

EIR

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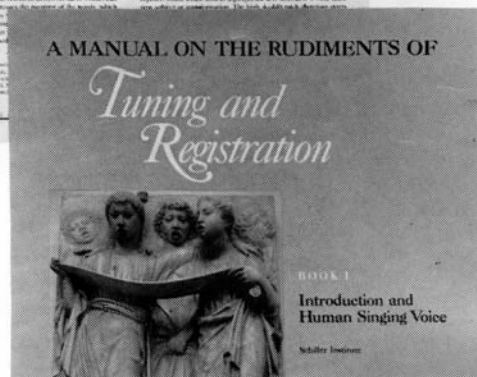
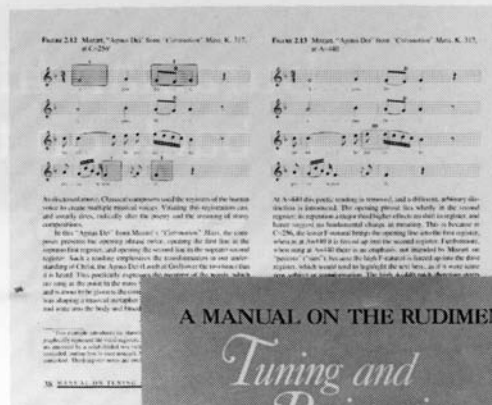
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From the Editor

The call by Boris Yeltsin, during his recent state visit to Germany, for an international effort to build a high-speed rail line from Paris to Moscow, places on the immediate agenda Lyndon LaRouche's even more ambitious economic-strategic plan for Eurasian development. As our *Economics* section documents, this program is finding a new resonance in China too, as well as the Mideast.

Asked about these exciting developments in a radio interview on May 19, LaRouche commented that Yeltsin's proposal was "essentially the same thing" as his own. "It's token," he said; "it's not a general policy, but it portends what might become a general policy. . . . The intent is to bring France into this, to resurrect the old plan of Count Sergei Witte, to have a rail link from Brest to Vladivostok, and to use rail development as a means of development for all of Eurasia."

Referring to his recent trip to Moscow, LaRouche said that these kinds of things were discussed there, but "my being in Moscow and this agreement between Yeltsin and Kohl, were somewhat coincidental—not cause and effect. These kinds of discussions have been going on since late 1989, early 1990. And there is, I must say, a very rapid growth in the influence of my ideas and policy proposals to this effect, around the world, including in those parts of the world."

LaRouche pointed to the interview with Chinese Vice-Minister Hui Yongzhen which we publish in this issue, as an indication of how his ideas have spread. Michael Billington, an associate of LaRouche who is currently serving a barbarous 77-year prison sentence in Virginia on trumped-up charges, had studied the proposals of Sun Yat-sen for railway development, and drafted a program for China. Now, said LaRouche, China is saying, "We, too, want to have a piece of the action on this."

In view of these developments, it is no surprise that LaRouche's enemies are gearing up new efforts to block his influence. See the *Investigation*, which exposes the drive by Wall Street broker John Train to rev up the slander machine which led to the incarceration of LaRouche and numbers of his associates. LaRouche was released on parole in January after five years of wrongful incarceration. The national and international clamor for his full exoneration is growing daily.

Nora Hamerman

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Jeffrey Steinberg reveals the dirty pedigree of the Wall Street investment counsellor who is preparing a new slanderous attack on Lyndon LaRouche. If the truth about Train's earlier efforts against LaRouche had been allowed to come out in the courts where LaRouche and associates were prosecuted, all the cases would have been thrown out.

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Correction: Due to an editing error, the article "Opposition mounts against U.N. genocide conference," in *EIR* of May 20, 1994, contained the following inaccurate formulation: "Several of the Roman Catholic institutions which have spoken out against the Cairo agenda, have also gone beyond the traditional, narrower focus on the delimited issues of abortion and contraception." The sentence should have read: "Several of the Roman Catholic institutions which have spoken out against the Cairo agenda, have not focused on the issue of abortion and contraception alone."

