

EIR

Executive Intelligence Review

May 13, 1994 • Vol. 21 No. 20

\$10.00

Press freedom at stake in Univision suit
Tudjman's Croatian critics speak out
U.S. midterm elections—a breakout ahead?

**Lyndon LaRouche spends
six days in Moscow**



Why U.N. plans for world government must be stopped

a new special report from
Executive Intelligence Review

with authoritative case studies of Iraq, Cambodia, El Salvador, Somalia, and the former Yugoslavia

- 240 pages
- maps
- charts
- illustrations

read the plan of the one-worlders in their own words

\$250



Make checks payable to:

EIR News Service, Inc.
P.O. Box 17390 Washington, D.C. 20041-0390

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: *Nora Hamerman*

Managing Editors: *John Sigerson, Susan Welsh*

Assistant Managing Editor: *Ronald Kokinda*

Editorial Board: *Warren Hamerman, Melvin Klenetsky, Antony Papert, Gerald Rose, Edward Spannaus, Nancy Spannaus, Webster Tarpley,*

Carol White, Christopher White
Science and Technology: *Carol White*

Special Services: *Richard Freeman*

Book Editor: *Katherine Notley*

Advertising Director: *Marsha Freeman*

Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS:

Agriculture: *Marcia Merry*

Asia: *Linda de Hoyos*

Counterintelligence: *Jeffrey Steinberg,*
Paul Goldstein

Economics: *Christopher White*

European Economics: *William Engdahl*

Ibero-America: *Robyn Quijano, Dennis Small*

Law: *Edward Spannaus*

Russia and Eastern Europe:

Rachel Douglas, Konstantin George

Special Projects: *Mark Burdman*

United States: *Kathleen Klenetsky*

INTERNATIONAL BUREAUS:

Bangkok: *Pakdee Tanapura, Sophie Tanapura*

Bogotá: *José Restrepo*

Bonn: *George Gregory, Rainer Apel*

Copenhagen: *Poul Rasmussen*

Houston: *Harley Schlanger*

Lima: *Sara Madueño*

Melbourne: *Don Veitch*

Mexico City: *Hugo López Ochoa*

Milan: *Leonardo Servadio*

New Delhi: *Susan Maitra*

Paris: *Christine Bierre*

Rio de Janeiro: *Silvia Palacios*

Stockholm: *Michael Ericson*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333 1/2 Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, 65013 Wiesbaden; Otto von Guericke Ring 3, 65205 Wiesbaden-Nordenstadt, Federal Republic of Germany Tel: (6122) 9160. Executive Directors: Anno Hellenbroich, Michael Liebig

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

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

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

Copyright © 1994 EIR News Service. All rights reserved. Reproduction in whole or in part without permission strictly prohibited. Second-class postage paid at Washington D.C., and at an additional mailing offices. Domestic subscriptions: 3 months—\$125, 6 months—\$225, 1 year—\$396, Single issue—\$10

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

From the Editor

Never has the climate for the full exoneration of the wrongfully imprisoned Lyndon LaRouche and his co-defendants been riper. Although LaRouche was released on parole in January, six volumes of exculpatory evidence still wait a hearing in federal court in order for him to be definitely free. Moreover, five of his associates, likewise innocent, are now serving lengthy prison terms in Virginia state penitentiaries.

The federal and state governments that railroaded these political organizers to jail know, and have known all along, that they were innocent of all the charges for which they were convicted. Now we face a golden historical opportunity for which their intervention is urgently needed. Some indications:

- LaRouche and his wife, German chancellor candidate Helga Zepp-LaRouche, have just returned from a six-day trip to Moscow at the invitation of a number of scientific and economic institutions. For our first installment of coverage of LaRouche's contribution to the policy debate there, see the *Feature*.

- The fight of Alejandro Peña in Venezuela to expose the Cisneros family's nefarious role in that nation's financial and judicial policy has given courage to other leaders in Ibero-America (see *International* and *Investigation* sections).

- The signing on May 2 of the PLO-Israel economic accord and the South African elections have forced the worst cynics to register the fact that significant strategic changes are in the air.

- In Midwestern states' Democratic primary elections held on May 3, two LaRouche-linked candidates polled totals over 40% in elections where they were slandered by the party apparatus and media (see *National*).

- Helga Zepp-LaRouche was an invited speaker at the Conference of the International Parliamentarians Against Genocide in Bosnia, held in Brussels on April 28-29, which is mounting a last-ditch fight to save Bosnia and to save Europe as well (*International*). Meanwhile, in a closely related effort, Croatia's opposition leaders are availing themselves of *EIR* to voice their criticisms of the Tudjman government for having abetted the Serbian genocide—see several interviews in this issue.

Nora Hamerman

EIRContents

Interviews

50 Stipe Mesic

The president of the Croatian parliament and the last President of the Presidency of the Yugoslav state, Mr. Mesic has now launched a new party, sharply critical of the policies of Croatian President Tudjman.

54 Zvonimir Trusic

The president of the Croatian Volunteers Association voices his criticisms of the Croatian regime.

55 Marko Veselica

The president of the Christian Democratic Party of Croatia and professor of economy at the University of Zagreb, Professor Veselica was a longtime political prisoner under communism.

Photo credits: Cover, pages 27, 36, 37, EIRNS/Rachel Douglas. Page 21, UPI. Page 36, EIRNS/Ralf Schauerhammer. Page 36, EIRNS/Richard Magraw. Pages 23, 55, EIRNS/Stuart Lewis.

Departments

15 Report from Rio

An uncertain debt pact.

57 Report from Bonn

New German initiatives in Mideast.

58 Dateline Mexico

The confessions of Bishop Ruiz.

59 Andean Report

A Shining Path rescue effort.

72 Editorial

A time of reconstruction.

Investigation

18 Press freedom at stake in Univision case before FCC

The text of *EIR*'s Motion to Reopen and To Enlarge the Issues, filed before the Federal Communications Commission. *EIR* is challenging the transfer of control of the biggest Spanish-language television station in the United States to the Venezuelan brothers Gustavo and Ricardo Cisneros.

Economics

4 Ibero-American debt crisis turns into dollar debacle

The capital flight out of Mexico comes just as the dollar itself is under savage attack on the international markets, and bankers are scrambling to hold things together.

6 Benin: The only population issue in Africa is underpopulation

This small West African nation under President Soglo, is taking the lead in fighting the malthusian agenda of the upcoming U.N. International Conference on Population and Development.

7 Currency Rates

8 The fight to keep national research laboratories is key for U.S. future

The issue behind the recent resignation of John H. Nuckolls, director of the Lawrence Livermore National Laboratory.

10 Nigeria protests 'drug-pusher' label

11 European cities start movement to counter the drug legalizers

13 Poland: Shock therapy lethal, latest reports show

16 Business Briefs

Feature



Lyndon LaRouche at Red Square, during his April visit to Moscow with Helga Zepp-LaRouche.

26 Lyndon LaRouche spends six days in Moscow

The advocates of shock therapy and systems analysis are quaking in their boots, as, on the invitation of several Russian scientific organizations, LaRouche and his wife spent six days in Moscow, addressing academic and government institutions, and meeting with leading scientists.

28 Solving Russia's economic crisis: a question of scientific method

LaRouche's lecture to the Economics Academy of the Russian Federation Ministry of Economics.

33 Russia, do not repeat the West's mistakes

LaRouche's speech to the Institute for Scientific Information on Social Sciences (INION).

International

40 Rally held in last-ditch effort to save Bosnia

The International Parliamentarians Against Genocide in Bosnia meet in Brussels, assembling 200 prominent Bosnian and Third World leaders. But where were the parliamentarians of Europe and the United States?

Documentation: The conference resolution.

44 The principles of physical economy point the way to a lasting peace

Speech to the Brussels conference by Helga Zepp-LaRouche.

46 Rwanda: a test case for Boutros-Ghali

47 London, Wall Street slam Venezuela with financial warfare

Documentation: Venezuelan President Rafael Caldera writes on the debt crisis.

50 'The Serbian model must not be allowed to succeed'

An interview with Stipe Mesic.

54 'Popular pressure kept the politicians from caving in'

An interview with Zvonimir Trusic.

55 Why Croatia needs Libertas movement

An interview with Marko Veselica.

56 Uproar in India over U.S. pressure tactics

60 International Intelligence

National

62 Midterm primaries herald breakout for LaRouche

The outstanding showings by LaRouche Democrats in the May 3 primaries in Indiana and Ohio may be the harbinger of upsets to come.

64 Jury votes Kevorkian 'not guilty,' as satanic euthanasia spreads

66 Ames sentenced, indicts spy wars

In his statement to the court, he had some harsh things to say about the espionage game, which have led some congressmen to demand a top-to-bottom debate on national security policy.

67 Eye on Washington

Howard students march on ADL.

68 Congressional Closeup

70 National News

Ibero-American debt crisis turns into dollar debacle

by Richard Freeman

According to a well-informed Washington source, the International Monetary Fund (IMF) and the World Bank have been holding secret discussions about the deep trouble of the Mexican banking system. But that's not all they are talking about at the sessions, which "will not be made public." Also of great concern, according to Jerome Levinson of the Washington, D.C.-based Economic Policy Institute, are the effects of the recent instability of the financial markets and huge capital flight from Venezuela, where the value of that country's foreign debt has fallen by 27% since the beginning of this year.

"Different people, both inside Venezuela and bankers outside Venezuela, have told me there could be a coup in Venezuela towards the end of the year. If [Venezuelan President Rafael] Caldera can't make good his campaign promises to ship water and provide sewage and so on, there could be a social explosion," Levinson said.

The crisis is also bound to strike at the U.S. dollar itself, and at least some in the U.S. government are painfully aware of it. Levinson characterized the latest financial hemorrhage as "almost like an eerie replay of the 1970s [debt crisis]. . . . My feeling is that beneath the surface of 'everything is wonderful,' [the Clinton administration] has been scrambling to head off this week a financial crisis in Mexico."

Two events, separated by the span of only four days, illustrate just how shaky things have gotten. On April 25, the United States and Canada, after many frantic late-night emergency discussions, triumphantly announced a \$6.7 billion permanent line of credit to Mexico's central bank, in order to shore up the plunging Mexican peso, and on a larger scale, to help stabilize the shaky Mexican financial system. Since January, Mexico had drawn down one-fifth of its \$24.5 billion central bank foreign reserves, in a desperate attempt to defend the peso.

Second, since mid-February, Mexico's stock market has seen \$10 billion flee the country, most of it U.S. dollars. The Mexican stock market is a pure bubble, of course: The dollar valuation of stocks traded on the Mexican exchange, at \$175 billion, almost equals the size of Mexican Gross Domestic Product (\$196 billion), whereas the actual stock value of companies in Mexico is barely one-fourth of that. Since most Ibero-American (and Asian) stock markets are similarly built on sand, no wonder U.S. banking circles are at pains to act fast to prop up Mexico's financial system for a little while longer.

But by April 29, the very dollar that was supposed to protect the peso, was itself under savage attack, and falling. On that day, the U.S. Treasury and the Federal Reserve's open market desk began a policy of direct intervention, rarely used in recent times, in order to protect the dollar. Treasury Secretary Lloyd Bensten said he had ordered the intervention in order to re-establish "orderly markets." Over the following week of May 2-6, the U.S. government spent massive amounts in further defense of the dollar.

Most market analysts said the U.S. had intervened in order to protect the dollar from falling against the yen, which threatened to break the historic barrier of 100 yen to the dollar. They cited the Japanese government crisis, plus the prospect of continued Japanese trade surpluses with the United States, as putting upward pressure on the yen.

But most of these analysts overlooked the obvious: During the same week of April 25-29, the dollar also plunged against the German deutschemark, settling in the range of 1.65 DM to the dollar. Why, one must ask, was the dollar falling here as well, especially since interest rates are rising in the United States, and according to standard market rules, should be attracting funds from abroad, thus strengthening the U.S. currency?

Part of the answer lies in the assault on the U.S. presidency being run through British intelligence and the Toronto-based Hollinger Corp. media empire. But another significant part is that the dollar, which speculators "globalized" during the 1980s and 1990s in order to spread financial derivatives and various other speculative ventures to the four corners of the globe, is now over-extended. Both the so-called Brady bonds—instruments named after former Treasury Secretary Nicholas Brady and issued by Ibero-American countries in exchange for their old, unpayable bank loans—and the Mexican and Venezuelan banking system are underpinned directly by the U.S. dollar. Thanks to the international drug traffic, and such deals as the North American Free Trade Agreement (NAFTA), there is not a market in Ibero-America, from banking to stocks, from derivatives to foreign exchange, from debt to infrastructure "privatization," that the dollar is not involved in. So when on April 25 the United States put together its \$6.7 billion credit line—ostensibly for supporting the peso—it was not out of altruism; it was necessary to do so in order to save the dollar.

A new debt bomb

The total size of all Ibero-American secondary market debt, according to *Latin Finance* magazine (a division of the British-based *Euro-Money*), is currently around \$1 trillion. That includes all government debt, including Brady and non-Brady, as well as all traded corporate debt. Aside from double counting, the size of Ibero-American secondary market debt is in the range of \$600-750 billion. Of this amount, approximately \$125 billion is Brady debt. The market in Brady bonds is illiquid, and has been so since mid-March. The Salomon Brothers Brady bond index (1990=100) fell from 258 in January to 209 in March and April—a 20% drop. The May issue of *Latin Finance*, characterizing the Brady market, reported that "everybody got killed in every bond market."

According to a source at *Latin Finance*, the three biggest traders in Brady debt are Morgan Bank, the Morgan Stanley investment bank, and Chase Manhattan Bank. These and other banks took hundreds of millions, and potentially billions of dollars of losses.

With all the wreckage of this year, the New York and London bankers are petrified, and they will attack anyone who attempts to renegotiate debt—as some people in the Caldera government in Venezuela have indicated they would like to do—or who tamper with the situation.

Their fear is well-founded. The Venezuelan government, which was sworn in on Feb. 2, has taken two steps to challenge the bankers' rule. First, it announced that it would undertake to bring down the sky-high interest rates, by instituting systematic rate cuts, once every two weeks. In response, on April 26, Ruth de Krivoy, the monetarist head of Venezuela's central bank, handed in her resignation, accusing Caldera of undermining the "autonomy" of the central bank. Huge amounts of capital flight ensued. Next, Caldera's

government had the courage to challenge the IMF's conditionalities policy, and even indicated that it may want to renegotiate Venezuela's Brady debt, which represents between \$15.5 and \$17 billion of the country's \$34 billion total foreign debt.

The Banco Latino blow-out

On Jan. 13, Venezuela's second largest bank, Banco Latino, which has been accused of drug money laundering and is linked to the notorious Cisneros family, collapsed. Eight other Venezuelan banks collapsed around the same time. The bailout of these banks has cost the Venezuelan government \$7 billion—nearly half its budget. On top of this, government oil production revenues, which comprise 80-90% of its total revenues—have been low because the price of oil is down to around \$11-14 a barrel.

Finally, Venezuela must continue to pay interest on its foreign debt. Caldera campaigned on a platform of social reform, but there is next to no money in the budget for such programs. That will cause the social explosion which Jerome Levinson forecasts for the third or fourth quarter, and which could trigger a (pro-IMF) "coup."

When Venezuela contracted in 1989 and 1990 to turn its bad bank loans into 30-year Brady bonds, one of the stipulations was that Venezuela guarantee the principal amount by buying 30-year U.S. Treasury zero coupon bonds. (A zero coupon bond pays no interest; instead, the purchaser buys the bond at a steep discount, usually paying only \$12 or \$14 per \$100 of face value. The interest is capitalized, and at the end of 30 years, Venezuela receives the full \$100 face value. This functions like the old Series E U.S. savings bonds.)

Venezuela's zero coupon bonds are being held at an escrow account at the U.S. Federal Reserve, and Levinson—who, as former general counsel of the Inter-American Development Bank, ought to know—warns that in the event Venezuela is unable or unwilling to meet its regular interest payments, the commercial banks could seize the bonds. "The banks could walk in," Levinson said, "and say to the Fed, 'You're holding this pursuant to the escrow agreement; the conditions have now been met [i.e., Venezuela's non-payment of interest], we demand our collateral.'" That would be an extreme measure, but the banks, Levinson said, cannot afford to let Venezuela set a precedent by not paying on Brady bonds.

Levinson added that the IMF and World Bank are "very, very worried" (though "not in public") about the fact that 25-50% or more of the money in the Mexican banking system—and to a lesser extent in Venezuela—is from abroad, mostly dollars from the United States. These dollars take two forms: 1) dollar deposits, including large certificates of deposit; and 2) dollar borrowings by the individual banks in each banking system. These dollars can leave at any moment, triggering a huge financial collapse.

Benin: The only population issue in Africa is underpopulation

by Dana S. Scanlon

The West African nation of Benin, and its President, Nicéphore Soglo, have taken the courageous lead internationally in fighting the malthusian agenda of the U.N. International Conference on Population and Development (ICPD), slated to take place this September in Cairo, Egypt. In speeches before the U.N. Preparatory Commission and to a Washington press conference, Benin representatives have made the case that Africa's number one problem is not overpopulation, but underdevelopment and *underpopulation*.

Benin is not alone in insisting that population growth does not hinder development; on the contrary, the growth of population and its improvement in levels of education, training, and standard of living, are key components for enhancing the economic development of the nation. But the malthusian crowd running the ICPD agenda wants everyone to accept the idea that every child born, particularly in the developing sector, is a polluting parasite.

The Ivory Coast, Argentina, Malta, Nicaragua, Morocco, and Honduras are among those nations which, along with the Vatican, have bucked the ICPD agenda. The aggressive efforts mounted by those forces threw a monkey wrench into the building for the Cairo conference. The third and final Preparatory Committee (Prep Com) meeting for the ICPD, which finished up in late April at United Nations headquarters in New York, ended with no agreement on several elements of the draft program that is to be endorsed at Cairo.

Many Prep Com sessions were dominated by the debate over abortion between Vatican representative Msgr. Diarmuid Martin, on the one hand, and the pro-abortion lobby, which includes U.S. State Department Counselor Timothy Wirth. Several weeks ago, the State Department triggered an international outcry when it sent a cable to all U.S. diplomatic missions, urging them to pressure their host governments into backing abortion as an acceptable form of family planning.

The sacred role of the family

The Republic of Benin fired its opening shot on April 5, when its ambassador to the U.N., René Valéry Mongbé, addressed his fellow delegates in New York at the ICPD Prep Com meeting. He scored the "recipes" being promoted which "lead to the rejection of the conviction that man must be

placed at the center of development." The only "population" remedies envisaged by his country for its "population" problems, he declared, are "the struggle against illiteracy, the encouragement of production through the development of agriculture, forestry, cattle raising, fishing, etc." He insisted upon the "sacred" and "fundamental role of the family in education and in the maintenance of social cohesion."

Following the ambassador's speech, Pope John Paul II, as well as several pro-life members of U.S. Congress, sent messages of congratulations to Benin's President. President Nicéphore Dieudonné Soglo is a graduate of France's National School of Administration, who previously served his country as finance minister, and later prime minister from 1990-91. But in between those two ministerial posts, President Soglo put in many years of service in Washington, battling for the interests of the developing sector inside the World Bank.

President Soglo returned to Washington on May 4, for meetings with U.S. officials and to give the keynote presentation at the International Fund for Agricultural Development workshop on Land Degradation and Poverty in Sub-Saharan Africa. At a press conference following that, President Soglo called "shameful" the efforts of the zero-growth lobby to impose abortion and other forms of population control on Africa—whose population density is among the lowest in the world.

In response to a series of questions from this reporter concerning the ICPD conference, and the efforts of numerous well-financed non-governmental organizations (NGOs) to spread the myth of Africa as "overpopulated" and to insist that the Cairo conference promote abortion, President Soglo was unequivocal:

"My viewpoint on that is very clear. From the beginning, when I was executive director in the World Bank. . . . I used to say that no one from Germany can go to Israel and tell the people: You are too many people in a small country. They would be kicked out immediately!

"The issue of the family for us, is something sacred, you have to preserve that. In Africa, the problem of development is *underpopulation*, the issue is not overpopulation. Take a country like Zaire, a country whose size is half of western

Europe: in western Europe the population is 700 million; Zaire's population is 35 million. They have everything. They have different kinds of climates. They can grow everything from palm nuts to strawberries. They have the second-largest river in the world, so they could have cheap energy. It has been called a geological scandal, because they have every kind of mining. The problem they have in developing wealth is first, to have a population to work in their country, and also to have people with skills. Manpower is a major issue, because the development issue is not to have all this wealth, it is to have people to work properly."

Harking back to his days at the World Bank, he added, "When there was the Third Report on Sub-Saharan Africa, they wanted to put as a conditionality, this issue of population, and I was very blunt on that. . . . I remember in the 1960s, you had the Club of Rome, the idea of zero growth. And they also don't like life. . . . We are not going to accept any kind of conditionality on this matter. They can make noise."

It is a matter of development

President Soglo spoke about a trip to the Netherlands some years ago, where "they started talking about that to me. I went to the house of a member of Parliament, and they started talking. I said: You take a small country like this, it is less than one department in my country; you have 14 million people living well. It is not a matter of population, it is a matter of development. That is the real issue."

The President of Benin spoke with great passion about his conviction that Africa can develop and that Africans, if given the same opportunities, are as capable of development as anyone. "The brain is like a muscle," he said, meaning you must use it for it to develop and grow. Taking a swipe at the theories of the eugenics crowd, who are among the leaders of the pack who believe in treating the world's population like cattle, like a herd that needs to be culled, he insisted that "there is no genetic defect which prevents a person from moving forward," only the lack of education, training, and opportunity.

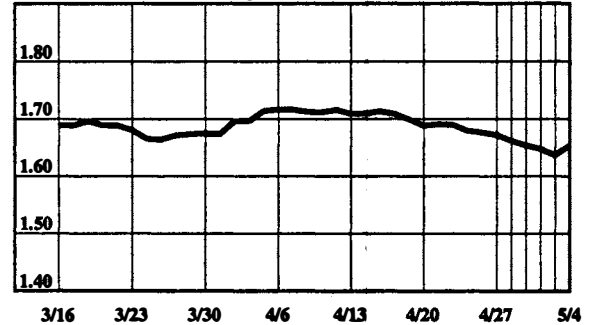
President Soglo is currently taking his turn as the West African head of state chairing the Economic Community of West African States (Ecowas), and at his May 4 press conference he made some startling revelations concerning the role of certain NGOs in the civil war-torn West African nation of Liberia where Ecowas had been trying to mediate between the warring parties. In Liberia, "you have some organizations, humanitarian ones, doing a good job. You have some that are only there to raise money. If you don't have war, they have to retire. So, I have called them, and said: No, if this is your purpose, stop it!"

President Soglo convincingly made the case that just as Asian countries from Vietnam to Korea were ravaged by war decades ago, but now are developing economically, so can Africa overcome the tragedies of Somalia, Rwanda, and Liberia, if given serious investment and assistance.

Currency Rates

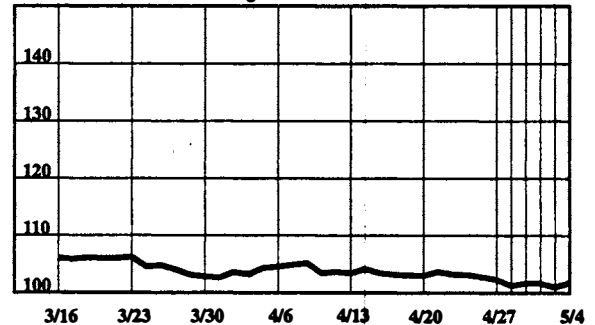
The dollar in deutschemarks

New York late afternoon fixing



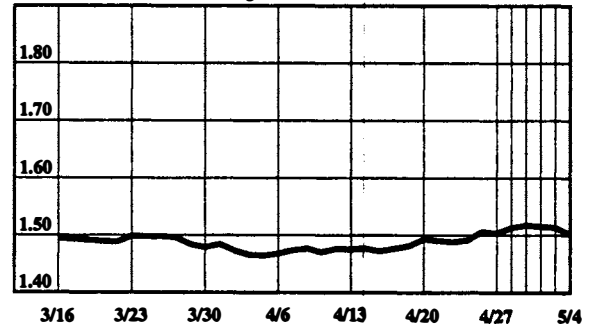
The dollar in yen

New York late afternoon fixing



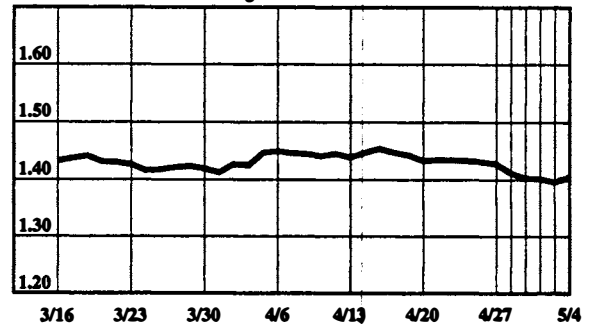
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The fight to keep national research laboratories is key for U.S. future

by Mel Klenetsky

The March 1994 testimony of John H. Nuckolls, the recently resigned director of the Lawrence Livermore National Laboratory (LLNL), before the U.S. House Armed Services Committee, raised the issue of the future of the national laboratories in a most important fashion. This issue was also at the heart of Nuckolls's resignation, a resignation that was politically forced by those who are advocating a redirection and downsizing of these vital capabilities.

Nuckolls's testimony harshly criticized pending legislation (H.R. 1432 and the proposed amendment by Rep. Marilyn Lloyd (D-Tenn.) that would greatly weaken the complex of three labs—Lawrence Livermore, Los Alamos, and Sandia National Laboratories. According to Nuckolls, that legislation would accelerate the dismantling of the special capabilities which need to be strengthened to manage and control nuclear weapons in the 21st century.

Nuckolls raised the concern of the testing and stewardship of the nuclear weapons arsenal in the next 4-5 years and beyond, given the elimination of nuclear weapons testing, the aging of U.S. weapons systems, the dismantling of production capabilities with its concomitant computing and experimental facilities, and the disbanding of the scientific and technical teams that can deal with expected and unforeseen future difficulties.

"Speaking both as a citizen of the United States and as a director of a weapons laboratory where the needed technical expertise is being dismantled," Nuckolls said, "I must say . . . the federal government is in danger of failing to meet its constitutional responsibilities to 'provide for the common defense' and to 'secure the blessings of liberty to ourselves and our posterity.' "

The early-April resignation of Nuckolls as director of Livermore, less than two weeks after the testimony, was part of the orchestrated effort to take down the national laboratories. According to three regents of the University of California which manages Livermore, Nuckolls was pressured to resign by university president Jack W. Peltason.

The pressure to get rid of Nuckolls intensified in February when a panel of scientists was established to evaluate Nuckolls after several anti-nuclear groups, employees, and some business officials accused him of going too slow on conversion of the lab to civilian research. The panel questioned his management skills. According to regent Alice Gonzales, Peltason had sent out a letter also questioning Nuckolls's

management skills.

On the issue of poor management, many came to his defense. Former regent Jeremiah Hallisey noted that for years the regents considered Nuckolls to have excellent management skills. C. Bruce Tarter, the deputy director of Livermore, took a *Science* magazine article to task for claiming that Tarter and other key staffers gave negative testimony to the review committee on the Nuckolls case. Tarter wrote to *Science*, "In contrast with that statement, the thrust of my remarks to the review committee was in strong agreement with Nuckolls's strategic vision for the laboratory and was very supportive of the management structure that he had recently put in place. On the basis of informal conversations, I believe that a similar perspective was conveyed by the laboratory's associate directors."

Long-term challenges

Nuckolls argued that all three laboratories are needed at full strength to maintain the capabilities needed to meet the long-term and extraordinarily difficult challenges that could arise from adverse geopolitical and technological uncertainties, nuclear proliferation, and nuclear terrorism. He called for sustained funding for these efforts, and for the science-based stockpile stewardship program to be increased over the coming decade by \$300 million per year.

Strategic thinker and presidential candidate Lyndon LaRouche recently discussed the importance of the national laboratories and the efforts to dismantle them as a life and death issue for the United States. In an April 20 radio interview with "EIR Talks," LaRouche, in referring to the efforts of the environmentalist movement and others to get rid of Nuckolls, said, "These kinds of nut groups, which are determined, under the influence of people like the late Bertrand Russell, to destroy industrial society for what they deem a post-industrial, depopulated planet, see people who represent science or scientific research, like John Nuckolls, as the people to be eliminated.

"We have eliminated, over the past 30 years, especially the past 20, entire categories of scientific capability we once had. The reason we don't have jobs in the United States, the reason the jobs have fled to Japan or to other parts of the world, is that we have done the kind of thing which is typified by the firing of Nuckolls.

"They want to get rid of John Nuckolls, not because he's

military. . . . What they're really up to, is concentrating on the fact that most of our science and technology was concentrated in the military-related or defense-related scientific and R&D sector. And John Nuckolls typifies that. . . . We are looking at the economic suicide of the United States."

The Nuckolls testimony

The following are excerpts from Nuckolls's March 22 testimony to the House Armed Services Committee:

We are concerned about pending legislations that could greatly weaken the three lab complex, and accelerate the dismantlement of the special capabilities which need to be strengthened to manage and control nuclear weapons in the 21st century.

In the energy area, we are developing technologies to reduce U.S. reliance on imported and nonrenewable energy sources. One major activity is our work on inertial confinement fusion. ICF is essential to our stockpile stewardship program and may also provide the key to energy security for the United States.

Why a stockpile stewardship program? The DOE [Department of Energy] national weapons laboratories are responsible for stockpile stewardship—that is, for assuring that the nuclear weapons in the U.S. stockpile remain safe, secure, and reliable. This broad-based challenge demands the combined efforts of weapons designers and engineers, theoretical and experimental physicists, chemists and materials scientists. It requires the management of multidisciplinary project teams and draws on the core competencies of the laboratory. . . .

[It] requires world-class computing and experimental facilities so that nuclear weapons scientists will be able to validate technical judgments in the absence of nuclear testing.

The foundation of this . . . program must be established now, before the physicists and engineers who have hands-on experience in designing, fabricating, and testing nuclear devices retire or seek employment elsewhere. Much of LLNL's original cadre of weapons scientists has already retired, and essentially all of the experienced people will retire within a decade.

This stewardship program must be strongly hedged. In spite of our best efforts, future scientists may not be totally successful in recognizing problems in the stockpile. And there may be cases where recognized problems cannot be fixed.

Politically, a reborn imperialist Russia could place special demands on the stockpile. We must keep extra measures of flexibility and redundancy in the stockpile, with multiple war-head types to protect against problems in any one type. . . .

LLNL's core competencies include: nuclear science and technology, high-performance computing, high-performance lasers, sensors, and instrumentation, plasma physics and technology, accelerator physics and technology, energy

science and technology, biology and biotechnology, environmental science and technology, atmospheric science and earth science, small-satellite technology, materials fabrication and processing, and large-scale science systems development and engineering.

Other LLNL technologies, many of them spin-offs from the weapons program, are being tapped by U.S. business and industry to improve . . . economic competitiveness.

We are working with an industrial partner to improve the accuracy of high-productivity machine tools. . . .

We are working with two partners to develop advanced computer codes, taking advantage of parallel processing, to help the pharmaceutical industry improve the design of new anti-cancer drugs.

We are working with the aerospace industry to develop moderate-cost, high-performance, laminated metal composites suitable for aerospace use. . . .

We are working with the health-care industry to develop a highly accurate mammography device that will produce clearer images using less radiation, thus enabling earlier and more accurate detection of breast cancer. . . .

These activities, and many others, bring positive benefits to the laboratory and bolster the technology base efforts within the weapons program. . . .

To support the science-based stockpile stewardship program, DOE/DP must increase the sustained funding devoted to these efforts over the coming decade by about \$300 million a year.

A critical issue facing LLNL's nuclear weapons program is the need for a stabilized budget. Since 1987, our nuclear weapons effort has declined by more than a factor of two; in 1995, it will fall another 27% if the President's budget request is approved. . . .

To meet current and projected budgets, we are now being forced to eliminate scientific capability . . . [which] provides a hedge against future uncertainties, both political and technical. Scientific capability is needed to tackle the challenges of the science-based stewardship program and new nuclear dangers. . . .

The amendment to H.R. 1432 proposed by Representative Lloyd calls for the development of a plan . . . for redirecting one or more of the departmental nuclear weapons laboratories to civilian missions [Sec. 5 [4]].

I strongly disagree with the provision to redirect one or more of the weapons laboratories. The best efforts of all three laboratories are needed to meet urgent and critically important national security needs, including the creation of hedges against adverse geopolitical and technological uncertainties: runaway nuclear proliferation, nuclear terrorism, and the creation of a new Russian empire and nuclear superpower. It is by no means clear that the combined efforts of all three laboratories will be sufficient. Substantially increased funding is needed to address the technical issues and a new generation of the best and brightest scientists and engineers should be recruited. . . .

Nigeria protests 'drug-pusher' label

by Lydia Cherry

At press conferences and in the U.S. establishment press itself, the Nigerian government has been pointing out the many inconsistencies and transparencies in the April 4 decision by the U.S. State Department and the Clinton administration to label Nigeria as top drug-trafficking country and place it next to Burma, Iran, and Syria on the list of nations which in the U.S. view have failed to cooperate in international drug-control efforts.

Nigeria's ambassador to the United States, Mallam Zubaïr Kazaure, told Washington-based reporters on May 4 that in the preceding three weeks he had repeatedly asked the State Department and the White House to provide names and evidence on any Nigerian official who is thought to be involved in drug trafficking, but that they have given him absolutely nothing. Ambassador Kazaure emphasized the importance of the United States rescinding this decertification of Nigeria. On the basis of this decision, "the United States can take any action it wants against Nigeria." He also pointed out that the sanctions against Nigeria that accompany the decertification would have the opposite effect of their supposed intent. "Such sanctions would aggravate economic problems, encourage drug trafficking, and possibly cause instability."

The Nigerian government is certainly not denying the existence of criminal elements in the country who engage in drug trafficking. However, Nigeria vehemently denies that that somehow reflects government policy. Drug traffickers gained a foothold in Nigeria during the mid-1980s. Not coincidentally, in the same 10-year period, under the International Monetary Fund's model, per capita income decreased by more than 75%. Therefore, in Nigeria, as in country after country, the IMF model has spurred drug-trafficking. The U.S. charges of drug-trafficking, however, were not leveled at Nigeria so long as the country was dutifully playing out the role of a supposed IMF "success story."

In his first response to the U.S. action, Head of State Gen. Sani Abacha pointed out the economic dimension by noting that "the criminal elements who engage in drug trafficking are victims lured by the money offered by the European and American drug syndicates who control the production, trafficking, and street-level distribution of the drugs."

Even before the drug charge was leveled, the country was faced with an unprecedented anti-Nigerian press barrage in the United States and Britain, which seemed to follow upon Abacha's decision to pull the country back from the IMF model. On May 2, Nigeria published a full one-page advertisement in the *Washington Post*, to detail the various anti-drug programs in Nigeria, and to cite the number of drug traffickers arrested and amount of drugs seized. It says that in recognition of Nigeria's anti-drug efforts, "the International Drug Abuse Prevention in Schools [program] has recently appointed a Nigerian to coordinate drug abuse control activities for all of Africa."

U.S. case is a sham

As Ambassador Kazaure explained at the National Press Club: "Nigeria has been closely cooperating with the United States and other countries in this endeavor [the war against drugs], as confirmed by the U.S. State Department in a seminar organized by the Center for Strategic and International Studies in Washington D.C. on March 3, 1993." He added: "Nigeria was praised by the Department of State for a recent drug seizure which the department described as the largest ever in Africa. The United States International Narcotics Center Strategy Report of 1993 states clearly on page 433 that the Nigerian government does not, as a matter of policy, facilitate the production and distribution of drugs or encourage money laundering. On page 436, it says there was improvement in the level of drug cooperation between Nigeria and the United States. The same report refers to successful joint operations between the U.S. Drug Enforcement Administration (DEA) and the Nigerian National Drug Law Enforcement Agency (NDLEA)."

