europe to help out without any payment. They arrived at the Palace of Nations, and found that they had one single international phone line available for 40 people. No fax or photocopy machine for their own direct use was available until four days into the talks; no basic secretarial equipment, not even notebooks. On July 31, after hours of negotiations,

a few dry sandwiches were brought in and thrown onto the table. These are people who had not eaten a proper meal in several months. On Monday, they were informed that these sandwiches were being cut for "budgetary reasons." It was obvious that Owen intended to smash them by breaking down their physical and mental resistance.

On the British side—it is important to be clear that this is a British show, and that the Croatian and Serbian delegations were simply there for window dressing—were the entire intelligence and media capabilities of the British state, represented by an army of U.N. bureaucrats (mainly British themselves), lawyers, and a fully equipped and running secretariat with dozens of aides, secretaries, and operatives.

Owen had been hard at it to divide the Bosnian delegation. By Sunday morning Aug. 1, he had invited the Bosnian opposition to a meeting at 10:30 a.m. in the Palace of Nations, which he had timed to overlap exactly with the press conference the opposition had called for 11 a.m. But, at 11 a.m. sharp, to Owen's undisguised revulsion, the opposition got up and walked out. Although cunning questions were put by the press to play up internal divisions within the opposition, the panel stuck to its guns: They said that they were all supporting President Izetbegovic in his refusal to sign Owen's original document, and read out the critical points made by the delegation's legal counsel. Then they closed the press conference.

By Tuesday morning, Aug. 3, Owen had succeeded in getting the three Croatian members of the Presidency, including Prime Minister Akmadzic, to leave the Bosnian delegation and go over to the Croatian group of Mate Boban.

U.S. presidency also at stake

At the time of this writing on Aug. 5, it is not known whether President Clinton will save his presidency and raise the siege of Sarajevo. American statesman Lyndon LaRouche warned on Aug. 4 on the weekly "EIR Talks with LaRouche," that "if the Clinton administration does not bull through military action to save the Bosnians from the Serbian fascists in time to save Sarajevo, in particular, then the Clinton administration goes down in flames; I don't think much of anything could be done to save it. That's where the issue lies. And if the Clinton administration loses credibility in that way, then all of the world's governments—western Europe, Japan, the whole kit and caboodle—lose credibility. And we go on to a slide in the direction of chaos, globally. That's what this really means." On Aug. 2, after the Serbians took the strategic hill of Bjelasnica outside Sarajevo, President Izetbegovic decided to interrupt the talks and sit it out in his hotel.

Sometime in the previous 24 hours, Reginald Bartholomew, the as-yet unconfirmed U.S. ambassador to Italy who had been hanging around Geneva for the last few days, had a message conveyed to the Bosnian Presidency: There will be no U.S. intervention, no cavalry coming over the hill to save your capital. All this talk in Brussels about intervention was just a show to get you to sign. So sign.

Owen then sent back to President Izetbegovic the exact

same draft document, without a single alteration, which the President had demanded be modified on July 31.

As we go to press, the entire force of British diplomacy and blackmail is being brought to bear on the U.S. presidency not to intervene to break the siege of Sarajevo, and on the Bosnian presidency to sign what is, in effect, its capitulation and liquidation as a state. The only hope is that Clinton acts now to prove them wrong.

Interview: Omar Beslagacic

They are trying to extinguish Bosnia

Omar Beslagacic is mayor of Tuzla, Bosnia-Herzegovina. He was interviewed in Geneva on Aug. 2.

EIR: What has to be done?

Beslagacic: Unblock the roads, the airport. And the phone blockade—we had 20 lines to Croatia and they were cut by the Croats. The blue roads must be opened.

EIR: What about the airport?

Beslagacic: The airport was ready to be opened one year ago. We asked all international organizations to open it but received no reply. My opinion is that it is an *international plot* not to open the airport. There is no other reason. We would fulfill the conditions if there were any. But there are none given. No reply from [U.N. Secretary General Boutros] Boutros-Ghali either, no reply from Owen, but we wrote to both of them.

We found out that a “procedure” on the airport has been moved in the U.N., but nothing has moved. This region is already economically closed down.

EIR: What is happening at these talks?

Beslagacic: They are trying to extinguish Bosnia-Herzegovina here. The mediators should follow the London conference rules but they don't; force should not be recognized, the refugees should be able to go back to where they were “purged” from, then the negotiations might make some sense. Today we talked with mediators. We asked for a guarantee that Bosnia continue in the U.N., even if it becomes a Union of Republics. They want it to be divided, but what are the parameters? Ethnic? Religious? What are their parameters?

Owen took us over to a map today. He showed us the

front lines. He said that these are the borders which could just be slightly changed. That means recognizing force as a means of solving the conflict.

EIR: What message do you want to send?

Beslagacic: I would like to send a message that what is happening in Bosnia is fascism, and if the world does not stop this fascism, there will be fascism soon in each one of your homes. And we will certainly have World War III.

Documentation

Hague International Court: Sorry, on vacation!

The following is taken from the “Request for the Indication of Provisional Measures of Protection, Submitted by the Government of the Republic of Bosnia and Herzegovina,” presented on July 27 to the International Court of Justice in The Hague by Prof. Francis Boyle. The request calls for applying to Serbia and Montenegro the provisions of the Convention on the Prevention and the Punishment of Genocide. Professor Boyle was acting as the General Agent of the Republic of Bosnia before that Court. The answer of the International Court to this last-ditch attempt to reestablish some form of justice in international relations, was that it could not meet before Aug. 25, because the judges had to have their vacations. Presenting this shameful statement to the press in Geneva, Professor Boyle remarked bitterly that “If you want justice, do not go to the International Court.”

On March 20 (see EIR, April 9, 1993), Professor Boyle had asked for provisional measures to stop the Bosnian holocaust. On April 8, the court issued an order to the Serbians to halt the genocide, but it contained no provisions for the order's implementation. From the July 27 request:

At that time [March 20], I stated quite clearly that in the event the Respondent [Serbia] continued with its campaign of genocide . . . I would have no alternative but to file another Request. If I remember correctly, the President of the Court took note of my statement. . . . The time has come for me to carry out that commitment. . . . The Respondent paid absolutely no attention whatsoever to the Court's Order, and immediately proceeded to violate each and every one of its provisions. . . . Furthermore, pursuant to its campaign of genocide, the Respondent is now proposing their partition,

dismemberment, annexation, and incorporation, which will constitute the logical culmination and ultimate success of its genocidal plan to establish a "Greater Serbia." . . . If not prevented by this Court, the Respondent plans to annex and incorporate substantial portions of the sovereign territory of Bosnia and to remove therefrom all people who recognize Bosnia citizenship irrespective of their other affiliations—whether Muslim, Christian, Jew, Serb, Croat—by means of genocide and acts of genocide in violation of the Genocide Convention and this Court Order of April 8, 1993. Clearly, the destruction of a sovereign nation-state by means of genocide by another state must fall within the prohibitions of the Genocide Convention to which both states are parties. The Respondent's proposed partition of Bosnia will be the prelude to the final extinction of our State and the ultimate extermination of our People. . . .

Provisional Measures Requested:

1) That Yugoslavia (Serbia and Montenegro) must immediately cease and desist from providing directly or indirectly, any type of support to any nations, group, organization . . . in Bosnia and Hercegovina for any reason.

2) That Yugoslavia and all of its public officials—including especially the President of Serbia—must immediately cease and desist from any and all efforts . . . to partition, dismember, annex or incorporate the sovereign territory of Bosnia. . . .

3) That the annexation or incorporation of any territory of Bosnia . . . be deemed illegal, null and void *ab initio*.

4) That the Government of Bosnia must have the means to "prevent" the commission of the acts of genocide. . . .

8) That in order to fulfill the obligations under the Genocide Convention. . . the Government of Bosnia must have the ability to obtain military weapons, equipment and supplies from other [Convention] Contracting Parties.

9) That in order to fulfill their obligations under the Genocide Convention. . . all Contracting Parties must have the ability to provide military weapons . . . and armed forces to the Government of Bosnia.

10) That United Nations Peacekeeping Forces in Bosnia (Unprofor) must do all in their power to ensure the flow of humanitarian relief supplies to the Bosnian People through the Bosnian city of Tuzla.

McCloskey demands removal of Lord Owen

The following are excerpts from a press conference given on Capitol Hill on Aug. 5 by Rep. Frank McCloskey (D-Ind.) and Mr. Marshall Harris, former head of the Bosnia Desk at the State Department, who resigned the day before in protest

against the U.S. policy toward Bosnia.

McCloskey: . . . I call on Secretary Christopher and President Clinton, and they will be formally advised to that effect today, to ask the European Community to replace David Owen as its mediator in the talks. Owen, who is cravenly calling for the dismemberment of the sovereign Republic of Bosnia-Hercegovina, has egregiously exceeded his mandate as a mediator by pressuring the parties to the talks to agree to the alteration of international borders. In effect, perhaps without his knowing it—I don't know the state of his consciousness—he has become a *de facto* proponent of Serb genocidal interests.

I am pleased to announce today that Marshall Freeman Harris has joined my staff as a foreign policy adviser, in fact, my major foreign policy adviser. Mr. Harris resigned yesterday from his position as Bosnia Desk Officer at the Department of State to protest U.S. pressure on the Bosnian government to accept a partition agreement in Geneva. His expertise in the State Department was in Balkan affairs. He will advise me, however, on the full range of foreign policy issues.

. . . The Clinton administration's decision to launch air strikes against Bosnian Serb targets if the siege of Sarajevo continues is a most welcome development. I have talked to President Clinton himself several times on this in the last two weeks, and I know he is truly sincere in wanting to lift the siege of Sarajevo and, indeed, all of Bosnia, particularly in places where the problems are even worse, such as Gorazde.

I urge the President and the Secretary of State, Christopher, to work vigorously to realize this policy objective. At the same time, I urge them to do more. Air strikes should be only the first step in a U.S.-led military campaign to roll back Bosnian Serb gains and restore Bosnia as a unitary state. The administration should act immediately to lift the arms embargo so that the Bosnian people can defend themselves against the Bosnian Serb forces' campaign of genocidal terror. I also urge President Clinton to withdraw immediately our country's support for the Bosnian partition talks in Geneva. Those are not peace talks, they are genocide—genocide-abetting partition talks, if I might say that.

The following are quotes from an exchange between Mr. Marshall Harris and reporters:

Q: Mr. Harris, are you resigning because you disagree with the policy or do you disagree with the way it's being implemented?

Mr. Harris: I disagree with the policy, and the policy is that we are prepared to use air strikes now in Bosnia, not merely to punish the Bosnian Serbs, who are guilty of genocide and brutal aggression in that country, but to use those strikes as a means of compelling a political settlement in Geneva, a political settlement that will inevitably lead to the partitioning of Bosnia. . . . The administration, I think, should—as the congressman has said today—immediately

withdraw its support for the talks, and President Clinton should introduce a resolution in the United Nations to lift the arms embargo, which I sincerely believe is still possible if he engages in the process directly and actively.

I feel very strongly that the United States should not or cannot accept the dismemberment of a U.N. nation—a sovereign U.N. nation in Europe even when that dismemberment is being brought about by force, as it is in this case. The talks that are going on in Geneva now that we refer to as peace talks are in fact partition talks or dismemberment talks, and I find that completely unacceptable that a global democratic power could support such a process. It's completely inconsistent with our values as a nation and what we stand for as a democracy.

Q: And what do you feel about Lord Owen and his position?

Mr. Harris: I think that Lord Owen is overly concerned with getting a political settlement now in Bosnia. I think that his—he's made it too high a priority that we reach a settlement. His overarching concern seems to bring this to a—the conflict and the crisis in Bosnia to a quick conclusion, and I think that's completely inappropriate, and in this case, since it's going to lead to a partitioning of a country, it's completely inappropriate.

Q: Your predecessor at the State Department [George Kenney] also resigned. Does this signal that the State Department is in great turmoil over the policies?

Mr. Harris: Well, I don't know that we're in great turmoil, but it's no secret that there is widespread dissent within the department, dating from the Bush administration; Mr. Kenney's resignation a year or so ago is the most obvious manifestation of that.

I'm not going to speak for my colleagues who remain in the department, but I do know that I'm not alone in feeling that we're not doing the right thing, that we're not doing enough in Bosnia.

... My concern here mainly is that the administration, first of all, has treated Bosnia as a footnote in its domestic policy agenda, rather than as a legitimate foreign policy concern. As I say, the partitioning of a European state should be of vital concern to us here. But the administration has lacked the political will to do more. I think that what they've done so far, I could characterize as half-measures, as would be the air strikes that are being contemplated now.

President Clinton has never directly and actively engaged in Bosnia policy. He has written letters to his counterparts. He has discussed the issue, when asked, with the media. But it seems to me, he needs to be far more forceful and assert himself as a leader of the world's superpower, and he should act accordingly. And it seems to me, maybe they're going about things backwards, that if he were to lead, that would bring the American public along, that would bring along the congressmen who are reluctant to do anything, and it could inspire our European allies to do more.

Israel follows Serbia's lead

by Joseph Brewda

One effect of President Bill Clinton's May 22 capitulation to Anglo-French demands that he do nothing to stop Serbia's conquest of Bosnia, has just been felt: the beginnings of a new Israeli war of conquest. Taking its cue from the U.S. non-response to Serbian genocide, on July 24, the Israeli elite ordered the most intense attack on Lebanon since Israel invaded its neighbor in 1982. The attack was suspended temporarily only after the U.S. brokered a ceasefire on July 31.

Dubbed "Operation Accountability," this attack, and future ones, are intended by Israel to seize all of Lebanon south of the Litani River—a decades-long Zionist demand—after driving out the Arabs through war. At the same time, the British and French governments, and elements of Clinton's administration (whether Clinton knows this or not) intend to use a process of alternating wars and ceasefires, to force through a new division of the Mideast. Israel and Syria have long had a secret deal to carve up Lebanon and the region; the new ceasefire may lead to making that deal public.

As always, the pretext for the Israeli land grab is "terrorism"—in this case, some crude rocket attacks by the Iranian-controlled Hezbollah of southern Lebanon. It was under the pretext of curtailing such attacks, that Israel earlier carved out a "security zone" in southern Lebanon. Flaunting its support for Israel, Britain mildly condemned "both sides" for the assault, while the U.N. Security Council refused even to hold an emergency meeting—although the Israeli Army had attacked a U.N. monitoring facility.

Ethnic cleansing

Although U.S. and European news media carried the Israeli line that the bombardment is intended to end Hezbollah terrorism, Israeli military actions have shown that the Lebanese population generally was the actual target—as Israeli Prime Minister Yitzhak Rabin has admitted.

The toll of the seven-day artillery and air barrage against southern Lebanon has been extremely high: an estimated 300,000-500,000 refugees (about 10% of Lebanon's population) crowded into Beirut; 10,000 homes destroyed, and another 20,000 damaged. Scores of villages came under direct attack; in many, one-third of all buildings are in ruins. Reconstruction costs are expected to exceed \$1 billion, in a country

already ruined by a 17-year Anglo-American-manipulated civil war.

Although artillery fire over the week was extraordinarily intense—at least 30,000 howitzer shells and 1,000 jet-fired rockets were fired—casualties have been relatively small. So far, 128 people are dead, 120 of them civilians. As Israeli state radio has proclaimed, Israel's assault was intended to force the "mass flight" of the civilian population. Driving out some 725,000 Arabs this way allowed Israel to dramatically expand its borders in 1947-48. The purpose of the recent assault is similar.

That this is policy has been proclaimed all over the Israeli media. From the outset, the Israeli government has made clear to its own people that the target is the Lebanese population generally, to be driven out by making southern Lebanon unlivable. It is reported that 93% of Israelis polled support this policy.

"We want to make it unequivocally clear that if there is no quiet here, there will be no quiet for the residents of south Lebanon north of the 'security zone,'" Israeli Prime Minister Yitzhak Rabin bellowed on Israeli television. "If there is no quiet here [in Israel], there will be such 'unquiet' there that they [the Lebanese] won't be able to live there." Israel Army Chief of Staff Ehud Barak told the press smugly to the press that "people are leaving the villages, and I assume the outflow will be heavier." "Tens of thousands of villagers yesterday understood the unequivocal message Israel sent to them and began fleeing north," the daily *Al Hamishmar* wrote front-page on July 26. "The others, who remain in their homes, may be harmed."

And a new Syrian Deal

Having forced virtually the entire population of the region into flight, Israel agreed to a U.S.-brokered "ceasefire." Although some refugees are now returning, Rabin's continuing threats of future actions, and the massive destruction of homes and infrastructure, will ensure that the Arab population in southern Lebanon remains low.

At the same time, the context has now been created for a dramatic "separate peace" with Syria. U.S. Secretary of State Warren Christopher arrived in the region on Aug. 2 to meet with Rabin, Syrian President Hafez Assad, and Lebanese Prime Minister Rafik Hariri. The ceasefire had been negotiated through his telephone contact with all three leaders. Suddenly, strangely, Assad is a hero.

"There is no doubt the way in which Assad played his cards in the latest incident strengthened the feeling that there is someone to talk to and something to talk about," gushed Israeli Foreign Minister Shimon Peres on Israeli Army radio on Aug. 2. "Syria has definitely changed in that it's a partner to such an arrangement as this," said Uri Lubrani, the diplomat in charge of the Israel's secret deals with Syria. Even Israeli Chief of Staff General Barak praised Assad as "a very serious and highly responsible leader."

India's government survives challenge

by Ramtanu Maitra

On July 28, the ruling Congress (I) party of India managed to vote down the no-confidence motion brought by the opposition against the government by a slender margin. But the tension and crisis that gripped the ruling party, even on the day of the parliamentary vote, is a testimony to how much India's political institutions have weakened. The victory on the parliamentary floor may turn out to be a short respite for the government, and it remains to be seen whether the episode has jolted it out of the deep slumber it seems to be in.