Economics



EIR's proposed Eurasian railway system, first published in October 1992. The plan is to have a fully integrated railway system, from one end of the Eurasian land mass to the other.

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Boris Yeltsin, visiting in Germany, calls for building a high-speed railway link from Moscow to Paris, via Berlin and Frankfurt. The idea is a reflection of Lyndon LaRouche's proposal for a Productive Triangle for Eurasian development.

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Great infrastructure projects move to top of world agenda

by Mark Burdman

It was in November 1989, with the fall of the Berlin Wall and German reunification imminently on the horizon, that American economist and statesman Lyndon LaRouche, from prison in the United States, proposed the launching of a massive Eurasian reconstruction and development program, based on large-scale infrastructure projects generated out of a geographical "triangle" of Berlin-Vienna-Paris. In late 1990, while still a political prisoner of President George Bush, LaRouche launched another proposal, an "Oasis Plan" for water projects and transport/infrastructure development throughout the Middle East and Western Asia, as an alternative to the "new world order" war drive of Bush and British Prime Minister Margaret Thatcher in the Persian Gulf. Both of these proposals have received wide international circulation.

Now, some years later, with the world financial system in a terminal crisis, the physical economy of nations and continents in collapse, and the dangers of new wars resulting from these financial and economic factors increasing every day, various leading forces around the world, in Moscow, in Beijing, in the Middle East, and in Europe, are expressing the view that the time has come to launch ambitious projects along the lines of what LaRouche has been calling for.

On May 13, at the conclusion of his state visit to Germany, Russian President Boris Yeltsin issued a call in the city of Stuttgart, before representatives of German industry, for the construction of a high-speed railway linking Moscow to Paris, via Warsaw, Berlin, and Frankfurt, as well as for a highway from Moscow to Berlin. As the Russian weekly *Literaturnaya Gazeta* pointed out the week of May 16 in a dispatch from Bonn, the Germans found Yeltsin's ideas "reasonable and realistic." Government spokesmen have de-

clared that German Chancellor Helmut Kohl would lobby for state, rather than private, funding for the railway component of Yeltsin's proposal, when Germany assumes the presidency of the European Union beginning July 1. Knowledgeable sources in Europe insist that there is considerable enthusiasm in France for such new high-speed rail links, although there has not been, as of this writing, any official French government response to Yeltsin's Stuttgart speech.

Also in mid-May, the vice-minister of the State Science and Technology Commission of China, Hui Yongzhen, provided written responses to questions submitted by *EIR*, in which he enthusiastically promoted the project of a "New Asia and Europe Continental Bridge," for linking Asia to Europe via high-speed magnetic levitation (maglev) and other kinds of railways. Mr. Hui stressed that this project should be seen as a "Bridge to World Peace" (see interview, p. 7).

A similar current is being expressed in the war-torn Middle East. Now that Israeli troops have left the Palestinian areas of the city of Jericho and the Gaza Strip, in accordance with the September 1993 Gaza-Jericho Agreement signed at the White House by Palestine Liberation Organization Chairman Yasser Arafat and Israeli Prime Minister Yitzhak Rabin, the issue of economic development in the region is, more than ever, on the agenda. As a leading PLO official stressed on German television May 18, there is now a very short time period ahead, in which the Palestinian population must see concrete steps of economic progress, or else the mood will sink into cynicism, despair, and rage.

From the Israeli side, Deputy Foreign Minister Yossi Beilin stated in a speech in London on May 13, that in the next five years in the Middle East, there would emerge "the building of a common infrastructure." This would involve

several countries, including Israel, Egypt, Jordan, Syria, and, said Beilin, "Palestine"—an unusual recognition by a senior Israeli official of Palestine as an ultimately sovereign entity. Should this common infrastructure actually be created, "in the next 10 years or so we can look at the possibility of a common market" in the Middle East, Beilin stated. He called for integrating the electricity grids of Egypt, Jordan, Palestine, and Israel, along the lines of the existing agreements between Turkey and Iraq.