In light of what the U.S.-Nigerian government cooperation has historically been in attempting to thwart this menace, Ambassador Kazaure called on the United States to look at the situation rationally. "Combatting drug trafficking is not easy; it is no less difficult than stopping drugs from entering the United States and western European countries. Despite thorough searches with the most sophisticated equipment at the ports of entry, drug traffickers still find their way into these countries." Granted, the world community as a whole has bitterly failed in stopping the drug trade, Kazaure said, but "surely, just because the other side has scored a goal, the captain should not punish his hard-playing team-mates by injuring and incapacitating them, *if the real aim is to win.*"

Moreover, nobody has raised the question why the United States has not imposed sanctions against itself, when U.S. government figures have placed illegal domestic marijuana production at over \$50 billion a year, and when prominent American political institutions, such as the Inter-American Dialogue, openly peddle a strategy for the legalization of all illegal drugs. The United States is still providing half of the entire revenue to the international drug cartels, at a staggering rate of nearly \$500 billion a year.

European cities start movement to counter the drug legalizers

by Ulf Sandmark

The long-awaited response to the campaign to legalize drugs got off the ground in Stockholm on April 28, with the ceremonial signing of a joint declaration of "European Cities Against Drugs" (ECAD). Here, 21 major European cities joined forces to resist the legalization drive and the massive increase of drugs pouring in from all over the world which are plundering the buying power of the European population. The effort to stop the legalization drive comes not a moment too soon.

Stockholm Mayor Carl Cederschiöld, summed up the political situation in his introductory speech. "Stockholm took the initiative to hold this conference against legalization of drugs because we're concerned by the trend among certain European cities toward a more liberal drug policy," he stated. "What used to be a marginal phenomenon has grown to much greater proportions in just a few years. Today, the advocates of legalization constitute a disturbing and dangerous political movement. They've made their mark on, for example, the German Social Democrats, who, at their latest party congress, passed two motions on the legalization of certain types of drugs. And in a vote held in one of the committees of the European Parliament earlier this year, the restrictive policy won by a scant six votes."

The direct challenge, which is the main reason for the Stockholm initiative, was the formation of "European Cities on Drug Policy," a group of cities directly promoting legalization which have signed the so-called Frankfurt resolution. They were directly addressed by Cederschiöld: "We are sending a clear message to cities like Amsterdam, Zurich, Hamburg, and Frankfurt. Their policy is not the solution to the drug problems of Europe. To the contrary, the 'let go' policy of these cities leads to more youths destroying their lives in the drug swamp. Such a policy is directly irresponsible to the citizens of these cities as well as other Europeans."

The mayor of Berlin, Eberhard Diepgen, referred to the arguments of the legalizers ("If you can't control it, legalize it") and made the comparison: "The criminalization of murder thousands of years ago has by no means eliminated murder from human society. Yet no one would consider decriminalizing murder simply because it cannot be prevented by constitutional means or because some people kill as if under

the influence of drugs."

Deputy Mayor of Paris Philippe Goujon made the comparison to China in the 19th century "where legalization led to a considerable increase of drug addicts. . . . Most youths are against drugs. Are we to bypass them and say they are not normal? . . . We can win. We have rational arguments. The anti-prohibitionists use innumerable arguments . . . that all subscribe to a pessimistic conception. . . . We save lives every day. Half of the drug addicts who get treatment, get off" drugs. Paris has been a strong supporter of the initiative from the beginning and will host the next conference.

A new era in the fight against drugs

What we see is an ideological counteroffensive. It is clearly free of the compromises typical of other international initiatives, such as in the U.N. The cities will meet every year and formulate and reformulate arguments against legalization. This means a tremendous strengthening of the resistance to the drug mafia. "A new era has commenced in the fight against drugs in Europe. The most important large cities are standing united against the legalizing of drugs," Cederschiöld said.

The 21 cities which signed the declaration in the Golden Hall of the Stockholm City Hall included 16 national capitals—Berlin, Budapest, Dublin, Helsinki, London, Madrid, Moscow, Oslo, Paris, Prague, Reykjavik, Riga, Stockholm, Tallinn, Warsaw, and the capital of Malta, Valletta. The other European cities were St. Petersburg, Gdansk, Lugano, Gothenburg, and Malmö. Messages of support for the resolution and regrets that they were not able to attend were sent from Jerusalem, Vilnius, and Zagreb. The organizers were happy to receive greetings from the Dutch cities of Oldenzaal, Breda, Zeevorden, Gendringen, Aalten, and Bergenop-Zoom, and from Dr. Ad Havermans, mayor of The Hague. This showed that even in the Netherlands there is a possibility of winning. The mayors of Cork and Limerick in Ireland also sent their greetings. Liverpool, England, and Strasbourg and Nancy, France participated as observers.

The case of Liverpool shows the tremendous impact this initiative can have. Last summer, the invitation to the Sept. 28, 1993 preparatory meeting for the drafting of the resolu-

tion caused a major brawl there. A committee of the city council decided that the city of Liverpool would work against legalization and therefore supported the cities' anti-drug initiative. This was a major turn, because Liverpool was testing a so-called "harm reduction" policy, which was the main argument for legalization.

The recruitment of more cities is the main vehicle to change the debate in Europe. It will help to remoralize isolated city councils which have been resisting the onslaught of the drug mafia.

The resolution

The key demand in the resolution is, "We reject all demands for legalizing illicit drugs." This is a clear and unambiguous stand. The cities also go on the offensive, demanding, "We request that our governments respect and with determination apply those conventions and agreements regarding drugs which they have signed." The battle is a defensive one, in the sense that it is a matter of upholding the existing ban against drugs. It is the legalizers who want to change the law, who have the most difficulties in justifying their position. The upholding of the ban on drugs in the U.N. conventions is a perfectly clear standard around which to rally anti-drug forces.

The city of Stockholm, along with the Swedish institute for public health and the national board of health and welfare, has decided to set up an office staffed with one or two people to work with ECAD. The task of this secretariat will be to inform and recruit other cities, assist in influencing public opinion in Europe, exchange ideas and information on anti-drug education, arrange study trips and practical training for people who work directly with drug addicts, and motivate seminars on different subjects concerning the work against drugs. It is clear that the potential strength of ECAD is the pooling of resources from the city administrations, which all are directly involved in programs for the prevention and treatment of drug addiction. Some cities also have their own police forces, and the exchange of ideas on this level has great potential and can become the backbone in the counteroffensive against the legalizers.

The formation of ECAD can be especially important for East European cities, which, under the totalitarian system, were relatively free of drugs. "The drug problem is the Achilles' heel of an open society," Berlin Mayor Diepgen said. In this period of transition, these cities also face a rapid expansion of drug addiction. Their treatment facilities are preoccupied with the widespread alcoholism problem, and drug therapy has mostly ended up being consigned to the psychiatric hospitals. A member of the city government of Warsaw, Dr. Marek Kaniewski, thought the cooperation of city mayors could play a very important part in the improvement of therapy and the creation of positive alternatives for youth. He submitted a list of problems on which he saw the need for cooperation: a role for municipal agencies, cooperation with

governments and non-governmental organizations, anti-drug education for youth, and information to urban residents.

The Social Democrat Lena Nyberg, who is in charge of social affairs in Stockholm, announced at the meeting that her party, after the election, will make an initiative for a joint course of action with fellow Social Democrats in Europe. Already the three Scandinavian Social Democratic leaders in Sweden, Norway, and Finland have sent letters requesting the Group of European Socialist Parties to vote against any resolution in favor of legalization. Because the parties, from left to right, in these countries are all supporters of a restrictive drug policy, similar initiatives may be started by greens, leftists, and neo-liberal conservatives, who all have legalization proponents among their international friends.

The integration of the Scandinavian countries into the European common market means that the border protection against smuggling will ease up. The ECAD type of initiatives are a way for the new applicants to the European Union in Scandinavia to counter this threat. The strategy is to help strengthen the international drug enforcement by police and at the same time launch this ideological counteroffensive against drugs. These countries have to win the battle against drug legalization in Europe or they have to give up on the integration with Europe, because the restrictive drug policy has broad, popular domestic support. It is the first major political issue in which the Scandinavian countries wholeheartedly are joining the fray in a European political policy fight. In the Stockholm resolution, the aim of influencing national drug policies and governments is clearly stated.

Reviving the great cities

The many praises for the beauty of Stockholm and the respective cities sounded like tourism propaganda. Freeing cities of crime and the pervasive scenes of drug addiction is, of course, very important for the tourism business, but it is also a call to make cities liveable. The enthusiastic praise for the great cities of Europe is a call to defend the idea of great cities in a time when growing inner-city problems risk making them uninhabitable, and when the idea of city building, as a focus for culture and civilization, is being trampled upon in several ongoing wars that are especially directed to turning beautiful European cities into rubble.

The resolution contains the following inspiring appeal to the defense of the city culture: "We, the European Cities Against Drugs, wish to care for our inhabitants. We wish to create cities that are secure and attractive to live and work in. Our work against drugs is undertaken because we care for individuals, families, and communities. The fact that we have not managed to turn the rising tide of drugs must therefore lead to renewed and vigorous efforts."

More information about ECAD is available through:
Mayor of Stockholm Carl Cederschiöld
S-105 35 Stockholm, Sweden
Phone: (46) 8 785 91 44; Fax: (46) 8 785 99 97.

Shock therapy lethal, latest reports show

After four years of so-called free market reforms, the critics of shock therapy have amassed a devastating array of data to show the fiasco of the Darwinian liberalism implemented in Poland by Harvard Prof. Jeffrey Sachs, former Polish Finance Minister Leszek Balcerowicz, and their ilk. Two reports published in Poland within the last year paint a picture which should be studied by every nation which is being told to swallow this medicine.

While there has always been opposition to radical "shock therapy" economic policies inside Poland, it is less visible than the faction promoting free market reforms, which controls most of the mass media and sticks the label "communist" on anybody daring to question the need to introduce British liberalism into Poland. Now the critics have heavy ammunition for their case.

Contrary to the optimistic evaluations of the Polish market published in the western press, which stress the tremendous profits one could make on the Warsaw stock exchange (till its collapse in April), the decline of the physical economy and living standards only prove that Poland is undergoing a grave crisis.

A shattering picture of the Polish economy was presented in a report, "Between Collapse and Revival," by Prof. Eugeniusz Tomaszewski, published by the Polish Peasant Party (PSL) in October 1993.

The Tomaszewski report

Professor Tomaszewski compares statistical data (provided mainly by the Polish Central Statistics Office) from 1989, 1992, and the first half of 1993. In the chapter devoted to industry, he points to the collapse of output in all main branches of industry. For example, between 1989 and 1992, production of coal collapsed from 178 million tons to 132 million tons; production of electricity collapsed from 145 terawatt-hours to 133 TWh; steel production dropped from 15 million tons to 9.9 million tons; electrolytic copper, from 390,000 tons to 387,000 tons; machine tools, from 48,000 to 16,000 units; electric spinning machines, 12 million to 5 million units; electrotechnical and technical porcelain dropped from 14,000 tons to 7,000 tons; fertilizers, 2.5 mil-

lion tons to 1.5 million tons; plastics, 721,000 tons to 644,000 tons; cement, 17,100 tons to 11,900 tons.

New industries and those which require modern technologies, especially, suffered due to the liberalization of the Polish market. In the pharmaceutical and electrical machinery industries, output declined by 40-50%. In electronics, production of semi-conductors dropped from 365 million to 38 million units; electron lamps, from 4.5 million to 0.7 million units. The report stresses that the problems of the Polish machine-tool industry cannot be considered simply a short-term difficulty, because the problems are reflected not only by the decline in production, but also by the decline in capital investment. Capital investment, which comprised 25.5% of all investment in industry in 1989, fell to only 18.8% in 1992.

The drop in consumer goods production is even more dramatic, because Poland has been flooded with foreign consumer goods. For example, production of washing machines collapsed from 21.4 to 9.6 per 1,000 inhabitants; television sets dropped from 20.3 to 15.1 per 1,000; cars, from 75.2 to 57 per 10,000 inhabitants; cotton and cotton-like textiles, from 20 meters to 6.3 m per capita; wool and wool-like textiles, from 2.6 m to 0.9 m per capita; paper, from 30.7 kilograms to 26.9 kg per capita.

The unfavorable rates and tight credit policy of the government and banks have been a serious obstacle to the development of industry and infrastructure. In 1991, Polish banks issued credits and loans amounting to 177,840.7 billion zlotys (approximately \$15 billion); in 1992, credits increased nominally to 197,515.0 billion zlotys, but if one takes into consideration a rate of inflation of 43%, it is clear that, in real terms, the amount of available credit decreased.

Transportation and agriculture

Amid this general collapse, basic transportation infrastructure is also being dismantled due to the lack of funds to maintain it, let alone develop new systems. Professor Tomaszewski again puts forth revealing statistics. For example, the volume of goods transported dropped from 1,820 million tons to 1,388 million tons; passengers declined from 3.524 billion to 2.064 billion; railway track dropped from 26,644 kilometers (or 0.084 km per square kilometer) to 25,254 km (0.080 km per square kilometer). (The World Bank suggested that Poland close unprofitable railway lines and keep only 15,000 km.) Air travel routes also decreased from 135,000 km to 96,000 km, and the amount of goods transferred in Polish harbors dropped from 48 million tons to 46 million tons.

The collapse of transportation has severely affected the transportation equipment industries. Production of buses dropped from 9,100 to 1,300; trucks and tractors dropped from 43,000 to 19,000 units; railroad cars for goods transportation, from 4,600 to 700 units; passenger wagons, from 230 to 40 units (this includes the years 1989 and 1992).

For 1993, all parameters indicate further destruction of the economy. For example, investments in enterprises decreased by 5% during the first five months in comparison with the same period in 1992 (and that in current prices, i.e., without considering inflation, now over 30%), despite the fact that just before being voted out of office in parliamentary elections in September 1993, the government headed by Hanna Suchocka declared that the growth of the national economy would have reached over 4% by the end of 1993.

Indeed, the report of the Central Statistics Office showed that the amount of production sold, measured in Polish currency, increased 7.6% in the first half of the year. That increase allowed the government to proclaim the "success" of its program. However, as Professor Tomaszewski notes, this increase did not reflect actual growth of production but was connected to the fact that the government decided to introduce a new value-added tax (VAT) in July 1993, which prompted a lot of institutions and people to use their reserves to buy goods before the end of June. This is evidenced by the fact that the amount of goods sold collapsed by 8.6% in July, and private savings deposits decreased by 155 billion zloty in June compared with May, although previously there had been a steady growth trend.

In his report, Professor Tomaszewski also exposes the hoax of "enormous foreign aid" directed to Poland from the International Monetary Fund and other western institutions, as well as the supposed significant foreign investment. (In 1992, foreign investors allocated only \$284 million to capital improvements in Poland; otherwise they are buying existing assets cheaply.)

Similar alarming data are provided for Polish agriculture. The value of agricultural production decreased by 22% over 1989-92, and it is in even worse shape now, because costs of equipment, fuel, energy, fertilizers, and fodder have been constantly increasing. The report notes that the crisis was caused by the lack of a necessary element of state intervention to protect the Polish market from food imports as well as Polish farmers from indebtedness.

Social costs of free market reforms

This bleak picture would not be complete without presenting the price that Polish society has had to pay for free market lunacy. Its consequences are well documented in the PSL report and further in the March 1994 book, *The State and Political Culture; Social Policy: Present State and Perspectives*, which was published in March 1994 and based on material prepared by the Presidential Council for Social Policy.

Symptomatic of the crisis is the fact that in 1992 the number of births was the lowest in the postwar era (516,000), while infant mortality was 18.2%, according to the World Health Organization, three times higher than the rate in Denmark. Life expectancy for men dropped to 66 years. Polish demographers term this the "over mortality of men," to de-

scribe a death rate higher than is otherwise explainable. The deteriorating economic situation has lowered the real income of households, which in 1992 was 26.4% lower than in 1989, and 40% of households were reported to have an income level below the so-called social minimum.

To a certain extent this is connected to the growing unemployment which, in 1993, was officially estimated at 15.9% (2.9 million people). But the authors stress that to get a real picture, one has to add those who chose to take "early retirement" (1.2-1.3 million). The number of retired and jobless is 11.7 million, equal to 75% of those still working (in 1989, this ratio was 39%). The job loss has not resulted from eliminating so-called hidden unemployment typical of a centrally planned economy; every third unemployed person lost his job as a result of an excessive openness of the Polish market to foreign imports, the lack of any protection of this market, and the lowering of tariffs in 1990-91.

The authors of the book not only collected a lot of data concerning health care, education, access to culture, and so forth, which all show a dramatic decline of the standard of living, but also pinpointed the reasons for the general collapse, namely, the liberal pro-free market policy of all "post-Solidarity" governments and their belief that "the invisible hand of the market" will somehow eliminate all the anomalies of the Polish economy.

Economic programs for the future

Most important, however, in the case of both publications, is the perspective for an economic program for recovery. Professor Tomaszewski stresses many times the responsibility of the state to mobilize financial resources in order to support scientific research, development of new technologies, and their immediate integration into the economy (in 1990, only 0.2% of the budget was allocated to scientific research), as well as the mandate to protect the Polish market from the dumping of consumer imports and capital flight. He argues that the government should change its restrictive credit policy, which is now contributing to economic depression.

On April 15, representatives of the Schiller Institute participated in a seminar organized in Warsaw by the quarterly magazine *Wies i panstwo* (*Countryside and State*), also published by the Polish Peasant Party. The subject of the seminar was the policy of the European Union and the role Poland could play in it as a future member. Frank Hahn and Elisabeth Hellenbroich revealed the anti-production policy standing behind the Maastricht Treaty and the necessity of going back to de Gaulle's idea of a "Europe of the Fatherlands" based on the economic recovery program called the "Productive Triangle" which American economist Lyndon LaRouche presented back in 1989. Undertaking this kind of vast program of infrastructure building is the only way out of depression, which was well understood by the participants at the seminar.

An uncertain debt pact

The success of the bankers' plan for debt renegotiation rests on the election of Fernando Henrique Cardoso.

The circumstances surrounding the April 15 signing of a debt pact between Brazil and its commercial creditors reveal the bankers' fear of the political and institutional instability currently reigning in Brazil, and of the possibility that the crisis could make them lose control over economic policy.

After spending the greater part of last year agreeing to negotiate a deal as soon as the country received approval from the International Monetary Fund, the banks' steering committee, headed by Citibank's William Rhodes, decided only a few weeks ago to accelerate and, finally, to conclude the process—without the IMF's green light. The influential daily *Gazeta Mercantil* commented on April 20, "Despite the failure with the Fund, the banks were anxious to conclude the agreement. They feared that a new delay would shelve the deal during the elections."

The fears of the foreign financiers are not unfounded. In an interview in the April 22 issue of *O Estado de São Paulo*, Finance Minister Rubens Ricupero compared the situation with that on the eve of the military takeover in 1964, and said that the country was experiencing "a paralysis of decision-making" which "threatens to become *rigor mortis*, or to degenerate into explosions of violence if not cured by the remedy of action." According to Ricupero, "the worrisome coincidence" is the combination of "an unprecedentedly severe inflationary conjuncture with the continued incapacity to face the problems and [undertake] the medium- and long-term structural reforms."

Because of the IMF's refusal to

give its nod of approval, Brazil was forced to spend nearly \$4.6 billion of its reserves to buy U.S. Treasury Bonds demanded by the creditors as collateral for the new debt agreement, an operation that former Finance Minister (and now presidential candidate) Fernando Henrique Cardoso had been orchestrating since October 1993, behind the back of Congress. Further, the banks won a reduction of the discount on the debt being renegotiated, from the 35% announced in 1992 when the negotiations were initiated, to a final 25%. It was the original 35% discount figure that convinced Brazil's Senate to approve the renegotiation.

As part of the agreement, Brazil is to issue bonds worth approximately \$52 billion, of which \$8.5 billion are debt conversion bonds to be used in privatizing Brazil's state companies.

At the same time, the standby loan from the IMF that the Brazilian government is seeking will depend on whether it successfully implements the so-called "FHC Plan," named after Fernando Henrique Cardoso, who left it behind as his legacy when he abandoned the Finance Ministry for a presidential bid. The bankers are particularly concerned with the effects of introducing the new national currency, the real. This was stated quite clearly by IMF Managing Director Michel Camdessus in a meeting with Cardoso in mid-April. Another of Camdessus's demands was that the government intensify its constitutional reform process, now virtually paralyzed in the Congress.

Cardoso returned to Brazil with Camdessus's message and immediately called a meeting of his former

aides at the Finance Ministry to pressure them into accelerating the introduction of his proposed new currency, which had originally been scheduled for July. He then met with his successor at the ministry, Rubens Ricupero, to deliver Camdessus's "recommendations" and make it absolutely clear that his candidacy would be at risk if the economic plan he had left behind did not obtain the desired results.

Cardoso's partisans have already expressed their concern over the "FHC Plan," above all because the creation of a currency index designed to precede adoption of the real is not proving effective against speculative inflation, which already hovers at 45% a month.

In mid-April, while Cardoso was getting his orders from Camdessus, another infamous water boy of the financial elites, Argentine Economics Minister Domingo Cavallo figured in another shocking episode: He telephoned the main figures of the Brazilian economic team to urge the immediate introduction of the real into Brazil's monetary accounts. "You're crazy; this can't wait! If you don't hurry, the plan is going to be fruitless and inflation will take off," he is reported to have told the team, according to the daily *Folha de São Paulo* of April 20. For Cavallo, the main problem is not the inflationary process, but the loss of credibility.

In an interview with *O Globo* on April 20, Congressman Maurilio Ferreira Lima acknowledged the fears of Cardoso's supporters, like himself: "The team must understand that if Fernando Henrique is not elected, there will be no plan. And that the exasperation of the people with price increases is enormous. Administration of the plan cannot be technical, because it has political implications for the careers and credibility of those who back it."

Business Briefs

Asia

Infrastructure needs outlined for 2000

The Asian-Pacific region needs \$1 trillion in infrastructure investments before the year 2000, the Asian Development Bank (ADB) estimated in its yearly report released in April. Roughly \$300-350 billion will be needed for energy infrastructure, \$150 billion for telecommunications, \$300-350 billion for transportation, and \$80-100 billion for water supply.

However, the 1993 figures presented at an ADB meeting in Manila show a sharp reduction of credit expansion, from 6.6% in 1992 to 3.5% in 1993. (The credit volume of the ADB in 1993 was \$5.3 billion.) The ADB is now proposing privatization of infrastructure and other "market mechanisms" in order to fill the gap.

Trade

Turkey offers Iraq food for oil deal

Turkey has proposed to buy 12 million barrels of Iraqi oil, worth about \$120 million, that is in its pipeline that crosses Turkish territory from Iraq to the Mediterranean Sea. The Turks will pay for the oil with food and medical supplies.

While some observers claim this would violate the U.N. embargo, the Turks say it doesn't. They say that they will maintain solidarity with the allies on continuing the embargo, but they have also made clear they want the embargo lifted and see it having little effect on undermining the Baath regime. The move is seen as preparation for the eventual lifting of the embargo and resumption of oil exports.

Although the United States and Britain have made it clear that they will continue the embargo when it comes up for renewal in May, the Chinese, Russians, and French say they want it lifted. French, German, Italian, and American oil firms have held discussions with Iraqi officials on renewing oil contracts as soon as the embargo is lifted.

Health

Tuberculosis baffles doctors, experts say

Scientists remain baffled by the global reemergence of tuberculosis, especially by drug-resistant strains of the disease, Dr. Barry Bloom, the head of TB research at the Albert Einstein Clinic in New York, told the Sixth International Congress for Infectious Diseases meeting in Prague on April 27, Reuters reported.

"The state of scientific ignorance in the pathogenesis of TB is enormous. We really don't know how the organism enters the body, attaches to tissue cells, invades, survives, grows, spreads," Bloom said. "Fundamentally we don't have any idea why TB kills cells, causes disease, kills people, nor has any single gene been identified that is known to be responsible for the virulence of this organism."

Bloom said that poverty has been the most pervasive factor in the reemergence of TB, regardless of the overall wealth of a country.

In the Summer 1992 issue of *21st Century Science & Technology* magazine (p. 16), Bloom warned, "But even if bad things like HIV and homelessness hadn't occurred, TB would have come back. . . . People have treated this as a great surprise, but it's a predictable result of abandoning public health measures that were working."

Biological Holocaust

Census Bureau issues special warning on AIDS

The Census Bureau of the U.S. Department of Commerce issued its bi-yearly population report on April 28, and for the first time it featured a special section on the AIDS epidemic, Reuters reported. The report stated that the AIDS epidemic is reversing hard-won gains in child survival rates in many poor nations and is expected to raise death rates in a number of African countries.

"The cumulative effect of national AIDS epidemics will be staggering," said the report. "Government health programs and facilities,

with meager budgets already stretched, will be unable to cope with the numbers of people with AIDS and other HIV-related illnesses."

Available data show an alarming trend. For example, the level of infant and child mortality in Zambia is 15% higher than it was 10 years ago. More than 20% of pregnant women in Lusaka, Zambia tested positive for the AIDS virus in 1990, and similar patterns have been shown in the capital cities of Uganda and Malawi. AIDS is expected to double the death rates in 13 sub-Saharan African countries from 1985 to 2010. The death rates in Brazil, Haiti, and Thailand will also rise significantly because of AIDS—nearly double in Haiti and more than triple in Thailand. Because of the higher death rates, life expectancy in Haiti is expected to fall to 44 years by the year 2010, whereas without the AIDS virus it would be 59 years. In Uganda, life expectancy has declined to 32 years, while without AIDS it would be 59 years.

Middle East

Israel and PLO sign economic accord

The Palestine Liberation Organization and Israel have signed an economic accord laying out the PLO's responsibilities for economic development under the Gaza-Jericho accord, the April 30 *International Herald Tribune* reported. The accord provides for:

- Finance: While an independent Palestinian currency has been ruled out, there will be a monetary authority to regulate banks and foreign exchange and manage currency reserves. The Israeli shekel and Jordanian dinar will be used as currency.

- Taxation: Palestinians will collect their own income and property taxes and municipal fees while Israel will turn over 75% of the income taxes it collects from Palestinians working in Israel. The value added tax will be up to 2% lower in the territories.

- Trade: Import tariffs and rates will be coordinated between Israel and the Palestinians, but several categories of products, such as agricultural machinery, can be imported from Arab states freely.

Briefly

● **SWEDEN'S** Carnegie investment group, a financial trading subsidiary of the state-owned Nordbanken, lost an estimated SKr 200 million in 10 days early in April, in highly leveraged bond derivatives contracts, more than double its capital base. The Swedish government will have to cover the losses.

● **DELTA AIRLINES** will cut up to 15,000 jobs, or 20% of its staff. On April 28, the company announced a restructuring that will slash annual operating costs by \$2 billion over the next three years. The move came after a fiscal third-quarter net loss of \$77.9 million. It has lost over \$2 billion since 1991.

● **THE MOON** may have water ice at its poles, scientists analyzing images taken by the Clementine spacecraft believe. The discovery could change current thinking about the evolution and development of our solar system. If confirmed, the ice would greatly aid human settlement.

● **CHINA** signed an agreement with the U.S. Securities and Exchange Commission on April 28, which calls for information exchanges in enforcement investigations and for technical assistance to develop and regulate securities markets, Reuters reported. Beijing said it would increase the confidence of international investors in Chinese equities.

● **AEROSPACE** industry employment has fallen to a 15-year low. Between 1989 and the end of 1993, employment in the nation's aerospace industry has fallen by one-third, to 909,000.

● **THREE ISRAELI** bankers have been given jail sentences for their role in a bank fraud case dating from the mid-1980s, when Israel's top five banks manipulated the price of their shares. Rahael Recanati, chairman of the Israel Discount Bank, was given an eight-month sentence, as was Mordechai Einhorn, former operations officer for Bank Leumi. Eliahu Cohen, formerly with Israel Discount Bank, was given six months.

● **Borders:** There will be free movement of goods and people between the two areas. A joint tourism authority will be formed.

● **Fuel:** The Palestinians will be able to import their own fuel from Arab states at whatever price they wish but gasoline prices cannot be more than 15% lower than in Israel.

Senior PLO negotiator Nabil Shaath said, "People will start seeing Palestinian ports, airports, economic institutions. . . . They will see a real opportunity to develop their future."

One of the most important aspects of the accord is that it will allow for the disbursement of \$2.5 billion in aid which has been committed by international donors, but held up by the World Bank.

Insurance

Lloyds of London may go out of business

Lloyds of London insurance, founded in 1688 by Welshman Edward Lloyd, may be declared insolvent and put out of business this year. The French daily *Libération* reported on what it calls "the most important trial in the entire history of the United Kingdom," which began in London's High Court on April 27, when over 3,000 of the so-called "Lloyds Names" brought a suit against "Lloyds agents."

The "Names," who have a union of their own, are fighting against having their assets seized, since they pump money into the firm's insurance operations and are supposed to provide compensation when Lloyds gets into trouble. In other words, the Names are hurt financially when Lloyds loses money, and Lloyds has taken a financial bath in the past couple of years. The Names are charging that the Lloyds agents engaged in "reckless gambling" and displayed "incompetence on a spectacular scale" in managing their funds.

The case "could bring Lloyds, an institution that is more than 300 years old, to its knees," *Libération* reported. The trial "could be a disaster for the largest insurer in the world." Lloyds was saved from bankruptcy by government administrative intervention last year.

In recent months, at least seven Names

committed suicide, reportedly out of despair that their life savings had been eaten up in their failed subscriptions into Lloyds' coffers. Depending on what happens with the suit, at least 30 more lawsuits are pending. Among the thousands of Names are numbered at least 50 British parliamentarians.

Infrastructure

Bering Strait project would link U.S., Russia

"U.S. experts and businessmen are studying the possibility of building a transcontinental rail line across the Bering Strait," linking Russia and the United States, the Russian daily *Rossiiskaya Gazeta* reported on April 27. "The unique project will be financed by an international corporation, Transcontinental, which has set up a non-profit foundation for the purpose."

The 90 km underground rail tunnel would be the largest such project in the world, with an estimated cost of over \$9 billion, the paper reported. It will open up Siberia, "which is practically lacking in permanent transportation routes, to other parts of the world."

Nikolai Grom, chief of the Design and Capital Construction Department of the Russian Ministry of Railroads, who is involved in planning the project, noted that plans for the project began in 1991, when an international corporation, International Railroad and Tunnel Across the Bering Strait, was registered in the United States and a branch was accredited with the Russian Committee for Foreign Investments. "The current state of technology of railway transport and transport engineering makes it possible to implement what appears to be a fantastic project," said Grom.

One problem that must be solved "is providing power supply for the railway from Yakutsk to the Bering Strait and for the industries which will be created along the route." Grom said that Russia would conduct the feasibility studies and "experimental and design work in the field of construction and maintenance of railways in the northern and other rigorous climatic regions of the country."

Press freedom at stake in Univision case before FCC

by Carlos Wesley

The request filed by *Executive Intelligence Review* with the Federal Communications Commission (FCC) on April 29, to reopen for review the transfer of control of Univision to a group that includes the Venezuelan brothers Gustavo and Ricardo Cisneros, is receiving media coverage across the the United States and in Ibero-America. In order to ensure a full airing of the issues involved in this case, we reprint below the full text of the new filing, only omitting references to exhibits.

History of the case

Under the George Bush administration, in 1992, the FCC allowed the transfer of Univision, the largest U.S. Spanish-language network, without holding a single public hearing. The sale of the network by Hallmark to PTI, a consortium made up of Jerrold Perenchio, a former partner of Norman Lear, Mexican television magnate Emilio Azacarraga, and the Cisneros brothers was opposed by nearly every significant Hispanic organization in the United States and by *EIR*. But the objections were completely ignored by the Bush administration FCC.

In fact, the commission, which at the time was chaired by Republican Alfred Sikes, allowed the half-billion-dollar transaction—the largest in the history of U.S. broadcasting—to sail through without the commissioners even meeting to discuss it.

“There is more proof that Cisneros misinformed the Federal Communications Commission,” reported Venezuela’s *Diario de Caracas* in its April 30 coverage of *EIR*’s new filing on the case. “According to the motion presented by *EIR* Editor Nora Hamerman, there is new evidence that Gustavo Cisneros ‘knowingly and intentionally misinformed the

Commission,’ ” added the headline of the Venezuelan daily.

The previous evening, Radio Caracas Television (RCTV) also quoted from the release issued by *EIR* News Service on the motion to the FCC, noting that among the new evidence presented was the fact that money from the defrauded Banco Latino of Venezuela, “possibly including drug money,” was used by the Cisneros brothers to buy their share of Univision; that Univision’s director, Ricardo Cisneros, is currently a fugitive from Venezuela, where there is an arrest warrant out for him for his part in defrauding Banco Latino; that Cisneros has again resorted to manipulating the judicial system to censor his political opponents, the most recent instance being the ongoing persecution of Alejandro Peña Esclusa, leader of the Venezuelan Labor Party and a collaborator of Lyndon LaRouche.

Cisneros, who in 1985 succeeded in having *Narcotráfico, S.A.*, the Spanish-language edition of *EIR*’s book *Dope, Inc.*, banned in Venezuela, has now resorted to the illegal use of wiretaps and of confidential surveillance reports against Peña Esclusa (see story, p. 47). Both the Venezuelan television network RCTV and *Diario de Caracas* reported that former U.S. Attorney General Ramsey Clark has written to the Venezuelan government regarding the persecution against Peña Esclusa.

The *EIR* filing was also reported by Spanish-language television stations in Texas and California. The largest newspaper from one of the several South American nations where the Cisneros family has recently obtained control over a television channel, requested more information for a planned article on the *EIR* motion, as did several print and other news outlets in the United States.

EIR files before FCC 'to reopen' Cisneros takeover of Univision

What follows is abridged from EIR's Motion to Reopen and To Enlarge the Issues filed before the Federal Communications Commission in Washington, D.C. on April 29, over the signature of Editor Nora Hamerman. EIR's original letter to the FCC urging them to reject the Univision sale appeared in our July 3, 1992 issue. In addition to EIR, many U.S. Hispanic organizations also protested the takeover. References to exhibits and case law have been taken out for space reasons.

Summary

The Commission's September 23, 1992, Memorandum Opinion and Order denied the Informal Objection of the *Executive Intelligence Review* (hereinafter "EIR") on the grounds:

"[t]he Review seeks to impugn the integrity of the principals of Venevision, Ricardo and Gustavo Cisneros, but the material submitted point to no convictions of law violations or even pending criminal proceedings."

The Commission's finding was premised upon the sworn declaration under penalty of perjury of one Gustavo Cisneros which accompanied Perenchio Television Inc.'s ("PTI") Consolidated Opposition filed July 1, 1992 as Attachment D thereto. The Cisneros affidavit, however, contained serious misrepresentations of material fact which the Commission explicitly relied upon in granting the application of PTI. Cisneros declares:

"The allegations by EIR are preposterous, utterly false, and deserving of no credibility whatever. . . . When I first heard about the allegations contained in *Dope Inc.*, which attempts to implicate . . . members of my family . . . in an international drug conspiracy, I considered the personal attack on my character, reputation and honor to be serious by itself."

EIR alleged that Mr. Cisneros, including *Venevision International* (part owners in PTI and Perenchio Communications, Inc. ("PCI") the parent company to the Buyer PTI), 1) engaged in questionable "methods of silencing" his oppo-

nents and 2) he and his companies had "possible links to international financial circles involved in laundering dirty money."

EIR has recently obtained new evidence which shows beyond a reasonable doubt that its allegations were right-on-the-mark, and Gustavo Cisneros, without candor, knowingly and intentionally misinformed this Commission. This new evidence, documented below, indicates that:

- Banco Latino¹ money, possibly including laundered drug money, provided the Cisneroses the financial means to purchase their part ownership in PCI and PTI, the latter set up for the purpose of buying the largest Spanish-language media network in the United States, i.e. *Univision*;

- Ricardo Cisneros, who is now a fugitive from Venezuelan justice and a member of the boards of both PCI and PTI, clearly is of questionable character, yet maintains his interest in the largest Spanish-language media network in the United States; and

- Censorship of political opponents, by any means necessary, is a pattern and practice of the Cisneros family empire, Diego Cisneros Organization, which is in violation of the U.S. Constitution's guarantee to freedom of press and speech.