The core of the no-confidence motion presented before the Lok Sabha, the lower house of parliament, by a strange alliance of communists, Hindu chauvinists, socialists, and others, was focused on the scandals implicating high government officials, including the allegation of a payoff to the prime minister by a stockbroker, and increasing communalism in the Indian polity. While these issues, mostly allegations, are no doubt much discussed in homes and on the streets of India, the government's real problems lie elsewhere. Although corruption and communalism have proven populist appeal, the greater worry that plagues an average Indian is that the nation is now being led by a government which is indecisive, evasive, and utterly vulnerable. All these weaknesses together have made India, a nation of over 850 million people, increasingly insignificant and vulnerable to external pressures in the present unipolar world order.

The promise

The government of Prime Minister Narasimha Rao, which has met with two major calamities in the form of the demolition of the Babri Masjid and a \$1.7 billion securities scam which has tainted officials high and low, was keen to present itself from the very outset of its birth in June 1991 as a government which would change India's economic condition over a period of years through the dismantling of various regulatory measures and by managing money judiciously. Finance Minister Manmohan Singh, who has repeatedly expressed his discontent over India's reliance on aid funds from donor countries during the 1970s and 1980s, was given the difficult task of bringing life back into the Indian economy.

However, two years later, a period which the Finance Ministry claims is too short, the Indian economy looks as vulnerable as ever. India's "begging" from donor countries

continues, and India has, by agreeing to most of the economic measures suggested by the World Bank and the International Monetary Fund (IMF), brought in a set of money managers whose performance elsewhere brings little comfort to the people. There is little sign of India's foreign debt going down. The tariff reductions, which were designed to make Indian manufacturers more competitive and stronger, have only helped importers eat into the emaciated Indian economy. The rupee devaluation was ostensibly done to make Indian products more competitive abroad, but it has met with limited success, and export growth is in danger of being offset by growing imports. The foreign investors, for whom a number of regulatory measures were dismantled and liberalization was implemented by the Rao government, are not coming in droves, and there is genuine concern among economic pundits that a lot more reforms will be necessary before foreign investors begin to pump in money in any worthwhile volume.

The circular argument

While people generally are getting a bit suspicious, noticing the gap between the promise and reality, India's economic czars and their cheering section have answers to all these concerns. However, when one adds up all the analysis, it turns out that the economic czars are presenting a circular argument. The foreign debt cannot go down because India has not fully geared up for exports, and it is difficult to manage the balance of trade because of India's high oil import bill. Because the foreign commercial banks are uneasy, India will have to continue to depend on loans from the IMF and the World Bank and to "beg" for more from the donor countries, and all this, of course, is bound to increase the foreign debt, the reformers admit. But it is a transitory distortion, they claim.

The tariff reductions are not working well because the economic environment, which is subsumed under the political climate, is not conducive enough for investors to come in. This is evident from the fact that the banks are flush with money, and this is currently a matter of great concern to the Finance Ministry.

At the same time, since investors are not coming in with their money, Indian industries will have to face the onslaught from foreign manufacturers, at least for a short time, the reformers say. Only when investors decide to show up with their money will Indian industries be competitive, and in order to get there, India requires further reforms in the financial sector, labor sector, etc.

At the same time, the devaluation of the rupee has not worked as well as expected, because Indian manufacturers have not been able to garner strength through modernization and acquiring improved technologies. Investors have shied away, and the economic environment has remained less than favorable to them.

There is again a list of reasons why foreign investors are

not so eager to put money into the Indian economy. The list includes: unfriendly financial institutions, an unstable political situation, uncooperative labor laws, and an unhelpful tariff structure. The answer to all these negative factors, Finance Ministry officials indicate, is more and more reform. "You have to change with the times," they point out.

The dilemma

Anyone with political brains can figure out that further reforms will require a strong government and a friendly political environment. Since the Rao government, as people found out on July 28, had to scramble for its existence, it is likely that any further reforms, particularly those in the volatile category such as changing the labor laws, will be out of its reach. Since the entire edifice of the economic revival is based on further reforms, the average individual gets worried about the whole formulation. It is evident that India has entered the process of globalization of its economy, which means, among other things, that global institutions are now directly involved in India's future, and there is no getting away from it. To an average Indian, this itself is not a problem, but if further reform cannot be done and the present level of tangible and real reforms do not make the economy any stronger, nor make the political environment any more stable or reduce the foreign debt or make Indian manufacturers any more competitive, then, what is he headed for? The answer to that question is a litany of figures which cannot convince anyone one way or the other.

Reality is quite different. While the economy is growing at a snail's pace—no big surprise to any Indian who has lived with a similar growth rate for more than four decades—the infrastructural shortfalls are becoming increasingly evident. There are more power shortages today than five years ago. Trains are more crowded today than yesterday. Drinking water quality is deteriorating by the day, while the primary education shortfall is growing by leaps and bounds. For an average Indian these realities are before him every day. The promising effect of reforms he only reads about in the newspapers and hears about from government-controlled television.

Even what he reads in newspapers does not bring much comfort. Economic news analysts, quoting high-level sources in the Finance Ministry, broadcast assurances that India would not seek the \$5 billion or so extended fund facility (EFF) from the International Monetary Fund (which comes with a new range of conditionalities), because India's exceptional foreign exchange needs would come down to about \$2.5 billion by 1994-95 and the loan would not be necessary. An IMF team then arrived in India to discuss the EFF. The same analysts reported later that the IMF officials abruptly left the meeting a day before the scheduled close, giving rise to concern among Finance Ministry officials that the unstable political environment in India had made the IMF jittery.

Moscow abuzz with 'post-Yeltsin' talk

by Konstantin George

The question of what comes after Russian President Boris Yeltsin, whose political fortunes are decidedly on the wane, burst into the open in late July in the Russian press. The spate of articles, which also raised questions about Yeltsin's health, began July 29 in *Pravda* and *Rossiskaya Gazeta*, organs respectively of the diehard old Communist and Russian ultra-nationalist opposition to Yeltsin. Yet this was no mere opposition mud-slinging. A spokesman for the pro-Yeltsin Democratic Russia movement confirmed on Aug. 2 that shaping the succession has become a priority for that organization. By Aug. 4, the succession had become the headline story in the leading "moderate" daily, *Nezavisimaya Gazeta*.

The intensifying succession debate reflects a deep transformation under way in Russian policy. That shift can be denoted on two pivotal counts: 1) the onset of a sharp break with the "shock therapy" policies which have ravaged the economy for the past 18 months; and 2), in typically Russian style, the stepping-up of a "Great Russian" policy of recreating the empire by grabbing in stages, whether by annexation or as protectorates and spheres of influence, nearly all of the old U.S.S.R.'s territory.

Captive of new policy?

Yeltsin himself reappeared in public Aug. 4, flying down to the south-central Russian city of Oryol for the 50th anniversary of the 1943 Battle of Kursk, which marked the turning point on the Eastern Front. More important are the decrees he signed during his "non-appearance," which made him the "executive vehicle" for the policy shift since July 13. Some highlights:

1) Yeltsin authorized the military to use all force necessary in the war in Tajikistan.

2) At the end of July, in response to military demands, he preemptively ordered the sending of an additional 5,000 troops to the explosive North Caucasus region of North Ossetia and Ingushetia, in expectation of new outbreaks of ethnic conflict.

3) In the two statements (July 26 and Aug. 4 in Oryol) on the ruble reform, he has endorsed the action of the Central Bank and Prime Minister Victor Chernomyrdin.

4) Decrees made public Aug. 4 signal that Yeltsin will back the next round of Russian pressure against the Baltic republics. He postponed the final withdrawal of Russian forces from Lithuania, previously set for Aug. 31, and issued a presidential pardon for Sergei Parfyonov, the former deputy commander of the U.S.S.R. Interior Ministry OMON special units in Riga, Latvia, responsible for the January 1991 attack on the Latvian Interior Ministry building that killed at least five people. Under heavy Russian pressure, Parfyonov was given an early release on July 31 from a Latvian prison and deported to Russia.

Senior western authorities on Russia and the most serious of the continental European press have realized that the shift is irreversible, regardless of personality considerations in the Russian leadership. The second, or imperial feature of the shift, was expressed by Prof. John Erickson of Edinburgh, in an article for the *World Policy Journal*, as "the gathering of the Russian lands unto Moscow." This phrase, "the gathering of the Russian lands," was used to describe Russian policy in the lead editorial Aug. 4 of the south German daily *Süddeutsche Zeitung*, titled: "The Empire Comes Back."

Rejection of 'shock therapy'?

The growing break with shock therapy—the radical free-market measures to withdraw all government direction and support for the economy—was initiated through the ruble reform, as reported in *EIR* last week. The pattern can be documented in two news developments which have been little noticed in the West. The first, as *EIR* already reported, was the July 29 announcement by First Deputy Prime Minister Oleg Lobov, a loud opponent of shock therapy, that Russia was launching its largest infrastructural program in years, budgeting 1.2 trillion rubles for housing construction and road building. This was followed by a Russian government announcement, covered quietly by Radio Moscow on Aug. 1, which reported that "construction has begun on the high-speed rail line between St. Petersburg and Moscow" and that "completion is scheduled for 1999."

In a Radio Moscow interview broadcast Aug. 2, the deputy director of the top economic think-tank IMEMO defended the ruble reform as something that "had to be done," though saying that it "could have been done better." The interviewer, citing the opposition of Finance Minister Boris Fyodorov, asked, "Isn't the cabinet split?" The reply was: "The cabinet has always been split, from the beginning," making it clear that the Fyodorov group, loyal to the International Monetary Fund (IMF), had lost. The questioner protested that "western governments are not in favor of the ruble reform," and have indicated they may withhold aid promised through the Group of Seven. "Isn't Russia risking" a cutoff? The reply was blunt: "No," Russia is risking nothing because "Russia has not received a penny of the promised aid," and "if any money ever arrives here . . . it will be much less than promised,

and we won't even start to see it until many months from now."

The succession question

Pravda and *Rossiskaya Gazeta* reported certain incontestable facts that suggest Yeltsin is either in a political twilight, or very ill, or both: In the last three weeks of July, there were no appearances of Yeltsin in public. Televised coverage of him was confined to archive pictures, with two exceptions. At the July 26 meeting of the Russian Security Council, distant views of a Yeltsin with a noticeably puffy face were shown briefly. The same was true on July 29 in his meeting with leaders of the North Caucasus regions of North Ossetia and Ingushetia. A July 27 engagement to speak before a Youth Congress in Moscow was cancelled at the last minute, and the usual weekend TV interviews were omitted, first because of his "vacation," and then, after his return to Moscow on July 25, with no reason given.

Pravda had reported on an emergency meeting of the leadership of the pro-Yeltsin Democratic Russia movement, saying that these leaders were afraid that Yeltsin could be incapacitated, and feared that under the present Constitution, power would automatically pass to Vice President Aleksandr Rutskoy, one of Yeltsin's harshest critics. Spokesmen for Democratic Russia heatedly denied the health rumors, but confirmed that the succession question is being posed. They declared that Democratic Russia was pushing as priority the early conclusion and ratification of the new Constitution, with special emphasis on its succession clause, which mandates immediate elections, thus thwarting Rutskoy's rise to power.

By Aug. 2, the succession struggle broke into *Nezavisimaya Gazeta*, in a lead article by Viktor Marsov, which described Yeltsin's conduct of late as "more than odd" and was titled: "August 1993: Nervous Anticipation. Who is controlling the situation in Russia? Again there's no answer." Marsov wrote, "Rumors most unpleasant for the President and dangerous for the country are spreading over Moscow. These rumors have been circulating for months and months, but of late they have become a real factor of the real but still underground political struggle." Who controls the situation in this country and how? "There is no reply to this situation and by this irresponsibility the situation of August 1993 is highly similar to that of August 1991," a reference to the coup attempt during Gorbachov's reign. "The deployment of forces is different—the misgivings are the same." Marsov added that Yeltsin's "decisions have been either completely lackluster or contradictory. One has the impression that no one knows what the President is thinking about existing problems."

A banner headline in the Aug. 2 leading German daily, the *Frankfurter Allgemeine Zeitung*, announced, "In Moscow, the signs of a Yeltsin severe illness are multiplying." The article, written by the paper's well-informed Moscow

correspondent, Elfie Siegl, begins: "Signs to be taken seriously speak for the fact that Russian President Yeltsin is gravely ill and limited in his work and decision-making capabilities. As can be heard from several sides, in the past three weeks, 'contrary to expectations,' Yeltsin's health condition has so worsened that he is hardly the master of the situation in the country."

By Aug. 3, the Presidential Office was forced to issue a denial, saying that the President's health is "normal." This was followed by announcements that Yeltsin would leave Moscow Aug. 4 to visit Oryol, to commemorate the 50th anniversary of the victory in the Battle of Kursk. Then, it was reported, Yeltsin would host Kazakhstan President Nursultan Nazarbayev in Moscow Aug. 5 for a meeting to plan a Moscow summit of Central Asian heads of state and prime ministers.

The dual agenda of that meeting is to expand the Russian-dominated "Economic Union" agreed to in July among the three Slavic republics (Russia, Ukraine, and Belarus), to cover most or all of the Central Asian republics of the former U.S.S.R., and to coordinate actions concerning the war in Tajikistan.

'Barannikov affair' boxes Yeltsin in

The cutting edge of the power play to make Yeltsin, if he survives politically, the figurehead of the new policy, is the unresolved "Barannikov affair." This refers to Yeltsin's firing in late July of the Russian security minister, who had acquired hard evidence proving that the leading personalities around Yeltsin were lining their pockets in illegal financial deals. According to the *Frankfurter Allgemeine* article, information was leaked that the decree firing Barannikov was drafted by Yeltsin's entourage and simply handed to Yeltsin for signature. Those targeted, beyond those accused of corruption, include the head of the Presidential Office, Sergei Filatov, and Yeltsin's closest aide, Sukhanov, who accompanies him on all official trips, as well as on vacation. The other targets, whom Barannikov had dossiers on, are deputy prime ministers Vladimir Shumeiko and Sergei Shakhrai, plus the head of the Russian Information Agency, Mikhail Poltoranin, and former State Secretary Gennadi Burbulis—all close friends of Yeltsin.

Additionally, Andrei Makarov, a Moscow lawyer whom Yeltsin had named in July to head the "Inter-Institutional Commission of the Security Council for Fighting Crime and Corruption," was identified by correspondent Siegl as a crony of Shakhrai, Burbulis, and Poltoranin. The Makarov appointment was a clear attempt to sidestep Barannikov, so as to protect the Yeltsin clique, and played a key role in igniting the "Barannikov affair." The paper also stressed that the fallout from the Barannikov affair extends into the military, citing the Defense Ministry daily *Krasnaya Zvezda*, that the removal of Barannikov had struck hard in the Security Ministry, causing "consternation and a panic-like mess."

Narco-terrorist Int'l meets in Havana

by Carlos Méndez

In late July, Cuban President Fidel Castro and the Nicaraguan Sandinistas brought together in Havana the key elements of a continent-wide narco-terrorist apparatus which they have been building up in recent years, the political front for which is the São Paulo Forum. That this narco-terrorist apparatus represents a sophisticated network of kidnappers and terrorists was revealed on May 23 of this year, when a weapons cache exploded in Managua, Nicaragua.

Castro himself gave the green light for this apparatus to go into action with his participation in the São Paulo Forum's Fourth Conference, held in Havana July 21-24. Over 100 Ibero-American leftist parties and organizations were represented there, including the Cuban Communist Party, Daniel Ortega of the Nicaraguan Sandinista National Liberation Front (FSLN), Cuauhtémoc Cárdenas of Mexico's Revolutionary Democratic Party (PRD), Luiz Ignacio "Lula" da Silva of Brazil's Workers' Party (PT), Jorge Shafik Handal of El Salvador's Farabundo Martí National Liberation Front (FMLN), Antonio Navarro Wolf of Colombia's M-19, Léber Seregni of Uruguay's Tupamaros Movement, and members of Venezuela's Causa-R party.

Among the special guests at the conference were Leonardo Boff, a suspended Franciscan priest and a leading representative of the Marxist, schismatic Theology of Liberation group, and Guatemalan terrorist and Nobel Prize winner Rigoberta Menchú. Both were recipients of special awards by Castro on Aug. 3. Also singled out was liberation theologian Frei Betto of Brazil, spiritual adviser to PT presidential candidate Lula, an intimate of Fidel Castro, and director of *América Latina*, the São Paulo Forum's official publication, whose first issue was announced in Havana.

The São Paulo Forum was created in 1990 at the urging of Cuba's Communist Party. During the July 21-24 meeting, the group's leaders presented themselves as an alternative to collapsing neo-liberal economic policies.

The downfall of neo-liberalism is evident, as seen in Brazil, Venezuela, and Guatemala. But the alternative offered by the São Paulo Forum represents the same, or worse, policy since its premise is the continued payment of the usurious foreign debt. Many of the speakers emphasized that the Ibero-American left must adopt a "pragmatic" approach, and not make any radical promises—such as stopping usury—that it can't keep.

Moreover, the forum attacked "militarism," the code-

word for attacking the institution of the armed forces, and supported human rights, the United Nations, and "the efforts of the FMLN, the FSLN, and the Guatemalan National Revolutionary Unity (URNG) to strengthen the peace processes taking place in the region." In the closing session, Castro expressed respect for those engaged in armed struggle but said that the situation has changed and is not advisable at this time.

The explosion in Managua

Castro's words are one thing. The truth is that the forum leaders have been building a complex narco-terrorist apparatus, as revealed by the May 23 explosion in Managua. The People's Liberation Forces (FLP), a faction of El Salvador's FMLN, claimed responsibility for the arsenal's existence. Aside from proving that the peace accords imposed on El Salvador by the U.N. are a farce, the lists of potential kidnap victims among Ibero-American millionaires, and the hundreds of false passports and identity documents found at the site, imply a sophisticated network which is international in scope.