'A good time to put forward such an idea'

As the Yeltsin proposal came directly from the Russian head of state, it is bound to have an effect on the changing political environment in Europe, and will put questions of infrastructure development high on the political agenda. In Germany, millions of citizens were able to read about his high-speed rail proposal in the daily press. The *Frankfurter Allgemeine Zeitung* reported the comments of German Transport Minister Matthias Wissmann, that building such rail lines would be an important theme during Germany's presidency of the European Union, and that, whereas the proposed highway project would have to be financed with private capital, the German chancellor had promised to make efforts within the EU for governments' funding of the high-speed rail project. The *Frankfurter Rundschau*, after stressing Yeltsin's "great interest" in a "fast-train link from Paris, via Frankfurt-am-Main, Berlin, and Warsaw, to Moscow," cited the German government view, that such a route would fit into "the strategic concept of getting more goods and passengers on the rails."

A European influential based in Paris praised Yeltsin's proposal in a May 16 discussion, asserting that "Yeltsin's guys have done their homework," since it is "a good time now to put forward such an idea in western Europe. . . . I think the French will like the proposal; they are already keen on extending their TGV [high-speed train] technology outside France, and will hope to place their equipment in various countries. . . . There is now a mood in Europe favoring big projects. The Europeans are desperately looking for some new investments that can be used to re-employ people, because the unemployment problem is really getting bad. Remember [European Commission President Jacques] Delors's plan for large-scale investment in infrastructure. . . . The Germans are right if they are delighted with this proposal, and the French would also be right if they were delighted. The British, of course, don't like this, but they are out of the picture on such projects."

The source also said that such proposals made great sense from the physical-economic standpoint in Russia itself, given the horrendous state of Russian rails and roads. The country is still suffering, he asserted, from Josef Stalin's abhorrence of East-West infrastructure projects, since these were seen by Stalin as possible "invasion routes" from the West against the Soviet Union.

This expert's evaluation on the parlous state of affairs in Russia is amply borne out by the latest figures issued by the State Statistical Committee of Russia for the first trimester of 1994. These show a massive collapse in industrial output compared to the same period in 1993. Overall output has dropped by 25.4%, but in machine tools the drop has been 45%, in truck manufacturing 66%, and in tractor production a whopping 80%. In the face of such a situation, there is tremendous unrest in certain parts of the labor force, with strikes and/or political protests planned by employees in the sectors of defense industry and metallurgy in the coming weeks. The economic potentials of sectors like these are precisely the kind of capabilities that would be brought back into play by a high-technology-vectored infrastructure program, along the lines indicated by Yeltsin's Stuttgart proposal.

But now that the issue of high-speed rail transport has been placed on the agenda, the question arises: Why not build the rail links using the most advanced technology—maglev—as LaRouche has specified? The German-designed Transrapid maglev train could make the trip from Berlin to Moscow in just four hours—almost as fast as by plane. The construction costs are not much higher than for traditional high-speed rail technology, and the benefits would be enormous.

Eurasian development vs. British geopolitics

A leading expert on Russia observed that there is "much more behind this proposal than just Yeltsin." He insisted that a "new coherence" is emerging in Russian policies, and that a general shift is occurring on the continent, away from traditional European politics toward a new "Eurasian" perspective. He forecast that the Russians, Germans, and French would come to a wide range of agreements on economic and infrastructural projects over the coming years, and that key newly independent Central Asian nations, such as Kazakhstan, would play an important role as a "bridge between Europe and the Pacific and China." He said that the future of Eurasia would be characterized by projects extending from "Brest to Vladivostok"—curiously echoing LaRouche's notion of the extent of the geographical area that would be positively affected by his "Productive Triangle" proposal.

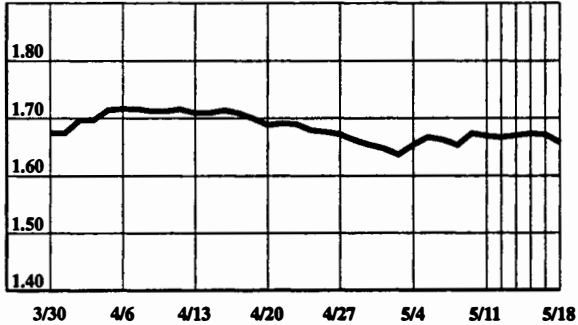
This source, who is intimately familiar with the thinking of geopoliticians in London, forecast that the British would do all in their power to "delay and wreck" the new emerging Eurasian geometry, but that these efforts would ultimately fail. "British thinkers today are nostalgics, they are 50 years out of date, trying desperately to reconstruct the old structures, while the people on the continent who matter, are thinking of developing the future." He denounced the "balance-of-power" ideas of the British Foreign Office and Henry Kissinger as "phantasmagoric."