This kind of corruption for self gain—at any expense—is precisely the danger Congress clearly contemplated curtailing when it enacted the law prohibiting aliens, a foreign government or its representatives from owning American media companies.

EIR herewith submits its request, based upon the new evidence detailed below, that the Commission reopen and enlarge the issues concerning the applications in this case. The Commission must revoke its approval of the PTI application, or at a minimum hold hearings to investigate these extremely grave, documented charges. In particular, Ricardo Cisneros and Gustavo Gómez López, both reportedly in the United States as fugitives from Venezuelan justice, should be subpoenaed for testimony on these issues. Not to do so, is tantamount to this Commission condoning the equivalent of an Ivan Boesky of the media—in this case Ricardo Cisneros using his ill-gotten gains—to purchase the largest Spanish-language TV network in the United States and simultaneously present programming from his Venezuelan media empire, *Venevision*, to American viewers. This is clearly *not* in the public interest of the United States.

Grounds for motion to reopen and to enlarge the issues

EIR moves to reopen the record and to enlarge the issues against PTI and PCI to include the following:

- (a) Whether PCI and PTI misrepresented the facts or lacked basic candor in advising the FCC that the sources of its funds for the purchase of *Univision* Inc. were from legitimate sources;

- (b) Whether Gustavo Cisneros for PTI misrepresented

the facts or lacked basic candor in advising the FCC in his sworn declaration that *EIR*'s allegations were "preposterous, utterly false, and deserving of no credibility whatever"; and

(c) Whether, in view of the foregoing, PCI and PTI basically qualified to become the owner of *Univision* Inc.

Timeliness

This motion is timely filed with the Review Board on April 29, 1994, within 15 days' receipt of the documents that constitute the "new evidence" on which this motion is based. *EIR*'s informal objection letter was dismissed by the Commission on September 23, 1992, without granting a public hearing on the issues raised by *EIR* or the many other petitioners who opposed the PTI applications. Nor did the Commission require any further documentation from PCI or PTI as to their financial arrangements with *Venevision* or *Televisa* despite *EIR*'s allegation that there were possible links to "dirty money laundering" concerning the Cisneros's interests.²

Statement of facts—new evidence

A. Banco Latino funds, possibly including drug dollars used by Cisneros to buy Univision

Over the last fifteen days, *EIR* has obtained from Venezuela numerous facsimile copies of news articles and reports of television broadcasts which strongly indicate that the source of funds used by *Venevision International* to purchase its share of ownership in PCI and PTI for the purchase of *Univision* in the United States came from the now-defunct Banco Latino, and that a substantial part of cash flow through Banco Latino was reportedly laundered drug money. The facts as they have just been revealed are as follows:

1. On April 8, 1994 the Venezuelan newspaper *El Mundo* ran a letter from former Banco Latino president, Gustavo A. Gómez López. Mr. Gómez López states upon his personal knowledge that Ricardo and Gustavo Cisneros "purchased *Univision* with credits that were leveraged totally by Banco Latino, because Provincial [bank] pulled out at the last minute and we had to rush in to cover the cash portion the [Cisneroses] never put up."

This perfidy had been hinted at earlier by Mr. Carlos Ball on February 4, 1994 in a *Wall Street Journal* op-ed titled, "Bank's Failure Signals End of Cronyism in Venezuela." Mr. Ball is a Venezuelan journalist and the president of *Agencia Interamericana de Prensa Economica*, an economic news and syndication service for Spanish-language newspapers, according to the *Wall Street Journal*. He writes:

"Soon after the second military coup against the Pérez administration on Nov. 27, 1992, the Cisneros conglomerate started to reduce its exposure in Venezuela. On Dec. 4, 1992,

it borrowed \$55 million in order to buy—in partnership with Mexico's Emilio Azcarraga—the largest Spanish-language television network in the U.S., *Univision*."

2. On April 14, 1994 the Venezuelan newspaper *El Nacional* ran a column by Andrés Galdo in which he states, "Banco Latino was used to launder the dollars of Colombian drug traffickers."³ Galdo also reports that the bank's chief source of revenue was "drug dollars." Mr. Galdo's information is also not speculation, but is from his personal knowledge. He states in his column, "for many years I handled public relations for Banco Latino, but my relations with Banco Latino and the Cisneros Group ended many years ago. . . ."

3. Subsequent to Mr. Ball's February 4th column noted above, on March 4th the *Wall Street Journal* ran another op-ed, this one by Mr. Thor Halvorssen. The title of his op-ed in The Americas column is, "The Price of Vigilance in Venezuela's Banking Community." The *Journal* reports that Mr. Halvorssen was the Venezuelan Presidency's Commissioner of Anti-Narcotic Affairs, with the rank of ambassador, and that he is currently a regional director of the International Society for Human Rights based in Frankfurt, Germany. He, too, writes about the trail of dirty money to Banco Latino:

"In 1992, the Venezuelan Senate, inspired by U.S. Senate investigations, created an Anti-Money-Laundering Commission. In March of that year I was appointed special overseas investigator for that commission. Among the banks I was investigating was the now-defunct Banco Latino. It seemed inconceivable to me that this bank could move the enormous amounts of money that it did without being involved in some kind of money-laundering scheme. I alerted the U.S. Federal Reserve and the New York District Attorney's Office of my suspicions."

After he had begun his investigation he reports:

"In September 1993, an informant gave me a brief with incontrovertible evidence of money-laundering in Venezuelan banks. The largest amount of evidence concerned Banco Latino. Shortly after I received that evidence, an attempt was made on my life. . . ."

Clearly, it is not in the public interest of the United States and its citizens to have its media companies be the laundry for drug dollars. Based upon these personal public admissions by Mr. Gómez López and Mr. Andrés Galdo, the Commission should now issue subpoenas for their respective testimony. Moreover, based upon these revelations, the Commission should also issue subpoenas for Ricardo and Gustavo Cisneros.

What is ironic and yet disquieting about all this, is that the Commission, by not requiring further documentation from the Buyer (PTI) concerning the source of funds for the purchase of *Univision*, may well within weeks to months be faced with a situation where a foreign government, Venezuela, will be a part owner of an American media network. It has been widely reported in Venezuela that the government,



On May 3, Venezuelans queued outside an exchange house in downtown Caracas to trade bolivars into dollars. The collapse of the Banco Latino swindled over a million Venezuelan citizens out of their savings. Did some of this money go into buying Univision?

which is desperately trying to make restitution to the more than one million Banco Latino depositors who were defrauded, may “confiscate” the Venezuelan and foreign assets of all former Banco Latino officers. One such officer is Ricardo Cisneros. The March 4th edition of *El Mundo* in Venezuela reports on these developments.

Such confiscation is all the more likely due to the fact, as reported in the Venezuelan daily *2001*'s April 25th edition, that “currently mortgaged to Provincial bank are both *Venevision* as well as *Televen* and it is now taken as a given that the Diego Cisneros Organization will not be able to make the payment commitments” on the mortgage. Thus it is also a strong possibility that the Provincial bank will assume ownership of *Venevision*. The Provincial bank is an unknown entity to the Commission and were this chain of events to unfold, appropriate disclosure information would have to be requested by the Commission to ensure that *Univision*'s new partner meets the standards and requirements of United States laws.

B. Ricardo Cisneros—a fugitive from justice

In Gustavo Cisneros's declaration in support of PTI's applications, he took umbrage at the fact that *EIR* had documented his family's ties to international drug money laundering circles in the book, *Dope, Inc.* and its Spanish-lan-

guage version *Narcotráfico, S.A.* But more than that, he swore to this Commission that *EIR*'s allegations are “preposterous” and “utterly false.” Such a misrepresentation to this Commission, merely to ensure his own financial gain, should not be countenanced.

At the very time Gustavo Cisneros executed his sworn declaration in this case (June 29, 1992) disclaiming *EIR*'s charges of his ties to drug money laundering circles abroad, the Venezuelan Senate announced the creation of an Anti-Money Laundering Commission. A bank under suspicion and investigation was Banco Latino. See the Halvorsen *Wall Street Journal* article referenced *supra*.

On or about March 2, 1994, after the collapse of Banco Latino, a Venezuelan court issued arrest warrants for 83 officers of the bank. Ricardo Cisneros was one of those for whom an arrest warrant was issued. He and the others are charged with illegal appropriation of depositors' funds, fraud, conspiracy to defraud and falsification of balance sheets. The charges have been widely reported in Venezuela, and *EIR* attaches news coverage of them from the April 12th edition of the magazine *Elite* and the March 3rd issue of *El Nacional*.

Rather than facing his accusers and clearing his “good” name, Ricardo Cisneros has remained a fugitive from his own country's laws. Some sources have reported that Ricardo

Cisneros is in Miami, Florida. His brother, Gustavo, the affiant in this action, has even gone to the expense and trouble of publishing a self-serving "Fact" sheet about why his brother, Ricardo, cannot submit to his own country's laws.

Again, how can it possibly be in the public interest to have a fugitive from justice maintaining ownership in the largest Spanish-language media network in the United States and stature accompanying such a position? He may be innocent. But as long as he refuses to submit to his country's law, American viewers will rightly wonder about his possible guilt.

C. Censorship—by any means

EIR's June 18, 1992 informal objection letter strongly urged the Commission to take a look at the pattern and practice of censorship exercised by Gustavo Cisneros against his political opponents or competitors. Specifically, *EIR* charged:

"[Cisneros]'s manipulation of both the press and legal system of his country, Venezuela, to achieve the illegal confiscation and banning of a book which published an unfavorable view of the powerful Cisneros family and its vast fortune. Such activities are hardly consonant with upholding the principles of freedom of the press and freedom of expression which the United States holds dear."

The Commission's dismissal of this issue focused on "the Review's concern" that the Cisneroses "successfully sought to enjoin in Venezuela the distribution of a book." But *EIR* used the example of the censorship of its book as but one example of the lengths to which the Cisneroses will go to silence an opponent.

Unknown to *EIR* at that time, was the extreme censorship the Banco Latino-Cisneros-Gómez López Group would use to silence an opponent. Mr. Thor Halvorssen in the *Wall Street Journal* op-ed mentioned above, recounts the torture, false imprisonment and attempts on his life he suffered when he attempted to uncover the dirty money laundering operations of the Banco Latino and other banks.

Cisneros attempted silencing of Peña Esclusa

Starting in mid-April, breaking developments in Venezuela are confirming with a vengeance that Perenchio Television, Inc.'s partners, Gustavo and Ricardo Cisneros, engage in the most abhorrent police-state practices to silence anyone who dares to criticize them, and thus, are not fit to run the major Spanish-language television network in the United States. The new information reveals that the Cisneroses are using illegal wiretaps, illegal police surveillance reports, fabricating evidence, suborning testimony, and manipulating the court system to prevent exposure of their questionable business practices. The Cisneros's brutal tactics have been decried by prominent citizens and legal experts from around the world, including the United States. The facts of their

most recent efforts of censorship are as follows:

1. In what is fast becoming a scandal of international proportions, on April 21, 1994, Venezuela's *Diario de Caracas* reported that the names of 42 journalists, editors and executives from the dailies *El Nacional*, *Ultimas Noticias*, *El Mundo*, *Diario de Caracas*, the television network *Radio Caracas Television (RCTV)*, and the radio network *Radio Caracas Radio (RCR)* were listed in the court records in the case of the secretary general of the Venezuelan Labor Party ("PLV"), Alejandro Peña Esclusa. Mr. Peña Esclusa is a long-time political activist and friend and associate of U.S. economist and former presidential candidate Lyndon LaRouche.

The Peña Esclusa case has been described as the "most serious attack on freedom of speech there has been in Venezuela," by Marcel Granier the publisher of *Diario de Caracas*, according to the April 23rd issue of that Venezuelan daily.

2. Peña Esclusa was indicted on April 18, 1994, and ordered arrested on April 22 by the 42nd Criminal Court's interim judge, Guillermo Heredia, on the basis of a private lawsuit instigated by the Cisneros Organization: the plaintiff is a Cisneros employee; the plaintiff's attorney, Ricardo Koesling, is also the lawyer for a couple of the fugitive directors of Ricardo Cisneros' defrauded Banco Latino who sit on the board of other Cisneros-owned companies; the titular judge is reportedly a confidant of Koesling, and all the witnesses who testified against the defendant during the proceedings are employed by the Cisneros Organization.

In fact, the outlines for the bill of indictment were detailed in a document issued *beforehand*, in English, by PTI partner Gustavo Cisneros, and which began to circulate in the United States and elsewhere in late March-early April. The Cisneros pamphlet is titled, "The Truth About the Banco Latino Crisis and the Cisneros Group of Companies in Venezuela." This self-serving brochure is designated as the "Response of Gustavo Cisneros To An Unwarranted Attack on Ricardo Cisneros and the Cisneros Group of Companies."

3. The fabricated charges against Peña Esclusa are "inciting to commit a crime," "incitement to loot," and "inciting to generate hatred among Venezuelans," stemming from an appearance on the television program "*Lo de Hoy*" on *RCTV*, on February 16, 1994. However, far from "inciting" criminal activity, Peña Esclusa called for "the preventive seizure of all the personal goods and assets of the Diego Cisneros Organization, of Gustavo Cisneros, of [fugitive Banco Latino director] Ricardo Cisneros, of Gustavo Gómez López, simply as a means of protecting the depositors."

When the interviewer asked Peña Esclusa how to channel the civic protest arising from the collapse of Banco Latino, in which over 1 million Venezuelan citizens lost their life savings and their pensions, he replied:

"I think that President [Rafael] Caldera must carry out a nationalist revolution in this country, a peaceful one. It is



EIR Editor Nora Hamerman delivers legal complaint to the Federal Communications Commission against the Cisneros-owned Univision television station.

necessary for the President himself to carry this out before the situation deteriorates even further, and takes us to a new Feb. 27 [1989 riots in Caracas, in which thousands lost their lives].”

4. Alleging that these statements had incited a mob to attack a Cisneros-owned CADA supermarket in the town of San Cristóbal, Pedro Duran Galvis, an employee of a Cisneros-owned company, filed a criminal suit against Peña Esclusa on March 8, in the 42nd Criminal Court of Judge Noel Vera Sandoval, who immediately opened a case and issued an order preventing Peña Esclusa from leaving the country.

5. A little over a month later, Judge Vera Sandoval, who is described as having “an intimate personal relation with Koesling,” by *Diario de Caracas*, took a leave of absence. He was replaced by interim judge Guillermo Heredia, who indicted Peña Esclusa within less than 24 hours of being sworn in, ordering his arrest on April 22, just four days after taking over for Vera Sandoval.

6. At the same time the interim judge, Heredia, ordered four officials of the publishing company of *Diario de Caracas* arrested for failing to respond to a summons to testify in the case against Peña Esclusa. The four, who claimed they never received the summons, were the newspaper’s general manager Ezequiel Jiménez, editorial board member Carlos

Granier, editor Diego Batista Urbaneja, and Josué Fernández, vice-president of the *Diario de Caracas* publishing company. The order against the journalists was rescinded on April 27, following widespread protests against the judge’s actions, but the arrest warrant against Peña Esclusa remains in force.

7. “They are trying to establish a legal precedent, such that prior restraint becomes a kind of obligation for journalists and the media,” said Josué Fernández, according to *Diario de Caracas* on April 21. Such censorship is prohibited by Article 66 of the Constitution of Venezuela, he said.

8. Publisher Marcel Granier, mentioned above, said that the indictment and arrest warrant against Peña Esclusa, “is a monstrous ruling.” The judge, said Granier, acted on

“the testimony of six executives of the Cisneros Organization, the majority of them DISIP agents [Venezuela’s political police] paid by Cisneros, and without considering any proof, has issued an arrest warrant and, what is worse, which allows him to jail any executive officer or journalist of *Diario de Caracas* or *Radio Caracas Television*.”

Granier went on to accuse the judge of “lying,” and said: “I believe that a stop must be put to this; the country cannot continue to tolerate the use of state police agencies to accuse someone who thinks differently from those who want to take control of the country.”

The case against Peña Esclusa, said Granier, "is evidence that they seek to harass the communications media, terrorize journalists, so that nobody will dare to say what is happening in this country. The administration of justice, the police, have been corrupted during the past few years. Now they want to silence that, silence the scandal of the Banco Latino, where billions of bolivars [Venezuela's currency] were stolen from all Venezuelans. They don't want justice to be done in that case."

He added:

"We Venezuelans have the right to express our free opinion, and there is no Cisneros who will silence the opinion of the people."

9. The Peña Esclusa case was brought before the twenty-fourth general assembly of the International Association of Radio Broadcasters (IARB) on April 26, by Felix Carmona Moreno. Mr. Carmona Moreno is the president of the Americas' chapter of that organization which represents more than 16,000 private radio stations. He told the IARB delegates from the United States, Spain, and Latin America assembled on the Venezuelan island of Margarita, that the judicial persecution against Peña Esclusa typifies a new threat to freedom of speech:

"There are new, subtle forms of threats against free speech. . . . [For] example: The case of the secretary of the [Venezuelan] Labor Party, Peña Esclusa, who after exposing Banco Latino's irregularities in the *Diario de Caracas*, was accused of slander and defamation, and we want this matter to be analysed by the IARB."

Use of illegal wiretaps and fabricated evidence

While we are sure that Venezuela's media is more than capable of defending itself, and that the country's government can deal with those who break that nation's laws, what should be of concern to the Commission here and to other United States authorities are the illegal measures that the Cisneroses and their agents used to go after their perceived political enemies, particularly Alejandro Peña Esclusa, and their media and business rivals at *RCTV*.

10. On April 23, *Diario de Caracas* reported that a copy of the sealed case file on Alejandro Peña Esclusa had been provided to *RCTV* by an anonymous source. The information in the case file, which *Diario de Caracas* has been serializing in daily installments since then, is absolutely scandalous.

11. On April 22, 1994, Eduardo Sapene, Director of Information for *Radio Caracas Television*, gave the Peña Esclusa case file to Venezuela's Attorney General Rubén Darío Badell. In his letter of transmittal to the Attorney General, the *RCTV* official notes that despite the fact that the documents show that various Venezuelan laws had been violated, including the Penal Code, and the law to Protect the Privacy of Communications, both the titular judge and the interim judge admitted them as evidence, and used them to

draft a bill of indictment against Peña Esclusa and to order his arrest.

Mr. Sapene points out to the Attorney General that the court "should have acted without delay, according to Article 74 of the Criminal Procedural Code, to bring charges of illegal use of information, as mandated by article 63 of the Organic Law of Public Property, as well as the crime of influence peddling," against those who introduced the material into evidence. Mr. Sapene's letter continues, "We would also add that both the permanent and substitute judges, as well as the clerk, bailiff and administrative staff are all civil servants under obligation by article 93, paragraph 2 of the Criminal Procedural Code to report 'whenever in the performance of their role they become aware of any act which is subject to public punishment.' " In addition, fabricated "evidence" in the form of internal memorandums from the Cisneros Organization, some of which were dated *before* the events, and some, *as far ahead as November, 1994* were also found in the file.

The case file on Peña Esclusa includes the transcripts of over forty (40) telephone conversations that were illegally intercepted by the political police, DISIP. Some of the conversations were of a highly personal nature, between Peña Esclusa and his wife, and Peña Esclusa and his mother. Yet, these transcripts from illegal wiretaps, as well as other police documents clearly marked "confidential," got into the hands of Cisneros employees and agents, who then introduced this material, much of it irrelevant, besides being illegal, as "evidence" in the judicial proceeding against Peña Esclusa.

The information about the wiretaps and the other confidential documents, shows that there is a clear and present danger to the right of free speech and the right to privacy of American citizens if PTI, along with the Cisneros brothers, remain in control of *Univision*.

12. This is not the first time that the brothers Cisneros have attempted to silence Peña Esclusa. On March 4, 1994, the dailies *Ultimas Noticias* and *El Mundo* reported that the PLV leader had sent a letter to Venezuela's Minister of Transportation and Communication, César Quintini Rosales, asking that the license granted to the Cisneros Organization for the operation of the *Venevision* network, be revoked. Peña Esclusa's letter stated that the Cisneroses have used *Venevision*

"to lie, to manipulate, to defame and to slander anyone who dares to raise questions about their other business interests. For example, Banco Latino, of which the Cisneroses own a large portion and on whose board of directors sits Ricardo Cisneros Rendiles (currently a fugitive abroad), bilked state-owned oil companies and the Armed Forces. When I attempted to warn publicly about the danger that that represented, *Venevision* launched a scandalous campaign of slanders against me."

13. Former Venezuelan congressman Roseliano Ojeda condemned the most recent judicial persecution against Peña

Esclusa:

"The only thing he has done is to denounce, through the book *Dope, Inc.*, how the foreign debt of our countries has been commercially manipulated," he said, stressing a conspiracy against the nation which involves world financial centers such as the IMF, the scourge of drug trafficking and economic groups of great economic power in Venezuela, such as the Diego Cisneros Organization."

His statements were reported in *Ultimas Noticias* on April 24.

14. On April 24, 1994, Venezuelan Congressman Manuel Isidro Molina, chairman of the Congressional Committee on Media, denounced Judge Heredia for his "lack of legal and ethical credentials," and demanded that the Council on Judicial Conduct investigate the judge. Congressman Molina, in a statement published by *Diario de Caracas*, said he and the other members of his congressional committee are planning to descend on Judge Heredia's court on Monday, when Alejandro Peña is scheduled to turn himself in, and police are supposed to bring four officials of *Diario de Caracas* in for questioning.

15. Outside of Venezuela, the attacks against Peña Esclusa have also created much concern. Former U.S. Attorney General Ramsey Clark has written the Venezuelan government condemning the indictment and attempted arrest. Other very prominent international officials have also denounced these oppressive tactics such as: the former President of Argentina, Arturo Frondizi; the former Vice-President of the French National Assembly, Roger Garaudy; Congressman Rufino Saucedo, a member of the Human Rights Committee of Mexico's Congress; Congressman Miguel Pajares Ruiz of Peru; and Canadian Archbishop Bertrand Blanchet, of Rimousky, Quebec as well as several elected officials in the United States.

D. False programming

Also of special note is a fact that *EIR* wishes to bring to the attention of this Commission: reprehensible actions of the Cisneros's *Venevision* to even break the law, just to make a sensational TV program.

The Venezuelan Federation of Environmental Organizations denounced Cisneros-owned *Venevision* for having produced a documentary in which some Venezuelan fishermen are shown killing a dolphin. It had been discovered that the administrator of a Cisneros-run entity, Bioma, paid to have the dolphins butchered in order to make a film for the *Venevision* documentary. The program had been aired in November 1993 by *Univision* in the United States!

This Commission surely does not sanction such disgusting, immoral tactics. Yet, the granting of the application of PTI in partnership with the Cisneros' *Venevision* has the effect of doing just that. The Commission's own Memorandum Opinion and Order in this case which granted PTI's

application even acknowledged that

"Obviously, the Buyer and the Parent contemplate that the bulk of the Network's programs will be provided by Televisa and Venevision, and the network agreement reflects that fact."

Argument

I. Absolute truthfulness in written submissions to FCC is a core obligation

In a world of few absolutes, no principle of FCC regulatory jurisprudence is more firmly established than the agency's requirement that its applicants tell the truth. Candor is of "prime concern" to the FCC. Indeed, deregulation and budgetary constraints have left the FCC more dependent than ever on the voluntary forthrightness of its applicants.

When the FCC occasionally has retreated from a vigorous enforcement of this bedrock requirement, the courts have not hesitated to reverse the agency. Even "trivial deceptions" have been grounds for disqualification.

Thus, PTI and Cisneros clearly violated the Commission's rules by submitting false written representations to the FCC. Such duplicitous behavior before the FCC raises a substantial question whether PTI is basically qualified to become the owner of *Univision*.

At some point, the FCC's applicants who misrepresent material facts must yield to upholding the agency's bedrock requirements that its regulatees tell the truth.

EIR believes that the misrepresentations in the PTI proceeding compel the Commission to reopen and enlarge the issues for its review and reconsideration of the application. See, e.g., *Citizens Committee to Save WEFM v. FCC*, *supra*, 506 F.2d at 266. As the court stated in *California Public Broadcasting Forum v. FCC*, *supra*, 752 F.2d at 679:

"it is fundamentally unfair for the FCC to dismiss a challenge where the challenging party has seriously questioned the validity of a representation and the defending party is the party with access to the relevant information."

1. Banco Latino, formerly the second largest bank of Venezuela, failed on January 13, 1994 and 83 of its officers and directors, including Ricardo Cisneros, were subsequently indicted for illegal appropriation of funds, fraud, conspiracy to defraud and falsification of balance sheets. A February 25, 1994 front page headline article in Venezuela's *Ultimas Noticias* reports that Banco Latino's former president and Cisneros partner, Gustavo Gómez López, states that it was the Cisneros Organization which had free access to the bank's money such that the Cisneroses are the largest debtor of the bank.

2. Indeed, the Commission then determined the "source of funds" was irrelevant and that instead it would concern itself only with the "control of the licensee's finances."

3. The Clinton administration through the U.S. Department of Justice and Department of State has just gone on record to protest any leniency for the Colombian drug cartels.

Lyndon LaRouche spends six days in Moscow

by EIR Staff

U.S. Democratic Party presidential pre-candidate Lyndon H. LaRouche, Jr. returned to Germany April 29 following six days in Moscow. Joining LaRouche at several speeches and seminars at scientific institutions were his wife, Helga Zepp-LaRouche, president of the Schiller Institute (Germany), and Prof. Taras Muranivsky, president of the Schiller Institute for Science and Culture (Russia). LaRouche's visit was on invitation from several Russian scientific organizations, including the Universal Ecological Academy, of which he became a full member on March 17. During the visit, he addressed several bodies, including institutions of the Russian Academy of Sciences, on the subject of his original discoveries in the science of physical economy.

The scheduled events began on April 25, with a lecture sponsored by the Economics Academy of the Ministry of Economics of the Russian Federation, and concluded on the evening of April 28, with a three-hour joint presentation by LaRouche and Prof. Pobisk Kuznetsov on mathematical and related issues of physical economy. LaRouche also addressed seminars at three institutes of the Russian Academy of Sciences: the Africa Institute, the Institute of Oriental Studies, and the Institute of Scientific Information on Social Sciences.

In each of the half-dozen lectures and seminars, there was examination of the relationship between the collapse of the Soviet system and the now ongoing collapse of the global financial and monetary system. LaRouche compared the present global financial collapse to a cancer in its terminal phase, and presented the argument for the conclusion that an early breakdown collapse of the global system is unstoppable. He emphasized the importance of preparing international cooperation for reconstruction of the global economy at the moment the inevitable collapse of the present, International Monetary Fund-dominated system occurs.

At a meeting with Moscow journalists on April 28, LaRouche said that the main subject of his discussions with Russian scientists had been "the principles of physical economy as they are applicable to today's situation. The particular point



LaRouche with Director A. Panov at the Ordzhonikidze Moscow Machine Tool Factory.

of my general emphasis has been the fact that the so-called free market system is about to collapse. To seek relief in the so-called free enterprise system is like a young egg trying to find its future underneath a dead hen."

In Russia, as elsewhere, LaRouche said, "one must not talk about how to survive under the free market system, but how to survive after its death, which will be very soon. Thus we have to talk about physical economy; that is, the kind of economic principles which must guide us to maintain economic life under conditions of general global collapse of the present dominant financial and monetary systems around the world."

Mr. and Mrs. LaRouche toured the Ordzhonikidze Moscow Machine-Tool Factory, the only producer in the former Soviet Union of assembly lines for the auto industry. Plant director Anatoli Panov briefed them on his fight to preserve this unique facility during its privatization and to keep its skilled work force together.

At his press conference, LaRouche reflected on what he had seen: "I have emphasized that, under conditions of a global financial collapse, one of the greatest assets of Russia is the scientific community, especially that which, of course, was involved in economic activities such as aerospace and military; and of course the protection of the machine-tool sector inside the Russian economy. This scientific potential of Russia is its greatest economic asset internationally, which, to my dismay, has been somewhat dissipated under the present financial and economic conditions."

Throughout his presentations to the scientific bodies,

LaRouche stressed the deadly incompetence of the work of John Von Neumann and others. He emphasized that Von Neumann's view of mathematics itself suffers an underlying axiomatic quality of error against which Leibniz, Riemann, Weierstrass, Cantor, and Kurt Gödel have warned us. The application of Von Neumann's flawed work to economics is the principal distinguishing fixture of the current "global economic casino" form of financial and monetary bubble now in the process of collapse. Without the popularization of Von Neumann's incompetent economics dogmas and their application to modern computer devices, a bubble of the present character and magnitude could not have occurred.

The concluding three-hour presentation by Professor Kuznetsov and LaRouche featured Professor Kuznetsov presenting the factor of *power* in physical economy, followed by LaRouche's presentation of a modern view of Leibniz's principle of *technology*. LaRouche showed the physical basis for the incompetence of the mathematics employed by Norbert Wiener's application of his information theory to human communications and to living processes, and the related incompetence within Von Neumann's work. LaRouche concluded his presentation by describing the special methods of computation to be used in analyzing the impact of a space-research science-driver program upon a process of reconstructing an economy such as that of Russia today.

We begin our coverage of LaRouche's dialogue with Moscow scientists, by presenting here the transcripts of two of the seminars at which he spoke.

Solving Russia's economic crisis: a question of scientific method

Speaking to more than 50 people at the Economics Academy of the Russian Federation Ministry of Economics on April 25, Lyndon LaRouche was introduced by Academician V.K. Senchagov, member of the Academy of Natural Sciences and rector of the Economics Academy. Subheads have been added.

Dr. V.K. Senchagov: Esteemed colleagues, today we will have a lecture from a well-known scientist and public figure, several-time candidate for President, and the author of several works which have been translated into Russian, in particular, a very interesting book, *So You Really Wish to Learn All About Economics?* which we have here. We can help anyone who is interested to obtain this book.

There are several other works that have been published in Russian and I will not outline in detail my own attitude to Mr. LaRouche's views. I would like only to say that for us, of course, his view of the current economic and political situation is of great interest, as well as his view of the sources and nature of the crisis and, most important, ways out of the crisis. Essentially not a single theory works today. We have gotten off into fetishism and today are floundering in the current of market fetishism, in which we make a dogma of the market, not only as practice but also as theory. Thus we have an acute need for serious economic analysis of our situation and of the situation of the world economy and the political situation in the world as a whole.

The Economic Academy has devoted particular attention to the question of social protection, and we held an international conference on social protection. Today we believe that the key question is the stability of development in general. For us at the Economic Academy, Mr. LaRouche's ideas are of interest in that context as well. Stability is not only a philosophical concept, it is also an acute political and social problem. We are proposing to hold an international conference on this problem, but we have not yet found the necessary support. Despite this, we will prepare and conduct it.

We are also interested in serious analysis of the question of inflation and the problem of the collapse, which has become a total collapse in the last few years, and which there is as yet no means to escape.

Naturally, I could list many more matters of interest to us, but I think that suffices. I would like just to conclude, in

again introducing Mr. LaRouche, by saying that he has been elected a member of the Universal Ecological Academy. He is also a collaborator of the Academy of Natural Sciences.

Mr. LaRouche works in the Schiller Institute, together with his charming wife, who is here, Helga LaRouche. Let us proceed with the presentation by Mr. LaRouche. Please state your own theme, I do not restrict you.

Lyndon LaRouche: I shall divide my remarks into three sections. First I shall speak about the present and imminent world financial situation. Second, I shall indicate a few principal features of physical economy; and finally, I shall conclude by summing up certain aspects of my work, which will be extremely controversial, in the fields of physics and mathematics, as well as economics—although I can also say that I know that some aspects of my controversial side, which include my sympathies for the great Academician V.I. Vernadsky, in both mathematics and in physics, have already found their own happy resonance here in Russia. So I shall indicate the more controversial topics, with the view that some among you may be interested in pursuing these intensely, from the standpoint of physical economy.

It must be said now, that if you look away from the painful situation in Russia itself, to the world more broadly, we are in a general collapse of the world economy; and to a large degree, the problems in Russia are a reflection not of conditions internal to Russia, but the reflection of a collapse in the worldwide economy.

As you probably have observed (at least some of you), during the past two months, especially the past six weeks, there has been an outbreak of a new round of financial collapse throughout the world markets.

What we are facing is not a cyclical collapse, but a systemic one. What is going to happen, without question, is a general total breakdown collapse of the global financial and monetary system. One cannot say exactly when the breakdown will occur; but it will be a breakdown. We will see a lot of collapse leading eventually to a complete breakdown of the monetary and financial systems of the world. If there is any comparison to the situation in the Great Depression of the 1930s, I would say it is to the year 1931, in which we had first the collapse of the Wiener Kreditanstalt Bank, then the following collapse in Germany of the Donat Bank, which set

forth a chain reaction leading to the floating of the pound sterling in September 1931.

What is happening now is much worse than that, however. As you know, if you've studied the world economy, the world economy estimates in trillions of dollars equivalent output as against the amount of debt. The amount of debt is reflected (not total, but reflected) in about a \$16 trillion a day or more turnover in purely speculative paper.

The situation can be compared to a terminal metastatic cancer, whose infection has been noticed here in Russia, in the relationship here between banking and privatization, in which every nook and cranny and pore of the economy of Russia is a victim of an international process, not a domestic one.

The problem is that you have a very large, purely speculative financial bubble, which grows at the expense of what is called leverage against the real physical economy. As the bubble grows larger, its appetite for income stream grows greater. This is reflected as the increase of debts of governments of firms and financial institutions. This is reflected then as asset-stripping and looting of the actual economy, so that the bigger the bubble becomes, the smaller becomes the real economy.

The bubble is the cancer; the real economy is the victim. In medicine, when the cancer becomes big enough, the victim dies, and so does the cancer. In other words, this is not a cyclical disequilibrium crisis; it is a crisis like a terminal cancer, a systemic crisis. The breakdown could occur within weeks or months, or next year. But it will occur.

Now the question is: When the economy—the financial and monetary system—breaks down, what do the nations do?

In the case of Russia, presently you have a crisis defined by adapting to a sick world economy. What happens when the sickness collapses? What do you adapt to?

A number of senior people around the world are aware of this crisis. The young, vigorous, but not well-educated people who run the financial system refuse to face reality. The governments generally, so far, refuse to face the obvious reality. The so-called establishments of countries—the leading circles, you might say the *nomenklatura* of the United States and Britain and Germany and so forth—refuse to face reality. Yet one day soon, this crisis will strike. The problem is that the governments and leading institutions around them are not prepared to react. They would consider anybody who mentions the fact of this crisis, a dissident—or perhaps an enemy of the state.

So therefore, the problem is not that we could not solve the problem; the problem is that we might come into the problem *unprepared* to take the appropriate measures.

I shall only say briefly (I think most of you know this): It merely requires an act of will by a state to create a financial system, a banking system, a currency system. It is merely an act of will by a state to put a financial system or banking system which is bankrupt into bankruptcy. The underlying problem is how to produce the food, the goods, the industry,

the infrastructure, to have a viable economy to go with a new financial system. The other problem is that in the past century, especially the past half-century, the physical economies of the nations of the world have become largely interdependent. Therefore, it is necessary to have at least some nations in agreement on the principles of economy under conditions of reconstruction.

We can take, for example, my own country, the United States, or Russia, Germany, Japan, and other countries as an example of this problem. If there is an agreement on principles of sound economy, then there can be agreement among states to reestablish, in a very short period of time, a new world financial and monetary system to replace the old one, while we put the old one into bankruptcy.

The essence of an economy

I wish to shift to two immediate questions on physical economy, in order to put my remarks on physical economy as such into focus.

The peculiar and unique, if not exclusive, potential of the economy of Russia lies in the scientific-military-aerospace sector, a sector which I see with great fear being dismembered. Russia's ability to maintain a sovereign national position of cooperation in a time of crisis, depends upon its having relatively intact the cadre section of its military-scientific-aerospace capabilities.

Let me indicate and underscore the historic reasons for that.