Perhaps one of the most surprising aspects of the Managua explosion was the fact that Tomás Borge, the former interior minister in the Sandinista government, was the first to arrive on the scene, dressed in his pajamas. That someone of Borge's importance should be the first to arrive shows that this was no small event. As a diplomat quoted in the July 14 *Washington Post* put it, "You'd have to be really naive to believe that this wasn't overseen by some part of Sandinista intelligence." Nicaraguan Government Minister Alfredo Mendieta said in a July 22 press conference that those who created the arsenal "perhaps" had the backing of a secret unit which operated during the Sandinista regime, but is now disbanded. Anonymous sources quoted by the *Washington Post* said that the arsenal's existence is proof that the Sandinistas are still linked to a sordid network which made Nicaragua a center and refuge for leftist operations.

Borge's role in all this is key. Known to be close to the Cubans, he is the only founding member of the FSLN still alive, and is also the president of the Conference of Latin American Political Parties (Coppal), as well as the official biographer of Mexican President Carlos Salinas de Gortari. Borge's attacks on Ibero-America's armed forces are particularly relevant, given what has come to light in the aftermath of the May 23 explosion.

On March 26, 1992 in a speech in Managua, Borge attacked the existence of Ibero-America's armed forces and said that "armies are only good for making coups and for repressing people and, furthermore, they eat up a good portion of our budgets." Describing armies as "a cancer in our countries," he concluded that there is no reason for them to continue to exist, the March 27, 1992 Mexico City daily *Excelsior* reported at the time. Obviously, without the armed forces, the narco-terrorist international is free to do what it wants.

EIR book exposes plot to destroy militaries

EIR's Spanish-language publication, *Resumen Ejecutivo*, has released a new book, *El Complot para Aniquilar a las Fuerzas Armadas y a las Naciones de Iberoamérica* (*The Plot to Annihilate the Armed Forces and Nations of Ibero-America*). The book's release at press conferences during the last week in July in Washington, Mexico City, Bogotá, Caracas, and Santo Domingo, generated an extraordinary amount of media coverage, and great interest from military circles and the general public. Not since *Narcotráfico, S.A.* (the Spanish translation of EIR's *Dope, Inc.*) swept Ibero-America in the mid-1980s, has there been such widespread excitement on the continent about a book's publication.

An English-language edition of the book is currently being prepared for publication within the next few weeks. As the Dominican Republic's *Listín Diario* reported on Aug. 2, the book "alerts [readers] about an alleged plot by several institutions, among them the Pentagon, the State Department, and the World Bank, to destroy the armed forces of Ibero-America."

The plot not only aims to dismantle the armed forces, but the very nations they defend, on behalf of the Anglo-American new world order promoted by the International Monetary Fund, the U.N., U.S. government agencies, and prominent individuals and private agencies such as Robert McNamara and the Inter-American Dialogue. Some might find it hard to believe that the U.S. government is helping to finance a project to eliminate the armed forces of Ibero-America, and to hand those countries over to narco-terrorists like Peru's murderous Shining Path, but that is exactly what's happening, said Dennis Small, a coordinator of the publication project.

Small, who along with his wife and fellow project coordinator Gretchen Small presented *El Complot* to high-ranking military attachés, diplomats, think-tank representatives, and others in Washington, said that the Peruvian government of President Alberto Fujimori has had to wage its successful war on Shining Path and the Tupac Amaru Revolutionary Movement (MRTA) in the face of Washington's staunch opposition. U.S. policy has favored those narco-terrorist movements, on the pretext of "protecting human rights," he said.

The book is a response to *The Military and Democracy; The Future of Civil-Military Relations*, a blueprint for the destruction of Ibero-America's armed forces, written with financial and other assistance from the U.S. Agency for International Development, Princeton University's Woodrow Wilson Institute, and the U.S. Defense Department. Thanks

to EIR's exposé, that blueprint became known as "The Bush Manual." The authors of "The Bush Manual," Karina Perelli and Juan Rial, credit fascist deconstructionists Theodor Adorno and Michel Foucault for their philosophical theory, Gretchen Small told the Washington audience. That is a bestial conception of man in which some men and races are born to rule, while others are born to be slaves.

El Complot, which has a preface by Argentine nationalist Col. Mohamed Alí Seineldín, an introduction by U.S. political prisoner and former presidential candidate Lyndon LaRouche, and several chapters contributed by Ibero-American military leaders, is based on a completely different conception of man, said Gretchen Small: one that insists that every human being is created in the living image of God, *imago viva Dei*, and that therefore every individual's life is sacred.

Latin America must resist, says pope

In the Dominican Republic, *El Complot* was presented at a Santo Domingo news conference held on July 30 by Jorge Meléndez. Prior to the conference, Meléndez appeared twice on television to speak about the book, including an interview on "Revista 110," the highly rated TV news program hosted by Julio Hazim. The conference itself got major coverage on most television newscasts, including Channel 9, which was rebroadcast by the Cadena Sur cable TV network to Puerto Rico, Venezuela, Colombia, Ecuador, Chile, Peru, Argentina, and Brazil.

The book's publication was also reported by three Dominican Republic radio networks, and by the newspapers *El Nuevo Diario* and *Hoy*. *Hoy* published articles for two days running, including a full-page on July 31 which summarized some of the book's major points and quoted Pope John Paul II from the book: "Latin America, from your identity with Christ, you must resist those who want to drown your vocation of hope."

In Colombia, about 45 people were on hand for the book's presentation by Javier Almarjío and Maximiliano Londoño on July 29. Later that evening, Londoño and César Aragonés, were interviewed on RCN nationwide radio network, and again on RCN's midnight talk show. EIR's offices have been bombarded with requests for copies from foreign military attachés serving in Bogotá.

News of the book's publication was also reported on July 31 by *La Estrella de Panamá* in the "Ave Fénix" column of Luis de Janón. In La Paz, Bolivia, a 20-minute segment on *El Complot* was broadcast on July 29 on the "Cristina con Ustedes" program hosted by Cristina Corrales on the nationwide Fides radio network.

That same day, the book was released at a news conference in Mexico City, and at a seminar in Caracas, Venezuela, addressed by well-known Venezuelan political activist Alejandro Peña and attended by 40 people, including foreign military attachés, Venezuelan military officers, businessmen, farm leaders, and media representatives.

British geopolitics returns

The Anglo-American interests are reviving the adventures of the geopolitics of Lord Palmerston in the Rio de la Plata basin.

The recent joint U.S.-Argentine military exercises in the Misiones region, near the border with Brazil, indicate that the United States is applying the same British geopolitical strategy of the last century in an attempt, through division and intrigue, to break down the growing resistance in the Southern Cone to the "new world order." In approving the exercises, Argentine President Carlos Menem again showed off his servility to Anglo-American interests, in exchange for an illusory strategic special relationship with the United States. Besides the joint maneuvers, Menem is also negotiating to establish a training base for U.N. troops, thus providing the new world order with a platform in South America.

Both events have caused concern in some Brazilian military circles, where the new world order is seen as the major strategic threat to Brazil. For example, during the First Symposium of Southern Cone Armies, held at the Argentine War College at the beginning of July, Gen. Sylvio Imbuzeiro, the head of the Brazilian delegation, violently attacked the Group of Seven and the U.N. Security Council in their pretensions to impose "shared sovereignty; rights of intervention and humanitarian aid," as new forms of domination. The meeting included representatives of the armies of Argentina, Brazil, Paraguay, and Uruguay, with Bolivia and Chile as observers.

The Brazilian general also warned that, given world instability, it would be a mistake to make "immediate decisions on alignment and definite concor-

dances with problems that can be episodic, we might say fads, in a scenario which is still confused." He openly criticized the tendencies to try to align with the Anglo-American powers on the assumption that after the fall of communism there remains nothing other than this path of submission.

What most worried the Anglo-Americans was the fact that the Brazilian delegation launched the idea of forming a military alliance in the Southern Cone (Argentina, Brazil, Paraguay, and Uruguay), to guarantee the stability of the region defined by the Rio de la Plata basin.

As for the Misiones exercises, Brazilian military sources stated that, even from the Argentine standpoint, they made no sense, since Brazil has made it clear for three years that it does not consider the military threat to come from Argentina, and hence Brazil has been redeploying contingents in the south toward the Amazonas in the north.

Brazil's military leadership, as General Imbuzeiro put it, understands that the greatest danger for Brazil comes from the forces of the U.N. Security Council, which aim at limiting Brazilian sovereignty over the vast Amazon region on the pretext of defending supposed interests of humanity such as "preservation of the environment," "indigenous rights," and "the war on drugs."

The provocation of border conflicts and separatist movements has a long history in South America's Southern Cone. In the mid-19th century, Britain, under the leadership of Prime Minister Lord Palmerston,

launched a geopolitical strategy in order to break national resistances to the free trade looting policy defended by the British Empire to internationalize the Plata River basin.

All the separatist movements without exception, the alliances to destroy the patriotic Argentine President Juan Manuel de Rosas, and the cruel and savage War of the Triple Alliance against Paraguay, which virtually eliminated its entire male population, responded directly to the British geopolitical manipulations, assisted by Scottish Rite freemasonic networks and the networks of "Young Europe" guided by the Italians Mazzini and Garibaldi. These geopolitical operations were heavily financed by Rothschild and Baring family banking interests, who filled their pockets as a result of the stupidity and treason of various political forces in the region.

Today, the decisions of speculator George Soros, an agent of the British banking houses of Rothschild, Baring, and others, to come on strong with their investments into the region's countries, especially Argentina and Brazil, and to promote free trade as the centerpiece of the Southern Cone common market Mercosur, show that the British geopolitical gameplan for the Plata River basin is back again. Soros, in particular, has shown an interest in financing the strategic Paraná-Paraguay waterway.

The establishment of free trade via the so-called Mercosur in the Plata region is not and will not be a factor of integration and peace for this area. In Anglo-American strategy, an accord is envisaged between Buenos Aires and São Paulo which would only tend to benefit the big groups and cartels, such as Bunge and Born, against the industrial and agricultural producers of both countries, and, in turn, aggravate separatist feelings in both Brazil and Argentina.

International Intelligence

Italian parliamentarians ask liberty for LaRouche

A parliamentary delegation composed of Carlo Palermo (La Rete party) and Raffaele Tiscar (Christian Democracy), was received on July 28 at the United States embassy in Rome by the ambassador's representative, Ben Tua. The delegation presented him with 62 letters to President Clinton from Italian parliamentarians, representing the entire spectrum of the political parties, demanding the liberation of Lyndon LaRouche, who has been jailed in Minnesota for nearly five years, following a judicial frameup desired by then-President George Bush.

Emma Bonino, secretary of the Radical Party, and Nicola Colajanni (Party of the Democratic Left) had announced their intention to be part of the delegation, but were unable to attend.

Palermo told Tua that he had begun to become interested in LaRouche and *EIR* in 1983, when he was a judge. Convinced that LaRouche was not a criminal, as certain American press try to depict him, but rather a political figure whose anti-establishment ideas may rub some the wrong way, Palermo added that he had studied the legal case carefully and found serious procedural irregularities.

Foreign hand seen in Italy's terrorism

"Somebody wants to bring our country to its knees," wrote journalist Piero Ostellino in a front-page editorial in the Milan daily *Corriere della Sera* on July 30. Ostellino suggested that those looking for the authors of the ongoing terrorist destabilization of Italy should "not only look into the national garbage, but also beyond the national borders."

Ostellino polemicized against those who simply interpret the recent bombings as "a reaction of the old regime against the new one," and stated that one has to "look for those who already have an organization able to operate at a moment's notice, and with

utmost efficiency." What is at stake, Ostellino wrote, is "whether Italy will domestically be a colony of its criminality, and externally a colony of world speculation."

Since February of this year, reports from *EIR* have been circulating widely in the Italian media, documenting the role of Anglo-American financial and intelligence circles in destabilizing Italy.

Orthodox Church plays greater role in Greece

The fervor of the Orthodox Church is increasingly defining the direction of politics in Greece, reported the French daily *Libération* on July 28, stressing that Orthodoxy is the tie which binds Greece and "Greater Serbia."

Correspondent Elie Ravanno wrote that the historical fights of the Orthodox Christian Church against the Roman Catholic Church and Islam are very much on the minds of today's Greek Orthodox Church leaders and politicians.

Ravanno stressed that Greece is a theocracy, with the Constitution formalizing the "dominant" role of the Orthodox Church in relation to other religions, which are considered to be "foreign dogmas." Non-Orthodox Greeks have their patriotism questioned, according to the head of the Catholic Church in Greece, Archbishop of Athens Foscolos.

Bosnian Serb leader Radovan Karadzic was given royal treatment on his visit to Greece in June, during which he proclaimed, "Serbia only has two friends: God and the Greeks."

Chinese generals denounce corruption

The two most senior officers of the Chinese People's Liberation Army warned of "a growing tide of corruption, money worshiping, and hedonism" in the Army in an article in the official *People's Daily* the week of July 26. The PLA celebrated its 66th anniversary on Aug. 1.

Gen. Liu Huaqing, who is a member

of the Communist Party Politburo Standing Committee, and Gen. Zhang Zhen, a vice chairman of the Communist Party Central Military Commission, wrote that "unhealthy tendencies and negative phenomena . . . are posing a threat to the development of the military."

The previous week, the Central Military Commission issued a directive published in all the national press, which banned PLA speculation in foreign currencies and land, and expressed particular opposition to some groups in the military being involved in projects involving "high-class hotels, office blocks, and holiday villas." The directive also said that "military funds must not be put into personal savings accounts."

The PLA has been going "into business" for itself for years, as part of the Deng Xiaoping "free-market" reforms and in order to raise enough funds for modernization of the military.

Japan weighs nuclear threat from N. Korea

Japanese Foreign Minister Kabun Muto said that it is important for Japan to have the will to build nuclear weapons. Muto's remark was made to Japanese reporters at a news conference in Singapore on July 28, according to the *Nihon Keizai* newspaper, after he had "assured" the Southeast Asian nations and the United States that Japan would support an indefinite extension of the Nuclear Non-Proliferation Treaty (NPT). At the Group of Seven summit in Tokyo in July, Japan had refused to give unqualified support for such an extension. However, Muto told the Japanese reporters that "there is a clause in the NPT allowing the withdrawal from the treaty. If North Korea develops nuclear weapons and that becomes a threat to Japan, first, there is the nuclear umbrella of the United States upon which we can rely. But if it comes down to a crunch, possessing the will that 'we can do it' is important."

Also at the end of July, Tokyo's annual Defense Agency White Paper warned that

North Korea's reported development of a long-range missile poses a serious threat to Japan. "If the development of nuclear weapons is matched by a development of missiles, this could pose a very dangerous situation," the paper said. It said that North Korea test-fired the missile in May over the Sea of Japan. It also cited concerns about the confused political situation in Russia and the continued modernization of the Chinese military.

In a press conference on July 30 on the release of the White Paper, Defense Counselor Masataka Suzuki said that "it was judged that it's appropriate for Japan to continue to improve its defense capability." He added that Japan is "currently introducing U.S.-made Patriot missiles" and said that six batteries of Patriots are being installed under the 1991-95 defense program.

Solzhenitsyn may become 'most influential' man

Novelist Aleksandr Solzhenitsyn "may become the most influential voice in the public life of Russia" when he soon returns home, senior Russian politician Sergei Stankevich asserts, as quoted in the July 26 London *Economist*.

Solzhenitsyn is expected to return to Russia from exile abroad within the next few months. "The interesting question is what role he will play in Russia's political drama between his return and his death," wrote the magazine. It quoted Stankevich, who has recently been a senior adviser to Boris Yeltsin: "It's stupid to claim that it will be like the return of Khomeini to Teheran. Russia is not a country of fundamentalists, no one will hit the soil before him. But Solzhenitsyn is a spiritual symbol and he will be heard. He may become the most influential voice in the public life of Russia."

The themes Solzhenitsyn will strike were outlined in his 1990 book, *How We Should Remake Russia*, and repeated in a September 1992 television documentary aired on Russian television, in which Solzhenitsyn said: "We are now going through a stage of the collapse of communism in

which its upper floors have fallen in, but the middle level is still alive and well and busy laying its hands on everything around it." He warned of an alliance between the former *nomenklatura*, the KGB, "financial sharks," and "raging nouveaux riches," which could exploit Russia not just for 70 years, as Bolshevism did, but for 170 years.

The *Economist* expressed concern about Solzhenitsyn's anti-democratic and totalitarian tendencies, i.e., his "archaic" solutions to the internal political crisis based on a combined strong presidency and local village councils, which, if introduced, "would take Russia back to where it was immediately after the 1905 Revolution."

Pakistan's Beg admits nuclear bomb capability

Former Pakistani Army Chief of Staff Gen. Mirza Aslam Beg said that Pakistan had already carried out successful nuclear tests and had acquired the capability for conducting nuclear tests back in 1987. In an interview with the *Daily Awaz International* in London July 24, Beg said that by acquiring a nuclear capability, Pakistan had reduced the chances of a war in the subcontinent, adding that the Pakistani nuclear program would work as a deterrent for any possible armed conflict in the region.

Pakistan has all the technical knowledge and required technology to manufacture nuclear devices at the shortest possible notice, Beg said. He reported that the nuclear tests were carried out in "cold laboratory conditions" which are as good as "hot explosions." Beg said that the nuclear research was being carried out under the responsibility of the prime minister's office.

Beg made his statements as he was returning to Pakistan from a visit to the United States, where he had met U.S. Assistant Secretary of State John Mellot. He also said in his interview that the United States had plotted to assassinate President Gen. Mohamed Zia ul-Haq in 1987, and he called for a criminal inquiry into the 1988 plane crash in which Zia died.

● **NIGERIAN** leader General Babangida charged Great Britain with trying to "seize control over Nigerian internal affairs," and with telling the military in Nigeria what to do. Babangida declared that Nigerians were perfectly capable of solving their own problems. A separate Nigerian government declaration charged both the British and the Americans with interfering in Nigerian internal affairs.

● **ISRAEL'S** outgoing ambassador to Argentina, Yitzhak Shefi, called the Argentine Condor II missile "dangerous" to Israel. In an interview in the July 26 *Página 12*, he said that "sophisticated weapons in the hands of irresponsible elements are a danger which causes Israel's political leaders to lose sleep."