Whether this vision of the future proves to be too optimistic or not, will depend on the *political will* of Europe, Russian, Chinese, and other planners, to neutralize and quaran-

Currency Rates

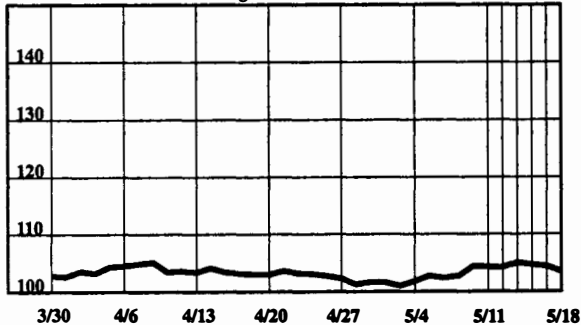
The dollar in deutschemarks

New York late afternoon fixing



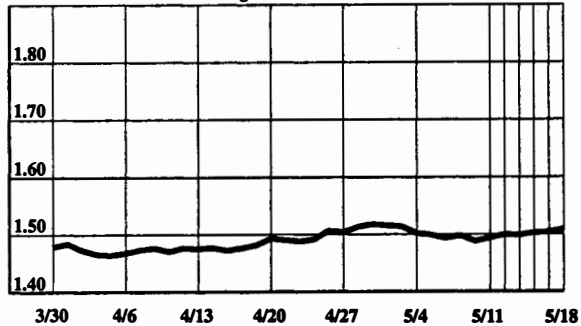
The dollar in yen

New York late afternoon fixing



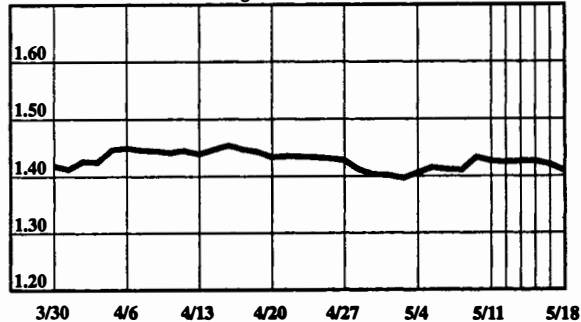
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



tine the British geopolitical maniacs and their stooges in the United States, who overlap significantly with the crowd working to topple the U.S. Clinton administration, which is the least subservient to the British foreign policy of any U.S. administration for many years. The British are, indeed, obsessed with stopping the industrial-infrastructure development of what they are wont to characterize as the "Eurasian heartland," the term used by the seminal geopolitical thinker Sir Halford Mackinder, earlier in this century. It was precisely in order to stop such a potentiality, that the British launched the destabilizations and divide-and-conquer strategies in the latter part of the 19th century that created the circumstances that made World War I inevitable.

That European, especially German, railroad development was seen as a *casus belli* by the British, was admitted recently in a backhanded way by leading British spokesmen. In an address before the elite Ditchley Foundation last summer, British historian Sir Michael Howard claimed that the development of railways in Germany in the second half of the 19th century was what caused two world wars in this century. Another example of such historical inversion, is the book *On Secret Service East of Constantinople*, by chronicler Peter Hopkirk, which was released in April of this year. Hopkirk contends that World War I was caused by the German project for a Berlin-Baghdad Railway, an idea which, he asserted, originated from "the first German imperialist," economist Friedrich List. He claims that his book is all the more timely now, in view of growing fears of "German and Russian hegemonial ambitions" today.