First of all, man is not an animal. This is emphasized in the following set of facts. The human race has been on this planet for at least 2 million years, perhaps more. The sum total of the increase in man's power over nature in the past 500 to 600 years, has been greater than in all human existence prior to that time. The center of this development was in Italy during the fifteenth century, with the idea of a development of a new kind of nation-state introducing new conceptions of law and statecraft which never existed before.

The second phase of this, was the simultaneous development of what we call today modern science. Even though the roots of modern science reach way back in history, even to Central Asia and ancient solar calendars, or also to the work of the Academy at Athens in Plato's time; and although European development in science drew upon many precedents from many parts of humanity, a revolution occurred in Italy in the middle of the fifteenth century which gave us a coordinated conception of modern science. And you are well aware, I need not explain to you, the history of scientific development in Russia, which led to the scientific community which existed in the recent period.

The essence of economy is not in the relationship among objects. Economy lies in the mind of man, in the ability of mankind to increase the power of man per capita in the universe. We are approaching the end of what can be done on Earth alone; all science points in the direction of the exploration and colonization of nearby space. In my opinion,

all of the major developments in technology, in production, in science, will come as a by-product of our preparation for the exploration and colonization of space.

The easiest reflection of this is in studying the division of labor of society over the known history of mankind. It was only by about the eighteenth century that we got to the position where society did not require at least 90% of its labor force employed in rural agricultural production. Our progress has been based entirely on using technology to improve the productivity of agriculture and simultaneously, to introduce urban industry and development of infrastructure generally. All of the progress in the past 600 years, has centered upon a number of projects which could be called *science-driver projects*. For my purposes, I refer to the Ecole Polytechnique under the leadership of Gaspard Monge between the years 1794 and 1814 as the model of a science-driver program.

I'll give you an example. In the 1940s and 1950s and 1960s, we used to discuss the fact that it was in military programs in time of war or preparation for war, that the greatest advances in productivity of labor have occurred. We have today a dangerous opinion to the contrary. Young people today say we must dismantle the military industries. This is because they have not learned a fundamental principle of technology and economy.

How is it that, during periods of great military expenditure for objects which are not consumable by industries or human beings, that we have the highest rates of growth, either during that period or following that? The obvious answer lies in the relationship of science to modern industrial and related production.

If we think of the production of military goods of high technology or space goods as like a university research laboratory, the answer should become clear. In the laboratory, if we make a discovery which overturns a previously established axiomatic assumption of scientific belief, we then construct a design of an experiment, to test and prove the principle which we have discovered. We continue to work on such experiments to refine them. When we have refined the experiment, we make a *machine-tool principle* of it. The investment in the knowledge contributed to the education process, plus the machine-tool principle, results in an increase in the productive powers of labor.

In wartime, we produce war goods. They cannot be eaten by human beings in large part. We do the same thing in space programs, which have a useful purpose but are not immediately consumable by people on the planet.

For example, in the United States during the 1960s, we had the highest rate of growth in a short period of time. For every penny which we expended on space exploration, we received at least 14¢ in return in benefit to the economy. That is easily traced.

The transmission of high rates of change in scientific knowledge into the machine-tool design for the space program, meant the availability of investment in the machine-

tool principle for the entire economy. The entire international so-called information technology revolution is a by-product of the space program. The problem that you had in Russia, under the former regime, was the inability to move the technology efficiently from the science-military-space sector, into the economy as a whole, which otherwise also crippled the rate of progress in the scientific sector. That is, the poor productivity in the non-military sector crippled the development of the scientific and military sector.

I think that what I'm saying, is clear.

Let me proceed to the final phase of my remarks.

The mathematics of real economic analysis

The problem arises when one tries to put into a conventional mathematical form what we can easily measure either in successful economies or in living processes.

My work in the 1940s began with a few years of work on the work of a Prof. Nicholas Rashevsky, who wrote a couple of major texts on the subject of mathematical biophysics in the 1930s at the University of Chicago.

Now, Rashevsky's work was in a sense a failure, in failing to realize its purpose, but I found it very useful nonetheless. As many of you would agree, I think, sometimes the study of well-done, failed experiments, is one of the most profitable areas of scientific inquiry. It became obvious to me that Rashevsky could not solve the problem, and it became obvious to me *why* he could not solve the problem. Let me just skip from that, to indicate that that is an area which I think should be considered.

Let me briefly describe how this came about, and indicate what the controversial issues are in problems of physical economy.

My work began as a reaction against a book called *Cybernetics* by a fellow called Norbert Wiener, which became very influential and famous. Wiener advanced a theory of negentropy which I found absurd. This is what led me to do my work on Rashevsky. Without discussing the details of Wiener's work, I'll just indicate what the problem is.

It is very easy, if we simply open our mind, to construct a mathematical image of a successful economy.

First of all, simply take a list of all of the physical things which are necessary to sustain a society at a certain level of technology. You can include three other items which are in the form of services, but which have the same value or are essential components of the economy. Obviously, health services are essential because of demographics; you cannot have a well-educated population if it does not have a decent life expectancy. For example, if it takes 25-30 years of life to produce a matured young scientist, you can't have him dying at the age of 35! Second, education. Third, the development of science and technology as such. These are absolutely indispensable elements of any society at a given level of society. Then the measurements become obvious, if you take these characteristics.

We compare these against three metrical characteristics: per capita, per household, and per square kilometer of land in use. You then take the input at any second, which consists of household goods and producers' goods, and you compare it with the produced output of the same market baskets or better market baskets. And you compare the output with the input to determine what is equivalent to a free-energy ratio, with which the ordinary thermodynamicist has no problem so far.

But we have to add something. There is another restriction, as the lack of railroad development in Russia attests; as the lack of power attests; as the primitiveness of equipment in certain industries attests. Not only must the free-energy ratio increase, but the *energy density per capita must increase*.

My problem, back years ago, was looking at this and proving this in many ways; and I indicate what the constraints, the so-called inequalities are, for this kind of measurement. It does not conform to a generally accepted classroom mathematics. It does not conform in particular to a linear, zero-sum game. You can show that all so-called classical economics, not including Leibniz and not including the Ecole Polytechnique of France earlier, and not including the American System on which the United States was founded, are zero-sum game economics. Marx is the same. Marx says he eliminates technological progress from all considerations defining economy—value.

Most economic systems can be reduced to the form of Leon Walras's equations—a fascist economics—or they can be reduced to a form which is acceptable to someone like the late John Von Neumann. But the characteristic of a real economy is that it is not a zero-sum game; and what is not entropic in a living system or in an economic process, cannot be described in terms of gas theory. Because as we know, the Boltzmann expressions are based on the idea of a zero-sum game in terms of gases.

So I was perplexed by this problem, though I knew I was right, until, in 1952, I spent the better part of the year working through Georg Cantor's *Beiträge*, his 1897 work. And then I returned to some work of Riemann, among others, and I read again the famous "Hypotheses" paper, and particularly, as I got through the third section of that famous paper after reading Cantor, I read this with growing excitement; and when I read the last sentence I almost said, "Hallelujah!" because, as Riemann emphasized at that point, when you understand that problem of mathematics, you have to leave mathematics and go to the next room—of physics.

Since my work is defined on the basis of this notion, it is based on the concept of creative discovery which is expressed in the form of discontinuities in any preceding formal notion of scientific knowledge.

This is very easy to understand from a physics standpoint, because what do we do with a discovery? We can call any such discovery *an axiomatic revolution in knowledge*—that

is, a change in one of the implied axioms of our system. This must occur naturally as a discontinuity in any mathematical representation of our system. This, of course, was the significance of a fellow called Kurt Gödel's devastating destruction of the reputation of Bertrand Russell in science, in his famous 1931 paper, and also the destruction of the reputation of competence of John Von Neumann.

Therefore, we cannot reduce physical economy to a formal mathematical system. But what we can do, is rather to recognize that economy depends upon technology; that technology in turn depends upon fundamental discoveries from which we obtain derived or secondary discoveries. Any such discovery must, by definition, represent a *discontinuity* in any previous formally consistent representation of knowledge. But what is deceptive is that once we have made a discovery, if the discovery is valid, we can always give, from the standpoint of the new discovery, a mathematical representation of what we did before.

Let me conclude with one observation which is crucial in the context I just noted. No animal species is capable of willfully increasing its potential population density. Only the human species can do this, and the human species has obviously done this its entire existence. What we in modern times have come to call *fundamental scientific discovery*, is a reflection of that quality of the human mind which is capable of doing what no animal mind could do. Economics is the reflection of that fact. Rather than be upset by the fact that we cannot mathematically predict, before we make the discovery, what the discovery will be, let us reflect on the beautiful, historical, human aspect of this problem.

How do we learn from our ancestors in science? In science, for example, a young child learns to re-create in the child's own mind, what passed through the mind of Pythagoras almost 3,000 years ago. We do not learn a formula from Pythagoras. In a good classroom, the teacher causes the child to re-experience the mental act of discovery.

Up until the time of—even through—the fifteenth century, virtually every European discovery in mathematics, was of the form of the ideas of two associates of Plato, Eudoxus and Theaetetus. The child in school, in studying geometry, learned to relive these acts of mental experience. It is by the mental act of re-experiencing the act of discovery, by reliving of that in the child's and the older student's own mind, that we know what a discovery is.

Finally, this has two implications. It is the proper humanist way to educate a child and a college student. It is the secret also of the scientific crash program effort, the science-driver programs.

When people work together on solving scientific problems such as breakthroughs in the conquest of space, such teams will accomplish, within a matter of a few years, what would otherwise take humanity two generations to do. If we wish to get the best ideas for society, we pick the area of scientific work which will give us the most relevant, applica-

ble scientific development for technology. Finance that team to do that work; and you will get, as a result, the knowledge you need to improve the society.

What economic model for Russia?

What follows is an excerpt from the question period:

Senchagov: I am very interested in what you said about the need to re-create a banking and financial system from scratch. I agree that you should not have a tilt in the direction of the finance and credit system at the expense of the development of technology and industrial capital as a whole, but what would the main idea be, in creating a banking and financial system which would more closely cooperate with industry and other spheres of the national economy?

In this connection, I would be interested in your attitude toward the book by [George] Soros called *Financial Alchemy*, which is quite a large volume. At any rate, this “financial alchemy” apparently permits him personally to acquire large sums.

LaRouche: I think that is a purely temporary and passing arrangement. The alchemist is about to be burned in his own crucible.

Senchagov: But the book has mathematics, it has everything, all the trappings of science.

LaRouche: But it's not. There is no science of money. It's like statistical procedures. We have, in the United States and in Europe, people using non-parametric statistics to try to prove all kinds of things; and Soros's business is largely non-parametric statistics.

This is like a casino. It's the statistics of a casino. And it only works because some idiots turned the world economy into a casino.

As far back in history as I know, there has been a conflict in man. The conflict, as far as I know, starting from Babylon, has always been one issue, with the usurers taking one side, and my friends taking the other side. It is a conflict between those who want to hold slaves, and keep most people stupid so they will be obedient slaves, and those of us who believe that all individuals are sacred.

This can be summed up in two philosophies, where I take the side of Solon, in which, one side says, “Man must serve money,” and I insist, like Solon, that money must serve man.

To be as brief as possible, I just referred in my remarks to the young United States not dying as a result of the Treaty of Paris of 1783, where the French king did die. What was established by the Americans under George Washington and his Treasury Secretary Alexander Hamilton, was the only successful general model of economy that has ever existed on this planet. And therefore I consider Americans who have

accepted the British System instead of the American System treasonous idiots! If you've got a good system and you take somebody else's system that doesn't work, that is not a very good thing for your country.

The system is very simple. It was not new to the United States, and it was used in the seventeenth century in Massachusetts for a while: the use of paper money as credit issued by a government to foster investment and trade. This principle is embedded in Article I of the U.S. federal Constitution, which outlaws Adam Smith, because we knew what was wrong with Adam Smith by that time.

The system is called *a system of national banking*. The state creates a bank. The state, in collaboration with the Executive and the Legislature, creates money. The money is deposited with the bank. The bank loans the money to state industries for infrastructure; it loans it to contractors who have contracts with the state industries to help build the infrastructure or maintain it. It loans it through private banks to private investors—if the purpose of the loan serves *the national interest*. And the business of the banker and the business of the government agent involved, is to determine responsibly, that this person, who is doing something in the national interest, should have not six legs, but should be a good, solid human being, who's capable of doing what he says he's going to do.

Now, you loan the money on a progress basis. You don't say, “Here's so many rubles,” and let someone take it and walk away.

The business, subject to audit, submits its payroll every week. The bank issues the payroll.

Senchagov: How does he give back this credit?

LaRouche: It's like a loan. Also, there is a check on performance.

Senchagov: And what if he doesn't pay back the loan?

LaRouche: Then he's bankrupt. And also, we look critically at the people who made the loan to him.

Yuri Volkov: . . . What do you think about the phenomenon of the poor patient suffering from shock therapy—Russia—being taken for a cure into a ward where transfusions are being given with infected blood from the western banking system? If we take such a poor patient, who's in shock, and put him through such treatment, then we're threatening him with catching the next disease. But what would you personally do if you were the doctor on the ward where they brought somebody who's sick like Russia is sick? From the standpoint of common sense, from the standpoint of physical economy, and from the standpoint of the intuition of a person who has lived as many years as you have in this world.

LaRouche: My statements here are the same I've been making in print in the United States and around the world. I dealt

with this problem in dealing with the Soviet government. I was asked by the Reagan administration to set up a discussion channel with the Soviet government in 1981; I did it in 1982-83. Unfortunately, there were certain people here and certain people in my country as well as Britain who didn't want to do what I proposed.

It was no mystery to me. In 1983—as I explained to a gentleman you know, you can ask him, Yevgeny Shershnev, who was then a diplomat of the Soviet system, I said that if the Soviet government—the Andropov government at that time—were to reject what became known as the SDI [Strategic Defense Initiative], the cooperation I proposed, which Reagan confirmed at least in the initial period, then within about five years the entire Warsaw Pact economic system would collapse from the economic strains of the military policy they had.

In 1988 I stated publicly again, what I felt it was necessary to say: that the collapse was imminent, and what measures should be taken.

Unfortunately, the government of Mrs. Thatcher of Britain prevailed, and they persuaded Georgie-Porgy Bush, as I call him, to adopt her policy.

My policy was that I had been right in 1983, and that the Soviet government had been wrong. But my purpose had not changed.

My purpose had been to unleash new technologies through dealing with the defense problem, to unleash the potential of Russia and other countries together to transform this planet—which is still my policy today, and the policy I recommend to my government.

What happened is, Mrs. Thatcher and other idiots, together, decided that since Russia was down and weak, and a potential adversary, they would do nothing to allow it to survive. It is not just Margaret Thatcher; it is the whole faction of British intelligence which stands behind her, which is the same faction as George Bush in the United States. They both tried to destroy the present President we have, which I hope he will not forget.

What is being done is *a deliberate looting of the former Warsaw Pact territory*, to the purpose of ensuring that it never becomes a world power again.

Foreign finance and privatization should be looked at as the mechanism of sucking the blood of the nation. The problem is, every part of the world is suffering the same problem: Africa, Asia, all of Asia; China has a different kind of problem. South America. The particular problem inside the United States is the same. *We are being sucked to death by a cancer of speculation*. Our answer should be to understand that first; and second, to prepare, in the moment of weakness of the cancer, to cut it out.

If we do not do this on a cooperative basis, there will be blood and chaos on this planet. Therefore, we must act to establish understanding and cooperation among people of good will around the world, to do this.

Russia, do not repeat the West's mistakes

Lyndon LaRouche made this presentation to a seminar at the Institute for Scientific Information on Social Sciences (INION) on April 28. Subheads have been added.

I'm very happy to be here. I have been here for several days, and I have a certain psychological impression of the reaction of a certain stratum of the population of Russia, at least, to a series of catastrophes which to many of you, I think, seems unending: the transition from the sense of being part of a world power, to a nation in great difficulty. I think the psychological attitude toward these developments is extremely important in being able to understand them.

One must not look at these things from underneath, from a sense of inferiority in the face of calamitous events. One must, in a sense, come on top of the events and the processes and thus understand them.

Some years ago—1989—the world industrialized sector exploded at its most vulnerable point, at the point of the Warsaw Pact, Comecon system. It was obvious to me that this would occur, as I had the opportunity to discuss this with some Soviet representatives on an official level back during 1982-83, which was of an official character between the United States and the Soviet governments. My emphasis was that the Soviet system would collapse within five years if the continuing policy were maintained, as part of a collapse of the worldwide economic process.

The basis for that estimation of mine was based largely on Soviet literature—economics literature in particular. It was obvious that the stripping of accumulated capital assets, including nature itself, was reaching a point of collapse. And on the basis of certain elementary calculations based on capital cycles, it was obvious that approximately 1988, plus or minus a year or so, would be the point of collapse.

In critiques of the Soviet system, one should not exaggerate the role of the specifics of the Soviet system in causing the collapse. As you shall all see within a period of months or a year or so to come, the global financial and monetary system of the world will collapse—absolutely. The critique of the Soviet system should be restricted to the discussion and analysis of the reasons why it, among the industrialized countries, was a weak point. And I would say, with all due respect, that the admiration for the so-called western system as depicted in free trade theory, is not only exaggerated, but

highly dangerous.

In the real history of the past three or four centuries, no market system has ever succeeded in producing anything but a catastrophe. What was called capitalism, was started as a state economic system and always remained so, essentially, in its successful forms. It has always remained the responsibility of the state to maintain basic economic infrastructure. Two companies cannot agree to start a railway system between them. Two or three companies cannot agree among them to establish a national water management system. A

The Russian press reflects the belief that the disease of free trade is the superior alternative to communism. So instead of bowing to the statue of Karl Marx, you are now supposed to bow to the statues of Adam Smith and Ricardo. This tends to create an instinctive lack of appreciation for the fact that the entire global system is now about to collapse.

syndicate of doctors cannot create a national medical system. There are certain things which are essential to maintaining the entire soil of a nation, to maintaining the basic infrastructure, such as transportation, water, power of a nation, which cannot be left to the accidents of the market. You cannot leave education to the accidents of the market. You cannot leave scientific development to the accidents of the market.

In no case has any modern state provided the infrastructure of private investment development, except through state action on infrastructure and management of credit and currency. Speaking solely from a more or less socio-economic standpoint, from the outside and from study of Soviet economics literature, I have the following picture of the collapse of the Soviet system. First I'll describe the internal factors, then I'll describe the external factors.

What was wrong with the Soviet system

As you all know, the Soviet system in its military-scientific, aerospace-scientific sector maintained the highest quality of intellectual production. In military and aerospace systems, Soviet systems were bulky, they were inefficient. But they worked, because the scientists were able to use defective resources to achieve the results which other countries achieved with more adequate resources.

Looking at Soviet products in the military-aerospace sector, they worked—with the usual problems that go with any

such systems. In the civilian products sector, there was a catastrophe. The catastrophe had two causes: the lack of infrastructural development, and the difficulty in translating new technologies from the high-tech sector into the economy generally.

Of this one could say from the outside, that privatization (a real private initiative, not speculator privatization; entrepreneur's initiatives), would have been a great advantage in agriculture, and in manufacture of ordinary products of consumption, and so forth. Also, in a privatized sector of the machine-tool industry, because the entrepreneur is usually the means by which technology is translated from the high-technology sector into improved products and methods of production in the general sector. So the lack of productivity was compensated for by failing to invest in adequate infrastructure. Because from its beginning, by historic circumstances, the Soviet system was essentially a military-security system.

Therefore, the external pressures of strategic pressures pressed in on the Soviet economy in a special way, which deformed all the internal features. And different people from a different standpoint—I from my standpoint—believed that if some more durable basis for peace could exist, then many of the problems of the Soviet economy could have been solved.

But at the same time as the agreements were reached between 1955 and 1972, between the West and the Soviet system, what happened, especially from 1964-65 onward, was that the Comecon system became more and more infected with a disease which was being developed in the western countries. Let me emphasize this, because it's crucial to understand.

With a few exceptions, those of you in this room are much younger than I am. So therefore you did not, as I did, live through the wartime years as adults. Most of you did not live through the 1950s as adults. Therefore, you did not experience the pre-war, wartime, and immediate postwar period of oncoming war, the events of the 1930s, the war itself, and more importantly, the postwar reconstruction here in Russia as in other parts of Europe.

From 1945 on, all major industrialized countries, regardless of their social systems, went through a period of intensive postwar reconstruction. I think it would be brutal but perhaps necessary for one to draw a map of Russia from 1939 through the postwar period; to draw the areas of battle, to detail and document the intensity of destruction.

I was born in 1922. Look back at the statistics of men born in 1922 in Russian military history of the Second World War. A great part of an entire stratum of the Russian population was destroyed in war. Yet, despite all of the problems that this represented, there was in Russia, despite all of the horror, everything one can criticize, there was a spirit of reconstruction. The only true comparison you can find outside of Russia, is in Germany, where the damage was much

less intense, but was comparable.

The spirit of reconstruction was maintained around the world, into approximately the middle of the 1960s. I suppose some of you here have done studies in that area of economic history.

Around the world, between the years 1963 and 1968, radiating partly from the United States and France, and Germany, there was a fundamental change, which began essentially with the inauguration of the Harold Wilson administration in Britain. What the change was, is very simple, which is why I mentioned the war years and reconstruction period.

Throughout the world, up until the middle of the 1960s, the predominant view of nations and populations was the desire for the improvement of the conditions of life through the benefits of scientific and technological progress. Then suddenly, in 1962-63, there began to be the rumbling of the change: assassinations. The assassination of Kennedy; the attempted assassination of de Gaulle repeatedly by the same people who had assassinated Kennedy; Mattei in Italy before; Lambrakis in Greece; and in the aftermath of this, a change in governments. Adenauer disappeared from Germany, replaced by Erhardt—a different philosophy of government. De Gaulle remained until 1968, but the seeds of his destruction were already there in 1963.

Systematically, all of the leading figures of the postwar period who had been associated with reconstruction, disappeared. There emerged to replace them a layer of intellectual mediocrities, whose characteristic was softness toward a cultural change. We had the rock-drug-sex counterculture, which in some cases immediately destroyed people. But in a larger number of cases, it had a more insidious effect. You saw it in universities.

I was teaching on various campuses during that period, from 1966 to 1973, and was very aware of this. A growing percentage of the students had shorter and shorter concentration spans. The interest in a scientific method was largely abandoned under the influence of such Frankfurt School types as Herbert Marcuse in the United States. You had globally an influence which reminded us of the rise of fascism and the fascist counterculture in Weimar Germany.

Sociologically, the exemplary case is Martin Heidegger. Martin Heidegger was, in the 1920s, a close collaborator of Hannah Arendt, his mistress. He worked with Theodor Adorno, Horkheimer, and so forth. During the war, since he wasn't Jewish, he became a Nazi, a leading Nazi philosopher, the official philosopher of Nietzsche as a Nazi. He became a favorite of Adolf Hitler. At the end of the war, even though he was a leading Nazi philosopher, comparable to Alfred Rosenberg, who was in Moscow for a certain time of his life, Heidegger was suddenly cleansed of all impurities—officially, in France.

Then the U.S. occupation authorities and the British occupation authorities in Germany instructed the German Cath-

olic theologians to abandon Plato and teach the philosophy of the Nazi Martin Heidegger instead. To those of us who knew the philosophical history of the 1920s, 1930s, 1940s, 1950s, what had happened was that in the 1960s, what we had known as fascism became "the Left." If you look inside the internal history of the Nazi Party, including some of its films from the 1930s, you will find the form of anti-scientific environmentalism which we find today among the Left.

So no longer in the world economy was there an emphasis upon increasing the productive powers of labor through scientific and technological progress. The Frankfurt School theories became hegemonic, such as those of Marcuse.

Today, the students whom I saw in 1968, for example, whom I thought were idiots, fools, and dangerous ones, have risen to top positions in Wall Street, in corporations, and in running universities in the United States.

So you look at the mind of the American student today and the graduate today. We have people graduating from high school who look perfectly normal, but who have a 3,000-word vocabulary. It's lucky we have these calculators, because we have people who could not add and subtract; multiplication is a gigantic feat for them.

The result is a new kind of economy, a new theory of economy spread into practice on Wall Street and elsewhere. You can see the spread of this into the Comecon sector. You can see the spread of the speculative mentality into the sector; the spread of Margaret Thatcher's ideology. I mean, one should look at her and realize that anyone as stupid as that, does not represent what we want to teach our children. I have often said of her that she barely qualified to fly a broom.

So these factors of the world market and the increasing Comecon sector dependency on relations with and credit of the world market, contributed to the weaknesses in the Soviet sector in bringing about the collapse. I see a tendency, however, to assume that it was the Soviet system that caused the collapse; it wasn't that simple.

Plus you get, in the Russian press, a reflection of a failure to comprehend this problem and a belief that the disease which is called free trade, is the superior alternative to communism. So instead of bowing to the statue of Karl Marx, you are now supposed to bow to the statues of Adam Smith and Ricardo. This tends to create an instinctive lack of appreciation for the fact that the entire global system is now about to collapse.

Those who have been looking closely at what happened in the past six to seven weeks in western markets, have seen that. The George Soros who has suddenly appeared as almost a patron of Russia to some, may disappear from the market within a short period of time to come. Very simple lawful principles of financial markets. What is happening is the entire global financial and monetary system, must necessarily collapse very soon.

The reason I've gone through this, is not merely because
(continued on page 38)



At a seminar of the Economics Academy of the Ministry of Economics in Moscow, Dr. Wolter Manusadjan (standing) announces Lyndon LaRouche's full membership in the Universal Ecological Academy. Mr. LaRouche is in the center background of the photo.



Lyndon LaRouche with Prof. B. Fleishman.



LaRouche (right) autographs copies of his book in Russian, So, You Wish to Learn All About Economics?



Left to right: Dr. R.M. Suslov, Dr. Pobisk Kuznetsov, Lyndon LaRouche, and translator Rachel Douglas at joint seminar on mathematical and related issues of physical economy at the Economics Academy.



LaRouche (gesturing) speaks to Schiller Institute members and friends in Moscow. To the left of him in photo is Prof. Taras Muranivsky.

(continued from page 35)

of its usefulness, but to lay the basis for situating a very important scientific point. Instead of living under the pressure of these events coming down upon us, let us stand above them. Let us stand above them intellectually, and also emotionally.

The job of the intelligentsia as a function of society, is to provide society with comprehension of the events which are overtaking it. We cannot run around like chickens frightened by the fox. Our job is to be calm, clear, and to give clear direction.

The characteristic of this entire period can be summed up in one word from Plato: *change*. This is a fresh demonstration that science cannot be based on the relationship among things, in a simple sense. Science must be based on *changing relationships among things and people*. I recommend the *Parmenides* dialogue of Plato as one of the best and most intense pedagogical models for discussing this question.

Instead of trying to explain each stage of this process of change by itself, on the basis of its internal evidence, let us discover the laws which account for the change as a whole. That is where my business comes in.

How my discovery in economics came about

Many years ago, when I was still a much younger man, I was very much angered by reading a book called *Cybernetics*, by Norbert Wiener. What Norbert Wiener had to say about control processes among machines was very interesting and essentially, for practical engineering purposes, incontrovertible. But then, when it came to applying this same mechanistic concept to living processes or to the human mind, the man was a dangerous idiot. At that point, one should put Mr. Wiener aside, and go back to study Vernadsky.

Let me describe this to you, even though some of you are not economists or perhaps not mathematicians, but I shall try to make it clear. I became angry enough that I decided to dedicate myself to refuting this terrible person, a process which took about four or five years, and out of which I came as an economist.

It was obvious that Wiener had to be refuted from two standpoints: one, the standpoint of living processes, especially evolutionary models. But for several years I worked through the work of Nicholas Rashevsky, whom some of you may know comes from Russia, but he was an American professor at the University of Chicago for many years. In about 1938, 1940, he wrote two very important books on mathematical biophysics. And I think he reflected people like Oparin; but I later came to prefer Vernadsky.

That was very useful to me, even though Rashevsky failed to solve the problem. But he posed the problem in a very interesting way; and we must often be thankful to people who pose problems, even if they don't solve them. They prepare the way for the people who make the discoveries.

Because of these problems of dealing with biological systems conclusively, I instead looked at economics. It's

very simple, if you forget Adam Smith, forget all these crazy theorists, and look at economy from the standpoint of its being a physical process. All you need, as I had at the time, was knowledge of industrial processes. So with some scientific education and experience in industrial consulting, I applied this to describing a successful economy, using the basic industrial engineer's tools of bill of materials and process sheet.

So, you get two results. The first result is no problem for the mathematician, no problem for the Soviet economist generally: that the essential thing that makes an economy function, is to increase the free-energy ratio.

To measure that free-energy ratio in approximation, is a very simple thing. Take on the one side all of the essential inputs to the whole economy, all of the physical inputs of consumption by industries and by households, including infrastructure: transportation, water, power, and so forth.

Now you have to add only three services. The other services have no significance to production as such. The first is science and technology. Without that, you have no increase in productive powers of labor, and no increase in free energy. The development of power. Education as such; and we cannot have people graduating as physicists at the age of 35 from their more mature experience, and then dying at the age of 40. The demographic aspect of population depends upon sanitation and health care. These define essentially the input.

Now let us look at the reproduction of this input as output. Let's measure the total amount; the amount per capita, the amount per household, and the amount per square kilometer. Now let us subtract the input from the output. Now measure the ratio of the difference to the input. It's a very simple crude estimate, but it gives you a good, useful estimate of what's going on. If you competently calculate the costs of reproduction, then you will come up with a good national planning estimate. So far, you have no problem with the mathematician.

Then you come to the problem: that the energy of the system, as we call it—the combined infrastructural, producers' and households' market baskets of essential physical goods—must increase at the same time as the ratio of free energy to energy of the system increases.

Now, study Vernadsky from this standpoint. Say that the evolutionary model of the noosphere as described by Vernadsky has the same characteristics. And humanity is the part of the noosphere which is able to deliberately, willfully, do this.

So my problem at that point, was that all this thermodynamics said "no," but the facts said "yes." I'm a very stubborn person; I stuck with my facts.

I began to look for an honest mathematician. Then I discovered Georg Cantor, and I spent about three-quarters of a year on his last major work. And I discovered why most mathematicians tend to go insane these days, and where chaos theory comes from. Then I went back to look at Riemann

on the subject of the continuum paradox.

The importance of Cantor for me, was specifically that we do not recognize adequately today, that there is a higher, shall we say a fourth branch of mathematics, above the so-called transcendental. There is a branch of mathematics which deals with systems which look to be, to the ordinary mathematician, discontinuous and non-denumerable.

The notion of this problem goes back to the *Monadology* of Leibniz. All of the important mathematicians of the middle of the nineteenth century understood this; implicitly, also Lobachevsky here, with the idea of discontinuities, i.e., hyperbolic systems, as acknowledged by Gauss in his study of Lobachevsky's work, late in Gauss's life. This was the work of Dirichlet, the work of Riemann, the work of Weierstrass on the famous Weierstrass function; also of course, finally, the work of Cantor on this particular problem.

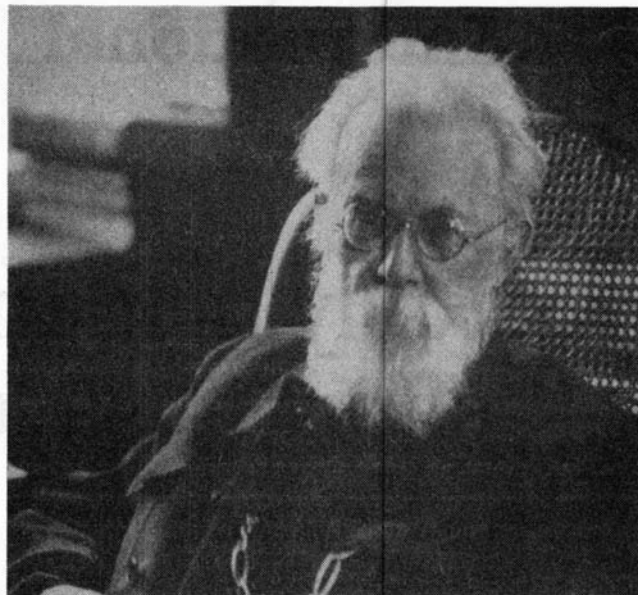
Then, in the twentieth century, a young Austrian scientist, later quite famous, Kurt Gödel totally discredited all of the fundamental assumptions of Bertrand Russell and John Von Neumann in a famous 1931 paper, "On Formally Undecidable Propositions of *Principia Mathematica* and Related Systems."

What Gödel essentially started to do with his own original work, was to replicate some of the discoveries which Cantor had made earlier. The higher mathematics of Cantor does not permit us to construct explicit functions of the type we normally use in mathematics; but it does permit human beings to rigorously define the way to solve certain problems which appear in a mathematical form, as in, for example, mathematical programming.

But what I want to emphasize to you, in a more general way in this connection, is this: The great philosophical issue of modern history has been the issue defined first by the empiricists' attacks on Leibniz and Kant's attack on Leibniz. The empiricists, such as Locke or Hobbes before him, all said man was essentially a *tabula rasa*, a beast who operated upon sensorial instincts. The work of the British radicals such as Adam Smith or Jeremy Bentham, the founder of British intelligence, or Thomas Malthus, were all based on the work of a Venetian monk by the name of Giannaria Ortes. Ortes's writings are the basis for all of the writings of Adam Smith, all of the work of Jeremy Bentham, and specifically, the work of Malthus, which is a direct copy of a work by Ortes.

The most rigorous definition of the controversy is given by Immanuel Kant in his *Critiques*. Kant was a little bit different than the British empiricists, of whom he formally was an exponent. Kant referred to this creative principle, this so-called non-linear principle which is characteristic of living processes and human creative thought, and said, "Well this might exist." The British (not every British citizen, but official British philosophy), of course, today will still insist that creativity does not exist.

As a matter of fact, this fraud called "chaos theory" was invented to try to explain away the existence of creativity.



Vladimir Vernadsky (1863-1945)

Kant said creativity might actually exist, but you could not know it. It could not be willful.

From the standpoint of study of non-linear systems, from the standpoint of Gauss, Dirichlet, Cantor, and so forth, we know, as we can demonstrate in the history of mathematics, that creative thinking can be rigorously, consciously defined. It is not a nebulous, intuitive matter.

In conclusion, I'll make the following quick succession of points.

The difference between mankind and the beast, is that mankind is capable of deliberately increasing his power over nature per capita willfully, in a form which is typified by—not restricted to, but typified by—scientific discovery. The most important thing to do for any human being is to make them aware that they have this superior quality as a member of the human species. The most important thing in building society, is to structure society so that this aspect of man which is human, is given its freest expression. The most important thing in education and in employment, is to give the human being an opportunity to do something which that human being knows is creative, and knows is useful to all society. To understand, therefore, the value of the individual person, as typified by this creative potential. To understand the importance of the institution of the family as loving nurture of this quality of individual. To understand the importance of the modern sovereign nation-state according to law, as the institution which is assigned to protect and nourish the individuals and the families.

If we accept those postulates, and look at the question of economy from its physical reality, then the violent succession of changes which we are experiencing, can be understood as from above. Then we of different nation-states can understand our common interest, and know how to work together to overcome the great crisis which is about to strike us.

Rally held in last-ditch effort to save Bosnia

by Katharine Kanter

"It is an honor for us to fight for principles; it is an honor for us to fight for Europe." These words were spoken by Bosnian Foreign Minister Irfan Ljubljankic, in his address to the Conference of the International Parliamentarians Against Genocide in Bosnia (IPGB), held in Brussels on April 28 and 29.

The Bosnians are indeed fighting for Europe, but Europe sure ain't fightin' for them. The conference, held in the European Parliament, took place under the patronage of Egon Klepsch, and with the support of Roberto Formigoni, the former vice president of the Parliament, and the Hon. Nereo Laroni, and brought together 200 of the most prominent Bosnian and Third World leaders. However, the gathering was boycotted by the political class of western Europe and entirely blacked out, despite the presence of numerous journalists and television reporters, by the European press. To our knowledge, there were not more than a half dozen western parliamentarians present, apart from the organizers themselves. The unavoidable and unpleasant conclusion one must needs draw is that, apart from a tiny handful of men, the political elite of Europe has made a "firm" decision—if that is the word for a mental state reflecting the utmost personal impotence and decay—to throw Bosnia to the wolves.