● **BRITISH** Prime Minister John Major suffered a "crushing defeat" in elections in the district of Christchurch in southern England on July 29, according to the BBC. Major's Conservative Party lost by more than 16,000 votes to the Liberal Democrats in a traditionally "safe Tory district."

● **THE UNITED NATIONS** Security Council voted on July 29 to condemn Armenia for its offensives on the territory of Azerbaijan, demanding that Armenian forces surrender the city of Agdam and all Azeri territory taken this year. The resolution did not directly address the issue of Nagorno-Karabakh, the Armenian enclave within Azerbaijan.

● **CAMBODIA** is experiencing an upsurge of violence, as the United Nations "peacekeeping forces" begin their withdrawal, the BBC reported on Aug. 3. Khmer Rouge guerrillas held 12 U.N. personnel hostage for a day; ten people were killed when a train was bombed in central Cambodia; and the Khmer Rouge also overran a checkpoint on the Thai border and launched a mortar attack on the city of Siam Reap.

The truth about Carlos Andrés Pérez

by the Venezuelan Labor Party and
the Ibero-American Solidarity Movement

On May 19 of this year, one day before the Venezuelan Supreme Court was to announce its verdict on whether there were sufficient grounds for trying President Carlos Andrés Pérez (known as "CAP") for corruption, the Venezuelan Labor Party and the Ibero-American Solidarity Movement (MSIA) jointly published a pamphlet entitled "The Truth About CAP." EIR is publishing the translated text of the pamphlet in six installments. The first chapter, "CAP Destroyed the Productive Economy," appeared in our July 30 issue, and the second, "Washington's Man and the New World Order," in our Aug. 6 issue.

"The Truth About CAP" is not only important for Venezuela and Ibero-America, but also for the United States. President Bill Clinton has continued to apply the major elements of George Bush's policy toward the continent, for which Pérez—currently suspended from the presidency—considered himself the spokesman.

Chapter 3: Venezuela's drug traffic under CAP's rule

On June 21, 1991, in the midst of serious public denunciations of corruption, terrorism, and drug trafficking against his "inner circle," President Carlos Andrés Pérez called upon his supporters to rally at the Teresa Carreño Theater, a hall reserved for great occasions, at which he proclaimed himself the "chief of the war on drugs."

The act had no real impact, not even a propagandistic one. But during that same period, CAP's decades-long chief of security, Orlando García Vásquez, was forced to resign and flee the country under charges of having compromised the nation through deceit, drug trafficking, and terrorism.

CAP's second chief of security, Lázaro Rogelio Ugarte Breslau, had to take his multiple passports and flee Venezuela after being interrogated by a congressional commission, which led to a Miami police investigation of his dubious company Celere, Inc., where 572 pounds of cocaine was seized. The daily *El Globo* had reported that Celere, Inc. actually belonged to the Diego Cisneros Organization, run by magnate and CAP intimate Gustavo Cisneros. His third ally on security matters, Gen. Herminio Fuenmayor, then chief of the Bureau of Military Intelligence (DIM), also had to resign during that same period, in the face of charges of abuse of power, assaults on journalists, assassinations, and links to drug trafficking.

Thus, just like the equestrian statue of Simón Bolívar in CAP's hometown bearing CAP's features, or the museum being built in CAP's honor by the Cisneros Foundation, his solemn self-proclamation as Great Chief of the War on Drugs stands exposed—in view of the parallel developments cited—as just one more cynical joke for Venezuelans to laugh at, as their sense of humor about their leaders continues unabated.

The truth regarding the degree of drug trafficking in Venezuela under CAP's rule is much more serious. If one reviews what has come out about CAP himself, and what has happened during his administration, particularly the last four years, one can conclude the following:

1) As the most recent report of the United Nations Commission on Narcotic Drugs reports, Venezuela has become the "major center of money laundering in Latin America." As indicated earlier, in Chapter 1, the destruction of the national productive apparatus under CAP's administration, and his financial reform, have turned Venezuela into an international money-laundering paradise.

2) The endemic corruption in all aspects of national life has permitted an entire underground economy of finance,

imports, production, local and international drug trafficking, and drug money laundering to flourish—activity which could not exist without legal, political, and security protection from the highest levels of public power. Rhetoric aside, the CAP administration has done nothing to stop it.

The degree of protection and coverup of the drug trade that has come to Venezuela during the CAP administration is reflected, among other things, in the quantity of drugs confiscated abroad but originating from Venezuela. Compare this quantity with the ridiculously small quantities of local seizures; and many of those local seizures were the fruits of undercover police operations.

According to the United Nations report, “The U.S. anti-drug agency, DEA [Drug Enforcement Administration], estimates that in 1992, some 200 tons of cocaine passed through the country on its way to the United States, Canada, and Europe, of which only seven tons were seized in the first months of the year. In all of 1991, only nine tons of drugs were seized total. In the opinion of the commission, faced with the offensive against drug trafficking in Colombia, Venezuela became the key center of narcotics distribution coming out of the Andean countries” (*El Nacional*, Feb. 15, 1992).

Never before, in any period of the country’s history have there been seen such serious cases of corruption and drug trafficking in the national leadership. From security chiefs of the President’s “inner circle,” to judges, police chiefs, and prominent politicians, even an ex-governor and a deputy minister of interior, these have been linked to drug trafficking or have been reported as such. One particularly illustrative case of protection and coverup of drug-trafficking activities is the so-called Italo-Canadian drug connection. We will look at this later on.

3) CAP’s political base, the financiers and magnates of his inner circle, are economic groups whose operations have been interdicted on numerous occasions, to say the least. As we will see in Chapter 4 on CAP’s “apostles”—with whom he has an almost symbiotic relationship in many ways—some of them have been identified on various occasions as linked to individuals or networks of drug money laundering in Venezuela, Spain, Santo Domingo, the United States, and Colombia. Some of this is reported in the famous book *Narcotráfico, S.A.*, prepared by a group of investigators from *Executive Intelligence Review* and published in Spanish in 1985, whose circulation in Venezuela, however, was banned by the authorities in early 1986 at the behest of the Cisneros group. Despite recent appeals by a prominent group of Venezuelan congressmen—with the backing of congressmen in Peru and the Dominican Republic—to lift the measures against the book, today it still remains banned under the CAP administration’s ruling.

Dossiers have circulated concerning banker Orlando Castro, one of the financiers tied to CAP’s inner circle, which link him to presumed money laundering and supposed personal ties to the Colombian drug kingpin Pablo Escobar. There has also been talk against the financial operations of

Banco Consolidado’s discreet banker José Alvarez Stelling, and of the “strange financial operations” of the Grupo Latino that were being carried out by its vice president Gustavo Gómez López.

4) Members of CAP’s personal inner circle, especially his immediate security advisers, have also been linked to criminal activities that include drug trafficking, as we will see in Chapter 5.

5) Finally, not only his personal and financial inner circle and finances, but CAP himself has been linked on repeated occasions to mafia drug kingpins and to prominent drug money-launderers. It is sufficient to recall the case of the horse given to CAP by Fabio Ochoa, father of the Colombian drug traffickers known as “the Ochoa brothers”; and CAP’s personal connections with the Spaniard Enrique Sarasola, and with Ghaith Pharaon of the so-called “World Bank of Drugs,” the Bank of Credit and Commerce International (BCCI).

The story of a pacing horse

Recently, a group of journalists were analyzing the equestrian statue of Bolívar with CAP’s face, in the plaza of his hometown, and were comparing the horse with the description given by Fabio Ochoa, father of the Medellín Cartel kingpins, of the famous mare Porcelana, which he gave to CAP.

According to the story, during the 1988 election campaign, the Caracas press charged that drug money was financing the campaign, and that one of the leading candidates had ties to the drug trade. Is it CAP? Is it Eduardo Fernández? asked the electorate. “I have not been referred to, nor will I ever be referred to, for an activity so terrible and so damaging to all of humanity as drug trafficking,” CAP declared (*El Diario de Caracas*, Feb. 14, 1988).

Both campaign headquarters—that of Democratic Action (AD) and of the Social Christian Party (Copei)—got scared and began to hurl mutual accusations in order to show that it didn’t have to do with their own candidate, but only the rival candidate. Henry Ramos Allup of AD published photos showing the Copei candidate, Eduardo Fernández, with a group of Italo-Canadian drug mafiosi—several of whom were wanted at the time by the justice system—in a fundraising event for his campaign.

It was then that the story of the horse came out. Leonardo Ferrer, of Copei, responded by alluding to a pacing horse that the Ochoa brothers had given to CAP. The affair went beyond the merely anecdotal, as witnessed by how contradictory and out of control the usually unflappable CAP became when the matter surfaced.

CAP first denied he had any relations with Fabio Ochoa, and denied he had received any horse. The Colombian and Venezuelan press then interviewed the senior Ochoa, who declared: “It is very strange that former President Pérez would say he never received any horse. For that reason, I call upon him to clarify that. He has the mare there in his stable, and enjoys it every Sunday. . . . Fabio Ochoa always does

what he promises.”

Ochoa gave more details to the Bogotá daily *El Tiempo*, and said that around 1986 he delivered to CAP “the famous mare Porcelana,” one of Colombia’s best specimens, worth 20 million pesos (\$80,000). “I raised her,” said Ochoa, who insisted that CAP had her at his ranch near Caracas. “I’m mortified to appear a liar when Carlos Andrés has that mare and rides her, because I saw the photos,” assured Ochoa.

According to the press, Ochoa also explained that he gave the mare to CAP “in gratitude for his intervention in freeing [Ochoa’s] daughter Marta Nieves Ochoa, who had been kidnapped by M-19 guerrillas.” “According to Fabio Ochoa’s version,” said an AP wire datelined Medellín and published by *El Diario de Caracas* on Feb. 28, 1988, “about nine years passed between CAP’s action to free Marta Nieves and the delivery of the horse. Ochoa told *El Tiempo* that ‘I delayed in doing it,’ but he did not explain the reason.”

On March 11, 1988, *El Diario de Caracas* published two new interviews on the subject, one with Fabio Ochoa and the other with Carlos Andrés Pérez. Below is part of the dialogue with Fabio Ochoa, speaking of another horse named Cúpido, and why he made two gifts to CAP:

FO: I gave [the mare] to CAP for my daughter’s kidnapping; he helped to find my daughter.

DC: But you have also given him Cúpido.

FO: Yes, but Cúpido I gave . . . it was a different thing.

DC: Why did you give it to him?

FO: Cúpido was because Carlos Andrés was going to help me with the King of Spain, with the President of Spain, so that they would free my son, who was in prison there.

DC: Jorge Luis?

FO: Yes, Jorge Luis.

CAP, for his part, responded very strangely in his interview with *El Diario de Caracas*:

DC: Ochoa says that you were going to intercede to free his son in Spain.

CAP: Absolutely not. Never. I have no relations with Fabio Ochoa. I only said that I met him at a horse show at San Cristóbal. I have no relations with him. I would never get involved in helping an infamous drug trafficker like his son. . . . I have never conversed with Fabio Ochoa. I would never ever offer to intercede for him in any case. I have no relations with him. I have never had one, except for that service I did to free his daughter Marta Nieves.

DC: But you were seen at the Maturín Horse Club. . . . There are witnesses that say you met Ochoa there, that you went riding together.

CAP: I never saw that gentleman. I went to the Maturín Horse Club to ride horseback, but that gentleman was never at that place.

DC: But if he ran that club . . .

CAP: I went to the Horse Club. . . . I went to the stables to take a mare from José Ramón Arellano. I rode a mare, and returned . . . without going to any horse club. . . . But when are you going to stop asking questions about horses?

In another interview during that same period, published in the daily *El Nacional* May 2, 1988, CAP, then a candidate, went from the thorny topic of the horse, to another even more difficult one: whether or not he personally uses drugs.

The reporter tells him that Leonardo Ferrer, head of Copei, besides the topic of the horse, had proposed: “1) that the presidential candidates willingly submit sworn statements about their assets; 2) that there be an investigation of whether they have bank accounts abroad; 3) that they take a drug test.” CAP began by responding to the final point: “That seems impertinent to me. It tries to suggest in a form that doesn’t enrage me, but saddens me, that my energy, my dynamism that provokes so much envy, is the result of drug use.”

With Ghaith Pharaon and BCCI

As the implications of the BCCI’s international money laundering were becoming known in other countries, in Venezuela the alleged connections of Venezuelans with this bank also began to be published. In a way similar to the denunciation of the financing of the campaign of social democrat Alan García in Peru, so, too, in Venezuela letters were published from BCCI allegedly referring to certain financial help for CAP’s campaign.

According to former Sen. Leonardo Montiel, who in October 1992 called on Criminal Judge 26, Braulio Sánchez, to open an investigation into BCCI, the bank “financed the campaign of President Pérez, according to a report produced by U.S. Senators John Kerry [D-Mass.] and Hank Brown [R-Colo.], dated Sept. 30, 1992, and approved by the U.S. Congress” (*El Nuevo País*, Oct. 27, 1992).

A Venezuelan magazine also published a copy of the receipt for a supposed BCCI deposit of \$400,000 by CAP’s private inner circle. The publication of the copy led to a legal suit against the magazine, brought by the lawyer of CAP’s mistress Cecilia Matos.

In June 1992, Sen. Cristóbal Fernández Dalo, president of the senate commission investigating Venezuelan financial sector links to drug money, traveled to the United States to obtain more information on the problem of money laundering in Venezuela and the alleged ties with BCCI. There he met with the New York District Attorney Robert Morgenthau and with a U.S. Senate committee. Upon his return, he presented his conclusions. According to the daily *El Nacional* of May 30, 1992, Senator Fernández Dalo “brought a batch of documents and unexpected evidence showing that large international financial groups have a plan to turn Venezuela into a ‘paradise for money laundering.’ ”

To illustrate this, Fernández Dalo pointed to a letter sent by Mazher R. Zuberi, director of BCCI in Colombia, to the bank’s central director in London, where “he takes note of the facilities Venezuela has for installing exchange houses, import-export firms, and others that would permit laundering of dollars, as well as of the great flood of money that passes through the regions bordering with Colombia.”

In another letter, this one from BCCI’s representative in

Venezuela, Akber Bilgrami, a deposit by the Venezuelan Investment Fund into BCCI for more than \$26 million is noted. The senator urges an investigation into the funds' final destination, since deposits were lost when the bank was shut down.

Moreover, Fernández Dalo referred directly to CAP. On the letter from BCCI allegedly giving money to his campaign, Fernández Dalo said CAP must explain "what type of relations existed with the directors of BCCI, and demonstrate that these deposits were made in good faith." He added: "He must also clarify the situation with regard to Mr. Ghaith Pharaon [of BCCI], about whom it is said that while a fugitive from U.S. justice, he was harbored on the island of La Orchila [presidential residence] in the middle of last year. Further, he must tell if he knows of the activities of Alberto Calvo, BCCI representative in Argentina, who seems to be operating in Venezuela."

CAP, friend of Sarasola 'the snake charmer'

In March 1989, Enrique Sarasola, financier and impresario of the Socialist Workers Party of Spain (PSOE), and the Venezuelan Gonzalo Colimodio—both old friends of CAP—came into play in mounting a triangular operation to trade sugar involving Cuba, Spain, and Venezuela. The scheme was cooked up during the visit to Caracas of Fidel Castro and Felipe González some days earlier, for CAP's inauguration as President.

The affair is described in the book *El dinero de poder: la trama económica en la España socialista (The Money of Power: Economic Fraud in Socialist Spain)* by José Díaz Herrera and Ramón Tijeras (Madrid: Editorial Cambio, 1991): The Venezuelan government wanted to acquire, through international public bidding, some thousands of tons of sugar. To win the bid, Sarasola and Colimodio, with the support of Spain's foreign trade agency Focoex, buy "350,000 tons of sugar from Cuba through the Panamanian company Carib-Sugar; they finance the operation with a credit hastily granted by the Spanish government to Venezuela, which includes the exchange of part of the foreign debt of Cuba with Spain." The sugar is supplied to Venezuela. "The sugar that arrived in Venezuela . . . was not sold at 'political prices.' . . . According to press reports in that country, the cost to the Venezuelan government was almost \$70 more per ton than New York and London commodities market quotations for the product. The scandal broke. The analysis of the sale terms ended up in the Venezuelan parliament, and in the debate there, new and revealing data emerged: Venezuela had overpaid by \$21 million."

Although illustrative of how the social democratic governments operate businesses, what is most important is the troubled history of Enrique Sarasola Lechundi, an intimate friend of Felipe González, and a good friend of CAP and Gustavo Cisneros. According to *El dinero de poder*, Sarasola went to Colombia "to do America," establishing himself in Medellín. In 1963, he created the "International Security Corp. (Iseco), headquartered in Curaçao, and begins to sell

bonds through a company registered in Nassau (Bahamas)." He ended up opening 28 Iseco offices in 20 countries. "Shortly afterward, it is discovered that the bond sale is nothing more than a monumental swindle involving such tainted individuals as Robert Vesco and Bernard Cornfeld." Sarasola closed the business and returned to Spain. Although Díaz Herrera and Tijeras's book does not mention it, Vesco is the man who entered the drug business of Colombian trafficker Carlos Lehder, according to Lehder's own statements. From his exile in Costa Rica, under the protection of former President José "Pepe" Figueres—a man with many ties to CAP, as we will see in Chapter 6—Vesco went to Cuba, where he still lives as a guest of Fidel Castro.

In October 1977, the young leader of the PSOE, Felipe González, came to Venezuela for the first time, accompanied by Sarasola. They were received in Caracas by CAP and by businessman Gustavo Cisneros, in whose private airplane they traveled to Panama and Costa Rica in search of financing to pay the debts for the first political campaign of the PSOE in post-Franco Spain. So well did his hosts in Venezuela treat him, that upon his return to Spain, Felipe would say, "Venezuela! Yes, that is quite a country, that is certainly the life!" And it is the case, according to *El dinero de poder* (pp. 302ff.), that "the reception that his Socialist International companions gave him was the kind that one would remember one's whole life. Venezuela's former President and leader of the Democratic Action party, Carlos Andrés Pérez, had gone to meet him at the airport at Maiquetía, and the Venezuelan businessman Gustavo Cisneros had invited him to his home, a mansion . . . where David Rockefeller always stayed when he traveled to Caracas. Cisneros, moreover . . . placed his own airplane at the disposal of the future prime minister of the Spanish government."