List, in reality, was the leading international proponent of the "American System" of economics—that same system which, as China's Sun Yat-sen correctly realized, allowed the United States to surpass Great Britain in economic development in the second half of the century. It is rather the British panic over, and hatred for, the American System, that has produced the world wars of this century.

More recently, the same fanatical British geopolitical drive to stop Eurasian development is seen in the British response to German unification in 1989-90: the unleashing of the war in the Balkans and the initiation of a massive international propaganda campaign denouncing the newly unified Germany as a "Fourth Reich." The assassination of Deutsche Bank chief Alfred Herrhausen, who promoted ambitious plans for European infrastructural development, was also motivated by this policy, pointing suspicion toward the British secret services' role.

The geopolitical world view is propounded in the United States by Henry Kissinger, a self-professed agent of the British Foreign Office, whose new book, *Diplomacy*, has been lavishly praised by British Foreign Secretary Douglas Hurd. Kissinger's friends in Britain and the United States are frantic over the growing interest in LaRouche's approach in Eurasia and the Middle East, which threatens to upset their entire strategic gameplan.

Eurasian rail bridge: 'A modern Silk Road and bridge of world peace'

Hui Yongzhen, vice-minister of the State Science and Technology Commission of China, has responded in writing to a series of questions submitted to him by Mary Burdman. The following is the text of the interview. A few minor wording changes have been made from his original, where reasons of style made this necessary. Vice-Minister Hui submitted the following headline for his responses:

A talk on the New Asia and Europe Continental Bridge favoring the development of the Asian-European continent

EIR: China officially opened the "Eurasian Rail Bridge" to Europe in June 1992. Could you describe the benefits this rail link—the shortest route between the Pacific Ocean and western Europe—will bring to both the economies of Asia and Europe?

Hui: The New Asia and Europe Continental Bridge (NAECB), having been linked up, has opened the land corridor between the Pacific and Atlantic Oceans, and offered the opportunity and favorable conditions for further strengthening the economic and technological exchange and cooperation between countries of the Pacific Rim Economic Circle, the European Economic Community, the Middle East, eastern Europe, the Commonwealth of Independent States, and West Asia. To develop and construct an economic corridor along the NAECB will exert a positive influence on the integration of Asia and Europe, on the peace and development of the world.

At present, there are altogether nine regional economic groups of various forms and sizes under the influence of the NAECB, more than 30 countries and regions included. It will help to strengthen the economic and technological cooperation between countries along the NAECB, and will especially enhance the regional economic grouping of these countries. It will also offer a new opportunity for the adjustment of the industrial structure and the rearrangement of industry along the NAECB.

The successful exchange of goods on the NAECB, and the prosperity of the region along it, is significant for the integration of Eurasia, and will contribute to the peace and

development of the world. Certainly, efforts are needed of peoples and the main countries of Asia and Europe.

EIR: It is frequently reported that China is in urgent need of more infrastructure. Could you discuss the policy for building new rail lines, including high-speed rail lines? Is there discussion of China building not just the state-of-the-art technologies such as the [German] ICE, but also the more advanced technologies, such as maglev [magnetically levitated rail]?

Hui: According to the railway construction policy of the Chinese government, to exploit the East, to join up the North and South, to enhance the main lines and increase the branch lines, and then to gradually form a rail network, the Chinese government will not only gradually make the whole Chinese section of the NAECB double-tracking, but also reform those main lines connected with it, such as Baoji-Chendu, Baotou-Lanzhou, Qinghai-Tibet, etc., so to sufficiently improve the transportation capacity of the Chinese section of the NAECB. Though the NAECB has already opened, further improvement is needed. The development policy of the Chinese government toward the Chinese section of the NAECB is to gradually develop from a double-tracking and electric railway to a highly convenient and high-speed railway. The technological policy for the railway construction and development of the Chinese government has made our technological development direction the application of the new and advanced technology for promoting the transportation capacity and improving the service.

"The transportation technology of high-speed railway" as a main technological project of "the Eighth-Year Plan" of China, has been included in "the Ten-Year-Planning of national economy of the P.R.C." Especially to build the high-speed railway between Beijing and Shanghai, whose speed can reach more than 200 kilometers per hour, has been approved by various departments of the Chinese government and all social groups. China is in the most urgent need of high-speed railway; its advantage can be possibly exploited to the full extent. The Chinese people are looking forward to the opening of all the high-speed railways as soon as possible.