The co-chairmen were Sen. Kamal Al-Sharif of Jordan and Senator Afiffuddin of Malaysia. Among the IPGB leaders were the new secretary general of the World Muslim Congress, Sen. Rajah Mohammed Ul Haq; a vice premier of Egypt; Laith Shubeilat, the most prominent political figure in Jordan; the head of the defense committee of the Brazilian House of Representatives Mr. Pizzotto; Monsignor Puljic, the Bishop of Dubrovnik; General Spegelj, first defense minister of independent Croatia; Stipe Mesic, president of the Croatian Parliament; Stjepan Kljuic of the Bosnian Presidency; and Dr. Ljubljankic, foreign minister of Bosnia. Half a dozen Ibero-American parliamentarians had made a 24-hour

voyage in order to spend two days in Brussels, while only half a dozen of their European colleagues could be bothered to walk across the hallway to do something, anything, to save a nation which, in spite of a resistance heroic in the extreme, is being wiped from the face of the earth.

Much remarked upon was the presence on the podium on the second day of Helga Zepp-LaRouche, who had made an arduous journey directly from Russia, where her husband was on a week-long speaking tour, in order to be present at Dr. Klepsch's opening address. Her speech (reprinted below) was a headlong attack on the common enemy, seen from a higher standpoint, both of Bosnia and of Russia: the Empire faction, the advocates of geopolitics typified by "leaders" such as former U.S. President George Bush and former British Prime Minister Margaret Thatcher, who are more than willing to let the whole of continental Europe go up in the smoke of a thermonuclear war, rather than accept that their method of organizing the world economy is bankrupt, and must be changed in a fundamental way.

Not only Mrs. LaRouche's remarks, but her very presence on the podium, provoked the predictable uproar among some of the observers, particularly certain Englishmen and those who see themselves as allied to the British cause, to the extent that the *Daily Telegraph's* Noel Malcolm (he is presently—could this be conspiracy?—busy writing a biography of Thomas Hobbes) stood up and denounced her remarks concerning Lady Thatcher as "untrue and unfair." Malcolm also felt impelled to denounce the mere notion of "conspiracy" with regards to British intervention into Bosnia: No! he said, it is nought but arrant stupidity and incompetence.

Doubtless, we are expected to believe that it was thanks to "stupidity and incompetence" that, over the last two centuries, the British have somehow stumble-bummed themselves into the most powerful empire the world has ever known.

This war has nothing to do with religion

One of the most important achievements of this conference, was to bury once and for all any idea that the war in Bosnia can be ascribed to religious motives, a war of Christianity against Islam. Although the room was full of representatives of the most powerful Muslim nations, the Bosnian leadership placed the debate on the strategic level, not on that of a common religion. This was considered as a matter of extreme urgency by all participants, as otherwise the British-allied factions, to give one critical case, who are pressing for a full-scale war between India and Pakistan over Kashmir, will succeed in mobilizing western public opinion in favor of a religious crusade against the Muslim nations, which in reality, will be nothing other than imperial wars waged to reduce Third World populations.

This point was hammered home by all the Muslim and Catholic leaders, notably by Laith Shubeilat of Jordan, who said: "There are factions who want to use this war as a religious war. We must defuse that danger. As a Muslim, I feel safer when I see governments based on real Christianity. We need a coalition of forces throughout the world which are God-fearing, against this unjust world order which is the anti-Christ."

Similarly, Senator Ul Haq of Pakistan, who, as the new secretary general of the World Muslim Congress is one of the most influential Muslim spokesmen, hit out against both Russian and western policy and concluded, "The West is on the wrong track! Why are they pushing hatred against the Muslim world? But I see light in this conference, when I see leaders of various religions. There is not a single country in the world, where there is only one race, and only one religion, nowhere in the world."

And Dr. Nedzib Sacirbey, personal representative of the President of Bosnia-Herzegovina to the United States, said, "Do not help us because we are Muslims. Help us because we are right. Help us in the name of dignity and of the law."

A Franciscan friar from Sarajevo, representing the head of the Franciscan Order in Bosnia, made one of the most striking interventions of the conference. Although some friars were murdered last year by Muslim extremists, "and I stress, they were extremists," never, he said, never, has the Franciscan Order in Bosnia doubted the commitment of the Bosnian government to the ecumenical principle, and never, he said, would the Franciscans cease to fight for Bosnia and for that principle. Last year marked the 700th anniversary of the order in Bosnia; at the ceremony, President Alija Izetbegovic stated that it is the oldest institution in that nation. The friar concluded by strongly attacking the western powers, saying that even the fall of Vukovar, even the hundreds of thousands of dead, have not opened their eyes, because the West *desires* partition, and *desires* ethnic cleansing as part of western strategy. This game, he said, must be stopped.

The Franciscan's remarks were strongly seconded by Monsignor Puljic, the Catholic Bishop of Dubrovnik in Croatia, who insisted that this is a war of aggression, not a reli-

gious war, and that the aggressor must be stopped in his tracks now.

Croatian-Bosnian unity of purpose

The Croatian leaders who travelled to the conference, and they were not secondary figures, expressed in the most emphatic and unambiguous terms, that they stand for the rule of law, and the rule of law means absolute respect for the sovereignty and territorial integrity of Bosnia in its pre-war borders. There was complete coherence on this point between Stipe Mesic, the president of the Croatian Parliament and founder of a new opposition party, and, notably, Stjepan Kljuic, a Catholic member of the Bosnian Presidency.

Mesic, who was also the last President of Yugoslavia after the fall of communism, speaking in the name of the Parliament of Croatia, said, "What Mr. Kljuic has said about Bosnia is the truth. We have come here to remind the world of its principles, notably the inviolability of borders. As we negotiate with the aggressor, hundreds die. When Europe is at war, the world will be at war. If a sovereign state is conquered, the conflict will be internationalized. Most people in the West think [Russian Third Rome figure Vladimir] Zhirinovskiy is a clown. But Russian nationalism could cause a conflagration in Europe and the world. There are 25 million Russians outside Russia, millions of Hungarians and Albanians outside their nations, too. Should we accept that all ethnic groups outside their homeland should join by utmost violence their host nations to that homeland? Bosnia has been around far longer than all of Yugoslavia. She has been around longer even than Switzerland. She can survive. Serbia must be pushed back inside her own borders. It will be a service to the Serbian people."

Similar views were voiced by the Croatian General Spelj, in an interview with *EIR* which we will publish shortly.

Shall we beg the United Nations?

The last session of the conference was given over to a debate over the final resolution (see *Documentation*); tumult erupted when two delegates stood up and insisted that the resolution be softened. They said that the words "condemn" must be struck, with relation to the U.N. and to the great powers, and that the demand that the veto power of the Permanent Five members of the Security Council be eliminated, must also be struck. They said that only a "revolutionist organization" could make such extreme statements, that the 200 parliamentarians there had to act respectably, and not say things that could attract disapproval. At this point, members of the Pakistani delegation, seconded by others, booed them down, shouting: "Shall we *beg*, and not condemn? Shall we *beg* the United Nations and the great powers? Shall we *beg* after hundreds of thousands of dead?"

Mrs. LaRouche then stood up and said: "It would be tragic if this conference were to fall into the same trap as the U.N.: being soft and diplomatic faced with an all-Balkans war. We must not be softer, we must make a much stronger

appeal in this terrible crisis. We must give leadership here! Otherwise, the confirmation of geopolitics in the Balkans will escalate the danger of a new world war.” The resolution was upheld as first drafted, save for the attack on the International Monetary Fund, which was removed at the insistence of U.S. Rep. Jim Moran (D-Va.). He apparently felt that this might in some way give credibility to a certain Lyndon LaRouche.

I would like to give the final words in this report from the conference to Stjepan Kljuic of the Bosnian Presidency:

“We have reached our physical, but not our moral limit, because we still have the will to resist. The world has not seen half of the suffering of Gorazde, or the other besieged cities.

“We cannot negotiate with war criminals. Once Mate Boban was removed, the Washington agreement became possible. The same must be done with the Bosnian Serbs; there, the protagonists of partition are still in power.

“Milosevic can continue to fight because of the support from Greece, Romania, and Russia. We need help to stop the war, but not the biased help the U.N. is giving us. What we need is to have international troops deployed onto the Bosnian borders. The arrival of arms from Serbia must be cut off.

“We are 1,000 years old. We have been taught from birth to respect others’ religion. The Muslims in Bosnia have not adopted the principle of revenge. That is our greatest wealth.

“Raise your voice. You are citizens of the law. Help us! But do not help us because we are Christians, or Orthodox, or Muslim; help us because of the law. Help us, because we are all citizens of Bosnia-Herzegovina.”

Documentation

Conference resolution hits British geopolitics

The following resolution was passed by the International Parliamentarians Against Genocide in Bosnia-Herzegovina:

1. This Conference, organized by the International Parliamentarians Against Genocide in Bosnia-Herzegovina, meeting on 28-29 April 1994 in the European Parliament in Brussels, Belgium, under the auspices of the President of the European Parliament, the Hon. Egon Alfred Klepsch, and attended by over 100 parliamentarians, intellectuals, and religious leaders from all over the world:

(a) NOTING that the tragic situation in Bosnia-Herzegovina has not improved but instead has deteriorated and become catastrophic due to unchecked Greater Serbian ambitions to divide and conquer the country;

(b) NOTING that the so-called great powers have done nothing to stop this naked and blatant Greater Serbian aggression, but rather have appeased and abetted it;

(c) NOTING the dismal failure of the United Nations in fulfilling its obligation to protect the Republic of Bosnia-Herzegovina, a sovereign member-state, from Greater Serbian aggression;

(d) NOTING also that this failure is due to the geopolitical power-play of the so-called great powers, especially Britain, France, and Russia, and the unfair system of the veto power in the U.N. Security Council;

(e) NOTING also that certain powers in their desire to perpetuate their vested interests, are instigating and fomenting tribal and sectarian religious wars between and among nations; and

(f) REALIZING that this deplorable state of affairs can no longer be tolerated by the world’s peoples;

2. Now, therefore, solemnly RESOLVES:

(a) to strongly CONDEMN the so-called great powers for their appeasement of the Greater Serbian aggression, to warn them of the serious consequences of their appeasement, and to appeal to their good sense to stop this appeasement immediately;

(b) To strongly CONDEMN the United Nations for its failure to abide by its own Charter to protect a member-state subject to aggression;

(c) TO REAFFIRM the legal and constitutional rights of the Republic of Bosnia-Herzegovina to defend and recover its rightful territory from the aggressor and to call directly for aid, including military aid, from member-nations, individually and collectively, for such defense and rightful struggle, in accordance with Article 51 of the U.N. Charter, and to reject any acceptance of any “fait accompli” and the forced alteration of internationally recognized borders;

(d) While commending Malaysia for having passed a motion in its Parliament to lift the arms embargo on Bosnia-Herzegovina and the United States of America for supporting the motion to lift the arms embargo in the U.N. Security Council, to CALL UPON justice-loving nations to ignore this illegal arms embargo and to come directly and immediately to render such aid to the Republic of Bosnia-Herzegovina;

(e) While greatly appreciating the humanitarian aid that has so far been sent by many nations and civic groups, to CALL UPON nations and civic groups all over the world to increase these aids for relief and reconstruction in a unified Bosnia-Herzegovina irrespective of racial, political and religious considerations;

(f) TO CALL FOR the elimination of the veto power vested in the so-called Five Permanent Members—such veto power being responsible for blocking it from taking effective actions to protect the independence and sovereignty of Bosnia-Herzegovina, and to CALL UPON the U.N. Secretary General to resign for failing to give leadership to the world body;

(g) TO CALL UPON member-nations to expose those European powers that are accomplices in Greater Serbian so-

A French general speaks: 'Bosnia is a fiction'

The following are excerpts of a speech given in early 1994, by the French general commanding the 92nd Regiment of Infantry for Unprofor at Bihac in Bosnia. The document, which we are happy to make available to readers in full, is an internal briefing intended for French officers deployed to Bosnia. It is therefore an accurate expression of the reality behind the mealy-mouthed, hypocritical "diplomacy" practiced by the French government. Note that Bosnia is called "Yugoslavia."

Title: Conference—Yugoslavia

. . . The Serbian strategic aim is clear: restore the unity of the Serbian nation. They consider that such a union can be got, only by dividing Croatia and Bosnia. What has abusively been called ethnic cleansing, will allow for regrouping the populations according to their nationality and will thus make this division feasible. . . .

The Serbian position is relatively well-grounded. . . . Bosnian unity, assuming that it did ever exist, has become a fiction. That unity is, in any case, far less legitimate than Yugoslavian unity which was quickly dropped.

The obstinate determination to uphold that unity is mainly due to ideological reasons. But the Serbians and the Croatians don't want to belong to Bosnia anymore. . . . That puts to rest any debate about the survival of a multi-ethnic Bosnian state.

The Bosnian leadership will find it hard to sign a peace accord, because they bear responsibility for unleashing

the war and they have attached their name to the principle of upholding Bosnian unity.

Since the beginning, they have tried to bring the world onto their side by using the mass media very effectively, and multiplying provocations. . . . All of our dead [the French soldiers killed] were killed by the Bosnians.

At Geneva, the Bosnians wrecked the talks deliberately by their excessive demands. Their leaders are die-hard nationalists, who are now going to have to prove just how representative they really are. They are getting more and more radical, and have reorganized their Armed Forces. Bosnia lives today under a military regime. They have been backed in that way of thinking by the U.S.A., which has played an ambiguous role toward Bosnia. . . .

I know I may seem anti-Bosnian or pro-Serbian by saying all this . . . but *facts are facts*, and hiding them will only bring us further away from a realistic solution. . . .

The Muslims must be pressured to see that their idea of a unified Bosnia is dead and buried, and give in to a three-way confederation with a realistic carve-up. . . .

At Zagreb you would think yourself in Germany or in Austria. There are a lot of Croatian emigrés in Germany, and, therefore influential pro-Croatian pressure groups in that country. They are very nationalist and high-strung. The U.N. has a bad image in Croatia, and the Croatians are doing everything they can to disrupt the U.N. troops' activities. Generally speaking, they do not like us, for historical reasons (*we have always been their enemy*). . . . It will be very hard, not to say impossible, to change this image. Croatia, as well as Slovenia, will become the rich nations in the region, and they are both the private hunting grounds for Germany [emphasis added].

called "ethnic cleansing," aggression and genocide, and to take them to the International Court of Justice;

(h) To CALL UPON the United States Congress, the European Parliament, and other legislative bodies to hold formal hearings in their legislatures to hear testimonies of former inmates of Serbian concentration camps in Bosnia-Herzegovina and Croatia concerning atrocities and war crimes;

(i) To CALL FOR the speedy trial of Serbian war criminals, especially Slobodan Milosevic, Radovan Karadzic, and Ratko Mladic;

(j) To COMMEND the ongoing inter-religious dialogues among peoples as extremely important to frustrate and overcome the evil schemes by some powers to incite and foment religious and sectarian conflicts and wars, and to foster understanding among nations and religions; and to call for the intensification and deepening of such dialogues;

(k) To CALL UPON all western governments to act on the basis of the understanding that the continuation of the present

geopolitical policies in the Balkans will escalate the danger of a new World War and it is necessary therefore to implement immediately a program of global reconstruction, including not only the East but also the South, as the only basis for world peace;

(l) To CALL UPON all concerned national and international Non-Governmental Organizations to cooperate closely and to intensify their efforts to help build a New World Order based on justice;

(m) To CALL FOR and WORK FOR peace that is based on justice, full restoration of the sovereignty and territorial integrity of the Republic of Bosnia-Herzegovina, human rights and the return to their homes for all refugees; and

(n) To INSTRUCT the Secretariat and the Co-Chairmen of the IPGB to establish an ongoing international Working Group and to take all other possible measures to carry out the decisions of the Conference and to inform members of the Conference as and when necessary.

The principles of physical economy point the way to a lasting peace

by Helga Zepp-LaRouche

Mrs. Helga Zepp-LaRouche delivered the following speech to the Brussels conference of the International Parliamentarians against Genocide in Bosnia, which was held at the European Parliament on April 28. Subheads have been added.

The fact that the world public has watched the Serbian war of aggression and genocide for three years without reacting has not only resulted in a suffering of the victims surpassing any power of imagination, but because of the moral, political, and military failure of the governments and institutions of the West, international law has been de facto thrown overboard.

As a consequence of the fact that borders between nations can be altered by military force with impunity, the situation has deteriorated so far that not only is there the danger of a generalized Balkan war in the immediate future, but, if this conflict continues, a war threatens to break out in far greater dimensions in the area of the republics of the former Soviet Union.

To overcome the catastrophe in the Balkans, it is therefore necessary—not least because of the Russian relationship to the Serbs—to take account not only of the situation in former Yugoslavia. Overcoming this catastrophe must be part of a change of global policies, if an escalation into a global Thirty Years' War, including employment of nuclear weapons, is to be prevented.

An effective peace policy for the Balkans today must fundamentally consist—in addition to pushing the Serbs back to within the borders as they were before the war broke out—of a program for economic development such as my husband, Lyndon LaRouche, proposed in November 1989 when the borders of Europe opened. The central feature of the program of the so-called “Productive Triangle Paris-Berlin-Vienna” as the centerpiece of a Eurasian infrastructure program, is based on the fact that this region, which encompasses parts of France, Germany, and Central Europe, represents the greatest concentration of industrial capacities and highly skilled labor power in the world.

It would have been very simple to apply principles similar to those of the reconstruction of Germany after World War II, to create project-linked credits to bring about technological improvement of existing industries and achieve productive full employment by means of new investments.

The increase in production and productivity which would have been achieved by such dirigistic methods in the tradition of Friedrich List, not only could have become the motor of the transfer of improved technologies into eastern and southeastern Europe, and ultimately Asia, but it could have become the locomotive for the entire world economy, which was already in depression at that time.

The Balkans were to be completely integrated into this Eurasian infrastructure program as a bridge to the Northeast, and, particularly after completion of the Rhine-Main-Danube canal, shipping on the Danube would have taken on a crucial function for the economic development of the states of former Yugoslavia.

There is documentation in great detail—not least in the memoirs of Margaret Thatcher—which demonstrates that Thatcher and Bush, for political reasons, were ready to do everything to prevent such a development of the Eurasian continent. Part of the Thatcher-Bush policy included giving the Serbs the green light for their Greater Serbia plans of conquest, a policy maintained since then by Great Britain and the United Nations, by which they have made themselves complicit in the Serbian genocide. This policy also included imposing shock therapy upon the states of the former Warsaw Pact, and initially Yugoslavia, and today Croatia.

Instead of developing the East and the Balkans economically, the policies of shock therapy, IMF [International Monetary Fund] conditionalities and the so-called free market economy led to a disastrous collapse of production, so that today productive capacities have been reduced to levels 30% of what they were at the time of the end of communism. This policy has not only led Russia to the brink of economic standstill, it has produced a dictatorship of organized crime and a profound embitterment of the population. Since Russia is, moreover, a nuclear power, this development can quickly explode into a catastrophe. There is only one way that a drift into an apocalyptic crisis can be prevented; the policy which Bush and Thatcher determined in 1989 toward the Balkans and toward Russia must be given up entirely, and it must be replaced by a policy of economic development.

Prospects for fundamental change

I would like to point out two aspects which make the possibility of a fundamental change of policy more probable

than usually assumed. To that purpose, it is useful to discuss a number of features which do not indeed concern the situation in the Balkans directly, but do concern the possibility of overcoming the crisis. In December 1981, my husband, Lyndon LaRouche, was asked by parts of the American government to conduct so-called back-channel negotiations with the Soviet government on the issue of countering the growing danger of a nuclear war by accident by establishing a system based on technological and economic cooperation. The key idea in this proposal was not only to exchange advanced technologies in the military area between the superpowers, but to share it with other states by employing these technologies in the civilian area, to set a global economic development into motion. These negotiations were then finally broken off by Yevgeny Shershnev, the representative of the Soviet embassy in Washington, D.C., with whom these discussions had been conducted, in February 1983, one month before President Reagan announced the Strategic Defense Initiative (SDI) as official U.S. government policy. Such a defense system based on "new physical principles" technologies, as the Soviets subsequently called them, were, according to the Soviet representative, technologically and militarily feasible, but the application of these technologies into the civilian area would be easier for the West, and would thus bring the West greater advantages than the Soviets. Therefore Moscow rejected this proposal.

My husband then forecast the Soviet economy would collapse within five years if the Soviet government continued to reject this proposal and simultaneously attempted to attain strategic world dominance.

When, at the end of 1989, Lyndon LaRouche, at that time already a political prisoner of the Bush administration as the Gorbachov government had demanded, proposed the Productive Triangle, western states capitulated to the pressures of Bush and Thatcher. It is, therefore, all the more important that today, after the republics of the former Soviet Union have suffered the horrendous effects of shock therapy and the free-market economy, there is a growing circle of Russian scientists and academicians, representatives of the intelligentsia studying LaRouche's economic principles, and thus a group of people who are extremely important if Russia is to find a way out of the crisis. In terms of changing policy towards Russia, we are, therefore, not beginning at square one.

The second aspect consists in the fact that it ought to have become obvious in the recent weeks past, that the international financial system is at the brink of a systemic collapse—perhaps in a few weeks, perhaps in one year, in any case soon. The wave of collapses and mis-speculations of the large portions of a *Crédit Lyonnais* and George Soros represent developments similar to 1934. When this collapse occurs, those forces who have profited from the policy which consisted in exploiting the states of the former Warsaw Pact, and to sabotage progress in Europe by means of the war in the

Balkans, will lose a considerable portion of their influence.

That will make it easier to completely replace the premises which were the basis of the policies of Bush and Thatcher from 1989 onward, and to set out in a political direction which can pull the world back from the abyss even at this late hour.

An example: the PLO-Israel accords

This means that we must turn to the principles of physical economy, principles which have always been predominant wherever there was successful economic development anywhere in the world. That means in particular that we must use the advantages of modern technology to the benefit of all people on this planet.

An economic reconstruction program for the nations of former Yugoslavia on the foundation of physical economy is ultimately the only possible basis for an effective peace plan. Only in that way may the natural advantages of these countries, historically and geographically, come to bear, and bring about the economic and political regeneration of these regions.

In view of the boundless horror experienced daily by the people of Croatia and particularly Bosnia, it is probably difficult to imagine common economic cooperation in the future, after the reestablishment of the pre-war borders. But if we consider the situation in the Middle East, where the Rabin-Peres government and the PLO under the leadership of Yasser Arafat are attempting to overcome a half-century old adversary relationship by means of economic development in common, then it becomes clear where the only positive way out of the crisis lies.

Similar ideas of an "Oasis Peace Plan" were considered already in 1975 under the Peres government, but were sabotaged when the hawks around Sharon took power. Today everything depends on achieving a real development of labor power in this region, against powerful forces domestically and abroad who are attempting to sabotage this development.

The situation in Croatia, Bosnia, and Serbia is indeed different to the extent that, unfortunately, in Serbia, there does not seem to be any opposition to the committed genocide. There are parallels to the situation in the Middle East as far as the embitterment of the victims is concerned. But there must come a point in time when the bitterness is overcome, and the way is made free for peace. If the bitterness continues, it means perpetual death. A real order of peace must offer a way out to all people concerned. To reverse the policy of Thatcher and Bush of 1989, therefore, means not only to drop the idea of a de facto tolerated Greater Serbia, it must also entail dissolving the sub-organizations of the United Nations, the International Monetary Fund and the World Bank, and instead to launch massive economic development with western help in the Balkans, but just as urgently in Russia, Ukraine, and the other states of the former Warsaw Pact.

Rwanda: a test case for Boutros-Ghali

by Linda de Hoyos

United Nations Secretary General Boutros Boutros-Ghali has seized upon the horrific slaughters in Rwanda since mid-April to pressure the U.N. Security Council to use military force to bring peace to the small African country. The secretary general's ultimate aim is to force through the blueprint of his U.N. Agenda plan, presented in 1992, which includes provisions for a standing army under U.N. command. This would be a major step in establishing the U.N. bureaucracy as the administration for a one-world dictatorship, ending the sovereignty of nation-states.

In a letter to the Security Council April 29, Boutros-Ghali demanded authorization for a "large military force" to halt the killing in Rwanda. Recalling the Security Council's unanimous decision to reduce the previous U.N. "peacekeeping" force of 2,700 to only 270 on April 21, Boutros-Ghali wrote: "I urge the Security Council to reexamine the decisions which it took . . . and to consider again what action, including forceful action, it could take, or could authorize member-states to take, in order to restore law and order and end the massacres." Reporting that up to 200,000 people had been killed in Rwanda over the span of three weeks, Boutros-Ghali wrote, "I am convinced that the scale of human suffering in Rwanda and its implications for the stability of neighboring countries leave the Security Council with no alternative but to examine this possibility."

The Security Council answered with only a statement condemning the "slaughter of innocent civilians" and calling for an international arms embargo on Rwanda. China, and non-aligned states, including Nigeria, prohibited the inclusion of the word "genocide" in the statement.

Speaking on ABC's "Nightline" television show on May 4, Boutros-Ghali expressed his confidence that the Security Council would eventually accede to his demands, and derided the permanent members for failing to commit their forces to U.N. command.

In this regard, Boutros-Ghali, whose grandfather signed Egypt over to the British in 1899, is following in the footsteps of the British Foreign Office of the 19th century, which repeatedly used the pretext of "humanitarian intervention" to extend its imperial geopolitical control. Ghali was accordingly joined in his demand for U.N. intervention by various humanitarian agencies, particularly those headquartered in London. Oxfam director David Bryer contended that a small force of foreign troops would scare the gangs who allegedly

carried out most of the slaughter of Hutu oppositionists and Tutsis in Rwanda, saying on May 3 that without action by the U.N., "we fear there is at least half a million of the Tutsi minority who are now at very, very grave risk." Amnesty International has also blamed the lack of U.N. intervention for the slaughters.

The slaughter in Rwanda has also prompted debate in the U.S. press on the powers of the United Nations. On April 26, the lead editorial in the *New York Times* concluded that the "horrors in Kigali show the need for considering whether a mobile, quick-response force under U.N. aegis is needed to deal with such calamities. Absent such a force, the world has little choice but to stand aside and hope for the best."

'Development is the new name for peace'

Under conditions of economic devolution, which have hit nearly every African country over the last decade, it is not difficult to set desperate people at each other's throats. Anybody who claims to want to bring peace, without addressing the issue of economic development and the end to International Monetary Fund conditionalities, should not be given a shred of credibility.

Even now, with the Rwanda Patriotic Front (RPF), composed primarily of Tutsi expatriates, having gained control of two-thirds of the country, and with refugees streaming out of Rwanda, it remains to be seen exactly what a U.N. or other international or regional force would do. In the meantime, the neighboring country of Tanzania has taken the lead in attempting to bring the dispersed leadership of the interim Hutu government and leadership of the RPF to the negotiating table in Arusha. The RPF issued a statement on May 3 rejecting any U.N. intervention on the grounds that given U.N. inaction when tens of thousands were being killed in Rwanda, U.N. intervention now would only serve as an "attempt to manipulate the U.N. process and machinery to protect and support the murderers who constitute the provisional government."

The United States has said that it would help fund a regional peacekeeping force composed of troops from the member-states of the Organization of African Unity. The United States has sent Assistant Secretary of State for Humanitarian Affairs John Shattuck and Ambassador David Rawson to Addis Ababa, Ethiopia, to help work out details of an OAU peacekeeping force, in discussions with OAU Secretary General Salim Ahmed Salim. But U.S. Ambassador to the U.N. Madeleine Albright categorically ruled out the dispatching of U.S. ground troops to Rwanda.

This follows the prescription for Somalia of Henry Kissinger, who had demanded that OAU, not U.N., troops be sent in to end the conflict there. Legalists of international peacekeeping also point out that Chapter 8 of the U.N. Charter specifically instructs regional organizations to preserve peace in their region, before referring disputes to the Security Council.

London, Wall Street slam Venezuela with financial warfare

by Valerie Rush

Open financial warfare has been unleashed against the Venezuelan economy by London and Wall Street financial circles determined to drive the wayward Rafael Caldera government back into the grip of the International Monetary Fund (IMF). A politically triggered run on Venezuela's currency, the bolivar, has caused a hemorrhaging of the financial system which could eventually prove fatal if not cauterized, and government efforts to stanch the flow have so far proven inadequate.

At the same time, a parallel campaign by the banking crowd continues, which is trying to silence forces inside the country who have presented President Caldera with an emergency program to defend Venezuela from this assault. Efforts by the corrupt Cisneros financial empire to jail Alejandro Peña, the head of the Venezuelan Labor Party (PLV) and an associate of "American System" economist Lyndon LaRouche, have backfired, however, as PLV friends and allies inside Venezuela and around the world have flooded the Caldera government with messages urging him to stand up to this "judicial terrorism." And the PLV's economic program—ranging from a call for strict exchange controls to debt moratorium and a region-wide common market—has received repeated coverage by the country's anti-Cisneros media.

There have been other consequences of this combined assault on Venezuelan sovereignty. On May 2, the Mexican daily *Reforma* published an article by President Caldera, saying that Latin America's debt crisis is as explosive as ever. Caldera offered Nazi Germany and World War II as examples of the deadly consequences of the unbridled looting of nations, and appealed to the debtor nations of Latin America to unite in order to "revise the terms of a relationship . . . not in any way conducive to international peace or the strengthening of democracy" (see *Documentation*).

Following the lead of the PLV, congressman and retired general Oscar Alvarez Beria dropped a bombshell in the Venezuelan House of Deputies on May 3, when he demanded that the Executive branch order Venezuela's Judicial Police to conduct "a secret, serious, and ongoing" investigation of Gustavo Cisneros, a long-time agent of Rockefeller interests in Venezuela, for links to the drug trade. General Alvarez, who had worked for 40 years in his country's National Guard, demanded to know how Gustavo Cisneros was able to purchase two or three large companies annually to the tune of

\$300-500 million apiece, and suggested that such an investigation "will produce surprising results. . . . If the snake's head is not investigated, we shall never succeed in becoming a less corrupt nation, a more hopeful nation."

Asked why he suspected drug links, Alvarez told a reporter that the unprecedented 1985 banning of the book *Narcotráfico, S.A. (Dope, Inc.)*, which exposed the Cisneros empire's ties to drug money laundering, had rung alarm bells. *Narcotráfico, S.A.* was distributed by the PLV in Venezuela, until the Cisneros clan won a court order banning its circulation inside the country and expelling the journalists who sold it. Said the general, "Why, if an innocent man is accused, presumably unjustly, were such measures taken against those who accused him?"

A weak defense

This latest round of financial warfare, which caused an estimated flight from the country of \$700 million in four days, was triggered when President Caldera announced his plan to save the country's collapsing financial system, which included gradual lowering of interest rates (currently as high as 65%), eliminating zero-coupon bonds, and making other changes in central bank policy. Although the plan fell far short of what is required to protect Venezuela from the death throes of the world monetary system, it was a first important step toward more government regulation.

This proved intolerable to London and to the Rockefeller crowd, and they ordered immediate retaliation. On April 27, Venezuelan central bank head Ruthi de Krivoy, a London darling, resigned in protest over the government's measures. The next day, London's *Financial Times* railed that the de Krivoy resignation had dealt "a serious blow to investor confidence," and the run on the bolivar began. Caldera's appointment of an old friend, Antonio Casas González, to the central bank presidency did not assuage London, despite his having spent the past four years as the "well-liked" representative of Venezuelan oil company operations in England. Threatened the London *Times* on May 4, Casas "will have to prove he is more than a Caldera stooge before any degree of international confidence returns" to Venezuela.

On May 4, Casas moved to slow down the flight of dollars out of the country through what are being viewed as "partial exchange controls"—a daily central bank auction of dollars

to the commercial banks and exchange houses, with a fixed ceiling on the price. But the government has left the back door wide open—the black market, where drug dollars from the border with Colombia and from the offshore banking centers of Aruba and Curaçao are readily available—and will not be able to stop the flood of capital out of the country until and unless it orders a crackdown on this parallel market and the criminals who control it.

Judicial corruption enters into the picture here, too, as exemplified by the May 3 decision of Superior Court Judge Luis Contreras Pernia to annul 32 arrest warrants for officials of exchange houses accused of drug money laundering. Judge Contreras, who comes from the Colombian/Venezuelan border state of Táchira, was immediately criticized by lower court Judge Mildred Camero, who had issued the original warrants last year and who is now demanding an investigation of the banking sector “to see whether these entities are laundering money.” She noted that at the time of last year’s arrests, she had asked for an audit of a number of banks, including Banco Latino, for money laundering.

PLV prosecution

Just how far these corrupt networks are willing to go in attempting to silence LaRouche’s views in Venezuela was revealed by a week-long series in the daily *Diario de Caracas*, which reproduced lengthy sections of the judicial findings against PLV Secretary General Alejandro Peña that served as the basis for his indictment. (The findings were apparently anonymously extracted from the judge’s chambers and delivered to the editorial offices of *Diario de Caracas*.) Not only did the purported “evidence” against Peña include absolutely irrelevant transcripts of wiretaps of his and other PLV members’ personal telephone conversations dating back to 1985, but the wiretaps had been illegally obtained and accepted by the judge from employees of *Cisneros’s companies!*

The judge’s indictment of Peña (published in *EIR* last week) is entirely based on the testimony of six Cisneros employees, several of them “former” agents of the DISIP political police who had themselves been indicted for a variety of criminal charges, including murder. Their testimony is filled with blatant lies, such as their claim to have heard Peña on radio and television inciting mob attacks against Cisneros properties. The transcripts of all of Peña’s presentations are in the public domain, and not only contain no such statements, but in fact specifically call on citizens to urge a full government investigation into the Cisneros Group’s financial operations.

On May 5, Alejandro Peña surrendered to Criminal Court 42, where his lawyer immediately posted his bail. On the steps of the courthouse, where he was mobbed by reporters as he was being released, Peña announced that neither he nor the PLV could be terrorized or swayed from exposing the roots of the international and national financial crisis, or from

proposing the emergency measures to deal with it.

Two days earlier, the newspaper *Ultimas Noticias* had published excerpts from an open letter issued by the PLV to denounce the “monstrous judicial persecution” of the only voice in the country with a viable solution to the country’s ills, and offering its economic program. The newspaper reported, “The PLV bases its proposal on establishing exchange controls, suspending payment on the debt, breaking with the International Monetary Fund, turning the Central Bank into a ‘genuine national bank,’ creating an Ibero-American Debtors Club, and setting up a common market in the region. And forging national unity around this program.

“The PLV insists that the case against Peña Esclusa, instigated by the representatives of the Rockefellers in the country, is intended to silence the PLV’s proposals and to discredit this party so that its proposals will not be known at the highest levels of the Venezuelan state. . . . Those who have looted and betrayed Venezuela want the government of President Caldera to go down on its knees before the IMF.”

Documentation

Caldera on the debt crisis

This article was published May 2 by the Mexican daily Reforma. Titled “Foreign Debt, An Epitaph,” it was written by Venezuelan head of state Rafael Caldera.

Each time it has fallen upon us to give a speech or to intervene in a dialogue on the problem of Latin America’s foreign debt, we have never failed to recite a very revealing anecdote, fully applicable to the situation of our countries. It is the case of a very honorable gentleman who lived in Carúpano, a city in Venezuela, who had the habit of telling his children that the epitaph on his grave would say: “I lived paying and died owing.”

An article published in the *New York Times* on Aug. 1, 1992 says that the Latin American debt burden continues to rise despite the refinancing agreements: “The region still has a burden of more than \$435 billion and the debt is rising. It is expected to reach \$442 billion 770 million next year. Annual interest payments on this alone will weigh heavily on the economies of those countries for years.”

Most serious of all is the fact that the new debts contracted are primarily applied to servicing the old debt. According to the Latin American Economic System (SELA) and the United Nations Development Program (UNDP), in the last five years the region transferred capital abroad to the tune of approximately \$150 billion.