Felipe González, by now prime minister of the Spanish government, returned to Venezuela in 1983, where he vacationed on the island of La Orchila, property of the Venezuelan government. Cisneros placed his yacht *Paraíso* at his disposal. Some years later, for a song, the government of Felipe González would sell to Cisneros the famous Galerías Preciados, one of the many companies that Felipe's Social Democratic government had seized from Ruiz Mateos.

Over the following years, Sarasola made numerous trips to Venezuela and Colombia (his wife is Colombian and the sister of Carlos A. Marulanda, who was development minister in the Virgilio Barco government). According to press reports, some of Sarasola's trips were made in CAP's own airplane.

In late 1982, Sarasola went all-out to celebrate Felipe González's victory. According to reports, including photos, in the Spanish and Colombian press, he hosted Pablo Escobar Gaviria—who, as it was later learned, was the head of the Medellín Cartel—and other figures such as the Colombian drug politician Alberto Santofimio (*Cromos*, Sept. 17, 1990).

Among the various businesses Sarasola set up in Ibero-America, always taking advantage of his links with Felipe's government, was that of the construction of the metro in

Medellín, a project in which then-President of Colombia, Belisario Betancur, was involved. Companies from several countries bid on the project, which Sarasola finally won under circumstances that led President Betancur himself to name a special commission to investigate the affair.

It is also worth noting that when the bid was granted to Sarasola, the manager of the Medellín subway company was Diego Londoño White, much later accused of being an "investment" front man for the Medellín Cartel. Londoño, known as the builder of kingpin Pablo Escobar's bunkers, is now imprisoned in Colombia. His brother Santiago in 1984 arranged the notorious meeting in Panama between the drug kingpins and former Colombian President Alfonso López Michelsen, who worked on their behalf. It was also Santiago who in 1982, together with drug legalizer Ernesto Samper Pizano, accepted hot money from the drug-trafficking mafia for the election campaign of Alfonso López Michelsen, for whom CAP has served as a lawyer on occasion.

While the authors of *El dinero de poder* say that there is no proof of Sarasola's connections with the drug trade, they report the episode in 1990 in which the confessed Spanish drug trafficker Ricardo Portabales implicated Sarasola in drug-trafficking activity in testimony before the Spanish anti-drug judge Baltázar Garzón. According to Portabales, Sarasola participated in a meeting in Huelva, Spain with Syrian arms trafficker Monzer al Kassar (who is protected by the Spanish government) and drug traffickers Laureano Oubiria and Paz Carballo, to sell AK-47 rifles to the Colombian drug lords.

Despite this, the authors of *El dinero de poder* write that in Spain, Sarasola "is one of the people who without having any public office or state representation, boasts the largest quota of real power in the country." Thus operates CAP's friend, Enrique Sarasola, whom a Colombian daily dubbed "the snake charmer."

The Cuntrera mafiosi

The issue of Fabio Ochoa's horse resurfaced in the Venezuelan press following the deportation from Venezuela to Italy in September 1992 of the leading heads of the Italo-Canadian mafia, the brothers Pascuale, Paolo, and Gaspare Cuntrera. Rafael Rivero Muñoz, the police commissioner who in 1979 began the investigation of this network, explained to the press that the so-called "Cuntrera clan" played a key role in the links between the mafia and the Colombian drug cartels. This connection resurfaces at a meeting that took place in Marbella, Spain in 1984, during which an interchange of the cocaine and heroin networks of the Italo-North American Cosa Nostra and the Colombian cartels was supposedly agreed upon.

"Fabio Ochoa Vásquez and [Gilberto] Rodríguez Orejuela, members of the Medellín and Cali cartels," declared Commissioner Rivero Muñoz, "travel to Spain in 1984 to organize the cocaine route to Europe and to contact the Spanish and Italian mafias, regarding the heroin distribution opera-

tion. But Ochoa Vásquez and Rodríguez Orejuela are arrested, and the United States requests their extradition, which was circumvented by two important politicians, one Venezuelan and the other Colombian, friends of Felipe González. For that intervention, the Venezuelan politician received an excellent pacing horse." And he added: "I would think that whoever secured Ochoa's non-extradition [to the United States] belongs to the third level of organized crime. . . . The third level of the mafia in Venezuela, like that in Italy, is untouchable because it is the connection between politics and organized crime" (*El Globo*, Aug. 21, 1992, and *Ultimas Noticias*, Sept. 14, 1992).

Ultimas Noticias added that this information about the Venezuelan connection involved in not extraditing the imprisoned Colombian kingpins to the United States, "was what the late drug trafficker Ricardo Morales Navarrete used to win his release from jail in the United States, where he was about to be tried for drug trafficking. It was said at the time that someone from Caracas sent approximately \$1 million so that 'El Mono' ['The Monkey'] would stay quiet, and to obtain his release on bail."

"El Mono" Morales Navarrete belonged to the drug-trafficking and terrorism networks connected to the U.S. Central Intelligence Agency. During the first CAP administration he worked as commissioner of the Disip (Venezuelan political police) under CAP's chief of security, Orlando García. After his arrest and release in the United States, he was murdered in a Miami bar.

In May 1992, Venezuelan Justice Minister José Mendoza Angulo met in Rome with his Italian counterpart Claudio Martelli, and with the famous anti-mafia judge Giovanni Falcone. "The problem was always the Cuntreras. The Latin American minister had committed himself to solving the problem," reported the Italian daily *Corriere della Sera*, citing sources from Interpol. Three days later, on May 23, Falcone was assassinated. Several weeks later, so was Prosecutor Borsellino.

In July 1992, the statements of the Italian foreign minister, virtually accusing Venezuela of permitting Cosa Nostra activities, triggered a furor. "There is no Italian mafia in the country," declared CAP's Minister of the Interior Luis Piñerúa. Nevertheless, faced with the supposed threat of a commando operation to kidnap and take them from the country, the Cuntrera brothers were finally deported to Italy on Sept. 13 of that year, under extraordinarily tight security.

According to a news report from the EFE wire service, datelined Rome the day the deportees arrived, the Italian dailies "lament Venezuela's delay in delivering the Cuntreras, which is attributed partially to their connivance with the activities of certain financial and political figures in said country." *Corriere della Sera* went even further, reporting that "Caracas only agreed to arrest and turn over the Cuntreras because the United States threatened a military action by international police to kidnap the three brothers," and added that the extradition request had been made on three previous

occasions, without any result.

That same day, the anti-mafia judge Antonino Caponetto wrote in the Italian daily *La Stampa* that the Cuntrera brothers "are the undisputed bosses of the cocaine trade between Venezuela and Europe, besides being the heads of a criminal financial consortium." The same newspaper stated on its front page that "it should not be dismissed that these mafiosi chieftains may have decided on the assassination of the anti-mafia judge Paolo Borsellino because he had managed to uncover a part of their international trafficking."

Almost at the same time, in Venezuela, President Carlos Andrés Pérez explained why the Cuntreras had not been arrested in Venezuela, with a statement that even his party comrades considered "unfortunate": "The Cuntreras did not commit crimes in Venezuela."

Some 'peccadillos'

Many investigators and police chiefs worldwide do not share President Pérez's commentary on the criminal capacities of the Cuntreras. In a chapter dedicated to Venezuela in the book by Claire Sterling, *Octopus: The Long Reach of the International Sicilian Mafia*, published in 1990, she states: "The Venezuelan branch has organized deliveries of heroin to the United States by the ton—three tons per year through 1982—half the total that enters the country, according to the FBI. It functions as a money laundry for almost two-thirds of the cocaine that passes through Venezuela; and 80% of the cocaine that leaves Colombia now passes through that country. It launders money for Colombians as well as for Sicilians. Billions of narco-dollars have been recycled through its colossal financial empire, an estimated \$2 billion or more in 1983 alone."

Sterling writes that "to look backwards is to see where the two giants of the world narcotics trade, the Sicilian mafia and what then became the Medellín Cartel, formed their working alliance."

From Venezuela, the Cuntrera clan has also been linked to the so-called "Golden Triangle" of Asian heroin. In addition, according to the Italian and Dutch authorities, "they have turned the Caribbean island of Aruba into a kind of 'Costa Nostra' state; the godfathers practically bought the island" (*El Nacional*, March 4, 1993).

But in Venezuela there were no more arrests. The octopus's tentacles remain intact and protected. There is no information of any in-depth investigation of these networks inside Venezuela. Deputy Luis Hernández, ex-president of the Anti-Drug Commission of the Congress, posed the necessity of investigating the financial and political connections of the clan through a special commission. He asked to determine "the control of a group of ranches located to the south of Maracaibo Lake, all provided with airports, by the association of Genaro Scaletta and of a prominent individual, Javier Uzcátegui Briceño, against whom numerous investigations have been sought to no avail." According to Deputy Hernández, Uzcátegui Briceño is related to important politicians,"

and "is married to a daughter of Fabio Ochoa."

Deputy Hernández also mentioned Esperanza Martino, president of the Bank Deposit Guaranty Fund (Fogade), "who stated before the Deputies' Accounting Commission that she had received a loan from Genaro Scaletta in the amount of \$6 million." Dr. Martino, who according to the press is very closely tied to Cecilia Matos and belongs to CAP's inner circle (she was married to Erasto Fernández, another CAP security adviser), has shown up on various occasions. She was the lawyer for mafiosos Recarey and Tony Canaves, the latter deported to Canada in 1989. As vice president of Banco Industrial, she was accused in 1990 of using hundreds of millions of bolívares so that the Cuban-Venezuelan financier Orlando Castro could take a good part of the stock of the Bank of Venezuela. From Fogade, she had pushed for the delivery of this bank into the hands of Orlando Castro and Alvarez Stelling.

Deputy Hernández formally sought a congressional investigation of the relation between the president of Fogade and the Cuntrera clan. According to *El Diario de Caracas* of Sept. 16, 1992, the other suggestion made by Deputy Hernández regarding the connections of the Cuntrera clan points precisely to inner circle financier Orlando Castro, whom Hernández in 1991 pointed to as having direct links to Pablo Escobar of the Medellín Cartel.

Nothing came of the congressional commission to investigate money laundering. According to an AP wire datelined Miami, Sept. 20, 1992, the commission was going to investigate "if the high-level political contacts of the Cuntreras were involved with the apparent immunity that was protecting them," and mentioned that "that immunity began to break when some officials of the Armed Forces attempted a coup in February."

Europeans concerned about CAP

In December 1992, a book was published in Germany by two independent German investigators, Jürgen Roth and Marc Frey, specialists in organized crime. The book was titled *Die Verbrecher Holding: Das Vereinte Europa in Griff der Mafia (The Criminal Holding Company: United Europe in the Grip of the Mafia)*. The book contains two chapters that deal with Venezuela, one on President Carlos Andrés Pérez, and the other on the networks of the Cuntrera clan. Among other things, the book says that CAP intervened in different ways to guarantee the extradition of Jorge Luis Ochoa to Colombia (instead of the United States) in the mid-1980s.

The authors of the book say that Venezuela is an important drug transit center; they indicate that the DEA believes that the drug traffickers are buying many Venezuelan companies; that Gilberto Rodríguez Orejuela, head of the Cali Cartel, frequently visits Venezuela, and that he even has a Venezuelan passport.

They also indicate that "the drug mafia has reached the highest circles of the Presidential Palace. . . . Involved in it are the President's closest collaborators."

Court action on Demjanjuk begs DOJ housecleaning

by Jeffrey Steinberg

The jig is just about up for the Department of Justice Office of Special Investigations (OSI), the so-called Nazi-hunting unit that now stands exposed for its role in the attempted "legal" execution of John Demjanjuk. On July 29, the Israeli Supreme Court made its long-overdue ruling that Demjanjuk, a Ukrainian-born naturalized American citizen and retired auto worker from Cleveland, was innocent of the war-crime charges for which he was sentenced to death by a lower Israeli court in 1988. With hours of the ruling, OSI chief Neal Sher held a bloodcurdling press conference in which he brushed aside the Israeli court decision as a "technical ruling" and vowed to prevent Demjanjuk from ever returning to America.

According to sources close to the Clinton administration, Sher gave that press conference without getting clearance from Attorney General Janet Reno, an action for which he could be fired.

Sher's outburst, which was echoed over the following 72 hours by spokesmen for the Anti-Defamation League of B'nai B'rith (ADL), became even more embarrassing for the Clinton administration when, on Aug. 4, the U.S. Sixth Circuit Court of Appeals in Cincinnati announced that it would be drafting a writ of *habeas corpus* demanding that Demjanjuk be freed by the Israeli government and returned to the United States.

The Sixth Circuit action came at the close of a hearing on a motion by Demjanjuk's attorney that he be allowed to return temporarily to the United States while the court reviews his petition to have his citizenship restored on the basis of the outrageous misconduct by OSI prosecutors during the course of his denaturalization and deportation proceedings. Speaking for the three-judge appellate panel, Chief Judge Gilbert Merritt spoke forcefully about Demjanjuk's right to be freed

by Israeli authorities, who were still holding him as of Aug. 6, pending a decision on whether to charge him with other war crimes.

Justice Merritt stated: "Our previous order in this case was expressly subject to the understanding that Demjanjuk was to be tried only for the charges in the warrant against him and under which he was extradited, that is, charges based upon the allegation that he was 'Ivan the Terrible of Treblinka.'" International law, he said, "forbids him from being tried on any other charges."

But international law apparently means nothing to the OSI prosecutors or to ADL National Director Abe Foxman, who fulminated at the Sixth Circuit: "I am flabbergasted by the court's ruling," Foxman told Reuters on Aug. 5. "There's no doubt he served in Nazi concentration and death camps. . . . Therefore, Demjanjuk should not be allowed into the United States."

Foxman lies and KGB forgeries

Foxman is lying. The critical piece of evidence placing John Demjanjuk at any Nazi camps, other than a POW camp for Soviet soldiers captured on the Eastern Front during World War II, is an identification card from the training camp at Trawniki, Poland for SS guards.

According to a recent issue of the German news weekly *Der Spiegel*, that Trawniki card was proven to be a KGB-manufactured forgery by German police officials prior to Demjanjuk's trial in Israel. According to a former senior German federal police (BKA) official, Louis-Ferdinand Werner, the ID card contained a doctored photo of Demjanjuk, the SS insignia was handwritten, the card bore no date, and there were several glaring grammatical errors. Demjanjuk's signature, while authentic, had been lifted from another

document and copied onto the card. Werner told *Spiegel* that when he informed Israeli officials that the card was a fraud, they replied, "How are we going to tell that to our people back home?"

The U.S. and Israeli prosecutors' continuing use of the discredited Trawniki document underscores the extremes to which these officials are willing to go to cover up their crimes. From the very beginning of the U.S. government's "Nazi-hunting" program, which was launched in the early 1970s as part of Henry Kissinger's protocols with the Soviet regime, U.S. Immigration and Justice Department officials blindly accepted KGB-manufactured evidence and regularly introduced it as evidence in U.S. court proceedings. When Israeli prosecutors concluded that the case against John Demjanjuk was weak, it was communist fellow-traveler Armand Hammer who procured the forged SS ID card from Soviet authorities and flew it to Israel on his private corporate jet.

A pattern of government crimes

Since the late 1970s, when the Department of Justice OSI unit was set up by an act of Congress sponsored by Rep. Elizabeth Holtzman (D-N.Y.), a command structure with strong ties to the ADL and to the ADL's friends in the KGB and the Israeli Mossad has been directing the Nazi-stalking effort. Mark Richard, the highest-ranking career bureaucrat in the Department of Justice, has been the foreign government liaison and a staunch defender of OSI operations. Prior to the collapse of the Soviet Union, he traveled frequently to Moscow and worked closely with the Soviet Procurator General's office in establishing a pipeline of "evidence" for use in the OSI cases. Miraculously, when the Soviet regime collapsed and the KGB files were opened, 15,000 pages of documents were discovered showing that Soviet officials knew all along the real identity of "Ivan the Terrible of Treblinka" and had withheld that information from U.S. and Israeli prosecutors.

The crimes of Department of Justice officials in the Demjanjuk case are now being carefully reviewed by the Sixth Circuit. However, the latest Demjanjuk developments come in a broader context. On a number of different fronts, Justice Department officials are being exposed for a wide range of crimes:

- The recent jury acquittal of survivalist Randy Weaver on charges that he murdered a U.S. Marshal has caused a firestorm of protest over federal government "death squad" activities. Weaver's wife and teenage son were killed by FBI, Treasury Department Bureau of Alcohol, Tobacco and Firearms (ATF), and U.S. Marshal sharpshooters, who stormed Weaver's mountain home in Idaho after he refused to become an informant for federal drug agents.

- A similar assault on the Branch Davidian religious group in Waco, Texas resulted in over 80 deaths. Attorney General Reno is still overseeing a review of that tragedy, which began when ATF agents last February opened fire on

the group's headquarters. Initial claims by federal agents that the Branch Davidians fired the first shots were later proven false, when local sheriff's "911" phone tapes, which were released to ABC's Nightline, proved that the federal agents had launched the unprovoked assault. As in the earlier Weaver shootout, federal agencies were contaminated by false and inflammatory reports of violence, child abuse, and other criminal behavior by "experts" from the ADL and the ADL-linked Cult Awareness Network (CAN). Both the ADL and CAN are now themselves under federal investigation and/or indictment for crimes ranging from theft of classified government files to interstate kidnapping.

- Attorney General Reno is also reviewing the Inslaw affair, another Department of Justice scandal inherited from the Reagan and Bush years, in which Justice Department officials are accused of stealing hundreds of millions of dollars worth of computer software and conspiring to bankrupt the manufacturer as a means of covering up the crime. In June, a Bush Justice Department-commissioned study of the Inslaw affair was presented to Attorney General Reno by retired federal Judge Nicholas Bua. On Aug. 3, the *Washington Times* reported that another retired federal judge, George Bason, who had presided over an earlier Inslaw bankruptcy case, had written to Attorney General Reno harshly attacking the Bua report as a complete whitewash. Inslaw's attorney, former Attorney General Elliot Richardson, has submitted a point-by-point refutation of the Bua report, which is also under review by the Attorney General.