In recent years, the maglev has caused much attention of

The New Asia and Europe Continental Bridge project will greatly promote the development of the world economy . . . and carry forward the peace and the development of the regions along it. It is a modern Silk Road of China. It is also a "bridge of world peace."

those departments concerned. The scientific research institutes concerned have invested much capital and put in many research personnel. It is supposed that, in the near future, some achievements in scientific research which can be used will be made.

EIR: In an article published in the *China Daily* on Oct. 2, 1992, you discussed the importance for China of developing the regions along the Eurasia railway line, where one-quarter of China's population lives. Could you elaborate on this development policy? How will it benefit the entire Chinese economy and nation?

Hui: Chinese development practice in recent years has shown that the "three alongs" policy of opening to the outside world, which are along the coast, along the borderland, and along the Yangtze River, is successful. In order to accelerate the steps of economic development and opening to the outside world, and to reduce the distinction among the west, the middle, and the east of China, the State Science and Technology Commission of China, the State Planning Commission of China, and other Chinese central departments concerned, as well as local governments, have organized specialists concerned, who have been investigating the regions along the NAECB and putting forward the development strategy of "four alongs," including the economic zone along the main traffic lines. At present, the development of the Chinese regions along the NAECB has been in the initial stage, and the Chinese central government has been organizing specialists and local government personnel concerned to study and formulate the development policy. The main points of the policy can be summarized as follows:

The Chinese government would speed up the development course of the economic zone along the NAECB centrally, exchanging between the east and the west of China, extending to the north and the south of China, and points leading line, lines leading surface, beginning from non-balance and gradually reaching balance in the development process. The forerunners are two regions respectively located in the west and the east end of the NAECB; the fulcrum is the large and middle cities; the axis is the economic zone along the NAECB; the emphasis is the superior resources which are processed in local and simultaneously in foreign land[s]; the principal part is processing industries of the resources; the two wings are high-technology industry and tertiary industry.

The Chinese government developing the regions along the NAECB will greatly promote Chinese economic development, which could be summarized into six aspects:

1. The development of the economic zone along the NAECB is favorable to China participating in international cooperation and social division, by which China could make a greater contribution to world development. The NAECB radiates more than 30 countries and regions in Asia, Europe, and Africa. The NAECB being linked up has a great significance to China walking toward the world, extending economic cooperation and exchange with Central Asia, West Asia, South Asia, East Asia, and Europe, speeding up the formation of a large transcontinental economic corridor, carrying forward the development of Asian-European integration and initiating the new economic pattern of the world.

2. The development of the economic zone along the NAECB is favorable to heightening its ability of competition and overall coordination in the national economic development of China. The economic zone along the Chinese coast is a dragon head of China opening to the outside world, which has gradually been advanced from the east to the west of China, that is an inevitable outcome of the economic development of the east coastal area, and needs the middle and the west of China providing more help. The economic [advance] of the middle and the west of China needs the support of technology, capital, qualified personnel, and management experience from the east of China. In order to keep the sustainable economic growth, the opening to the outside world must extend inland from the regions along the coast and the borderland. The dispersed and potential prosperities in the provinces and regions along the NAECB can be transformed into integral prosperity, by using the NAECB corridor, which has two directions.

3. The development of the economic zone along the NAECB is favorable to making the borderland prosperous and enriching the people. The western sector of the economic zone along the NAECB is an area where most Chinese minority nationalities live, and about 10 nationalities live in the areas which stride across national boundaries of neighboring countries. Developing the economic zone along the NAECB has a positive significance to accelerating and enlarging the west of China opening to the outside world, improving and raising people's living level of the minority nationalities who live in the west borderland of China, and changing the less-

developed situation of technology and economy.