But the situation persists, despite the fact that—as the

Times article notes—"for months Latin American businessmen and public officials have been saying that the region's debt crisis is over."

What is certain is that to reach agreements on restructuring the debt, Latin American governments which have done so have not only had to commit themselves to concessions which severely reduce their possibilities, but to adopt structural measures which have harshly punished their populations. These measures, it is true, have produced notable improvements in some macroeconomic indicators, such as the volume of international reserves, a relative stability of the currency, a relative lowering of inflation rates, but the social cost has produced a sharp deterioration in the living standards of the majority of the population, and, far from presenting a picture of recovery, offers a dark and threatening panorama.

In Venezuela, we have not even achieved a fiscal balance or contained inflation. If one studies the statistics closely, one finds that the increase of reserves in the treasury almost exactly equals the increase in indebtedness. A report by a study team from the Institute of Economic and Social Research at Andrés Bello Catholic University, with the cooperation of the University of Northern Texas and of the Venezuelan Institute of Social and Political Studies, revealed that debt service will consume \$13 billion between 1992 and 1996, which will "not only absorb the trade surplus but will

require new indebtedness and the use of international reserves. It is anticipated that by the end of 1996, the country's total debt will be equal to the same amount at the end of 1991." To which one must add the debt of *Petróleos de Venezuela* to maintain its production levels.

Recently, a high-level official of the Venezuelan Finance Ministry declared that the total of the \$28 billion foreign debt and the 45 billion bolivars of domestic debt (some \$600 million) represents 8% of the Gross Domestic Product. Now, at a forum held recently in Mexico, a German professor noted that in the Weimar Republic, the Treaty of Versailles made the German Reich pay 3% of its GDP in war reparations. It is known, he said, what the consequences of that burden were (the fall of democracy, the rise of Hitler to power and, finally, World War II). It would be very serious to ignore the lesson.

Meanwhile, the terms of international trade continue to militate against us. The developed sector's war against the primary products provided by the countries of Latin America is merciless. If their eyes are not opened to reality and if they do not accept recognition of international social justice, the epitaph of Carúpano will prove fatal. The governments of Latin America should realize the need for a united effort to revise the terms of a relationship whose results will not in any way be conducive to international peace or to the strengthening of democracy.

In Defense Policy and as a Military Phenomenon

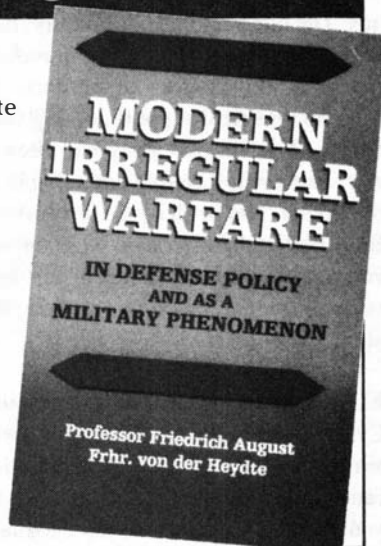
Modern Irregular Warfare

by Professor
Friedrich August
Frhr. von der Heydte

Order from:

Ben Franklin
Booksellers, Inc.
107 South King St.
Leesburg, VA 22075

\$9.95 plus shipping
(\$3.50 for first book,
\$.50 for each
additional book.)
Bulk rates available.



U.S. environmental groups were given millions of dollars in the past five years to spread scare stories about a man-made ozone hole that would cause cancer on Earth.

Now, for only \$15, you can learn the truth about the ozone scare.

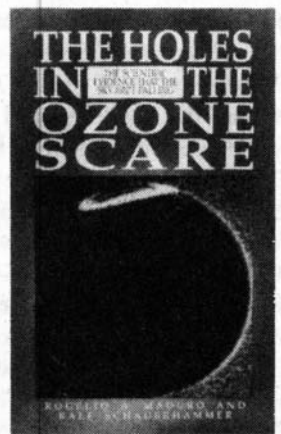
THE HOLES IN THE OZONE SCARE

The Scientific Evidence That the Sky Isn't Falling

Send checks or money orders (U.S. currency only) to

21st Century Dept E
P.O. Box 16285, Washington, D.C., 20041

\$15 plus \$3 shipping and handling



‘The Serbian model must not be allowed to succeed’

Stipe Mesic is president of the Croatian parliament. Together with Josip Manolic, president of Croatia's lower house of parliament, he launched a new party, the HND (Croatian Independent Democrats), on April 20 in the Croatian capital of Zagreb. The party includes 17 parliamentarians of the ruling HDZ party (Croatian Democratic Union). Both Mesic and Manolic were founding members of the HDZ in 1989, and have been critics of the current government of President Franjo Tudjman for its policy toward Bosnia. Mr. Mesic was the last president of the presidency of the Yugoslav state. Elke Fimmen and Helmut Böttiger interviewed him in Zagreb on April 18.

EIR: You have been actively present on the political scene of the sovereign nation of Croatia from its start. Could you recapitulate the main factors leading to the declaration of Croatian independence?

Mesic: I have been in politics for a very long time. I ran for Croatian parliament for the first time in 1964. I was the only person elected into the Croatian parliament as an independent candidate; everyone else at the time belonged to the Communist Party. So, even at that time I was an independent. In 1971, I became a member of the so-called Croatian Spring. For that reason I had to suffer certain consequences, of course. But I got included into political life in 1989 again with the establishment of the Croatian Democratic Union. During the formation of the party, I was its secretary general. In other words, I got to know quite a lot about relations in former Yugoslavia. I believe it may be true—and that is also what I believed at the time—that Yugoslavia cannot be kept together, and this has proven to be correct. Yugoslavia used to have three integrating factors: Tito, with his charisma; the Communist Party, which was generally the Yugoslav party; and the Yugoslav army. Tito passed away, the Communist Party was destroyed by the Serbian party, by Slobodan Milosevic, and the army came down on the side of Serbia and stopped being a Yugoslav army. When that became completely obvious, we realized that we could only be kept to-

gether as a nation, as a people, if we were there to protect our own interests.

In order for us to protect our interests, we have to individualize ourselves. We thought it would be feasible through a confederation model. We offered that concept, but Serbia did not respond; to this very day, it has given no reply to the idea.

It actually did give a reply, and it was the war option. By the war, it wanted to convince the world that it was fighting for Yugoslavia; but facts may corroborate that in the war against Croatia, Slovenia, and Bosnia-Herzegovina, Serbia was drawing the lines of new borders, of a Greater Serbia. What is going on right now, is that Serbia has finally realized that it will not be able to keep hold of parts of Croatia; but it believes it is still possible to retain those parts of Bosnia-Herzegovina that are covered by its army.

With the turmoil of the disappearance of Yugoslavia—and at that time I was the president of the presidency of Yugoslavia—I believed that the war could be avoided, provided that international forces were deployed between the war-mongering, rebellious Serbia and the rest of the republics. The international community, had they done that, would have manifested their determination, showing that there would be no changes of borders. Also there would have been no logistical support coming for the Serbian army from Serbia. The Serbian army had been preparing itself for the war. And next, it started engaging in it, conducting it in parts of Croatia, and in all of the territory of Bosnia-Herzegovina. Both England and France were opposed to this idea, and as you can see, I have failed in this respect. Now I think the same solution is called for, namely, the deployment of forces along the borders.

EIR: Concerning Croatia, it seems we are back to 1991, when Cyrus Vance and Lord Carrington were asking Croatia to give territory to Serbia and establish so-called green zones as demarcation lines like in Cyprus. That leads to the question: What are your current perspectives for Croatia, given the negotiations

with the Serbians and the U.N.-prolonged and -increased mandate, which practically makes it impossible to get back the 30% of the territory which belongs to Croatia?

Mesic: The problem lies in what you have just stated. Serbia wanted to seize somebody else's territory, of course—parts of the territory of Croatia and most of the Bosnian-Herzegovinian territory as well. This is what I was telling both Vance and Carrington. I even went to address the United Nations on that account. I talked to [then-U.N. Secretary General Javier] Pérez de Cuellar about the same issue. All of them believed that the war could be averted if Croatia, for the sake of peace, really decided to make concessions on part of its territory. I asked Pérez de Cuellar what territory he had in mind. He said, "The territory that is closer to the border, and also where there is a majority Serbian population." So I said, "Well, on that territory that you are now talking about, we have a majority Croatian population." Ilok, which is right on the border, had a 95% Croatian population. The Serbs were 500 kilometers away from that area in Knin, and for that reason, I told him, war was going to break out. Because Milosevic would carry out genocide, he would engage in "ethnic cleansing" in order to join one enclave together with the Serbs.

They failed to understand that point. They may not have even wanted to see such a Serbian action effected; but they failed to understand. So Serbia did launch the war adventure. In a way, [Vance and Carrington] gave their agreement to it. Excluding Pérez de Cuellar, those two gentlemen, Vance and Carrington, and later on Lord Owen, concentrated their efforts on drawing maps. They thought that by drawing new maps, they could stop the aggression. Of course, that is impossible, because in such a way, the aggression would have been rewarded. Croatia cannot accept the annexation of parts of her territory to Serbia, because she would be left too incapacitated. It would be impossible to organize transport, traffic, the economy. So, if a Greater Serbia were to be established, that would mean drowning Croatia, or, to be literal now, making Croatia suffocate.

EIR: To draw the line a little bit further and return to the outside forces which were encouraging Serbia: In 1989, Admiral Mamula went to London to discuss the situation there, including with [wartime British intelligence operative] Fitzroy Maclean. Shortly after that, very strong attacks in the Serbian and the British press against the reunification of Germany appeared. What do you think about the analysis of the American politician Lyndon LaRouche, that this war in the Balkans was launched to destroy a potential European competitor, both economically and politically?

Mesic: By defeating the socialist bloc, there was no longer left behind here a force between two opposing blocs. It was former Yugoslavia that played such a role. Through it, messages were sent from the East to the West, and the other way

around. That part of history is past. Milosevic, in a self-assured way, embarked on the project of destroying Yugoslavia. No doubt he must have been well accepted by certain circles, because had he not been so, he would not have shown so much determination, haughtiness, and self-confidence in pursuing his policies.

Let us now go back into history just a couple of years. In the years 1988-89, Milosevic organized mass meetings in Belgrade of people who said they would be going to Slovenia and that sort of thing. He wanted to obtain support for what he had been doing in Kosova, and it became pretty obvious what he was after. But it was also obvious that he must have had support. If you observe the kind of slogans he projected, he said: "Serbia should remain whole," and "It cannot consist of three parts." So he abolished the autonomy of Kosova, as well as that of Vojvodina, and he practically annexed Montenegro to Serbia. At that time, he was saying that Serbia could go by itself. He said that it was just being harmed by Yugoslavia. As soon as he had done that—and the year was already 1989—never again did he continue to say that Serbia could go it alone. After that, he started saying that "Serbia wants Yugoslavia" and "Serbia has been fighting for Yugoslavia." That's the trick that he used against certain naive people in Europe. Some were not all that naive; so they actually acted as if they had not known what was really going on. Obviously, he wanted to exert influence on as much territory as possible from one center. So if there was going to be no more Yugoslavia, Serbia should become as big as possible.

Now, we have touched on European relations. [The] Maastricht [Treaty] has provided solutions for the future. After all, what is projected from Maastricht, is a kind of futurism, but one in which many European peoples have found their place, and they believe it is a way out; namely, that borders should be linking European nations, rather than pulling them apart. In other words, rules of operations should be the same for all of Europe, meaning that the economy should have equal possibilities in all European states. In such a way, Europe would be united. . . .

Therefore, this war is an absurd war. Actually, it means undermining Maastricht and undermining a united Europe, because it brings Europe back into a division of spheres of influence, in the area concerned as well as the rest of Europe. Stopping a unifying trend for Europe, is throwing Europe back half a century, and Milosevic looks like a player in this context, breaking down European integration processes. He is the player for those who aim at seeing such processes breaking down. On the one hand, the ambition of establishing a Greater Serbia comes to life—the ambitions that were not accomplished by Serbian generals in 1914. And by the same token it is kind of a slap in the face for those who would not want to see a powerful Germany within a united Europe. It is simply forgotten that at present Germany is probably a

country with the most highly developed democracy, and one should not have fears of such a Germany. One should pull forces with it into such a united Europe.

EIR: You mentioned that history is being put back 50 or even 100 years by what Serbia is doing. The same can apply to the old game of geopolitics by the British, especially.

Mesic: Absolutely. Look at this kind of logic. The most naive politician in the world or in Europe sees clearly that Serbia has taken over what used to be the Yugoslav army. Serbia has appropriated all the reserves, all the arms and weapons, all the arms manufacturing plants, and is conducting a war of aggression with all this—whereas the international community has decided that the victims should be prohibited from buying weapons for themselves. In other words, whoever has made such a decision, absolutely wanted a victory of Serbian arms and weapons. That is pure mathematics. So, if Owen is to say now, “If we were to allow the Croats and the Muslims to acquire weapons, that would make the war escalate still further,” that is amazing. If somebody else made such a statement, he would be called a lunatic who should have nothing to do with politics. In other words, [Owen et al. argue that] only those without arms and weapons should be losing their lives. So you have besieged cities; they are being destroyed, and so on and so forth. . . .

EIR: After the recent agreements between the Croats and the Muslims in Bosnia-Herzegovina, how do you view the further perspective for Bosnia, especially given the dramatic escalation around Gorazde and the return of Lord Owen? Do you see the sanctioning of the division of Bosnia into two parts?

Mesic: Probably yes. If Serbia were allowed to take Gorazde, it would mean that the card is being played in order for the Serbs to acquire those parts that are more adjacent to the border. However, I believe it is a faulty calculation from the outset, because in such a way, the aggression would be rewarded. The world mechanisms are completely wrong in this connection—the United Nations and Europe. I have the feeling that those politicians have been suffering from amnesia. They have simply forgotten what happened during the Second World War. The aggressor, the one who takes up the arms, should not be rewarded. No concessions will satisfy him. The French have a saying: “By eating, you develop your appetite.” The same with an aggressor. If the partitioning of Bosnia were to be successful, following the Serbian model of “all Serbs should live in one state,” then one should ask a question, “Why should just the Serbs be privileged in such a manner?” There are 500,000 Serbs in Croatia and 1,300,000 in Bosnia, which adds up to 1,800,000. There are 2 million Hungarians in Romania, 500,000 in Slovakia near the border, 500,000 in Vojvodina, 100,000 in Croatia, and approximately 100,000 in Austria. Why shouldn’t all the Hungarians be living in one state? [Russian populist leader Vladimir]

Zhirinovsky may apply the same formula, saying, “Well, all Russians should be living within one state.” A Pandora’s box gets opened; namely, their model is to create new realities, and then they would have negotiations. In no time, if this were realized, another aggressor would appear. Then Europe would not have 2 million refugees and displaced persons; it would have between 50 and 60 million. Three states in the former Soviet Union even have the nuclear bomb.

In other words, what I am saying is that Bosnia-Herzegovina has to remain intact. The Croats and the Muslims have signed an agreement, but many Croats from so-called Herceg-Bosna still think they can block the agreement. They think they can play tricks in connection with it and that they can annex those parts to Croatia. Some Muslims have even started thinking of establishing a state of their own, however small, and the Serbs are counting on annexing most of it to Serbia.

To stop this all, the international community should deploy forces along the borders. The problem cannot be resolved in Sarajevo, in Gorazde or in Jaize, or in Bihac. It gets resolved on the border. If it were resolved in such a way, nobody would be shooting at U.N. soldiers. These are fairy tales, that the Serbs would start attacking U.N. soldiers. If their forces were enforced along communication lines, it would really mean something. Bridges, railway lines, roads—they should monitor air space as well. In such a way, there would no longer be logistical support, and all parties in Bosnia-Herzegovina would get seated around the conference table. There they would then try to solve as many of their problems as possible. They would realize that there is no more war.

However, if things continue the way they are going now, the war will escalate and it will be a never-ending affair. I have fears about Lord Owen in particular, because he is clearly for the pro-Serbian option. He does not keep it secret. I have never seen concern on his face for Croatian or Muslim casualties. Either he is a fantastic actor, or something else.

EIR: “A psychiatrist.”

Mesic: He has a colleague on the other side.

EIR: What is the role of the United Nations in Croatia and in Bosnia-Herzegovina?

Mesic: Whenever you have the U.N. devising the right sort of answers, results have been okay. An aggressor who takes up arms and resorts to force, does not believe in any other solution but force. Had he believed in something else, he would have used some other ways and means. If he just believes in force, it is by force that you have to respond. This is convincing enough for the aggressor. You have to shoot down his aircraft, destroy his command posts—but not just any command posts, pertaining to small military units; in order to be efficient, you have to destroy his central headquarters, from which commands are issued to the entire army. Then things would be brought to an end very quickly.

EIR: That would have to be done by NATO.

Mesic: Absolutely. A strike against the command post would destroy the nervous system of the aggressor, and then there would be no more warfare.

EIR: There is a lot of pressure on Croatia by the International Monetary Fund and the United Nations basically to accept Serbian-U.N. control of the occupied territories. There is obviously also blackmail concerning financial aid to Croatia. That means it is a boxed-in situation for the Croatian government. What is your perspective, since there is also a lot of unrest in the country?

Mesic: The problem obviously lies in the fact that people aren't looking into the causes at all, but instead are trying to justify the Serbian aggression. Supposedly, the Serbian minority has to win protection. The Serbian army actually got those rebels armed with all possible arms and weapons, even including missiles, heavy artillery, and what not, and Serbia keeps on arming them; they have even been given military units. In the areas concerned, where there are talks concerning Serbian Krajina, you have only a one-third Serbian population. In other words, the Serbian problem cannot be resolved in such a way. Rather, the borders of a Greater Serbia are being drawn.

As far as Croatia is concerned, we accept any international supervision and monitoring provided to protect any national minority in Croatia. How come there is no other national minority rising in revolt? I can even state that all the rest of the national minorities are in jeopardy, with the danger coming from the Serbian national minority. This means the international community has failed to realize the causes of the conflict. The aggression has to be stopped. The current negotiations can last for quite a long time, as long as Serbia has possibilities to give logistical support to its army in Croatia and Bosnia. As long as it is still doing that, the war is going to continue. Now their effect is to accelerate the war being brought to an end. But how? By the Serbs coming out victorious.

Milosevic can see that Serbia is in an economic collapse. He can endure warfare for, say, four or five months, but then Serbia will find itself in the same economic situation it faced in 1945. Therefore, they will probably try to accomplish their goals within a short time-span. If they solve the problem in Bosnia, then Croatia can in no way resolve the problem of Krajina, because it will get annexed to Serbia.

When Milosevic launched the aggression, he followed the model of Cyprus. He applied brutal force to drive out all the non-Serbian populations from the area, and he believed that we would be so naive that we would drive Serbs out of Croatia. So he would obtain a line, where on the one side there would be Serbs, and on the other side everybody else. A Greater Serbia would thus be established. However, this is not what we did. We did not drive the Serbs out, and we are now morally entitled to see our Croats getting back to

their homes.

Individuals can play tricks in politics, but the United Nations ought not do so. So, since you cannot change borders, if you have prohibited the victim from defending himself, then you have to protect the victim. This is the entire logic, or else the United Nations is no longer needed; or we have to say that the United Nations has supported the aggression. . . . In other words, whoever has force at his disposal can succeed, with a little bit of sacrifice and a bit of patience. It doesn't sound optimistic, does it?

EIR: It sounds realistic.

Mesic: In the final analysis, Serbia cannot come out victorious as far as this war is concerned. Even if it were to solve the problem in Bosnia in a way, and retained those areas there, and even if by force it managed to retain parts of Croatia, its main generator of crises will still be intact, namely Kosova. If all the Serbs should be living in one state, then all the Albanians should be in Albania. That is the logic of space. Some 92% of the population of Kosova are Albanians. Those who are playing the Serbian card will be faced with a new problem, a bloody war, and the problem will become internationalized next. It will include Montenegro, Serbia, Albania, parts of Greece and Bulgaria. Macedonia by all means. So there will be another war going on there, even fiercer than the current one. In the end, Serbia will go down in flames, and it will be smaller than ever before. The best solution [for Serbia] is to draw back and choose to stay within its borders. But then the regime would be toppled, which no one should feel too sorry about.

EIR: Can you comment on the Russian involvement in the Balkans? The West should be rather afraid of Russian bases on the coast.

Mesic: One hundred and twenty years ago, there was a Croatian politician named Ante Starčević, who said that the Croatian people should take care, as far as their political orientation was concerned, that they should always keep in mind that Russia, whatever regime was in power, would like to reach the Mediterranean. Especially when certain crazy politicians such as Zhirinovskiy use the Russian nationalism card—if they are to say, “All the Russians should be living in one state.” There are 15 million Russians in Ukraine, Belarus as well, Tajikistan, Turkmenistan; those areas have large Russian populations. So if they are to use such a card in order to create the empire of Greater Russia, then they will want to obtain a way out to the Mediterranean.

Serbia, too, would find itself within such a sphere of influence. Russia would then, of course, like to see that Serbian space as big as possible. Again, it is in conflict with the idea of a united Europe. No longer is it just one of our problems; it turns out to be a worldwide problem, a European problem. Any way you look at it, the Serbian model should not succeed.

Popular pressure kept politicians from caving in

Zvonimir Trusic is president of the Croatian Volunteers Association, which has 35,000 members. Many people spontaneously took up arms when it came to the defense of their homes. From the very beginning, Mr. Trusic was a volunteer along with his son, then 17 years old, and he fought in all the decisive theaters in Croatia. Today, after the almost total demobilization, the volunteers, many of them disabled, are treated as if their war experiences were "their private affair," and are receiving almost no support. The association is highly critical of the Croatian regime, as he described in his interview on April 19 in Zagreb with Elke Fimmen and Helmut Böttiger.

Trusic: There was a spontaneous mobilization of the population against the Serbian attack at the beginning of the war. This practically forced the politicians to act. [Croatian President Franjo] Tudjman, who was constantly acting under foreign pressure, was forced not to sign the very kind of treaties that only now are being signed. They were ready, even at the early phase of the war, to surrender. I personally witnessed how the politicians were ready to apologize to Belgrade, and to stay within some kind of Yugoslavian framework.

The mobilization of the population forced the politicians to not give up, but never really totally. There were always calculations and afterthoughts in their minds. For me, there is only one dilemma: Are these political amateurs and incompetent people, or is this a matter of national betrayal and treason?

The government knows very well our position as Croatian volunteers. Of course, they try to undercut our influence. At the last meeting of the association of volunteers on Feb. 26, the government intervened by throwing in pro-government people, trying to undermine the whole idea, and to move me out, which didn't work. Another example: In 1992 I spent half a year in prison, because they tried to get me out of the war in this way. Officially, the reason was "killing for national motives."

I led the last attempt to break through [the Serbian siege] to Vukovar, and I categorically confirm that Vukovar could have been defended. The military encirclement of the city was never total. In the last days of its defense, groups of people were pulling out through certain corridors, through

which it was possible to get in. The action to actually get through was stopped in Zagreb. When it was known that our group wanted to go to Vukovar, there was a refusal to supply the necessary anti-tank and armor-piercing weapons. In the end, I was forced with my unit to take over by force a storehouse from the Croatian Army to get the necessary supplies. They sent military police with armored vehicles after me, to prevent me. From a military standpoint, it is very clear that Vukovar could have been defended, but obviously, other motives were crucial in this matter.

EIR: What is your perspective for Bosnia?

Trusic: The only option for Bosnia is that the Croatian and Bosnian forces together defeat the Chetniks, i.e., the Serbs.

Gorazde is another image of Vukovar. You can trace the hand of the same forces on an international level, who designed the fall of Vukovar and who designed the fall of Gorazde. I believe also, that the Bosnian Army, together with its Croatian counterpart, could have done much more for the defense of Gorazde. It could have been possible to regroup the troops from other parts of Bosnia, where there was not so much engagement.

A great deal of the responsibility for the fights between Croats and Muslims lies with the Croatian leadership in Zagreb, because at the beginning of the war, the Muslims displayed a great inclination to organize joint actions. Historically and out of necessity, they leaned on Croatia. Only somebody out of his mind, or somebody who commits national treason, could cause the Muslims to take the position of the enemies of Croatia. A lot of things happened, by which Muslims were turned against Croats.

Certainly one of the turning points in the relations was the murder of Croatian HOS Commander Blaz Kraljevic and his group of eight people in Hercegovina by Hercegovina special forces. He was a Croatian emigré, who had returned for the defense against Serbian aggression. He and his group were killed in an ambush on special orders, after his group had taken over the city of Trebinje in eastern Hercegovina which had been Serbian-held. He was part of a faction that was for the alliance between Muslims and Croats. He was murdered to prevent such an alliance. Up until then, common Croatian-Muslim units had functioned quite well in Bosnia.

After that, Muslims were no longer regarded as allies, but were imprisoned, taken away from the units and so on.

A lot of crazy moves from the Croatian side produced the total hostility and animosity between Croats and Muslims. The fundamentalists on the Muslims' side had a good pretext to develop total antagonism against Croatia. At that moment, the fundamentalists within the Muslim ranks saw their chance to form an Islamic state. They could only grow on the basis of this Croatian policy.

Interview: Marko Veselica

Why Croatia needs Libertas movement

Marko Veselica is president of the Christian Democratic Party of Croatia and professor of economy at the University of Zagreb. He was a longtime political prisoner under communism. On April 19, Professor Veselica explained why he is participating in the citizens movement "Libertas" to Elke Fimmen and Helmut Böttiger.

The basic reason is that the political engagement in political parties in Croatia has become unproductive. The ruling party from the very beginning of the war killed the will of the Croatian people to resist the enemy and to resist the Serbian attack. It did not want to mobilize the population to beat up the aggressor and to win the war. It did not believe in the capability of the Croatian people and the Croatian Army and has at the same time mystified the military potential of the enemy. It accepted the role of international factors, who were siding with Serbs, that is, the United Nations and the European Community, who were working systematically against the Croatian liberty, sovereignty, and the emancipation of Croatia, as well as other people in the ex-Yugoslavia area.

The biggest mistake was that the ruling party did decide not to take the weaponry from the Serbs, because it could have been taken very easily. When the Croatian Army was advancing, they didn't want to follow this line; instead they bowed to international pressures and brought in Unprofor. They have created a division of Croatia against the Croatian interests. From then on, we may detect a kind of cooperation between [Croatian President Franjo] Tudjman and Belgrade's regime rather independent from international factors: They have been acting together in certain points, a subtle

cooperation, conscious and sub-conscious at the same time. It is a subtle cooperation with a genocidal regime in Belgrade against real Croatian interests and against its real productive capacity.

After the detection of this cooperation with Belgrade, the destruction of Croatian national hopes came to the surface. The best productive powers of the Croatian people have been put aside; the people became demoralized, and resignation started to dominate. A totalitarian state is in the process of creation; all rational creative forces are being destroyed; a complete, one could call it, "narcotization" of Croatia is at work. The opposition to the ruling policy, is being kept out of the public in the media, especially the television. The darkest forces are coming into the light of the day, and this all has a destructive effect on the Croatian mentality.

This action for Croatia, *Libertas*, is rising up against this process, which is a kind of cancer for the Croatian future. We expose ourselves in order to galvanize people again. We want to be present wherever Croatia is most threatened, and want to create a kind of political guerrilla fight, motivate people, and out of that create a new political strategy for Croatia. So, regardless of the fact, that I am a leader of a party with a good political rating, I nevertheless want to subordinate the interests of my party to the interests of Croatia as a whole. Political parties turned out to be totally incapable of dealing with manipulations of the ruling party and the kind of political mafia game. There are people here who have earned maybe DM 10 billion by smuggling weapons, and these people may very well be connected with foreign intelligence services to undermine Croatian fighting ability. We could have developed a balance in quality weapons, having this money, that they have smuggled into their own pockets.

The people in *Libertas* are not engaged in parties, but are artists, people from public life, and so on. We want to speed up the formation of a national salvation program. It doesn't have anything to do with a political career, because our career is Croatia and its liberty and sovereignty. We want to rise above all the particular tiny interests and calculations. We think that that is a much faster way to gather people into the new stream, to get them out of passivity, out of a sense of helplessness, and make them aware that something really can be done. In this group, we unite knowledge, honesty, memory, intellectual capabilities and so on.

This is a group of, in a way, chosen people, who feel the destiny of a nation, who are not officials, but who want to transform this sense into political reality. I think I personally can give a significant contribution to this idea.



Uproar in India over U.S. pressure tactics

by Ramtanu Maitra and Susan Maitra

The Indian parliament had to be adjourned briefly on April 27, following agitated demands by the opposition that the government of Prime Minister P.V. Narasimha Rao come clean on its intent in the "secret" talks that took place in London between U.S. and Indian officials. At the center of the debate is the pressure from Washington on New Delhi to sign the Nuclear Non-Proliferation Treaty (NPT).

The talks, originally scheduled to last for two days, were cut short, perhaps as a result of the wide publicity they received. Concern among opposition parliamentarians was heightened because of two earlier developments: First, Rao had just accepted President Bill Clinton's invitation to visit Washington for a meeting on May 19; and second, U.S. Deputy Secretary of State Strobe Talbott had just visited the Indian subcontinent in April, making clear that the signing of the NPT by India and Pakistan is high on the agenda of Washington's foreign policy objectives vis-à-vis South Asia.

Added confusion

The speculative nature of the information that filtered in from the "secret" talks did little to calm the nerves of the parliamentarians. The government's efforts to clarify only created more confusion. In the upper house, Minister of State for External Affairs Salman Khursheed said that the talks were part of continuing bilateral discussion for the fulfillment of former Prime Minister Rajiv Gandhi's plan for a global, non-discriminatory non-nuclear order. "We have had several rounds of talks at a bilateral level within the United States, the United Kingdom, and Germany. Several rounds have been held with U.S. officials, and the London talks were a continuation of this effort," the minister said. In the lower house, however, Minister for Parliamentary Affairs and senior party leader V.C. Shukla claimed that the talks were intended as a preparation for Prime Minister Rao's forthcoming U.S. visit.

The issue foremost in the minds of the opposition leaders concerned what stance the Rao government took in these talks regarding the NPT and other such strategic matters. News correspondents with suspected intelligence ties were reporting that the London talks were held to: 1) work out the interim steps to halt India's fissile nuclear material production; 2) maintain the cap on the Indian medium-range missile, Agni, which was undergoing tests and is now reportedly choked off from funds for the 1994-95 fiscal year; and 3)

to prevent the development of India's short-range missile, Prithvi, which is scheduled to be introduced into the security system in June.

Indian Ambassador to the United States S.S. Ray told newsmen that according to the State Department, the United States had not asked India to cap its nuclear plan, nor had it sought "to verify an end to the production of fissile materials." Such statements did little to allay fears that the Rao government is giving in to pressure from the Clinton administration with regard to signing the NPT and halting testing and deployment of indigenously developed ballistic missiles.

A speech by Lee Hamilton (D-Ind.), chairman of the U.S. House Foreign Affairs Committee, was given much play in the Indian press. Hamilton, who had recently supported the one-time sale of F-16 fighter aircraft to Pakistan in return for putting the lid on Pakistan's nuclear weapons program, was quoted saying that New Delhi would do well not to deploy the Prithvi missile, stating that this would provoke an escalation of tensions in South Asia. There were also some references in the newspapers that the United States would implement measures against India for violation of intellectual property rights as stipulated in the U.S. trade regulations under Super 301.

Overreactions

All this added to the reactions of agitated opposition members. There were articles criticizing the members of the Indian delegation. Even the well-respected retired government official N. Krishnan, who headed the delegation, was not spared. There were innuendos questioning Krishnan's commitment to defy the pressure to sign the NPT. There was also an attempt to portray even some of the middle-level American officials involved in the talks as mighty policymakers and supermen. In such a charged atmosphere, truth was a casualty.

What got lost in the shuffle is the fact that the talks were led by a deputy assistant secretary of state on the American side, an official of too low a level to make any kind of policy. Robert Einhorn can make a point, but cannot turn it into a policy decision. Real policy decisions, such as what measures the United States can take against India vis-à-vis the discriminatory NPT, can only come from the U.S. President, whom Rao will be seeing on May 19. It also should be remembered that Washington, like the Indian opposition, is fully aware of the political sensitivity involved in India's signing the NPT, and it also is aware of how little real leverage it has over India regarding this issue.

In fact, signing the NPT is an issue which is only good for point-making against India, but the United States cannot translate it into reality. The Indian opposition must also remember that the same holds true for Pakistan: It would be a real surprise if Washington could cap Pakistan's nuclear weapons program, unless Pakistan volunteered to do so in return for some other "goodies."

New German initiatives in Mideast

The Germans want the end of sanctions against Iraq and an economic role in Palestine.

Germany is not a big player in Mideast policy, but it can give vital economic and industrial support for the two rebuilding jobs on the Mideast agenda: building the economy of the formerly occupied Palestine (plus the reconstruction of Jordan and Lebanon); and reconstructing Iraqi industrial potential, once sanctions against Baghdad are lifted.

A hint of the potential was provided during the spectacular May 2 visit of Palestinian Liberation Organization chairman Yasser Arafat to Stuttgart, the seat of the Daimler Benz Corp., Germany's largest industrial firm. The visit, a "private" project of the company's chief executive Edzard Reuter, put together with the explicit blessing of Chancellor Helmut Kohl, was, as Reuter said, to "demonstrate the support of a big industrial enterprise for the treaty between Israel and the PLO."

The company's Dornier Management Consulting will conduct a survey of options to set up transportation and other vital infrastructure links, fresh water supplies in the new Palestine, as well as professional training of the Palestinian work force. This undertaking is not just altruistic; the Daimler Benz group is forced to shift its heavy dependency on car production to other products in the infrastructure sector.

A politician said to have been active behind the scenes of Arafat's visit is Hans-Jürgen Wischniewski—called "Ben Wisch" because of his excellent contacts to the Arab world. The senior Social Democrat speaks fluent Arabic and has been a troubleshooter in Mid-

east and North African missions for all German governments for the past 30 years. "Ben Wisch" has also been involved in German efforts to get U.N. sanctions against Iraq eased.

A delegation of German politicians and economic experts will tour Iraq in June, to probe chances of easing or lifting the sanctions. Such a move would also help Jordan, whose economy has been hit hard by more than three years of anti-Saddam policy on the part of the western powers, and help the Jordanians to restore the role of their Red Sea port of Aqaba as a vital transshipment point for goods into and out of the Mideast.

The delegation will be promoted by Hans Stercken, the chairman of the foreign relations committee of the German parliament, and president of the German Atlantic Association. Stercken and Wischniewski criticized George Bush's drive, in 1990, to launch a war on Iraq. Their role in lifting sanctions would not have been possible if Bush were still President, because he invested enormous energies into forcing Chancellor Kohl, in late 1990, to gag critics and help fund the Gulf war.

Another sign that the climate between Bonn and Washington has improved since President Clinton moved into the White House, is a review of Bush's Gulf war in the *European Security* monthly of the Society for European Security—the former Wehrkunde society, which has sponsored 31 annual February gatherings, in Munich, of the top brass of NATO military and political bodies.

The April issue of the journal ran

an unprecedentedly sober analysis of the 1991 anti-Iraq war, written by Jürgen Hübschen, a former military attaché at the West German embassy in Baghdad from 1986 to 1989. The hard-hitting attack on the Bush strategy wouldn't have run in the past three years.

"Iraq, a secular state with an education system that was a model for the region, with a good infrastructure, a status for women that is amazing for the Arab world, a country without hunger and unemployment, was bombed back into the pre-industrial age," Hübschen wrote. The whole Iraqi population has been victimized because Saddam Hussein stayed out of Bush's reach. "Revenge, punishment, reparations, and isolation can't be a basis for lasting peace," Hübschen wrote, warning that whoever may replace Saddam one day, will not accept a continued political and economic degradation of Iraq as a nation, nor its being shut out from the Persian Gulf region.

Geopolitically, the 1991 war on Iraq destroyed "a factor of counterbalance against the rising regional power Iran," contributing to the artificial creation of an "Islamic bastion" with Iran, Afghanistan, and Pakistan at its core, enlarged by the ex-Soviet republics Azerbaijan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan—and potentially, Turkey.