- Amid growing international calls for President Clinton to take up the case of Lyndon LaRouche, significant new evidence continues to surface of corruption by officials of the Federal Election Commission (FEC), the Internal Revenue Service (IRS), and other agencies involved in the railroading of LaRouche and a number of his political associates. One of the more memorable features of the travesty against LaRouche was the 400-man federal, state, county paramilitary raid on LaRouche's residence and offices in October 1986. The raid occurred on the eve of the Reykjavik summit between Presidents Ronald Reagan and Mikhail Gorbachov, and shortly after Soviet officials demanded LaRouche's elimination as a "good faith" measure. The same Department of Justice chain of command behind the OSI was at the center of the U.S.-Soviet "Get LaRouche" deal.

With these other cases as a backdrop, the Clinton administration will be making at least one crucial decision in the immediate days ahead: whether or not to bend to ADL pressure and fight the Sixth Circuit's *habeas corpus* ruling in the Demjanjuk case. A growing number of Americans are waking up to the terrible corruption that has festered inside the Justice Department bureaucracy over the past decade and more. The Demjanjuk case provides a ready opportunity for the Clinton team to fulfill one of its campaign promises—to clean up the corruption in the federal government. There may be no better place to start than with the OSI.

Moscow councilmen ask that LaRouche be freed

The following is the text of an open letter to President Clinton from six members of the Moscow City Council. It is dated July 20, 1993, and was released by council member Viktor A. Kuzin at a Washington press conference on July 29. The six signers were among nine Moscow City Council deputies who, in October 1992, released a political declaration exposing statements by Russian Federation state security officials about alleged contacts of Mr. Clinton with the KGB in his youth, as KGB disinformation; at the time, the Russian government was silent on the matter. Mr. Kuzin is deputy chairman of the Moscow City Council's Committee on Law and Order, Justice, and the Defense of Civil Rights, and chairman of its Subcommittee on the Defense of Civil Rights.

We address you, being a group of deputies of the Moscow Council, who in October 1992 acted decisively to expose slanderous accusations of cooperation with the KGB, made against you—at that time you were a candidate for President of the U.S.A.—by the foreign intelligence service of the Russian Federation.

This crude provocation, which had a very specific goal and was undertaken just a few days before the presidential elections, ultimately failed. We are glad to realize that we did what we could to this end.

We were prompted to act in such a way not only by a natural feeling of appreciation for the decisive moral and political support which the U.S.A. always extended to the human rights defense movement, to the processes of dismantling the totalitarian regime, and the resurrection of a democratic basis for statehood on the territory of the former U.S.S.R., but above all by the firm conviction, that only adherence to civilized norms of political behavior makes it possible to maintain the high moral prestige of democratic institutions and procedures, which are the necessary precondition for the welfare of peoples in general and, in particular, the only source of hope for a better future, for the majority of citizens of Russia.

In the course of developing in ourselves the customs of such conduct, we were always inspired by the lofty ideals of the rights of man, in the formulation and defense of which an outstanding role rightly belongs to the U.S.A.

A special, and in our view key, place among them belongs to intellectual pluralism and tolerance of dissent in all its manifestations. There is no doubt, that it was precisely a political regime based on a traditional respect for these values, that permitted the U.S.A. to become a mighty and flour-

ishing state, and to escape from many dangerous crises and dead ends.

It was therefore with great astonishment that we learned from mass media accounts and official documents, provided in response to our requests by human rights defense organizations, about the persecution, begun under the R. Reagan and G. Bush administrations and continuing to this day, of the prominent opposition figure Lyndon Hermyle LaRouche, who since January 1989 has been serving a 15-year sentence in the federal prison at Rochester, Minnesota, imposed by the court in Alexandria, Virginia.

LaRouche is not a criminal

Having carefully studied the most essential circumstances of the case and data characterizing the public activity and the personality of LaRouche, we are inclined to the opinion, that the real reasons he ended up behind bars have nothing to do with the indictment against him, for fraud in obtaining loans and violation of the tax laws, nor does L. LaRouche himself in any way whatsoever resemble a criminal.

To understand this, it suffices to note even just two lines from the public and political biography of L. LaRouche.

The first is the strategy of world economic development, put forward and given its theoretical foundation by him already in the early 1970s, as an alternative to the approaches of the IMF [International Monetary Fund]. Its goal was to overcome the growing general economic crisis, to overcome the backwardness of the less developed countries, through support for high-technology industry and agriculture in those countries. The second is LaRouche's proposal, in the late 1970s and early 1980s, for joint implementation by the U.S.S.R. and U.S.A. of the idea of a Strategic Defense Initiative, which its author saw not only as a means for guaranteed prevention of the possibility of a nuclear first strike, but also, which is extremely important, as a way "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."

These two original doctrines, which are naturally attractive, put L. LaRouche and his supporters in the center of public attention and made him a real contender for the role of political leader on not only a national, but also a world scale. But at the same time, the first of them (because it ran into a certain conflict with the interests of the IMF) and the second (insofar as it perturbed the U.S.S.R. leadership, because of their fear of exposure of their technological/economic weakness in the area of developing and producing ultra-modern weapons), strange as it may seem, objectively created the preconditions for the persecution of L. LaRouche, both by U.S.A. special services and by the KGB.

Now, published documents leave no doubt about who was the initiator and executor of attacks against L. LaRouche and his supporters, which proceeded especially intensely after March 1986, when two members of the faction he had created inside the Democratic Party won elections in Illinois, and LaRouche himself continued his attempts to run for President of the U.S.A. (the electoral campaigns of 1976, 1980, 1984, and 1988).

We are referring to the recently declassified letter of H. Kissinger, addressed to then-director of the FBI W. Webster, as well as the lie circulated by an agent of the [East German] Stasi on the initiative of the KGB, and picked up by the American and Soviet press, that the LaRouche organization was complicit in the murder of Olof Palme. The circulation of this absurd accusation served as a prelude to the series of officially sanctioned raids by police, FBI agents, and forces of other federal agencies, in October 1986 and April 1987, against publishing companies associated with LaRouche and the offices of firms, which turned them into debtors incapable of paying and led to subsequent bankruptcies. It is typical, that at the very same time, communist propaganda under control of the KGB (F. Burlatsky, Yu. Zhukov, and A. Sabov) actively worked on giving L. LaRouche the reputation of "head of the neo-fascist party," demanding that the U.S.A. administration adopt decisive measures against him.

Justice was abandoned

Esteemed Mr. President!

We are deeply convinced, based on our independent study of the procedural side of the trials of L. LaRouche in 1988 and 1989, and taking into account the highly competent opinion of his lawyer, the former Attorney General of the U.S.A. R. Clark, and of leading jurists and public figures from the U.S.A. and other countries, that the indictment and sentence imposed on L. LaRouche was no act of justice, because it was enacted with gross and repeated violations of elementary procedural norms, which already in and of itself cannot fail to give rise to serious doubts about the quality of the indictment, which there was an attempt to spare from strict judicial review by these means.

Indicative in this regard are the results of the previous trial of L. LaRouche, in Boston in 1988, which ended in a mistrial. The members of the jury stated in the press that they would have rejected all the federal government's accusations against LaRouche, as unfounded and unconvincing. The next time, essentially analogous charges were brought against LaRouche on Oct. 14, 1988 (i.e., only a few weeks before the presidential elections, in which the accused was one of the candidates for President) in Alexandria, Virginia, where government employees were members of the jury, and after the end of the trial, it was discovered that Judge Albert V. Bryan, who sentenced LaRouche to prison on Jan. 27, 1989, had earlier been an attorney for the major private firm Interarms, which dealt in weapons (LaRouche had harshly at-

tacked employees of that firm in public), and subsequently worked on a secret tribunal, connected with the national security of the U.S.A. In the presence of such data, is it possible to speak of independence and impartiality on the part of the jury and of Judge Bryan?!

The details reviewed here, which have long since been public knowledge, in our view show, if not the innocence of LaRouche, then at least the necessity to subject the indictment and sentence to painstaking and strict verification before a Court of Cassation [Appeal]. The Supreme Court of the U.S.A., however, refused this to LaRouche and his lawyer. That is not just rotten justice. That is the abandonment of justice as such.

Mr. President! It is bitter for us to write these lines. But what is happening today around LaRouche and his supporters (two of them, Michael Billington and Rochelle Ascher, were also sentenced to long terms of incarceration—77 years and 10 years, respectively—for analogous charges) in the U.S.A., which is at the summit of its triumph as a superpower, automatically invites just one historical parallel—the trials of the dissidents in the U.S.S.R. from the 1960s to the 1980s. What moved the communist bosses was their understandable fear of losing power. But how can one explain or justify intolerance of dissent today by the U.S.A. administration, whose domestic and international positions are firm as never before? How can one explain such an abrupt departure, in the case of L. LaRouche, from the fundamental values of democracy, for which the U.S.A. continues to agitate around the world? We would not like to think, that the conviction of LaRouche was, even partially, a concession to pressure from the KGB, whose insidiousness you had the chance to experience personally.

Mr. President! We truly believe in the inevitable triumph and high value of a policy based on morality, and we are convinced that you will be able to cut this Gordian knot, break with the heavy heritage of your predecessors in the presidency as concerns the LaRouche case, and ensure the triumph of justice.

It would be unjust, it seems to us, not to take into account the obvious services of LaRouche as the author of the Strategic Defense Initiative, which became so fateful not only for the U.S.A., for also for the entire world.

Today more than ever, it would be shortsighted and even dangerous for the fate of the suddenly monopolar world, with its unpredictably changing face, to undervalue the positive role of an intellectual opposition which carries out the search for and development of non-standard alternative approaches and strategies, directed toward the achievement of global harmony.

Respectfully,

People's Deputies of the Moscow City Council

Viktor Kuzin, Yuri Sedykh-Bondarenko, Valeri Ikishcheli, Aleksei Pogorily, Stanislav Filimonov, Aleksandr Loidis

Parents fight outcome-based education in Giles County, Va.

Dr. Wayne and Janice Brackenrich are leaders of the Christian Coalition in Pearis, Virginia, in rural Giles County. Parents of six children, they are spearheading a fight against the implementation of Outcome-Based Education in the county. Mrs. Brackenrich, a nurse, has been attending an OBE training program this summer, whose purpose is to train local teachers to introduce OBE in the schools next September, though at this point only on a voluntary basis. The 35 participants are being paid \$1,000 each to be in the two-month program. Mrs. Brackenrich recounts in this interview, conducted on July 27 by Marianna Wertz, what has been happening in the training program and in the coalition's efforts to halt its implementation.

EIR: Who is paying for this?

Brackenrich: This is being paid for by what our community calls the Partnership. Its full name is the Giles County Partnership for Excellence Foundation, Inc. They were formed in the latter part of 1992. It has different businessmen, including from the Hoechst-Celanese Corp. [Another subsidiary of Germany's Hoechst Corp., Roussel-Uclaf of France, produces the dangerous abortion pill RU-486—ed.]. Also the Appalachian Power Company is part of the Partnership, as well as the administrator of the school system, the director of curriculum in Giles County, and a couple of lawyers.

The Partnership's newspaper says their goals include "economic survival skills, computer technology literacy, and communication skills."

They have a group of mini-grants that they have gotten from the federal government. "Whole-language" was one of them: It's called See and Say. I had a mother tell me she was really upset when she saw some of her daughter's work. She's in the fifth grade and she had written a story and nothing was corrected, no punctuation, no spelling, and she'd gotten an A on the paper. She said the spelling was just atrocious, but the girl felt good about her work.

That's the main thing that everyone stressed at the seminar, that the children need to *feel good* about what they're doing. It's almost like they're throwing academics out the window, to make everyone feel good about it.

EIR: Do they have plans for implementing anything this fall

in the schools?

Brackenrich: One of the last things we had to do was to design some outcomes, some projects to do. My particular group was working on communication. Each group had to come up with a different program. They give you a blank paper to fill out. An example is "A note to a friend" [see graphic]. This can be in an English class. Actually this is a math class.

This is the guide that we received. With each task that you come up with, it has to fit into these criteria. Here the content of the skills is trigonometry and the student is to teach another group of students, which is usually younger children, how to do trig, by writing them a letter. This would be something that you would do in your trig class, and you could also use an English class. What they do in a lot of schools is block time and the trig and English classes would be together.

EIR: What else are you learning in this program?

Brackenrich: We started out the first two days under the High Success Network, William Spady's group, which came from Colorado. We had the first two days at a very expensive resort, at Mountain Lakes.

The main things that we were working on were critical thinking, communications, business projects and journalism projects. The guy from the High Success Network came in and lectured for two days, giving us the basic principles of Outcome-Based Education.

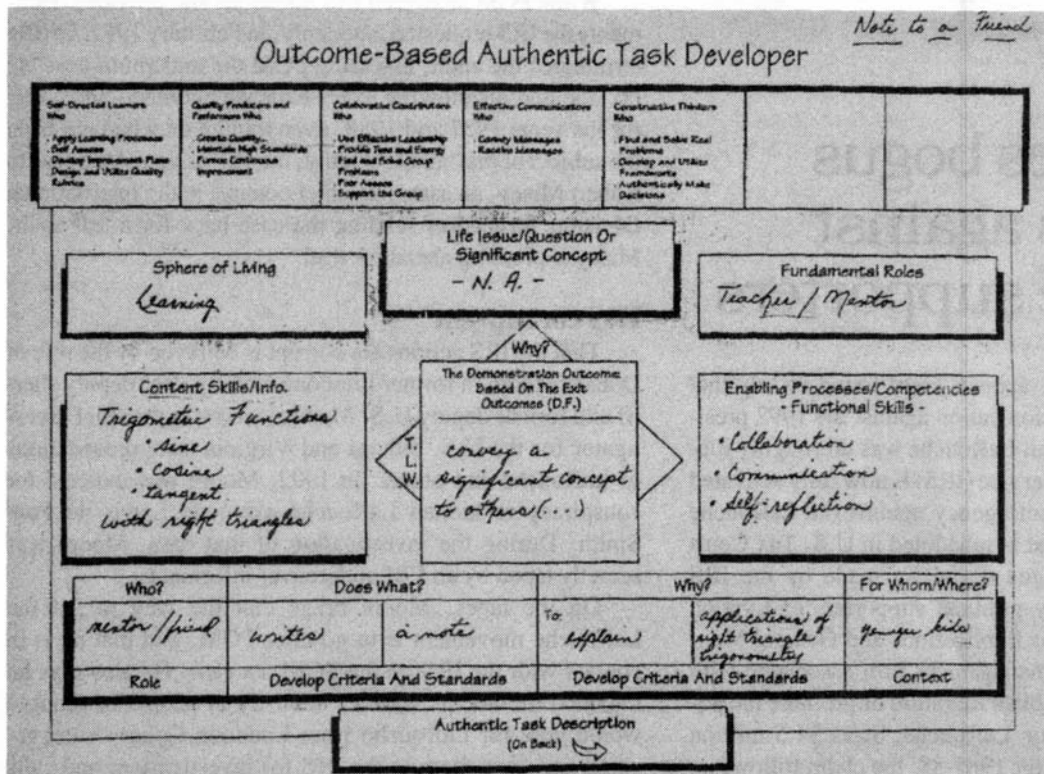
Then they had a couple of days when we were on our own, going over some of the things that we had learned. Goodness, sometimes I would be so bored, because they would go over the same thing, just changing the words.

EIR: Then what do they say is the advantage of OBE?

Brackenrich: The main thing the teachers say is, if you can reach that kid that you haven't been able to reach before, and get that one child excited about learning something, then it's all worth it.

EIR: Is that at the expense of everybody else?

Brackenrich: Right. I see socialism here, and that's one of my big fears. There's no pursuit of excellence. You take the guy that's the high achiever, and they have to help the ones



This "Authentic Task Developer" is a lesson plan for an OBE trigonometry class.

being remediated, and it lowers everyone to the same level.

EIR: Is there any opposition among the teachers?

Brackenrich: I've showed them lots of materials on what OBE is about, but what they keep saying is you have to understand, this is Giles County, we would never, ever get involved with anything that would hurt our students or that would be detrimental to them.

EIR: Are the participants in this program aware of the national scope of OBE and its intent?

Brackenrich: I tried to tell them that this is not just our idea. This is something going on in 26 different states. It was like talking to a brick wall. These teachers don't read anything, they are not aware of anything that's going on. Some of them had never even heard of OBE, had never read anything other than what the superintendent had told them.

EIR: As I understand, is your Christian Coalition is planning a mass meeting before school opens to try to stop the program?

Brackenrich: Our main goal is to educate the public. We don't feel, now that I've been through this, that this is a full-scale implementation. Some of the teachers will use it and some of them will not use it. So it's not so much to stop it as to let the parents know and pick up the ball and keep it rolling.

EIR: Has any part of this been implemented yet?

Brackenrich: In the mini-grants that they had last year, our son was part of a communications-collaboration group, which was part of the OBE. They had a language pathologist and five other teachers involved and it impacted 150 students in three elementary schools.

They did role-playing. They had a little celebration at the end. Each time they had one of their projects finished they would have a "celebration," and bring the parents in. They even talked about selling it to the parents. It sounds like a big marketing thing to me.

EIR: Are you aware of Virginia's big marketing program for OBE now?

Brackenrich: Yes. We're going to have bumper stickers: Virginia is for OBE lovers. I'm sure there will be tee-shirts and hats.

EIR: As you know, Nancy Spannaus is focusing on stopping OBE in her independent gubernatorial campaign in Virginia. She's concerned that if this continues there won't be a literate generation left in the country.

Brackenrich: Yes, but the teachers don't see this. The teachers are saying there's a crisis. But you create a crisis, and then you say we have to do something about the crisis. Then anything comes along and they say, let's do this, at least it's not the same thing, it's something different. But that's not the way to do education. It's gobbledygook.