4. The development of the economic zone along the NAECB is an important guarantee of realizing the strategic goal of redoubling the national economy. The middle and west part of the economic zone is one of the Chinese regions where energy resources and raw and processed materials are rather rich, and is an important resources and economic corridor. Carrying out the strategy of "electric energy carried to the East from the West" and "the East using the materials from the West" powers the economic development of the middle and the west of China, so that the resources prosperity in the middle and the west could be changed into economic prosperity, and the difference between the east and the middle and west of China could be gradually reduced, which would support the whole national economy going up a new stage. Therefore, developing the economic zone along the NAECB could realize the combination of industrial inclination and regional inclination, which is an important support of realizing the strategic goal of redoubling the national economy.

5. The development of the economic zone along the NAECB is favorable to controlling the deterioration of the ecological environment. The Chinese part of the NAECB is about 4,131 kilometers, where 2,365 km is in desert region, 1,194 km in loess plateau region, and 572 km in Huang-Huai-Hai region. In the desert region and loess plateau region, water resources are in short supply, desertification and soil erosion are serious, and the ecological environment is rather fragile, where natural resources excessively exploited and ecological environment destroyed, with the less-developed economy, have formed infernal circles. Only to positively absorb capital, technology, and qualified personnel from China and other countries, and to comprehensively participate in the development of the economic zones along the NAECB, could we control the deterioration of the ecological environment, change the less-developed situation of the desert region and the loess plateau region, and promote the economic development of Huang-Huai-Hai region and all of China.

6. The development of the economic zone along the NAECB is favorable to furthering the reform and improving the socialist market economic system. The development of the economic circle along the east coast has sufficiently proved that the policy of opening to the outside world is the catalyst to further the reform and cultivate the market economy. Extending from the east coast to the NAECB economic zone, the opening to the outside world will definitely further the reform and the opening of the economic zone along the NAECB, and will bring the emancipation and development of the productive forces of the zone and speed up its transition to the socialist market economic system. The reform of this zone directly influences the reform of the whole nation and its deeper development.

EIR: Almost a century ago, France, Germany, and Russia

were building a Eurasia rail network to China and to the Middle East and other regions. Although this policy had drawbacks, ultimately it could have created the most advanced industrial economy in the world on the huge Eurasia land mass. It has been the contention of our magazine that British "geopolitical" opposition to this policy was one of the fundamental underlying causes of World War I, and of the other wars of this century. At this time, when there is again an historic opportunity to develop Eurasia, how do you think the Eurasian Rail Bridge project will contribute to world peace?

Hui: The NAECB being linked up, developed, and used will create significant influence upon the relationships among countries of South Asia, Central Asia, West Asia, and Europe, which will make more frequent trade contacts, large freight volumes of land transport, and closer relationships among the countries. Especially, when the economic zone along the NAECB is energetically developed, unity and cooperation of countries in the world will be promoted. The realization of the NAECB project will greatly promote the development of the world economy, make the superiorities of economy, science, and technology be mutually compensated, absorb each country of the world to participate in development of this area, and carry forward the peace and the development of the regions along the NAECB. Therefore, the NAECB is a modern Silk Road of China. It is also a "bridge of world peace."

EIR: Economist Lyndon LaRouche, founder and contributing editor of *EIR*, has, since late 1989, proposed the concept of a Berlin-Vienna-Paris "Productive Triangle," which, because of its density of population and industry, and its cultural heritage, could become a motor for the development of all Eurasia. From this base, through use of the most advanced technologies, including high-speed rail and nuclear energy, industrial development could be extended to all the nations of the entire land mass. How might you evaluate such a concept?

Hui: At present, the international environment has two characteristics: a) the regionalization and transnational grouping of the world economy has become the general tendency; b) the development of the economic corridor has become the international trend. In my opinion, the development theory of the "delta area" of Berlin-Vienna-Paris is also compatible with this tendency. So I think the same theory has a positive guiding function and some influence on the development of the economy of Eurasia.

The construction of high-speed railways is the key to the realization of the "delta area" theory. In recent years, the 12 members of the European Economic Community, plus Austria and Switzerland, have unanimously agreed to build a high-speed rail network on the land of Europe. In 20 years, the high-speed railway will connect France, Germany, Britain, Belgium, Netherlands, and Luxembourg,

and in 2050, it will bring the whole European continent into the network.