Bush used black propaganda to justify the war, while the main motive has always been to gain control of the region's oil wells and states. The entire war against Iraq was therefore never a "just war" nor even a "justified war."

Another such war would not have Germany's backing, German Defense Minister Volker Rühe told his U.S. colleague William Perry in Washington, D.C., on May 2, making it official that Bonn has begun a review of its Middle East interests.

The confessions of Bishop Ruiz

The Zapatista Army's commander-in-chief has inadvertently given Mexicans an earful about his true intentions.

All of Mexico is astir with the unintended "confessions" of Bishop Samuel Ruiz, made at an April 27 breakfast meeting in Toluca with his supporters, which were secretly tape-recorded and leaked to the media. The meeting was called to plot strategy on how to secure the Nobel Peace Prize for the San Cristóbal bishop. Far from coming off as the pious savior of Mexico's abused and downtrodden Indians, "Comandante" Ruiz revealed himself as a self-serving and most unpriestly manipulator, who would rain terror and chaos upon his country, in the name of "justice."

Not the least of his inopportune revelations was one in which Ruiz claimed to have "brainwashed" government Peace Commissioner Manuel Camacho Solís into supporting the Zapatista cause. Said Ruiz: "I believe that [Camacho Solís] is a sincere man who was developing a certain autonomy as the [negotiating] process advanced. . . . The first day he was more a man of the regime, [but] I brainwashed him to understand the full dimension of the dialogue with the Zapatistas." Ruiz went on to describe his relationship with Camacho: "Look, two drunks together never fall down, because they support each other. [Camacho and I] are like two drunks; you give me political strength, and I give you moral credibility, and thus we balance each other."

This admission raises the interesting question of just when this "brainwashing" took place, since as early as Jan. 11, Ruiz was already gloating that "the pyramids are now inverted. The vertex of the church pyramid now rests on me, and that of the govern-

ment on Camacho."

Once his comments appeared in the media, Don Samuel, as Bishop Ruiz is fondly referred to, claimed that he had "slipped up" by using a poor choice of words for his "joke." Joke or not, most Mexicans found the comment highly credible. Neither was the Mexican Army laughing.

In his Toluca address, Ruiz also justified his immodest pursuit of the Nobel Peace Prize by describing it as "a bullet-proof vest and a platform to defend my work in the diocese, which is being defamed." Ruiz was referring both to the Ibero-American Solidarity Movement (MSIA), which has denounced Ruiz as a traitor for his part in organizing the bloody Zapatista insurrection of Jan. 1, and to the Vatican, which tried but failed to oust him from his diocese last October, for "doctrinal deviations"—not the least of which is his embrace of Marxism.

Indeed, in that same address, Ruiz insisted that the Catholic Church has written no document condemning either the Theology of Liberation or Marxism, which prompted Zacatecas Bishop Javier Lozano Barragán, head of the Doctrinal Commission of the Mexican Bishops Conference, to reply the next day that Ruiz is a liar. Said Bishop Lozano Barragán, "The teachings of the Catholic Church, from Pope Leo XIII to John Paul II, have explicitly and implicitly condemned Marxism as a closed ideological system which denies the existence of God. . . . Whoever says there is no explicit condemnation of Marxism as such, is simply lying."

Bishop Lozano also denounced

Ruiz's advocacy of an "autochthonous Indian church," saying, "when Don Samuel Ruiz speaks of not changing the pagan religion, of not bothering any Indian culture with the Gospel because we are violating their integrity, their traditions, their religiosity, take care! Religion is the essence of culture. . . . We have our own culture, [it is] universal, and that culture by virtue of its universality carries within it not only every Indian and mestizo culture, but all the innumerable cultures we have both in Mexico and in Latin America."

Bishop Lozano is by no means the only clergyman who has begun to challenge Ruiz's sudden claim to speak for the Catholic Church, but he is the most prominent thus far. Another is Sonora Archbishop Carlos Quintero Arce, who charged in April that Ruiz's large network of catechists in Chiapas had introduced the Marxist ideology of opposition to the rich, and manipulated the Indians into armed violence. During his Toluca speech, Ruiz insisted that he was not trying to "sanctify violence," but he quickly added that "the first shout was given in the Chiapas Highlands, and now all of Mexico is encompassed; stability and tranquility are lost because those on the bottom-most rung of society are no longer afraid of repression."

The increasingly vocal opposition to Ruiz from within the Catholic Church is in large part due to the impact of a poster issued by the MSIA, with the headline "'Comandante' Samuel Ruiz: Wanted for Treason." Until the poster went up on walls in several key Mexican cities in early April, Ruiz appeared to have acquired the mantle of "untouchability" in the aftermath of the Chiapas uprising. Today, Ruiz sees those same posters plastered daily on the walls of his own church in San Cristóbal, Chiapas. The handwriting on the wall?

A Shining Path rescue effort

The U.S. State Department and International Red Cross are once again siding with Peru's narco-terrorists.

When the Peruvian Armed Forces launched its "final offensive" April 5 against the last bastions of the Shining Path in the Upper Huallaga Valley, the narco-terrorists' enormous international support apparatus once more surfaced, with the U.S. State Department backing a network of the media and of international and local "human rights" organizations.

The military operation against the final columns of Shining Path's People's Guerrilla Army (EGP) suffered a major reverse and was on the verge of being aborted, as so many others were during the first 12 years of the war, by the actions of this network under the orchestration of the Inter-American Dialogue, a bankers' front group based in Washington and with extensive influence inside the State Department.

Following the 1992 capture of Shining Path chieftain Abimael Guzmán, the Peruvian Army dedicated itself to cleaning out the remnants of the EGP centered in the Upper Huallaga Valley, which is also the world's largest producer of coca leaf used to make cocaine. The union of Shining Path with the traffickers, and their iron control over the population in that area, which is almost entirely involved in coca cultivation, has made any such mop-up operation difficult, given the risk of adversely affecting a population in which Shining Path is said to move "like a fish in water."

Shining Path's redoubts are virtually impossible to detect from the air, because of the dense vegetation. Only after months of patient intelligence

work, using information from terrorists who have surrendered under the government's "Law of Repentance," was the Peruvian Army able to pinpoint the terrorists' barracks and to identify the Shining Path "commissars" infiltrated into the population. Thus, Operation Aries was launched.

It was the local correspondent of Cable Network News (CNN) who on April 18 was the first to broadcast "exposés" of assassinations in the zone, allegedly carried out by the Army. The next day, the so-called National Human Rights Coordinator (CNDH) charged that the Army had carried out "bombardments" of defenseless towns, and that there were 50-100 victims.

The newspaper *La República*, linked to the pro-terrorist São Paulo Forum, handed its pages over to the CNDH and to the International Red Cross (ICRC), calling for immediate suspension of military operations and access by ICRC to the combat zone. By April 23, most of the country's media acknowledged that the reports of "bombardments" were false, and that the corpses found belonged to individuals who had died before the military operation, or to wounded Shining Path combatants finished off by their retreating comrades.

The Army, for its part, rejected the Red Cross's demand and charged it with acting in bad faith by entering war zones and demanding immediate access to captured terrorists. Gen. Alfredo Rodríguez Riveros, military chief of the Huallaga Front, denounced such interference, asking,

"Why don't they allow me the 15 days which I am given by law to interrogate them first?" The Red Cross's interference has reached such extremes, according to General Rodríguez, that after speaking with ICRC representatives, the terrorists not only refuse to cooperate under Peru's Law of Repentance, but deny everything they had admitted in their earlier statements.

Congressman Carlos Blanco noted that during Red Cross interviews with Shining Path terrorists, the Red Cross officials make various offers in exchange for the terrorists' silence. The congressman revealed that he knows of one case of a repentant terrorist who was offered ten exit visas abroad for himself and his entire family by ICRC, if he would say nothing to his captors!

When it became quite clear that neither the Fujimori government nor the Armed Forces would yield to these pressures, the U.S. State Department came to the rescue, issuing a statement on April 28 which repeated CNDH's "denunciations" and pressured for unrestricted access by ICRC into the combat zones, so that they can "do their work." The Peruvian Foreign Ministry publicly rejected the "inexact," "inappropriate," and "unfriendly" State Department communiqué.

Of course, this is hardly the first time that the State Department has come out on Shining Path's side. In 1991, it cut military aid to Peru, accusing the Peruvian military of human rights violations. More recently, it sent a Commission of Jurists headed by American University law professor Robert Goldman, to "study" Peru's legal system. The commission's conclusion was that Peru should annul its anti-terrorist legislation—the centerpiece of its highly successful strategy against Shining Path—and review its trials of terrorists. Peru's government has rejected the "recommendations."

International Intelligence

LaRouche: Politics in Italy is a clown show

At a press conference in Moscow on April 28, Lyndon LaRouche was asked about the parallels between the Russian political crisis and that in Italy. "Do you believe that the accession of the Berlusconi government has adequately now shifted the situation in Italy, and if so, in what direction?" a journalist asked.

LaRouche replied, "There are two ways to destroy a nation. One is to shoot the head of state; the other is to put a complete clown into the presidency or the prime ministership.

"What you have in Italy is not politics any more, but a circus. Until this is reversed, you have a government which is totally detached from the people, from the reality of the Italian situation.

"Remember this whole operation was put into place by a meeting on the British royal family's yacht off the coast of Italy, in which all the actors planned the whole operation. They destabilized Italy for the purpose of destroying its government. They have now created, in Italian politics, not a government, but a clown show. Virtually all the old parties, corrupt as some of them were, have disappeared."

As for the new prime minister, Silvio Berlusconi, LaRouche added, he is "a public relations airhead, who has no understanding of politics, no concern about it, until recently. He's a commentator on politics, not a maker of politics."

Most Russians oppose role in Balkan war

An overwhelming majority of Russians opposes an entanglement in the Balkans, an opinion poll carried out for Russian national television found. Only 21% of those polled said they would back a Russian intervention on the side of the Serbs, while 72% think that Russia should stay out of that conflict, and 8% would even support a NATO intervention against the Serbs.

A TV commentator who presented the findings said that they show that there is no Pan-Slavic majority in the Russian population on which any politician or military figure could rely for launching adventures in the Balkans.

The result of the poll was covered in the daily *Nezavisimaya Gazeta* on April 28, which also published an analysis by Pavel Felgenbauer to the effect that military adventures in the Balkans have always proven to be a trap for Russia. The entire period of Russian wars against the Turks in the Balkans during the 19th century, and especially the pro-Serb intervention in 1914, did not bring the Russian Navy to the Adriatic Sea as had been hoped, but cost Russia a lot of effort, resources, and human lives, as well as its great power status at the end of World War I.

"The whole evil lies in the fact that the Balkans has always been a theater of war for Russia," Felgenbauer wrote, charging the Russian elite with not having drawn the lessons from history. "The foreign ministry should have tried everything possible not to allow Russia to get drawn into this war, but it didn't," Felgenbauer wrote, warning that the Balkans remained an "incalculable adventure, and Russia should better restore order at home, first."

Yemen on the verge of a new civil war

The southern Yemen Socialist Party (YSP) on April 30 accused President Ali Abdullah Saleh of effectively declaring civil war. The YSP, led by former Vice President Ali Salem al-Baidh, said that an attack on southern troops in Amran, north of Sanaa, by a northern brigade was tantamount "to implementation of a civil war declaration," Aden television said.

Yemen was embroiled in civil war for some 30 years, fueled by the Saudis, Egyptians, and Iranians. The YSP of the south and the General People's Congress of the north, led by President Ali Abdullah Saleh, have been locked in a power struggle since the reunification of the country in 1990.

Yemeni military sources, warning of catastrophe if clashes between rival northern and southern military units were allowed to continue, want a cease-fire declared immediately, reported Reuters news service on April 29.

A spokesman for the Aden-based Defense Ministry warned in a statement of a possible spread of fighting to other parts of Yemen, "igniting a destructive civil war." A southern military source said, "The escalation of the military clashes is a bad omen of a bloody catastrophe."

Newsletter exposes ADL link to Kach fascists

The April 1994 issue of the Paris-based newsletter *Israel and Palestine* published an article by editor Maxim Ghilan, blasting the foreign support apparatus for the Israeli Kach party of the late Meir Kahane—a support apparatus which includes the Anti-Defamation League (ADL). Ghilan accused the international media of perpetrating the mythology that Dr. Baruch Goldstein, the murderer of Hebron, represented an "isolated" phenomenon. "Nothing could be further from the truth," he wrote.

In the media, "the settlers were depicted as divided into 'moderates' and 'extremists,'" Ghilan wrote. "The extreme right settler microcosm (never described as what they are—as fascists, and in Kach's case with an ideology actually patterned according to Adolf Hitler's *Mein Kampf*) were said to be cut off from Israeli and Jewish public opinion. . . .

"In the United States, the American-Israeli Public Affairs Committee (AIPAC), the Zionist-Jewish lobby, is mostly committed to the Israeli right rather than to Rabin's government in Jerusalem; and part of its members are openly sympathetic to the Orthodox extremists of the Jewish Defense League—the group from which most of the American-born settlers in the Occupied Territories originate.

"American and Israeli-based Kahanists are also well connected to the FBI and to the secret Jewish-American intelligence net-

work, the B'nai B'rith's Anti-Defamation League, which spies on Americans and Israelis alike, and prepares briefs for action not only by Israeli institutions, but also by Jewish extremists of the right."

Russia, Latvia agree to troop pullout

The Presidents of Russia and Latvia ended two years of negotiations on April 30 with a formal agreement to pull Russian troops out of Latvia by Aug. 31. "I want to mention a question painful both for Latvia and for us, that of the remnants of the Stalinist totalitarian regime of the 1940s," Russian President Boris Yeltsin told Latvian President Guntis Ulmanis after the Kremlin signing ceremony. "I want to say officially again that we condemn these acts against the autonomy of the republic of Latvia and its people."

The last obstacle to signing—the status of 22,320 retired Army officers and their families—had been removed at talks in Latvia on April 29, although some parties in Latvia's parliament have refused to accept the compromise deal so far. The compromise allows the Russian ex-officers to stay in Latvia with social benefits and residency rights, but not citizenship.

Spanish government is rocked by scandals

Spain's political institutions are being hit by a series of scandals over corrupt financial deals and drug-money laundering. Prime Minister Felipe González was forced on May 2 to cancel a planned state visit to Romania and Bulgaria, to answer charges against him in the parliament. Every day, there are increasing calls from the conservative opposition for González to step down, and for early national elections to be called. One intelligence source told *EIR* that it is likely that "a couple of people in Spain are going to have some accidents."

The latest focus of attention is the former head of the powerful Civil Guard, Luis Roldán, who is now in hiding. In an interview

with the Spanish publication *El Mundo* from his hiding place, Roldán vowed that he would reveal information on all sorts of dirty doings under the rule of Socialist President González.

The French daily *Le Figaro* stressed on May 3 that the scandal centering around Roldán "takes on its true dimensions when one keeps in mind that he directed, for seven years, the antiterrorist fight and operations against drug traffickers, and that he administered the 'reserved funds' of the secret sums destined for the financing of certain special operations of the state."

Quebec activist: Prepare for breakup of Canada

The establishment-picked leader of the campaign for Quebec independence, Lucien Bouchard, travelled to western Canada on May 2 and told residents "to start preparing for the breakup of the country," Reuters reported on May 2. Bouchard is head of the separatist Bloc Québécois party and leader of Canada's loyal opposition in the House of Commons.

"I'm here to give people advance notice that they should think about how they would react to the separation of Quebec," Bouchard told a radio program. In Vancouver, Bouchard got a hostile reception from protesters with signs reading "Canada: Worth Fighting For" and "Separatism Is Poison."

Last March, Bouchard was in the United States on a trip sponsored by the "Canada Project" of Georgetown University's Center for Strategic and International Studies. He met with U.N. Secretary General Boutros Boutros-Ghali, Brent Scowcroft, Zbigniew Brzezinski, David Abshire, the editorial board of the *Washington Post*, and some congressmen.

To pepper the situation, the Canadian Press news service released a wire about a new book which predicts that "a bloody civil war is likely if Quebec opts to unilaterally separate from Canada." Author William Gardiner writes of a conflict similar to the U.S. civil war, "with the federal government sending the army to help Quebec residents who want to remain in Canada."

Briefly

● **MALAYSIAN** Prime Minister Dr. Mahathir Mohamad called for the resignation of U.N. Secretary General Boutros Boutros-Ghali on April 22. "The United Nations should elect a secretary general who is really an activist and brave, and would resolve the problems in Bosnia-Herzegovina," he said.

● **ISRAEL'S** former Chief Rabbi Shlomo Goren called for the assassination of PLO leader Yasser Arafat on April 25. "If a Jew were to rise up and wipe out the arch-murderer Yasser Arafat, the Hitler of our age, I will support him and declare a great holiday," Goren told Reuters. "At the moment that he will come to Israel, if a Jew will kill him, for me it will be a day of rejoicing and of revenge. And we have to pray for the revenge."

● **THE WEST** is using "all means possible, no matter what the consequences, to weaken Russia," charged Russian novelist and "Third Rome" advocate Alexander Solzhenitsyn, in an interview with *Forbes* magazine published on May 9. As for Ukraine, he said that "the Ukrainian army is being indoctrinated with propaganda that war with Russia is inevitable."

● **BRITAIN'S** Air Force may pull out of Germany completely by 1996, if a proposal backed by many senior officers is accepted, the *London Observer* reported on May 1. The plan is one of many studies aimed at slashing Britain's defense expenditures over the next three years. Some 80 fighter aircraft and 6,000 soldiers would leave Germany.

● **THE CHINESE** Communist Party's relationship to the general population is one of "acute tension," warned Xing Fensi, vice president of the Central Communist Party School in Beijing. "If not dealt with properly, this will cause social unrest and political instability."

Midwest primaries herald breakout for LaRouche

by Nora Hamerman

When the U.S. midterm elections come up next November, with all the seats in Congress and one-third of the Senate before the voters, a surprise may be in store for the East Coast establishment. The harbinger of a political upset came on May 3 when Democrats from the Lyndon LaRouche wing of the party, whom national and state Democratic Party officials have been trying for years to keep off the ballot and out of the media except for slanders, claimed over 40% of the vote in two of the Great Lakes states.

In Indiana, Evansville businessman John "Willie" Taylor won 45.6% of the vote—156,000 votes—in a two-way race for the Democratic nomination for U.S. Senate, running against former Congressman Jim Jontz. Taylor won outright in 39 counties, as well as winning the 8th C.D., his home district where he's run for U.S. Congress three times in the past and is well known, and the 7th and 9th C.D.s. Taylor won many of the counties in the 8th C.D. by a 3-1 margin.

In Ohio, Miami University associate philosophy professor Peter Schuller won 41% of the vote—285,000 votes—in a two-way race for the Democratic nomination for governor, running against State Senator Rob Burch. Schuller, who has been an associate of LaRouche for 20 years, won 10 of Ohio's 88 counties, including Lorain, the site of major auto plants, Medina near Cleveland, and Holmes, where he won 54%, his highest vote. Schuller also won major votes in the counties which include the major cities of Canton (49%), Dayton (46%), Springfield (46%), and Cincinnati (43%); in the counties around Cleveland, he won 47-49%.

These high vote totals are certain to cause political shockwaves as they came in the immediate aftermath of LaRouche's six-day trip to Moscow and only one day after the Federal Election Commission officially informed the LaRouche in '92 presidential campaign that they had sent an order to the U.S. Treasury to pay that campaign nearly one-half million dollars which the FEC had unconstitutionally

and fraudulently withheld from LaRouche's last presidential primary bid.

The message from voters in the U.S. "rust belt" is that they are fed up with the spiraling rates of violent crime and the relentless drive to impose Nazi euthanasia instead of health care, and brainwashing instead of schooling, which otherwise dominate the social landscape in Michigan, Ohio, Indiana, Illinois, and Wisconsin—the Great Lakes states which once enjoyed the world's highest industrial standard of living. Clearly, it is time to escalate the efforts for the full exoneration of LaRouche, released in January from prison after serving five years of a 15-year sentence for crimes he did not commit, and to bring his unique wisdom into the center of U.S. policymaking.

Meanwhile, in Virginia, LaRouche Democrat Nancy Spannaus scored a breakthrough in her third statewide campaign for office, when she participated in a candidates' forum among all the contenders for the Democratic nomination for U.S. Senate. Although she ran for Senate in 1990, and won a respectable 18.3% of the statewide vote, and for governor in 1992, where her campaign was key to defeating former Attorney General Mary Sue Terry, in each case she was shut out of all debates with other major candidates. Now she has the chance to speak on the platform with all her opponents, including the incumbent, Sen. Charles Robb.

'Shouldn't have happened'

The primary showing of Taylor and Schuller evokes memories of the Illinois primary eight years ago, when two LaRouche-associated candidates won the Democratic nominations for lieutenant governor and secretary of state in March 1986. At the time, the party officials and media scrambled to "prove" that voters were ignorant of the candidates' actual political associations, and picked them only because they had more familiar-sounding names than those favored

by the party apparatus. Then-gubernatorial nominee Adlai Stevenson III bolted the party rather than run with the two LaRouche Democrats, and took the entire ticket down to defeat.

Party hacks' claims that voters were ignorant will be harder to sell now. Taylor and Schuller focused their campaigns on the economic recovery program developed by LaRouche to pull this nation out of post-industrial hell, as well as combatting such evils as outcome-based education (OBE), the depopulation policies of the United Nations, and the "Whitewatergate" assault against the institution of the American presidency. "I always said right up front who I was and what I stood for," Taylor told the *Evansville Courier*.

Indiana's major newspaper, the *Indianapolis Star*, reported that Taylor "noted that Jontz had advantages he didn't—such as the support of the Democratic organization and attention from reporters." The *Star* also published a string of quotes from dumbfounded Indiana Democratic Party leaders and political analysts. One such pundit quoted in the paper summed up the reactions: "That shouldn't happen, it shouldn't."

In Ohio, the *Cleveland Plain Dealer* revealed the Democratic Party's chagrin in its coverage: "It is no landslide when the party-labor-endorsed candidate, a man who has been campaigning for more than a year beat the follower of a convicted felon [i.e., Lyndon LaRouche] with only 59% of the vote."

The vote may also reflect the impact of a booklet being circulated by LaRouche's 1996 presidential exploratory committee throughout the states where hundreds of his supporters are running for offices ranging from local school board and Democratic Party committeeman to U.S. Congress and Senate. The booklet, entitled *Summary of Relevant Evidence on the Record Demonstrating the Innocence of Lyndon LaRouche and Co-Defendants*, shows that, "on the basis of government evidence now on the public record, the U.S. government knew at all relevant times, from 1979 to the present day, that Lyndon LaRouche and his co-defendants were innocent of the false charges for which they were convicted."

In both Midwest races, the major press and the Democratic Party went out of their way to denounce the LaRouche-associated candidates, sometimes in vile language. For instance, in Indiana, the State Democratic Party chairman, Ann M. DeLaney, issued a statewide press release on April 28, warning of "LaRouchites in Democrats' Clothing," in which she called Taylor "a follower of crackpot candidate Lyndon LaRouche . . . [who] supports LaRouche's outlandish economic and conspiracy theories." The *Cleveland Plain Dealer* newspaper printed an editorial April 10 calling Schuller the "disciple of the dangerous and despicable Lyndon LaRouche."

"I think this worked in our favor," said Taylor in an interview on May 4. "I think everybody's so suspicious of the media that they don't realize that they've worn that old saw way too thin. . . . I was well identified as a LaRouche

candidate in all the media, generally associated with 'political extremist' Lyndon LaRouche, so I think it shows that people are voting for the LaRouche platform, they're looking for an alternative."

Taylor was quoted in the *Evansville Press* on Monday, May 2, responding to DeLaney's slander. Taylor said that he and LaRouche "represent the views of the Democratic Party of former President John F. Kennedy. LaRouche calls for aggressive infrastructure spending and low-interest loans for select industries. In the last 30 years we've become a post-industrial society that no longer produces as much as we consume, and as a result we're going bankrupt. Now, whose policies are crackpot?"

Significant endorsements

The *Mantooth Report*, an anti-establishment newspaper circulated widely in the Midwest by former Democratic candidate for governor Don Mantooth, endorsed Taylor in its April/May edition, identifying Taylor with LaRouche and reviewing his platform. "Your editor met with Willie [Taylor] during his petition drive in southern Indiana. *There is no question as to whom I will trust my vote to May 3, and again in November should Willie survive the primary*" (emphasis in the original). Taylor was also backed by Indianapolis radio station WIBC commentator Stan Solomon, who called him an "intelligent" man running on a real economic program rather than skirting the issues.

Peter Schuller was endorsed by the Coalition of Concerned Black Citizens of Ohio, because of the Coalition's concern that incumbent Gov. George Voinovich (R) has done nothing to stop the Ku Klux Klan, whom Schuller fought with his well-publicized call for the removal of the Klan-supported statue of Albert Pike in Washington, D.C. The Coalition was also concerned at Voinovich's support for the racist policies of OBE, against which Schuller, as a teacher at the university level, campaigned heavily.

Spannaus dominates debate

LaRouche Democrat Nancy Spannaus, running for U.S. Senator from Virginia, defined the issues between her and her three opponents clearly in the first Democratic all-candidate forum in the state, held in Fairfax, Virginia on April 28. While opponents Sen. Chuck Robb, Virgil Goode, and Sylvia Clute all called for "sacrifice" and budget-balancing with "hard choices" on entitlements and other social programs, Spannaus laid out the reality of the financial meltdown and depression collapse, and put forward the American System/LaRouche solution.

The forum was sponsored by H. Ross Perot's group United We Stand America, and moderated by a professional media guru from Georgetown University, Dr. Robert Lichter. The room was packed with TV cameras and supporters of the candidates, as well as UWSA. Live coverage was broadcast on local cable television, and substantial segments later appeared on local network affiliates.

Jury votes Kevorkian 'not guilty,' as satanic euthanasia spreads

by Linda Everett

It is said that initiates into satanism must demonstrate their willingness to surrender their moral principles by doing whatever depraved acts the Satanists demand of them. With a promise of "personal power" achieved through deeper commitment, members sacrifice animals, participate in ritual human sacrifice, possibly cannibalism and child sacrifice. Most rituals center on the use of human blood, drained from drugged victims or human sacrifice.

Today, the people of the state of Michigan are being initiated into just such satanic evil, or something so close to it that it is indistinguishable in its outcome. Large numbers of Michigan citizens are busily throwing off the most fundamental principles and protections of western civilization, and, in their clamor for a promised personal "control" over death, they've *applauded* at least 20 human deaths and are demanding the right to be sacrificed themselves—at the hands of Jack Kevorkian, the proud enforcer of the title, Dr. Death. Kevorkian was even given a hero's welcome by the families and friends of all his victims, at a Presbyterian church in January.

Kevorkian and his attorneys have so contaminated the medical environment, that doctors are terminating the lives of patients they think are better off dead. Michigan police are investigating an Oakland General Hospital physician for killing patients with fatal injections of potassium chloride. In one case, the family asked doctors to do everything to save their mother, Ernestine DeLoof, but their pleas were ignored.

The trial

On May 2, a Detroit jury made up of at least four health care workers was brainwashed enough by hours of emotional testimony and pro-suicide doctors, to find Kevorkian not guilty of violating Michigan's law against so-called assisted suicide in the death of 30-year-old Thomas Hyde last August. The jury's decision centered on whether Kevorkian meant to kill Hyde, and whether his death had occurred in Wayne County, where the trial was held.

Defense attorney Geoffrey Fieger's courtroom antics contributed greatly to the jury's confusion. He told Detroit Recorder's Court Judge Thomas Jackson that the case should

be dismissed because it was brought in the wrong county (Michigan law requires that trial venue be determined by the location of the crime). The jury was shown a film of Fieger in a press conference immediately after the death of Hyde, in which the lawyer announces that Hyde died in the beautiful Belle Isle Park in Wayne County. Then, Fieger told the court that Hyde really died in Oakland County, and his body was moved to Wayne County, where the trial was held. He called for a mistrial, knowing there was little chance that the charges could be refiled against Kevorkian in Oakland County, due to Michigan's double jeopardy law.

Although Attorney General Frank Kelly designated the trial venue as Wayne County, Judge Jackson ordered the jury that a guilty verdict was possible only if they found beyond reasonable doubt that the death had occurred in Wayne County.

Hyde had a degenerative nerve disease known as amyotrophic lateral sclerosis (ALS) or Lou Gehrig's disease. Despite the fact that Kevorkian killed Hyde by using his trademark death mask to deliver carbon monoxide into the victim's lungs—a system he perfected enough to efficiently kill most of his previous 16 victims—Kevorkian insisted at the trial that he really didn't intend to kill Hyde. Instead, Kevorkian and Fieger claimed that his aim was to relieve Hyde's suffering. They sought refuge in the wording of the assisted suicide law, which relieves physicians of the burden of a patient's death if, in an attempt to relieve pain, overmedication causes death. But that compromising element of the law applies to *medication*, not a lethal *poison* such as carbon monoxide.

Nevertheless, Kevorkian testified, "I just wanted to help him end his suffering with the only means known to me." Besides the fact that treatment for depression could have helped most of his victims, there are medical breakthroughs that could also have helped several of them. But Kevorkian was never trained to *treat* anyone! The unemployable pathologist, whose proposed brain experiments on living prison inmates smack more of Jeffrey Dahmer's perversions than a medical scientist's research, only knows one "treatment" no matter what the disease or patient's condition: Kill the patient! Nevertheless, the jury fell for his ploy.

Commission backs euthanasia

Days after the verdict, Kevorkian announced on national television that he plans to carry out his next killing with a panel of doctors to assist him. That might not be so hard to do, since a Michigan state Commission on Death and Dying voted 9-7 on April 22 to recommend that the state make euthanasia legal. Twenty-two state organizations were charged with studying whether and how the crime of Nazi euthanasia, misnamed assisted suicide, should be made legal in the state. The approved proposal is an amended version of that presented by Wayne County Prosecutor John O'Hair—the same prosecutor who originally charged Kevorkian in the Hyde death. It would authorize physician-assisted suicide for those 18 or older who suffer from a “terminal condition” or who suffer from an “irreversible suffering condition,” involving “subjectively unbearable or unacceptable suffering from a physical condition.” It was endorsed by O'Hair, the Michigan chapter of the American Civil Liberties Union (ACLU), the Michigan Nurses Association, the Michigan Senior Advocacy Council, the state psychiatric and psychological associations, the National Association of Social Workers, and the Health Care Association of Michigan, which represents the state's for-profit nursing homes. Several groups abstained from the vote. The commission's final report will be presented to the legislature on May 25.

That's not the only assault on the laws protecting human life in Michigan. A ban on assisted suicide was passed in February 1993, after several judges had dismissed murder and assisted suicide charges against Kevorkian. The Michigan branch of the American Civil Liberties Union immediately challenged the ban as unconstitutional, and this was upheld in court. The state has since appealed both that decision and three others that found the ban unconstitutional to the Michigan Court of Appeals, which is expected to hand down its ruling at any time.

Two judges faulted technicalities in the law, but a third, the marijuana-smoking Richard Kaufman, said that the infamous 1927 U.S. Supreme Court eugenics ruling in *Buck v. Bell* (which gave states the right to prevent the existence of “poor quality” lives by forced sterilization of “morons”) also guaranteed the right of patients today to assisted suicide, when they feel their life is of too poor a quality to live. On May 3, a federal court in Washington State ruled that that state's decades-old ban on assisted suicide was unconstitutional.

Murder by referendum

On yet another front, Kevorkian, with attorneys Fieger and Michael Schwartz, the Hemlock Society, and the ACLU have joined forces to amend the Michigan constitution to allow the killing of just about anyone, with no protections or provisions for doctors, courts, legislators, or law enforcement officials to interfere. The new group, “Movement Ensuring the Right to Choose for Yourself” Amendment or

MERCY, wants to place their genocide initiative on the ballot in November by collecting 256,456 petition signatures. If the initiative passes, the following amendment to the constitution becomes law: “The right of competent adults, who are incapacitated by incurable medical conditions, to voluntarily request and receive medical assistance with respect to whether or not their lives continue, shall not be restrained or abridged.”

Fieger calls Kevorkian the leader of a new civil rights movement and aptly compares his “worldwide struggle for human rights” and exterminating the sick to that of the fascist eugenicist Margaret Sanger, who wanted all darker-skinned immigrants sterilized. Taking a cue from admirers of mass killer John Wayne Gacy, Kevorkian's lawyers will auction off his depraved paintings to benefit the suicide campaign. Besides his painting in human blood, there is one with an oozing human head on a dinner plate, with a wormy apple stuck in its mouth. The bloody, decapitated torso sits with knife and fork in hand, flanked with helmets of Stars of David and crosses.

With each attempt to legitimize this campaign, the lies and deception grow. In a recent article in yuppie-porn *Penthouse* magazine, Fieger claimed that Kevorkian started building his death machines out of “compassion” for one David Rivlin. Rivlin, paralyzed from the neck down for 17 years, appeared on Michigan TV in 1989 to ask for a doctor to help him die. Kevorkian, in a revealing characterization of his “bedside manner,” asked a reporter, “Who in their right mind would stop a cripple from killing themselves?” Fieger never explained that Rivlin did not, in fact, want to die. After living in a nursing home, Rivlin had tried to live in his own home with an attendant. But Michigan only allowed \$10 per day for care—enough to hire addicts or ex-convicts. After being beaten, robbed, and dumped on the streets several times, Rivlin gave up. Instead of fighting for Rivlin's right to life, people like Kevorkian demanded that he be killed. And he was, after his ventilator was removed. Fieger's article accompanies another about “trendy” satanic suicide machines. Some are wired to kill when the user feels sexual pleasure, others saw through the victim's gut.

Fieger scoffs at the idea that the sick who feel they are society's burden will be pressured into suicide. Yet, Sherry Miller is one of Kevorkian's victims who did just that. She was abandoned by her husband after her diagnosis of multiple sclerosis. He divorced her and took away her children. Having no place to go, she was forced to depend totally upon her aged father, with none of the help she needed. Charges against Kevorkian for murder were dismissed, based on a specious California “right-to-suicide” ruling for another depressed woman with multiple handicaps, who had committed herself into a psychiatric hospital after she lost her husband, her child, and her university position. She, too, wanted suicide help. Do you think Kevorkian's legacy will answer your loved one's plea for help any differently? Would a satanist?

Ames sentenced, indicts spy wars

by Jeffrey Steinberg

Career CIA counterintelligence officer Aldrich Ames appeared in federal court in Alexandria, Virginia on April 28, to plead guilty to charges that he had spied for the Soviet and Russian intelligence services since 1985. The plea agreement that Ames's attorneys struck with federal prosecutors preempted a lengthy trial that could have revealed sensitive national security data. In return, Ames secured a light sentence for his wife, who will be freed within less than five years to raise their son, who is now living with relatives in Colombia. Ames was sentenced under the agreement to life in prison without parole. The plea agreement will be reviewed in four months to determine whether he has lived up to his promise to fully cooperate with CIA, FBI, and Justice Department officials attempting to assess the damage to American national security that resulted from his double-agency. If he fails to live up to that promise, his wife's reduced sentence could be modified.

The CIA has been thrown into a state of near-panic by the Ames arrest, and further arrests are expected of former employees of the agency, FBI, National Security Council, and Congress in the near future. Old rivalries have broken out between the FBI and the CIA, and between surviving loyalists to James Jesus Angleton and William Colby inside the agency. President Clinton is battling ranking members of the Senate Intelligence Committee over intelligence community oversight.

But perhaps the most disturbing indictment of the performance of American intelligence organs came from the mouth of Ames himself. In his brief statement to the court before his sentencing, Ames gave an embarrassingly insightful critique of the agencies' Cold War spy-versus-spy shenanigans. His call for a top-to-bottom debate on national security policy was quickly endorsed by several senior members of Congress.

'A self-serving sham'

Ames's remarks were excerpted in the April 29 *New York Times*. He began by explaining how he had come to betray his country:

"First, I had come to dissent from the decades-long shift to the extreme right in our political spectrum and from our national security and foreign policies.