IRS presses bogus tax claims against LaRouche supporters

After a Washington, D.C. appeals court found in July that Federal Election Commission action against the 1992 presidential campaign of Lyndon LaRouche was thoroughly illegal, the Internal Revenue Service (IRS) is now fully activated as the out-front government agency against the LaRouche movement. An Oct. 12 trial is scheduled in U.S. Tax Court on an outrageous and bogus tax claim made by the IRS against a company run by political supporters of Lyndon LaRouche. The IRS claims Publications and General Management, Inc. (PGM), a management firm associated with many companies which publish literature or promote the political campaigns of Lyndon LaRouche, owes \$4.5 million in corporate income taxes for 1985-88; the claim follows an "audit" in which PGM was given no opportunity to substantiate its returns, and also an administrative process riddled with highly unusual tactics and practices, according to experts who have reviewed the case.

The IRS decision to pursue the tax case comes at a time when the agency's own illegal actions against LaRouche and his friends are being exposed.

The PGM "audit" began in March 1990, as IRS agent David Griffin focused on the 1985-86 returns. The IRS had complete physical access to the documents necessary to substantiate the PGM returns, since the IRS, along with other government agencies, had seized the documents in a 400-man raid on Oct. 6, 1986 in Leesburg, Virginia, on companies associated with LaRouche.

For two years after March 1990, while making sporadic efforts to conduct the "audit," Griffin admitted he was really being guided by corrupt members of the "Get LaRouche" task force, particularly Assistant U.S. Attorney Kent Robinson and Virginia State Police Agent C.D. Bryant, himself a former IRS official. Robinson, Bryant, and others on the task force have repeatedly and illegally sought to shut down any entity associated with LaRouche, and are said to be outraged that the LaRouche movement has survived their previous attacks.

They are also very upset by California authorities' probes into political spying by the Anti-Defamation League of B'nai B'rith (ADL), their colleagues on the "Get LaRouche" task force, and by recent prosecutions of task force members Donald L. Moore and Galen Kelly for kidnapping.

While PGM answered IRS questions and provided documents the IRS requested, suddenly, in February 1992, Griffin terminated the audit, assessing PGM the maximum possible tax due and disallowing every expense claimed—including for the years 1987 and 1988, even though they had not been the subject of the "audit"! Oddly, the IRS assigned the case to Robert Misey, an associate chief counsel in the International Division. Instead of sending the case back for a full audit, Misey is pressing ahead for trial.

IRS corruption

That the IRS actions are corrupt is betrayed by the role of Donald Moore, a former Loudoun County, Va. deputy sheriff and former deputy U.S. Marshal who was the chief investigator for the U.S. federal and Virginia state prosecutions of LaRouche and others. In 1992, Moore was indicted for conspiracy to kidnap LaRouche associate Lewis du Pont Smith. During the investigation of that case, Moore was secretly taped by an FBI undercover informant.

On the tapes, Moore brags that the way to get the LaRouche movement is to go after PGM, and that he is in contact with the IRS on the PGM tax case. He also says he obtained the Social Security numbers of people he thought would vote for LaRouche from Loudoun County voter records and gave them to the IRS for investigation, and calls his activity "illegal as s—t."

Protecting LaRouche's enemies

While using underhanded tactics against LaRouche and his friends, the IRS was equally underhanded in protecting LaRouche's enemies.

In 1986, various supporters of LaRouche filed complaints with the IRS seeking revocation of the tax-exempt status of the Anti-Defamation League of B'nai B'rith on the grounds that the ADL was illegally engaging in political action. The IRS took no action against the ADL, even though the Federal Election Commission later found that the ADL had violated federal election laws. Following the IRS lead, the FEC also let the ADL off the hook.

When Galen Kelly, one of Moore's co-conspirators, was on trial for another kidnapping this past May, IRS agent Patrick Lance Lydon, the agent on the LaRouche case and a friend of Don Moore's, executed a search warrant on the home of Kelly's chief accuser. Despite those blatant IRS attempts at witness intimidation and obstruction of justice, Kelly was convicted.

Moore's conniving with the IRS goes way back. In 1985, IRS special agent Larry Lucey hooked up with Moore to target LaRouche and his supporters. Lucey, then a Loudoun County resident, began his own probe of LaRouche without any authorization by IRS.

Called to testify at a pre-trial hearing, Lucey refused to answer questions on his relationship with Moore. Since then, Lucey has left the IRS and moved to an undisclosed location.

LaRouche study reveals 'history as science'

by EIR Staff

The publisher of *Fidelio*, the quarterly magazine of the Schiller Institute, has announced that its Fall 1993 issue, to be released Aug. 15, includes a major theoretical article by Lyndon H. LaRouche, Jr., entitled "History as Science: America 2000."

It was also announced that the Schiller Institute's autumn conference, scheduled for Labor Day weekend (Sept. 4-6) in the Washington, D.C. area, will center on the themes which LaRouche develops in this essay.

According to political prisoner Lyndon LaRouche, if America is to survive to the year 2000, we must reverse now the habits of policy-shaping which public opinion has adopted during the recent quarter-century. But such a reversal can only be accomplished by a people who understand history *as science*.

On July 30, LaRouche's warnings were echoed by a leading Moscow daily, *Nezavisimaya Gazeta*, which stated that the United States might disintegrate by early in the next century.

The essay was written by LaRouche during the first six months of 1993. It is printed in *Fidelio* with extensive footnotes.

Collapse like Soviet system

LaRouche writes in *Fidelio*, "The year 2000 is less than two U.S. Presidential terms away, about the same distance as from the 1981 inauguration of Ronald Reagan to the sudden, 1989 collapse of the Soviet military alliance. Today, on the hind side of the Soviet collapse, the pace of global change is more rapid than during the Reagan years; the crisis is deepening, the pace is accelerating. If present trends are considered, we must ask whether the 1989-1991 collapse of the Soviet system might not be echoed by a late 1990s collapse of our United States?"

"The blow which struck Moscow during 1989-1991, is not the kind of blow which can be successfully avoided at the last moment. That Moscow collapse was already building up as early as the 1983-1985 interval, as this writer then reported repeatedly to the U.S. government officials and others with whom he was collaborating closely at that time. The last opportunity to prevent a catastrophe of the sort which brought down Mikhail Gorbachov's regime is lost perhaps a decade

or so before the decisive crisis breaks into the open. So, the 1904 establishment of the Franco-British *Entente Cordiale* made inevitable the 1914 outbreak of World War I.

"That is the approximate situation of our United States today. Either we reverse, now, those presently accepted habits of policy-shaping which public opinion has adopted during the recent quarter-century, or, during the ten-year period ahead, the U.S.A. as we know it will proceed to disintegrate in a way which parallels the 1989-1991 collapse of the Soviet system.

"Such a death of our republic is no longer some mere possibility; if currently accepted policy-shaping trends are not reversed radically, such a catastrophe is probable. Probable, but not inevitable. If the peoples of several selected, leading nations were to adopt certain remedial policy-initiatives now, the happy alternative to catastrophe were virtually certain. In that latter case, a full-scale economic recovery, and correlated tendencies toward political stability, could dominate our planet's affairs by near the close of this century. Putting those alternatives into a common focus: The danger is, that at this present moment of writing, the adoption of such needed, radical changes in policy does not appear likely."

The cultural determinants

"What are the means for bringing about such an early and rapid reversal of decades-old trends in public opinion? That question, posed in these terms, should point us to a subject-matter best described as *the science of history*. Pagan Rome rotted into moral self-extinction when the fans of the sports arena became the political parties of government, just as the sterile fanaticism of televised mass-spectator sports rots out the political morality of U.S. public opinion today. Such specific, culturally determining factors are among the leading topics of today's urgently needed, applied science of history.

"Unfortunately, the study of a recognizable subject called 'history,' is virtually outlawed by the 'politically correct' classroom of today. Yet, even had history not been expelled so, the history textbooks supplied during the 1920s through the 1960s were tendentiously misleading concoctions, typified by Charles Beard, Arnold Toynbee, or Carroll Quigley's *Tragedy and Hope*. From such sources, or such lower extremes as Francis Fukuyama's banal exercise in Lockean utopianism, his *End of History*, very little of use is to be learned for dealing with today's real history. The onrushing catastrophe of the 1990s requires that we define quickly, and accurately the most essential principles of a useable alternative, an applicable science of history."

LaRouche's essay centers on two cases: the story of modern civilization which was first institutionalized with the Council of Florence around 550 years ago; and the battle for Chinese civilization between the Confucian tradition and its enemies, the Taoist-Legalist current.

One-world ideologues are major force behind ecological doomsday theories

by Doug Mallouk

Environmental Overkill: Whatever Happened to Common Sense?

by Dixy Lee Ray, with Lou Guzzo
Regnery Gateway, Washington D.C., 1993
260 pages, hardbound, \$19.95

Is the truth finally catching up with the political fraud known as radical environmentalism? Recently, U.S. media outlets have suddenly taken to puncturing a number of key “greenie” myths that they themselves had been actively puffing up seemingly only the day before.

On April 15, the *Washington Post* let its readers in on a little secret that *EIR* subscribers, among others, have known for quite a while: The so-called ozone hole—to the extent it exists at all—is actually a natural, cyclical, and, therefore, self-repairing phenomenon, not at all the man-made disaster portrayed by the “sky is falling” crowd. In late March, the *New York Times* ran a five-part series demonstrating in detail that the major scares over allegedly toxic substances of the last two decades, from alar to dioxin, were based on a level of scientific incompetence that would make any reasonably intelligent grade-school student blanch. And with publications like the *Detroit News* and the *Baltimore Sun* following suit, we may soon see even the supposedly dead issue of nuclear energy exhumed for renewed public debate in the nation’s press.

This is not to suggest by any means that the U.S. financial establishment and its kept news media have miraculously decided to abandon the last quarter-century of zero-growth malthusian lunacy and to return the country to a sane policy of scientific and industrial progress. On the contrary, the eco-fascist agenda is closer than ever to being implemented, as will become clear below.

Nonetheless, when the chinks in the armor of the anti-science mob have become so glaring that even their erstwhile boosters in the press can’t (or won’t) cover for them, it means

that now, with the right kind of weapons, pro-growth forces might at long last reverse the decades-long environmentalist assault on the agricultural and industrial capacity of the West.

Environmental Overkill, by former Atomic Energy Commission Chairman and former governor of Washington State Dixy Lee Ray, is just such a weapon. Written in collaboration with Seattle newsman Lou Guzzo, it is in one sense a follow-up to her 1990 *Trashing the Planet*, a devastating attack on greenie pseudo-science.

But her latest work has a considerably sharper political edge than any of her previous writings.

Shock troops for the new world order

Dr. Ray wastes no time establishing her fundamental premise: The gaggle of well-funded organizations and the radical activists constituting the core of the present-day environmentalist “movement” are not about saving the biosphere or any other such commendable objective. Their actual function is to pave the way for a world government apparatus that will override the system of independent nations to implement a disastrous program of global deindustrialization.

Is her hypothesis based on some wild interpolation or on access to the secret councils of the movement’s leaders? No, she simply reports what they openly say. Maurice Strong, a spokesman for the proudly pro-genocide Club of Rome, who was made secretary general of the 1992 U.N. Conference on the Environment and Development at Rio de Janeiro, blurted out the following “fictional” scenario to a magazine interviewer just before the so-called Earth Summit: “What if a small group of world leaders were to conclude that the principal risk to the Earth comes from the actions of the rich countries? And if the world is to survive, those rich countries would have to sign an agreement reducing their impact on the environment. Will they do it? The group’s conclusion is no. The rich countries won’t change. So, in order to save the planet, the group decides: Isn’t the *only* hope for the planet that the industrialized civilizations collapse? Isn’t it our responsibility to bring that about? This group of world leaders forms a secret society to bring about an economic collapse.”

Making it clear that Strong’s horrific fantasy is in fact

operational, Dr. Ray asks the obvious question: Just what ecological catastrophe is so frighteningly imminent as to cause Americans to give up both a large part of their living standards and their political freedoms for the cold comfort of the new world order? She then proceeds to systematically dismantle both the scientific pretensions and the underlying world outlook of the greenies, upon whom she constantly plays the nastiest dirty trick imaginable: She quotes them.

For example, she offers a cogent explanation of why Mother Nature has so bitterly disappointed the “global warming” scare-mongers by obstinately refusing over the last several years to conform to their computer model projections of a sharp increase in global mean temperature, exhibiting instead a statistically meaningless rise of one-half degree over the 20th century. She shows that not only does man-made production of the “villain” gas, carbon dioxide, pale in comparison to natural sources of that compound; but also that CO₂ from all sources has nothing close to the “greenhouse” effect of that far more dangerous gas, water vapor, the cause of fully 98% of all greenhouse warming!

For comic relief, she cites at length a series of dire warnings made by environmental crusaders in the mid-'70s on the subject of unnatural climatic changes. It turns out that the same Chicken Littles currently demanding draconian cutbacks in industrial activity and a sharp worldwide decrease in living standards to avert the dread threat of global warming were screeching less than two decades ago that we needed draconian cutbacks in industrial activity and a sharp worldwide decrease in living standards to avert the looming disaster of—global cooling and the new Ice Age!

The entirely concocted ozone scare gets similar treatment. Referring to the definitive book on *The Holes in the Ozone Scare*, by Lyndon LaRouche's associates Rogelio Maduro and Ralf Schauerhammer, Dr. Ray points out that just the 1813 volcanic explosion of Mt. Tambora in Indonesia produced as much atmospheric chlorine (allegedly responsible for depletion of stratospheric ozone) as 282 years of human production of chlorofluorocarbons (CFCs) at peak levels—a good 100-odd years into the future; that, contrary to the computer-simulated projections of the fuzzy “theorists,” ultraviolet radiation levels hitting the planet have secularly decreased; and that even in the worst case, the increased radiation “risk” from hypothetical ozone loss over an entire century is about equal to moving 100 miles closer to the equator—say from Baltimore to Richmond.

Yet to solve this non-problem, a global ban on CFCs (critical for refrigeration and air-conditioning) will go into effect as early as 1995, with catastrophic impact on the worldwide cold chain, threatening 20-40 million people with death through starvation and food-borne disease.

Once more, Dr. Ray gets the most damning self-indictments straight from the scenarists. Listen to former deputy assistant secretary of state for environment Richard Benedick, whom she describes as an “unelected population-control bureaucrat,” expounding upon the great “achievements” of



Dr. Dixy Lee Ray, speaking at the National Press Club last spring, exposed the one-worldists behind the June 1992 so-called Earth Summit in Rio de Janeiro, Brazil.

the 1987 Montreal Protocol, which determined to ban CFCs by the end of the century in his book *Ozone Diplomacy*: “The most extraordinary aspect of the treaty was its imposition of short-term economic costs to protect against *unproved future dangers*” that, he readily admits, “*rested on scientific theories rather than firm data*,” at a time when “no measurable evidence of damage existed.” Benedick further notes that the treaty mandated “replacing products that had become synonymous with modern standards of living even though the requisite technologies did not yet exist” and brags that “the signatory countries sounded the death knell for an important part of the international **chemical industry**, with implications for billions of dollars in investments and hundreds of thousands of jobs in related sectors” (all emphasis is Dr. Ray’s).

The only thing Benedick fails to add is that this historic agreement was reached through the subtle diplomatic tactic of threatening vicious trade embargoes especially against Third World countries reluctant to sign on—a textbook-classic example of how the new world order mafia uses a “green” cover to crush national sovereignty and economic development. As Dr. Ray comments: “Preventing Third World countries from building modern refrigeration systems is one of the stated goals of the population control environmentalists.”

How DDT refuted Malthus

Dr. Ray goes on to develop a frontal assault on the hoary malthusian premise that an arithmetic growth in food production is colliding with a geometric increase in population, necessitating a culling of the human “herd.” Describing the truly revolutionary advances in agriculture made through modern hybridization techniques, soil science, and controlled pesticide and fertilizer use, Dr. Ray quickly dispenses with the silly anti-pesticide polemics of the low-technology

“organic farming” crowd and poses the fundamental issue: If, for the first time in 6,000 years of recorded human progress, mankind has finally achieved the technological capacity for food self-sufficiency, who would want to attack that? Her answer: Those who are committed to depopulation out of political preference, not scientific necessity.

DDT is the case-in-point she uses for illustration. Without any adverse effects on human health, this remarkable insecticide prevented more human death and disease than any man-made chemical in recorded history, before being banned in 1972. And that, says Dr. Ray, “was just the problem with DDT. It saved human lives.”

“For example,” she continues, “in response to a reporter’s question about banning DDT, Dr. Charles Wurster, who was then chief scientist for the Environmental Defense Fund, stated that in his opinion there are too many people and ‘this is as good a way to get rid of them as any.’ Another statement of Dr. Wurster’s was brought out in congressional testimony before the House Committee on Agriculture in 1971: ‘It doesn’t really make a lot of difference because the organophosphate [pesticide] acts locally and only kills farm workers, and most of them are Mexicans and Negroes.’ ” Dr. Ray notes that “there is no record of any media or public reaction to this shocking statement.”

Having thus established that the environmental radicals are actually technophobes and racist depopulationists rather than *bona fide* defenders of the environment, she develops some examples of how their hostility toward industrial progress has actually resulted in major harm to the biosphere. Most notable is the undeniable damage done to the world’s rain forests and global climate patterns by slash-and-burn agriculture, the subject of much anguished bleating from the greenies. Citing a 1992 report prepared by the Schiller Institute, Dr. Ray points out that ironically this reversion to primitive methods of food and fuel production has been caused principally by two factors: first, the insistence by the International Monetary Fund that debt-strapped nations cut their energy imports to near-zero in order to service the debt; and second, the loud demands of the environmentalists themselves that oil-poor countries like Brazil scrap any plans for nuclear energy in favor of biomass—burning animal waste and, yes, wood as an energy source.