"Second, I had come to believe that the espionage business, as carried out by the CIA and a few other American agencies, was and is a self-serving sham, carried out by

careerist bureaucrats who have managed to deceive several generations of American policymakers and the public about both the necessity and value of their work.

"There is and has been no rational need for thousands of case officers and tens of thousands of agents working around the world, primarily in and against friendly countries. The information our vast espionage network acquires at considerable human and ethical costs is generally insignificant or irrelevant to our policymakers' needs. . . .

"Now that the Cold War is over and the Communist tyrannies largely done for, our country still awaits a real national debate on the means and ends—and costs—of our national security policies. . . . We need to question, as only a few have done, our real needs for intelligence collection, including the highly suspect tool of espionage. To the extent that public discussions of my case can move from government-inspired hypocrisy and hysteria to help even indirectly to fuel such a debate, I welcome and support it.

"Our teachers in the arts of espionage were Great Britain and the Soviet Union. Both used their traditions of secrecy and ruthless statecraft to sponsor huge and ultimately useless espionage campaigns directed against both friends and foes. The CIA learned well from its teachers and, despite its difficulty in maintaining the requisite secrecy, brought our own American tendency toward bureaucratic gigantism and missionary zeal to the task.

"But the longer we delay in recognizing the truth—that espionage is a desperate and limited expedient, not a routine bureaucratic practice—the more dangerous we will be to ourselves and our friends. Our enemies, as in the past, need not worry. . . . Frankly, these spy wars are a side show which have had no real impact on our significant security interests over the years. . . .

Congressmen respond

Some members of the congressional intelligence committees are wondering if Ames may not have a point.

"I don't want to give him any credit for anything, but even the lowliest of the low may have some positive things to say," the *New York Times* quoted Dan Glickman (D-Kan.), head of the House Intelligence Committee. "What is the role of counterintelligence in the modern world? Does it make any difference at all? What's the human role in terms of the analysis and collection of intelligence, as well as the operations side, recruiting spies? We're going to examine that role and they are going to have to make some changes in how they run operations. The Ames case allows us to ask these questions."

Sen. Daniel Patrick Moynihan (D-N.Y.), who has called for the CIA to be dismantled and its functions parceled out to the FBI, the State Department, and the Pentagon, told the *Times* that the CIA did crucial work during the Cold War, but "that time is past and to persist is to ask for another Ames. The ideological wars are over."

Howard students march on ADL

University President Franklin Jennifer was ousted for not enforcing political correctness, but the students are not fooled.

Student activists from Howard University, the most prestigious African-American institution of higher learning in the country, took to the streets and demonstrated against the Anti-Defamation League (ADL) on April 29. This followed the forced resignation of the university's president Franklin Jennifer, in the aftermath of a media witch-hunt that has attempted to tar the school with the brush of anti-Semitism, and enforce the doctrine of "political correctness" in the process.

Jennifer had defended his university following a March 31 television show by the CBS network. "Eye to Eye with Connie Chung" had run a segment entitled "True Believers," which featured interviews with Howard law student Malik Zulu Shabazz and with Terri Wade, president of the Howard University Student Association, which attacked Jews as having been involved in the African slave trade, among other charges. In a press conference held on April 4, the anniversary of the assassination of Martin Luther King, Jennifer contended that every attempt to include different points of view from the faculty and students was censored by the network.

An April 17 article in *The Final Call*, newspaper of the Nation Of Islam (NOI), stated, "According to Dr. Jennifer, CBS interviewed other students who had varying beliefs on the subject of Black-Jewish relationships, but failed to air them. Dr. Jennifer has asked CBS for an apology." For example, Howard University school newspaper editor Otessa Middleton stated that the views of Shabazz and Wade were decidedly a minority view on the campus. Though she was inter-

viewed by CBS, her remarks were never aired.

Howard was targeted since the appearance there in March of Khalid Muhammad, a former spokesman of the Nation Of Islam, who had achieved notoriety for a speech he had given at New Jersey's Kean College last November. Minister Louis Farrakhan, head of the NOI, dismissed Khalid for his remarks, which he termed "vile," but at the same time attacked the ADL for its spying against the Nation and hundreds of other organizations, including anti-apartheid activists from South Africa, such as Chris Hani, who was assassinated.

After Khalid's appearance, Jennifer defended the right of the students to invite him, though Jennifer stated that he personally disagreed with Muhammad and found his remarks offensive. This caused the ADL, and ADL-influenced media, to fly into action, resulting in productions such as the Connie Chung story. *Washington Post* columnist Richard Cohen labeled the Khalid Howard appearance a "Nuremberg Rally."

Threats that Howard's federal money would be cut, and that alumni and other private donors would curtail funding, stoked a movement for Jennifer's removal. A board of trustees meeting was called to discuss this. Then, four days before the meeting, on April 19, Khalid Muhammad returned to Howard, after having visited the Holocaust Museum the day before and declaring that the "African holocaust is 100 times greater than the so-called Jew Holocaust." This cast the die for Jennifer's dismissal, but before this could occur, Jennifer was offered

the presidency of the University of Texas at Dallas, which he accepted.

The ADL attack on Howard was not conceived in the wake of the Khalid Muhammad affair of March, or of November 1993, but in November 1991, when ADL spokesmen declared in Montreal that African-Americans were the most anti-Semitic sector of the American people, because they had learned Christianity (which is inherently anti-Semitic, according to the ADL) from their slavemasters.

Present at the 1991 ADL meeting were various press representatives, among them Richard Cohen and Eric Breindel, editorial page editor of the *New York Post*. A few days after Khalid's appearance at Howard, the *Post* tried to defend the media from Jennifer's charges by stating that "the nation's most prestigious black college has decided to play host to weekly Nuremberg rallies led by the likes of Khalid Muhammad and Leonard Jeffries." The *Post* editorial also called for a "full congressional investigation" of the university for its allowing the speakers. The ADL's Abraham Foxman, on April 20, Hitler's birthday, referred to Howard University as the "Harvard of hate," and to the April 19 speech as a "modern day Nuremberg rally featuring an all-star team of anti-American anti-Semites."

Though Joseph Goebbels's "Big Lie" technique, utilizing modern electronic media, has successfully ousted Jennifer, Howard students have not been fooled. The 50 marchers visited the FBI and ADL, and demanded that Congress order the release of the files on the assassinations of Malcolm X, Martin Luther King (who was spied on by the ADL), and John F. Kennedy; that Congress conduct an investigation of the ADL and the JDL; and that NOI leader Louis Farrakhan address the Congress and Senate on racism and anti-Semitism.

Bill sets up commission on financial regulation

House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) introduced on April 21 a bill to set up a "Blue Ribbon Commission" for international coordination of financial regulation. The commission is part of a broader program outlined by Gonzalez to increase congressional oversight over the volatile financial markets.

"The commission will be charged with making recommendations to develop more inclusive mechanisms for improving cooperation among the world's financial regulators," Gonzalez said. It will also "evaluate the feasibility of establishing a single mechanism to coordinate international financial regulation." The United States should take the lead "in improving the effectiveness of international regulation and supervision of financial services," he added.

The commission will consist of 15 members who shall serve for its duration. The chairman will be designated from among those members by the President. The members will consist of the Fed chairman or his designee, the secretary of the Treasury or his designee, the chairman of the Securities and Exchange Commission or his designee, six members appointed by the President, three members appointed by the Speaker of the House and the House Minority Leader with not more than two being of the same political party, and three members appointed by the majority leader and minority leader of the Senate, with the same proviso.

The commission "shall have the authority to hold hearings, secure information from any department or agency, and request the head of any department or agency of the United States to furnish information to the commission." One of its tasks will be to "identify offshore tax havens, their

function in the world financial system, the reasons for their growth, and the necessity of restricting their growth." The commission is to present the results of its study to the President and Congress within 18-months of its start.

House committee passes ban on assault weapons

A bill to ban 19 types of semi-automatic assault weapons was passed by the House Judiciary Committee on April 28 by a vote of 20-15 and sent to the full House. Supporters hope the House can approve the bill in early June in time for it to be put into a pending crime bill, but say they are 15-20 votes short of a majority. The Senate had passed the ban as part of its crime bill last November, but the ban was not contained in the crime bill which the House passed in late April. The crime bill is now awaiting action by a House-Senate conference committee.

The bill would ban rapid fire weapons such as the AK-47, the Uzi, and the TEC-9, which are often used by drug dealers, street gangs, and other criminals, but would exempt nearly 700 other guns. "This bill is a careful balancing of interests," claimed Charles Schumer (D-N.Y.), its chief sponsor. "It honors the public interest to be free of unnecessarily dangerous killing machines. At the same time, it protects legitimate hunting, sporting, and self-defense rights."

Opponents, led by the National Rifle Association, argue that the bill will infringe on the rights of law-abiding citizens to own guns for self-protection and hunting and would do little to stem the spread of crime.

President Clinton and Attorney General Janet Reno are strong sup-

porters of the bill and have conducted a nationwide campaign to rally public support for it. "The gun lobby argues that an assault weapons ban infringes on the right of hunters and sportsmen to own guns," Clinton said in a statement. "The 19 types of weapons we want to ban are weapons of war and mass destruction—they were created for the battlefield and have no place on our streets."

"These weapons are only used to kill and they should be banned," Reno said at a news conference. She said a large majority of Americans support the ban. The committee vote was mainly along party lines except for Jack Brooks (D-Tex.), the committee chairman, and Rick Boucher (D-Va.), who voted against it, and Henry Hyde (R-Ill.), a conservative, who voted for the ban.

Iraqi claims fund gets House nod

The House on April 28 approved by a vote of 398-2 a bill creating a U.S. Treasury fund in which \$1.2 billion in frozen Iraqi assets would be used to help pay American claims against Iraq. The provision passed despite the devastation dealt Iraq during George Bush's Persian Gulf war and the ongoing embargo.

Under the bill, the U.S. Foreign Claims Settlement Commission will use the assets to pay part of \$5 billion in claims. These include government claims, commercial debts incurred prior to the 1991 Gulf war, injury claims by the crew of the U.S. warship *Stark* which was hit by an Iraqi missile before the war, and death and injury claims on behalf of American war veterans. The commission would also administer funds received from the U.N. Compensation Commission to American prisoners of war deemed to have

been mistreated.

The vote followed sharp criticism of admission into the United States of Iraqi refugees who formerly served in the Iraqi Army. Some members attacked the non-binding character of a section of the bill which said that Iraqis who were soldiers during the Gulf war should not be admitted to the United States as refugees except in extraordinary circumstances. Rep. Paul Kanjorski (D-Pa.) has introduced legislation barring admission of former Iraqi soldiers and requiring deportation of those already in the United States. He sought to block passage of the Iraqi claims bill because of the refugee issue, but was barred from doing so under the rules.

During the last fiscal year, 533 former Iraqi soldiers were admitted as refugees, according to the Foreign Affairs Committee. Of these, 524 never fought against U.S. forces and the other nine were Kurds.

Cuts in veterans personnel rejected

The House, challenging a key element of the administration's "Reinventing Government" proposal, voted on April 28 to exempt the Veterans Health Administration (VHA) from planned government-wide personnel cuts. The House vote was 282-118—fifteen more than the two-thirds majority required.

During debate on April 26, Sonny Montgomery (D-Miss.), chairman of the Veterans Affairs Committee, said the bill would postpone "unsound and devastating" personnel reductions in VA hospitals, clinics, and nursing homes. He said the White House Budget Office had told the secretary of veterans affairs that the VHA would have to cut 5,000 health care employ-

ees in the next fiscal year and another 20,000 by 1999.

Opponents said that exempting one area from personnel cuts would lead to demands that other agencies also get relief. Under the bill, the VHA could still be required to cut personnel by a future law that directed it specifically to do so, or if it was required to do so because of lack of funds. Speaker Thomas Foley (D-Wash.) told reporters he had received a letter from Budget Director Leon Panetta "that I would say is strenuous in its objections" to the bill.

"I don't think we should make exemptions for individual agencies," Foley said. "I understand the motive and the concern that prompted the committee to ask for an exemption, but I think the overall decision to reduce federal employees should not be the subject of special exemption legislation."

Lifting Bosnia arms embargo gets support

The House on April 22 passed by voice vote a nonbinding resolution for ending the arms embargo against Bosnia, which it tacked onto a \$13.5 billion bill for U.S. foreign operations. The Senate had earlier approved a similar bill. A stronger measure sponsored by Senate Minority Leader Bob Dole (R-Kan.), which would lift the embargo and force President Clinton to accept or veto the measure, is expected to be considered by mid-May.

Speaking on Capitol Hill before the Defense Forum on April 30, Bosnian Ambassador to the United States Sven Alkalaj said that the two sides were "not close to a peace settlement. . . . Gorazde was a step toward destroying the peace efforts." Alkalaj noted that even Russian envoy Vitali Churkin was considering giving up his

"mediating" effort. "There will be no peace," Alkalaj said, "until the Serbian appetite for conquest is stopped or until the Serbs are forced back from their conquered territory." He called on the United States to lift the arms embargo, noting that under the U.N. Charter, "self-defense is the fundamental tenet of international law. . . . Everybody but the Serbs have fallen hostage to the peace process . . . but things will get worse before they get better."

Interstate banking bill passes Senate

The Senate passed on April 26 by voice vote, a bill to allow banks to branch across state lines, paving the way for a further consolidation of the U.S. banking system. The House approved a similar measure in April; the "modest differences" between the two bills will now go to conference.

The bill, sponsored by Senate Banking Committee Chairman Don Riegle (D-Mich.), "would eliminate remaining restrictions on interstate banking after one year" and would permit "adequately capitalized and managed bank holding companies" to acquire existing banks in any state. The legislation also would permit "bank holding companies to convert bank subsidiaries . . . into branches of the main bank of the holding company."

"Removing current restrictions on interstate branching," Riegle claimed, "will help promote efficiency in the banking system and permit banks to serve consumers better." The Clinton administration supports the proposal. A House Banking Committee staffer told the *Wall Street Journal* that the 150 to 160 biggest banks should shrink to 60 to 70 banks over the next five years.

National News

One-worldists push referenda in Missouri

Paid petitioners are hustling to get two referenda on the Missouri ballot. One is called "Philadelphia II," promoting a world federalist convention that would then deploy organizations ranging from Greenpeace to the Conservative Caucus to promote national referenda. It is sponsored by a group calling itself "One World," which has also targeted California, which, like Missouri, makes it easy to get initiatives on the ballot.

The second is the Missouri "Hancock II" proposal, which would require a state constitutional amendment for any significant tax increase, but explicitly exempts user fees and costs of privatization. Many opponents of the New Age school reform known as "outcome-based education" are backing Hancock II as a way to cut off school tax hikes and thus supposedly defeat OBE by cutting public education funding.

Nick Clement, a supporter of Lyndon LaRouche who is running for the Democratic nomination for U.S. Senate, issued a statement warning that both ballot initiatives are actually one-worldist measures. Clement pointed out that Hancock II was initiated by the "free trade" circles around the Mont Pelerin Society and followers of Friedrich von Hayek, and it would allow a takeover of the state economy by Time-Warner, Morgan Guaranty, and other entities inimical to republican government. Other opponents of Hancock II include the St. Louis and Kansas City Chambers of Commerce, and the Democratic Speaker of the House vehemently opposes it.

California to deregulate interstate electricity?

California's Public Utilities Commission voted unanimously April 20 to formulate rules under which all types of consumers could shop for low electricity rates inside and outside of the state, rather than being tied to a single regulated local utility, according to the April 28 *New York Times*.

The plan, which would take effect in August following public hearings, would allow large consumers to seek low rates starting in 1996. Residences and small companies would begin in 2002.

A second phase of the proposed reform would shift the industry from traditional rate-making, which tends to base utilities' earnings on the recovery of capital expenses, and reward utilities instead for efficient operations, management, and investment. The utility industry has been in turmoil over this approach, called "retail wheeling," a system in which a major customer could bypass local suppliers and buy power more cheaply from other utilities. Some utilities are setting up divisions and assembling pools of cheap power that they could peddle outside their own areas.

California's deregulation project ignores the necessity for redundancy in infrastructure which is crucial in emergencies. Increasing competition among utilities will only serve to reduce mechanisms for delivering power in the name of "maximizing efficiency."

Case against ADL spy Gerard dismissed

San Francisco Municipal Court Judge Dominique Olcomendy dismissed charges against former San Francisco Police Department officer Tom Gerard on April 29, in a case involving Gerard's spying activities against Americans on behalf of the Anti-Defamation League of B'nai B'rith.

The charges were dropped on the grounds that the FBI was refusing to turn over wiretap evidence which the judge had ruled was crucial to Gerard's defense. The FBI had conducted extensive, and probably illegal, wiretaps of the entire San Francisco police intelligence unit for months, ostensibly because they were probing Gerard and Roy Bullock's involvement in selling confidential FBI documents to the South African government.

The evidence of massive ADL spying against over 10,000 individuals and organizations—in some cases operating as a branch of the FBI Cointelpro dirty tricks division—exploded into national attention

in 1992, outraging many who had been deluded into believing that the League was a "Jewish civil rights" organization. The ADL ultimately made a sweetheart deal with the San Francisco district attorney in November 1993 that closed down a grand jury investigation, and forestalled the possibility of broader charges against national ADL leaders.

However, had Gerard gone to trial, the ADL and FBI faced the prospect that pre-trial evidentiary hearings and trial testimony would have brought their dirty activities further to light.

Decorated Vietnam vet blasts Oliver North

Oliver North is "one of the most dangerous men in America," charged Col. David Hackworth, now a *Newsweek* contributing editor, on April 29. North, a candidate for the Virginia Republican nomination for U.S. Senate, is now idolized by conservative layers in the Old Dominion, and received an endorsement from Lynchburg-based televangelist Pat Robertson.

At a news conference in Richmond, Hackworth told reporters, "Like most phonies, he's a slick salesman and he's selling the people of Virginia and this nation a lot of bull droppings. North, like Adolf Hitler, appears to a lot of people as the solution to what is wrong with our country." Hackworth continued, "He is an authoritarian figure who would love to get his hands on the Constitution and shred the whole thing."

Hackworth is the most decorated living combat veteran of the Vietnam war. He said North was "a good platoon leader" in Vietnam who did an extraordinary job, "as did about 3 million others."

Planned Parenthood sex ed flunks in Texas

Planned Parenthood is waging a counter-offensive in the Rio Grande Valley in south Texas where some school boards have adopted "abstinence-only" sex education

programs, according to the *Houston Chronicle* of April 28. The daily reported that Planned Parenthood has conducted a telephone poll of 1,797 households in two counties along the Texas-Mexico border. Planned Parenthood claimed that its poll shows that 76% of the population wants public school sex education programs to teach about birth control methods.

This poll has drawn a sharp response from the Catholic Church and school officials. "If you look at our culture down here, the general population doesn't want their children to have sex," said Pam Downing, a spokeswoman for the Catholic Diocese of Brownsville. "A lot of these children are not ready for these [sexual] relationships."

When asked about the poll, the president of the Harlingen Parent-Teachers Associations (PTAs) told the *Chronicle*, "I'm wondering who was polled. They didn't poll me. I'm shocked to see those numbers, and I say that from talking to parents. All I can state is that we have 7,400-plus PTA members in Harlingen, and our position is abstinence." The Harlingen school system has an abstinence-only sex education program.

Virginian executed based solely on DNA evidence

Virginia retained the death penalty legacy of its bloodthirsty former Attorney General Mary Sue Terry, when it executed Timothy Wilson Spencer on April 27, the first person whose capital conviction was based exclusively on DNA testing. DNA testing was first used in this case seven years ago, pioneered in Virginia by Dr. Paul B. Ferrara, director of the state's Division of Forensic Science, who convinced the legislature not only to legalize its use, but to establish the nation's first DNA data bank for felons. Virginia now has the most extensive DNA data bank in the country.

Spencer's execution was also the first in which an ethics ruling made by the American Medical Association in March was tested. The AMA ruled that its ethics code prohibits doctor participation in state executions. The ruling was joined by the American College of Physicians and the American Nurses Association, which called

on state licensing and disciplinary boards "to treat participation in executions as grounds for active disciplinary proceedings, including license revocation."

As a result, the doctor who is required by state law to witness the execution and verify the death refused to do so. Dr. Balvir Kapil, told the press, "The state is doing the same thing the criminal did." A spokesman for the AMA said Kapil was the first doctor known to decline execution duty since the AMA statement.

Dangerous new drug, 'cat,' hits U.S. cities

The loopholes in federal law allowing the bulk sales of ephedrine are now closed under the 1994 Domestic Chemical Diversion Control Act, which became law on April 29, the same day the Drug Enforcement Administration (DEA) swore in its new director, Thomas A. Constantine.

For the first time, the law allows the DEA to regulate sale of ephedrine tablets, which are readily available as over-the-counter appetite suppressants. Processed ephedrine is the main ingredient in some asthma inhalants.

When ground up and cooked, ephedrine pills form "cat," the street name for the addictive drug methcathinone. The synthetic drug, a cocaine-like white powder most commonly snorted, gives users a euphoric high characterized by enhanced sexual endurance and lack of appetite. Such effects can be followed by uncontrollable shaking, hallucinations, severe depression, and extreme paranoia.

A DEA study last year stated that cat traffic will be "exceptionally alluring" because the drug is cheap, easy to make, and provides a longer high—four to six hours—than "crack" cocaine. Methcathinone sells for \$75-100 a gram on the street. A gram supplies a user with 4-10 "lines" or "hits."

Nationally, law enforcement agencies have discovered at least 54 cat labs since 1991. More than 30 labs were in Michigan, where a college student "liberated" the arcane drug while working at a pharmaceutical firm in 1989.

Briefly

● **SPOTTED OWLS** are thriving while thousands are losing their jobs in Washington and Oregon's commercial logging industries, according to a feature in the April 24 *Sacramento Bee*. "Whereas a headline-making 1986 Audubon Society report said that 1,500 spotted owl pairs . . . was the number necessary to prevent extinction, it now seems that as many as 10,000 pairs may exist."

● **THE BRITISH ARMY** has been conducting joint exercises loading trucks on the big cargo ships at Fort Eustis, the U.S. Army's transportation headquarters in Newport News, Virginia, the first such exercises in history. A retired Navy officer told *EIR* that the Navy is planning various military strategies based on cargo logistics capabilities that no longer exist.

● **DAN QUAYLE** sharply criticizes both former Housing and Urban Development Secretary Jack Kemp and former Secretary of State James Baker in his forthcoming book, *Standing Firm*. Kemp and Baker, alumni of the Bush administration, are both potential rivals of Quayle's for the Republican presidential nomination in 1996.

● **GOV. PETE WILSON** of California held a press conference on April 29 to announce a \$2 billion lawsuit against the U.S. government for the cost of imprisoning illegal immigrants. Wilson, who has erected a virtual "Berlin Wall" along the Mexican border, claimed it has cost the state \$377 million this year alone to house 17,000 illegal immigrants. The \$2 billion is supposed to cover the cost and also the building of additional prisons. New York and Arizona plan to file similar lawsuits.

● **TEXAS LEADS** the nation in prison beds, according to the *Texas Observer*, a political newsletter, which reported on comments made by Carol Vance, chairman of the Texas Board of Criminal Justice. Vance pointed out that 500,000 Texas adult males (1 out of every 18, or over 5%) are currently in prison, on parole, or on probation for serious crimes.

Editorial

A time of reconstruction

Next year will mark the 50th anniversary of the end of the Second World War. One characteristic of the various ceremonies commemorating that occasion has been the coming together of veterans of that war. Most people alive today were of course not yet born; and the Cold War is much more a reality to them, than the division between the Allied and Axis powers.

Today the Cold War is officially declared over—although in reality the nations which made up the former Soviet Union are suffering from an aggressive economic attack organized by the International Monetary Fund and the World Bank in the name of so-called free market economics. This, coupled with the stultifying years of communist rule, has devastated their economies to a degree reminiscent of the closing days of World War II.

At that time, among victors and vanquished in Germany, Japan, and the Soviet Union, there was reason for despair at the enormity of the destruction and destitution of their nations. Yet strangely, amid total disaster, a mood of hope arose as men and women virtually stone by stone, and brick by brick, torturously rebuilt their nations from out of the rubble heap of war. This mood of hope was of course more pronounced in England and France, where the devastation was not as great as in the Soviet Union.

Things were different in the United States, which came out of the war triumphant. For Americans in the immediate postwar period, the mood was not so much one of building but of reaping the fruits of victory. Instead of a desperate need to rebuild their nation, Americans were concerned only to rebuild lives which had been disrupted by the war, and to mourn those who had died.

It is the European and the Japanese postwar experience which is most relevant to us today. It would be good if remembrances of the end of the Second World War were dedicated to commemorating the miracle of reconstruction which followed over the next several years, because the task before us today is not unlike that faced by those men and women confronted with the task of digging out from the rubble heap of war.

The so-called free market system is about to collapse. Small-scale wars are resulting in hundreds of thousands of deaths over a period of mere weeks, as in Rwanda. The economic policies which fuel these “little” wars, are resulting in such an escalation of social decay that throughout Africa, the average life expectancy is now not even 40 years. Moreover, a financial collapse is in the offing which will disrupt what remains of physical economies everywhere, unless measures are rapidly taken to scrap the International Monetary Fund-dominated global financial and monetary system.

The United Nations International Conference on Population and Development, scheduled to be held in Cairo this coming September, is the clearest organizing thrust for a new, fascist, one-world government-in-the-wings. It is based on the premise that the poor, the infirm, the dark-skinned, should be forced to forfeit their right to reproduce, while their numbers are also sharply reduced through war, famine, and disease. This is the only possible explanation for the United Nations’ toleration of the Nazi practice of “ethnic cleansing.”

If people can be induced to accept certain axioms, such as the lie that the “carrying capacity” of the Earth has been exceeded, so that it is justifiable to brutally reduce the population, then our civilization will be destroyed without hope of rebuilding. If people can be induced to accept philosophical axioms such as these, they will be manipulated until civilization as we now know it will be destroyed beyond reconstruction, for generations to come.

We need to strengthen the nation-state, while engaging in massive global reconstruction of physical economy; we need major infrastructure development reaching out into space; we need a renewed commitment to scientific and technological progress, but more than that, we need to understand the roots of fascism, so that history does not repeat itself on a still more terrible scale. It is more than overdue that men and women of good will can know that what they build today, will provide the basis for a dignified and fruitful life for those who will come after them.

SEE LAROUCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted.

ALASKA

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

ARIZONA

■ PHOENIX—Dimension Ch. 22
Fridays—12:00 Noon

ARKANSAS

■ FAYETTEVILLE—Ch. 8
Wednesdays—12 Midnight

CALIFORNIA

■ DOWNEY—Conti. Ch. 51
Thursdays—9:30 p.m.

■ E. L. A. to SANTA MONICA—
Century Cable Ch. 3

Fridays—6 p.m.
■ E. SAN FERNANDO VALLEY—
United Artists Ch. 25

Sundays—3:30 p.m.

■ HOLLYWOOD—Conti. Ch. 37

Mon., May 9, 16, 23—8 p.m.

■ LANC./PALMDALE—Ch. 3

Sundays—8:30 a.m.

■ MARIN COUNTY—Ch. 31

Tuesdays—5 p.m.

■ MODESTO—Access Ch. 5

Thurs., May 12—6:30 p.m.

■ MTN. VIEW—MVCTV Ch. 30

Tuesdays—11 p.m.

■ ORANGE COUNTY—Ch. 3

Fridays—10 p.m.

■ SACRAMENTO—Ch. 18

2nd & 4th Weds.—10 p.m.

■ SAN DIEGO—

Cox Cable Ch. 24

Saturdays—12 Noon

■ SOUTHWEST CABLE Ch. 16

Mondays—8:30 p.m.

■ SAN FRANCISCO—Ch. 53

Fridays—6:30 p.m.

■ SANTA ANA—Ch. 53

Sundays—4 p.m.

■ W. SAN FERNANDO VALLEY—

CVI Ch. 27; Tues.—8:30 p.m.

COLORADO

■ DENVER—DCTV Ch. 57

Wed.—11 p.m.; Fri.—7 p.m.

DISTRICT OF COLUMBIA

■ WASHINGTON—DCTV Ch. 25

Sundays—12 Noon

FLORIDA

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

GEORGIA

■ ATLANTA—Ch. 12
Fridays—1:30 p.m.

IDAHO

■ MOSCOW—Ch. 37
(Check Readerboard)

ILLINOIS

■ CHICAGO—CATN Ch. 21

Mon., May 9, 30—10 p.m.

Thurs., May 19—10 p.m.

Weds., May 25—10 p.m.

■ QUAD CITIES—Cox Ch. 4

Mondays—9:30 p.m.

INDIANA

■ SOUTH BEND—Ch. 31

Thursdays—10 p.m.

LOUISIANA

■ GREATER MONROE—

Louisiana Cablevision Ch. 38

Mon.—7 p.m.; Fri.—6 p.m.

MARYLAND

■ BALTIMORE—BCAC Ch. 42

Mondays—9 p.m.

■ MONTGOMERY—MCTV Ch. 49

Tue.—11 p.m., Thu.—2:30 p.m.

■ WESTMINSTER—CCTV Ch. 19

Tuesdays—3 p.m.

MASSACHUSETTS

■ BOSTON—BNN Ch. 3

Saturdays—12 Noon

MICHIGAN

■ CENTERLINE—Ch. 34

Tuesdays—7:30 p.m.

■ TRENTON—TCI Ch. 44

Wednesdays—2:30 p.m.

MINNESOTA

■ EDEN PRAIRIE—Ch. 33

Wed.—5:30 pm, Sun.—3:30 pm

■ MINNEAPOLIS—Ch. 32

EIR World News

Saturdays—9:30 p.m.

■ MINNEAPOLIS (NW Suburbs)

NW Community TV—Ch. 33

Mondays—7 p.m.

Tuesdays—7 a.m. & 2 p.m.

■ ST. LOUIS PARK—Ch. 33

EIR World News

Friday through Monday

3 p.m., 11 p.m., 7 a.m.

■ ST. PAUL—Ch. 33

EIR World News

Mondays—8 p.m.

MISSOURI

■ ST. LOUIS—Ch. 22

Tues.—2 p.m.; Weds.—5 p.m.

NEW JERSEY

■ STATEWIDE—CTN

(Check Local Channel)

Mondays—2 a.m.

NEW YORK

■ BRONX—BronxNet Ch. 67

Saturdays—6 pm

■ BROOKHAVEN—TCI

(E. Suffolk, L.I.)

1 Flash or Ch. 99

Wednesdays—5 p.m.

■ BUFFALO—BCAM Ch. 18

Mondays—6 p.m.

■ HUDSON VALLEY—Ch. 6

2nd Sunday monthly—2 p.m.

■ ITHACA—Pegasys Ch. 57

(first 3 weeks each month)

Tues.—8 p.m.; Weds.—5 p.m.

Fridays—8 p.m.

■ OSSINING—Continental

Southern Westchester Ch. 19

Rockland County Ch. 26

1st & 3rd Sundays—4 p.m.

■ POUGHKEEPSIE—Ch. 3

Poughkeepsie Cable System

(call station for times)

■ QUEENS—OPTV Ch. 56

Thursdays—11 p.m.

■ ROCHESTER—GRC Ch. 15

Fri.—10:30 pm, Mon.—7 pm

■ STATEN ISL.—CTV Ch. 24

Weds.—11 p.m., Sat.—8 a.m.

■ SUFFOLK, L.I.—Ch. 25

2nd & 4th Mondays—10 p.m.

■ SYRACUSE—Ch. 3

Adelphia Cable Comm.

Fridays—4 p.m.

■ SYRACUSE (Suburbs)

NewChannels Cable—Ch. 13

4th Sat. each month—4 p.m.

■ WEBSTER—GRC Ch. 12

Wednesdays—9:30 p.m.

OREGON

■ PORTLAND—Access Ch. 27

Tuesdays—6 p.m. (Ch. 27)

Thursdays—3 p.m. (Ch. 33)

PENNSYLVANIA

■ PITTSBURGH—PCTV Ch. 21

Mondays—7 p.m.

TEXAS

■ AUSTIN—ACTV Ch. 10 & 16

(call station for times)

■ HOUSTON—PAC

The LaRouche Connection

Mon., May 9—5 p.m.

Mon., May 16—4:30 p.m.

Whitewater

Tues., May 10—6 p.m.

Thurs., May 19—7 p.m.

VIRGINIA

■ ARLINGTON—ACT Ch. 33

Sun.—1 pm, Mon.—6:30 pm

Wednesdays—12 Noon

■ CHESTERFIELD—Ch. 6

Schiller Institute Show

Tuesdays—5 a.m.

■ FAIRFAX—FCAC Ch. 10

Tuesdays—12 Noon

Thurs.—7 pm, Sat.—10 am

■ LEESBURG—Ch. 6

Mondays—7 p.m.

■ RICHMOND/HENRICO—

Continental Cable Ch. 38

Schiller Institute Show

Tuesdays—6:30 p.m.

■ ROANOKE—Cox Ch. 9

Mondays—5 p.m.

WASHINGTON

■ SPOKANE—Cox Ch. 37

Wednesdays—1 p.m.

■ TRI-CITIES—TCI Ch. 13

Mondays—11:30 a.m.

Tuesdays—6:30 p.m.

Thursdays—8:30 p.m.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year \$396

6 months \$225

3 months \$125

Foreign Rates

1 year \$490

6 months \$265

3 months \$145

I would like to subscribe to *Executive Intelligence Review* for

1 year 6 months 3 months

I enclose \$_____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

Phone () _____

Address _____

City _____

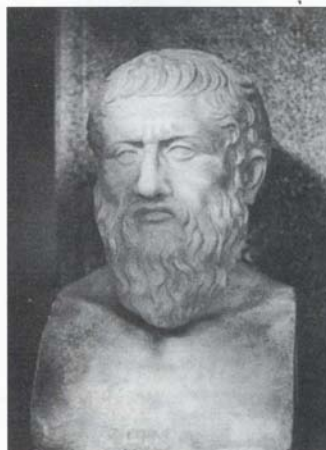
State _____ Zip _____

Make checks payable to EIR News Service Inc.,
P.O. Box 17390, Washington, D.C. 20041-0390.

Read the Scientific Minds that Shaped Civilization . . . and Still Do!

- **Plato, The Collected Dialogues**
Edited by Edith Hamilton. Princeton. Hardcover. \$36.00
- **City of God**
by St. Augustine
Penguin Classics. Paperbound. \$15.99
- **Toward a New Council of Florence: 'On the Peace of Faith' and Other Works**
by Nicolaus of Cusa
Includes 16 new English translations. Schiller Institute Paperbound. \$15.00
- **The Unknown Leonardo**
Abradale Press. Hardbound with color reproductions. \$35.98
- **New Astronomy**
by Johannes Kepler
First English translation. Hardcover. \$145.00

- **Gottfried Wilhelm Leibniz: Philosophical Papers and Letters**
Kluwer, publisher. Hardcover. \$54.00
- **The Power of Reason: 1988**
Lyndon LaRouche's 1988 autobiography. Paperbound. \$10



Plato (427?-347 B.C.)



St. Augustine (354-430)



Nicolaus of Cusa (1401-1464)



Leonardo da Vinci (1452-1519)



Johannes Kepler (1571-1630)



Gottfried Wilhelm Leibniz (1646-1716)



Lyndon LaRouche (1922-)

Call (703) 777-3661 or Toll-Free (800) 453-4108

Ben Franklin Booksellers, Inc.

107 South King Street, Leesburg, Virginia 22075

Please send me:

	No. copies	Total
Plato, The Collected Dialogues	_____	_____
City of God	_____	_____
Toward a New Council of Florence	_____	_____
The Unknown Leonardo	_____	_____
New Astronomy	_____	_____
Leibniz Philosophical Papers	_____	_____
The Power of Reason: 1988	_____	_____
Subtotal	_____	_____
Sales Tax (Va. residents add 4.5%)	_____	_____
Shipping (\$3.50 first book, \$.50 each additional book)	_____	_____
TOTAL	_____	_____

Enclosed is my check or money order, payable to Ben Franklin Booksellers, Inc.

Charge my Mastercard Visa Discover Amex

No. _____ Expir. Date _____

Signature _____