Eco-follies and crimes

Otherwise, *Environmental Overkill* is a highly useful catalogue of greenie inanities ranging from comical escapades to real crimes against humanity. Among them:

- The cost of preserving the habitat of the celebrated Spotted Owl in losses to the timber and related industries amounts to \$96 million per pair of owls! This is a fairly hefty price to pay for a critter that is neither endangered in fact nor even a species. By comparison, the cost of cleaning up sea otters affected by the Exxon Valdez oil spill was a mere \$80,000 per otter.

- Anchorage, Alaska found a unique way to comply with

an Environmental Protection Agency regulation mandating a 30% increase in removal of organic waste from its sewage. Having concentrations of waste too minute to measure, the city invited three local fish-processing plants to dump fish waste in the sewers so that officials could then have it removed!

- More ominously, EPA is now handing out tidy sums such as the \$50,000 given to the Chicago-area Sierra Club “Swamp Squad”—a group of vigilantes who spy on any developer or landlord who might be draining an insect-ridden, disease-bearing marsh for some useful human purpose. And bounties are now being paid to people who bring any environmental infringement by their neighbors to the attention of the authorities.

- “Don’t Confuse Me With The Facts” Department: Congress allocated \$500 million in 1980 for a definitive study of the effects of acid rain. The first report in 1987 said that the harm done to forests and lakes was not catastrophic, but minor and treatable, with moderate amounts of acidity even downright beneficial to crop yields. The first study director, Dr. J. Laurence Kulp, was promptly fired by the EPA, and his replacement, Dr. James Mahoney, was directed to rewrite the report and repudiate its findings. He refused. The study was then ignored, Congress passed the Clean Air Act of 1990, and the nation now has a \$40 billion bill to combat acid rain.

Lacking: a positive vision

There are two related areas where Dr. Ray’s work falls distinctly short. One is her citation of University of Maryland business administration Prof. Julian Simon’s writings as a healthy alternative to the murderous zero-growth policies of the eco-fascists. Simon is not the optimal travel guide on the road to industrial progress. While his refutations of various malthusian doomsday scenarios with respect to soil erosion, depletion of natural resources, and the so-called population explosion are both accurate and useful, his polemic against the greenie Cassandras takes the form of turning himself into the Polyanna of the Free Market: “Things aren’t getting worse, but better” would not be an unfair paraphrase of his dismissal of any looming ecological crisis.

In fact the world is facing a breakdown of the biosphere that does, indeed, threaten human existence, as the case of Africa portends. This is absolutely not due to any naturally inherent limits to growth, but precisely because of the entirely unnatural policy of “free market” looting that the IMF has imposed. Not to recognize this threat and not to attack its ideological underpinnings would be the most gigantic error that genuinely pro-growth forces could possibly make.

The second shortcoming is Dr. Ray’s inadequate discussion of non-regressive approaches to such real problems as pollution control and genuine environmental maintenance. Here presents itself a great opportunity to explain the enormous environmental (as well as economic) benefits of superseding existing automotive transportation technologies with a combination of magnetically levitated train systems and

non-polluting, hydrogen-fueled cars; or the profound advantages of eliminating fossil fuel pollution with highly efficient energy technologies such as magnetohydrodynamics, rather than trying to catch every tiny particulate with smokestack scrubbers; or even the enormous "greening" effect that the long-stalled development of major freshwater projects would have in the western United States. But Dr. Ray does none of this, confining herself to the rather pedestrian suggestion that planting lots of ivy in major urban areas would help absorb unwanted emissions of carbon monoxide.

Whence comes this apparent lack of boldness and vision? Simple: In a national political climate dominated by hysteria over the federal deficit, on top of almost three decades of drug-ridden cultural decay, the very idea of great pioneering projects to drive the nation sharply forward is met with snickers and sneers. To combat this cynicism, the forces of scientific optimism absolutely need the depth of outlook of an Alexander Hamilton—who pulled the young United States out of a bankruptcy crisis, not through fiscal austerity, but by massively increasing "government spending" on large-scale productivity-boosting infrastructure projects. Without that, it is possible for even top-rate scientists like Dr. Ray to get dragged down.

Environmentalists thrown on the defensive

These flaws are dwarfed by the positive accomplishments of the book. Just how defensive the environmentalists have

become is made evident by the June 11 issue of *Science*, published by the American Association for the Advancement of Science, whose outgoing president Dr. Sherwood Rowland is considered the godfather of the ozone depletion theory. Backtracking to admit that there are some "uncertainties" and that ozone depletion proponents have engaged in certain "exaggerations," *Science* nonetheless doggedly defends the core of the theory and fearlessly exposes an insidious political plot to spread skepticism about it.

The pipeline of information against the ozone hoax, we are told, begins with Lyndon LaRouche and his associates, is picked up and transmitted by Dixy Lee Ray through her books, and ends up being retailed to the large audience of talk-radio mega-star Rush Limbaugh, somehow even seeping into the "mainstream" media in the process. That the LaRouche movement has now hooked up in a grand conspiracy with the likes of Bush-man Limbaugh (and perhaps also the editorial board of the *New York Times*) against the beleaguered greenies is certainly a novel and highly imaginative construct. But remember, it comes from the people who gave us the ozone scare in the first place.

Let us extend compassion to these creatures. For example, no one should attack the poor environmentalists just for ignoring all the empirical data and sticking to their story on global warming. After all, thanks in large measure to political fighters like Dixy Lee Ray, they themselves are suddenly feeling an awful lot of heat.

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National News

Parks officer admits Pike was top Klansman

Michael Hoover, a former officer with the National Park Service, has confirmed that Scottish Rite Masonic boss Albert Pike designed the ritual oaths and satanic-modeled terror practices of the Ku Klux Klan. A statue of Pike, a Confederate Civil War general, was erected by the Scottish Rite on federal property in Washington, D.C. in 1901. Hoover had surveilled protesters at rallies against the Pike statue. The Park Service went to great effort to deny that Scottish Rite Grand Commander Pike had had anything to do with the Ku Klux Klan.

Hoover approached historian Anton Chaitkin, a leader of the campaign to take down the statue, at the Library of Congress on July 27, telling him: "Albert Pike in fact wrote the secret rituals for the Ku Klux Klan." Hoover confirmed that the Klan assassinated thousands of black leaders and pro-Union whites during the 1860s and 1870s. Hoover added, "But Pike only wrote the Klan rituals because his good friend, KKK Grand Wizard Nathan Bedford Forrest, asked Pike to write them. Forrest didn't know anything about secret rituals, and Pike did, being the head of secret societies."

The former ranger also stated: "I think the Pike statue is inappropriate. It shouldn't be there."

Calif. EPA challenges ban on methyl bromide

Both the California Environmental Protection Agency (EPA) and the California Department of Food and Agriculture have challenged the U.S. EPA's desire to add the fumigant methyl bromide to the Clean Air Act list of ozone depleting substances, according to the *Ozone Depletion Network Online Today* newsletter for Aug. 3, which cited the June-July *CAL/EPA Report*.

The Clean Air Act does not allow any exceptions for essential uses, such as quarantine and pre-shipment fumigation. Since

international laws will still allow for such uses, this will put U.S. farmers at a big disadvantage. Both the California Department of Food and Agriculture and the California EPA want an amendment to the Clean Air Act to allow for such essential uses until a safe, feasible alternative is developed. The Clean Air Act would freeze methyl bromide at 1991 levels until the year 2000, at which time methyl bromide would no longer be produced.

Methyl bromide is an essential fumigant used in the production, storage, and shipment of food. The lack of safe alternatives is a particularly crucial issue because less safe alternatives would be consumed in fumigated food; and the lack of an alternative spells disaster for agricultural production, storage, and shipping.

Nebraska pedophile ring tied to education 'reform'

Two organizations closely tied to the cover-up of a Nebraska-based national pedophile ring were responsible for bringing an educational "reform" group called Nebraska Futures, Inc. into the state, *EIR* has learned. Nebraska Futures released a report to the legislature in 1990, "Leading the Great Plains into the New Economy," based on a study by the Stanford Research Institute. The study was initiated by the Nebraska Press Association, controlled by the *Omaha World Herald*, and funded by the Peter Kiewit Foundation. Both were exposed by John DeCamp in his book *The Franklin Coverup* for their involvement in the pedophile ring that came to light after the collapse of the Franklin Credit Union.

The Nebraska report's recommendations are gobbledygook typical of "outcome-based education." They include: "comprehensive educational enhancement—re-think the content, approach, purpose and organization at all levels; initiative: conduct a full-scale campaign for educational leadership; collaboration between education and business—create best climate for research, development and technology transfer between higher education and business; initiative: set up a Nebraska business-

higher education collaboration project through the Nebraska Chamber of Commerce and Industry."

Baltimore NAACP urges drug decriminalization

The Baltimore chapter of the National Association for the Advancement of Colored People (NAACP) has passed a resolution urging drug decriminalization, according to the July 31 *Baltimore Sun*.

This same chapter previously made a similarly outrageous proposal that military troops be deployed in the city to control crime. The call came the same week that Baltimore Mayor Kurt Schmoke announced that he will likely be a candidate for governor.

"The resolution calls for movement toward treating drug abuse as a health issue and less of a crime issue. It's controversial, but we have to start discussing it," said George N. Buntin, executive director of the chapter. "The whole policy we have now is a failure and a waste of billions of dollars. It makes no sense to stay with failed policy." Buntin said his chapter plans to take the resolution to the state NAACP meeting in October, and to the national convention next July. "I think we're the first chapter to take such a position," he said.

A spokesman for Schmoke said the mayor "will be pleased to hear that more voices are being added to the call for a more rational approach to our nation's drug problem." According to Ethan Nadelmann of the pro-legalization Drug Policy Foundation, Schmoke plans to convene a conference in Baltimore next fall to push for "harm reduction"—de facto legalization that is taking hold in many European cities.

Federal snipers may face murder charges

The behavior of federal agents in the killing of the wife and son of white separatist Randy Weaver in Idaho is prompting demands for an investigation and for "murder charges

against FBI sharpshooters," according to the *Chicago Tribune* of Aug. 1. "Several congressmen are comparing the Weaver siege to last spring's catastrophe in Waco, Texas." Rep. Don Edwards (D-Calif.), a former FBI agent who chairs the House Subcommittee on Civil and Constitutional Rights, "said Attorney General Janet Reno assured him last week that the Weaver case will be investigated in tandem with the government's Waco probe."

Both massacres were carried out by the Bureau of Alcohol, Tobacco and Firearms (AFT) and the FBI Hostage Rescue Team. Congressional aides said that the Weaver investigation will focus on procedures employed by federal agents, not on specific people or agencies. But Idaho District Attorney Randall Day is being pressed to bring murder charges against the federal agents involved in the killings of Mrs. Vicki Weaver and 14-year-old Samuel Weaver.

U.S. Marshal Service head Henry Hudson defended his officers, who initiated the armed assault against Weaver, saying "that the agents were trying to 'peacefully' arrest Weaver." In 1986, as a U.S. Attorney in Virginia, Hudson was part of the "Get LaRouche" strike force which planned an armed assault against LaRouche's residence, aimed at killing him and his wife.

Clinton aide 'suicide' story being questioned

An editorial in the July 28 *Wall Street Journal* noted that the Justice Department will not be appointing any sort of special investigator to oversee the inquiry into the recent suicide of White House assistant counsel Vincent Foster. The *Journal* notes that the circumstances surrounding the death of such a high official warrant a more serious investigation than the "routine" procedures followed by the Park Police.

Foster's body was found in a federal park in northern Virginia on July 21. Foster was a life-long friend of William Clinton and former law partner of Clinton's wife. Initially termed a suicide, although he left no obvious note and was apparently killed by a gun made in 1913, the investigation was turned over to the Park

Police by the FBI.

The *Journal* warned: "So nothing will be done to tell the public why so sensitive an official took his own life, or for that matter, reassure us that he indeed did. The mystery, we suspect, will haunt the White House as further scandals pop up, as they do in most administrations."

Texas ministers demand justice for Gary Graham

Four television stations, two major radio stations, and the *Houston Chronicle* attended a press conference July 30 in Houston given by eight black Baptist ministers on the case of death row inmate Gary Graham. Graham, who is scheduled to die Aug. 17, has been repeatedly prevented from presenting compelling new evidence of his innocence. The ministers were led by Rev. James Bevel, the 1992 vice presidential running mate of Lyndon LaRouche, and Rev. James Dixon.

The press conference was opened by Reverend Dixon, a prominent minister who heads the Christian Coalition for Change. It was the first time that a significant group of black ministers has publicly come out in defense of Gary Graham's right to a fair trial. Reverend Dixon detailed the inequity of the death penalty, the specifics of Graham's case, and the fact that "Harris County [Houston] is an eyesore to the nation," as the county ranks just behind the state of Florida which is the second in the country in the number of people executed.

Bevel described his efforts in the civil rights movement, after he first met Dr. Martin Luther King, shortly after returning from military service in Korea where he had learned how to kill people. Dr. King, he said, had taught him to love instead of hate, and he explained that he had used that principle to build the Nashville movement, the Mississippi Project, the Birmingham Children's Campaign, the Selma voting rights campaign, etc. He said that the government had to learn the same lesson and stop killing. He said he was especially appalled by the Graham case, which was "lynching in a nice, quiet respectful looking way."

● **THE ABUNDANT LIFE** Clinic in Washington, D.C. has received a grant of \$211,000 from the District of Columbia to treat AIDS victims. The clinic, operated by Dr. Abdul Alim Muhammad, has used the promising treatment of low-dose alpha interferon that was first developed in Kenya. Dr. Muhammad, the health minister for the Nation of Islam, is also well known for his highly successful "Dope Busters" anti-drug security force in many Washington housing complexes.

● **ELLIOTT ABRAMS**, former assistant secretary of state for Inter-American affairs, is appealing a recommendation from the District of Columbia Bar Association that he be barred from practicing law for one year, because of his 1991 guilty plea that he lied to Congress during the Iran-Contra probe. Abrams is now employed at the Hudson Institute.

● **CARROLL, IOWA** parents, teachers, and administrators have voted to remove the book *Jeremy Thatcher, Dragon Hatcher* from children's sections of school and town libraries, because of its overt references to Satanism and witchcraft, according to the *Cedar Rapids Gazette* of July 20.

● **HEROIN** is now being sold in places that only used to sell crack cocaine, and many crack users are now addicted to both drugs, reported the Drug Enforcement Administration. The heroin now being sold is at 35% purity, as opposed to 3-4% ten years ago, according to New York detectives cited in the Aug. 1 *New York Times*.

● **CONDOMS** will be made accessible to all students in middle and high schools in New Haven, Connecticut, beginning with the fifth grade, according to a decision last month by the New Haven School Board. The excuse being used is AIDS prevention.

Editorial

Assisted suicide = Nazi medicine

At prime time on July 23, the German television's first channel (ARD) broadcast a frontal attack on the German Society for Humane Death (DGHS)—the counterpart to the U.S. Hemlock Society—exposing it as a criminal association which was selling potassium cyanide to virtually everybody who asked for it and getting 3,000-10,000 marks per dose (production costs only about 30 pfennigs). It was also exposed that they were selling deadly drugs to mentally ill people.

Shocking new evidence was presented that could significantly toughen the charges pending against Dr. Henning Atrott, the former president of DGHS, currently in prison awaiting trial for tax evasion and selling toxic chemicals. The evidence pivoted around the fact that in Germany, it is not illegal to help a mentally competent person kill himself—but it *is* illegal to assist the suicide of persons with psychiatric disease.

Meanwhile, in Michigan, "Dr." Jack Kevorkian has assisted another man to his death—and won't be prosecuted, in all likelihood, because a Wayne County circuit judge struck down the state's new law banning assisted suicide last May. Kevorkian is only the most notorious of a growing minority of doctors who see certain lives as empty and therefore consider it the patient's "right" to end human life.

There exists no small literature on the fact that "95% of those who kill themselves have been shown to have a diagnosable psychiatric illness in the months preceding suicide," Drs. Herbert Hendin and Gerald Klerman wrote in the *American Journal of Psychiatry* (January 1991). Yet physicians who throw in their lot with the Hemlock Society or other pro-murder groups legitimize the myth which Hendin and Klerman refute—namely, that the terminally ill patient's wish to die is "totally different from the suicidal intent of those without terminal illness."

In fact, "the overwhelming majority of the terminally ill fight for life to the end." Despite the fact that the terminally ill constitute less than 3% of the total number of suicides, the focus on killing the very sick has a ghoulish prominence in the media. The Washington State Hemlock Society, which promoted (and lost)

the 1991 ballot initiative to legalize physician-assisted "suicide" there, has formed a new group called "Compassion in Dying." The new service gives you information on lethal drug dosages, will videotape your suicide request, will "be with you in the end."

Any doctor supporting such perversion is responsible for promoting suicidal/irrational fears of illness. Hendin and Klerman found:

"More individuals, particularly elderly individuals, *killed themselves because they feared or mistakenly believed they had cancer* than [the number of those who] killed themselves and had cancer." In November, Hemlock member Howard Stamper of Virginia asphyxiated his wife Lillian, killing her, because she *believed* that she had cancer. An autopsy showed no terminal illness.

It's a short step from pushing suicide to murdering patients who are "better off dead."

In Nazi Germany in 1937, one medical economist itemized the daily costs of care of a mentally ill or "deficient" person, or a "cripple," complaining that the state spent far more on the existence of these "worthless" people than it did on a healthy man with a healthy family. The wholesale slaughter performed by Nazi Germany under the rubric of euthanasia is familiar to us all—as is the holocaust of millions to which that euthanasia mentality ultimately led.

As a result of the spread of this mentality in "respectable" circles, reports have reached us that news of violence against handicapped people in Germany is accumulating. Many no longer risk going out alone after having been threatened, and even brutally attacked, by skinheads and others. Verbal threats like: "In Hitler's day, people like you would no longer be alive," or "You're eating up all the resources, while you're useless to society" have been documented.

The same Nazi notion—that a nation can repudiate whole groups of its sick citizens whenever it is economically expedient to do so—is being promoted ferociously in the United States. To stop it, will require a mass political movement based on the defense of each human life as "imago Dei," the image of God.

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