It is estimated that in the beginning of the twenty-first century, with the development of the railway in China, the NAECB will certainly join Asia and Europe, even the whole world into a developed, cooperative union, full of vigor and hope.

EIR: The father of the Chinese revolution of 1911, Dr. Sun Yat-sen, became China's minister of railways, and developed a remarkable plan for rail and port development in China. Are his ideas one of the contributing influences in the elaboration of the Eurasian Rail Bridge proposal?

Hui: Mr. Sun Zhongshan [sic], the revolutionary pioneer of the new-democratic revolution, meticulously drew up a magnificent blueprint, which thoroughly described the strategic idea, taking the construction of railways and ports as an emphasis in his "A General Plan for National Reconstruction." This is a summary of successful experience, which is that the United States of America, due to its rapid economic development, had exceeded England in the latter half of the nineteenth century. Mr. Sun firstly pointed out that, the more the difference of the economic levels, the greater the requirement for commodity production and circulation. The railway, linking regions where some areas have dense population and flourishing economy while others have sparse population and less-developed economy, is able to make profits much more than the one linking regions where there is less difference of economy and population. Goods are just like streams: The longer the drop, the greater the potential energy. Therefore, he also talked about constructing Xinjiang railway and Xizang railway, and firstly linking up the more remote trunk lines.

Mr. Sun put forward that 100,000 miles of railways would be constructed in China and form an independent Chinese railway network, southeast railway system, northeast railway system, northwest railway system, and plateau railway system. The central railway system is just the idea of the present NAECB. Therefore, the NAECB having been linked up is the practical realization of the great idea of Mr. Sun which fully reflects the strategic and technological foresight of Mr. Sun's railway construction idea.

EIR: Can you describe for our readers the current situation of China's infrastructure? What are the most urgent needs, and what steps are being taken to meet them?

Hui: Thirteen billion yuan [renminbi] has been invested in order to link up the great NAECB international corridor by the Chinese government in the 10 years from 1983 to 1992. The infrastructure has been newly established. Although the whole NAECB has been linked up and the development in the regions along the NAECB has been devoted much attention by many countries and regions, from a long-term point of view, the transportation, communication network, electric

power base, and power transmission network need to be further improved, town-city systems and industrial production base need to be strengthened, and the steps of opening to the outside world and economic development need to be quickened in the Chinese regions along the NAECB. For solving the problems indicated above, the Chinese government will formulate a policy on favorable terms, further quicken the steps of economic development in the Chinese regions along the NAECB, enthusiastically absorb the capital, technology and qualified personnel from abroad for the NAECB development, welcome overseas travelling traders to participate in the cooperative development in the fields of traffic, energy resources, communication, raw and processed materials, agriculture, etc. in Chinese regions along the NAECB.

EIR: The development of the Eurasian Rail Bridge will clearly contribute to China's relations with other nations in Asia, Central Asia, and Europe. How do you envisage these relations developing?

Hui: The NAECB is easterly contiguous to the Pacific Rim Economic Circle, consisting of Japan, the "Four Small Dragons" of Asia, East Alliance, etc.; westerly link the European Economic Community, and draw the economic circles of Central Asia, West Asia, and South Asia into the radiation range of the NAECB. It provides convenience and a new development juncture for the trade development and the economic and technological cooperation among China and the countries and areas in the radiation range above. Especially, there is a good mutual compensation in the aspects of industrial structure, technological structure, and product structure between western China and its contiguous countries. Chinese products have broad market prospects in Central Asia, West Asia, South Asia, East Europe and the Arab countries. That the NAECB is linked up and operated, has provided favorable conditions for developing the economic zones along the NAECB, realizing mutual [compensation], and promoting the economic development, common prosperity, peaceful association, and mutual coordination between China and these countries.

That the NAECB has been linked up, has opened a facile corridor for China doing import and export trade with Europe, countries in the Middle East, and countries of the Commonwealth of Independent States, provided favorable conditions for western China introducing foreign capital and developing economy, given favorable circumstances to the Chinese eastern coastal areas constructing ports, improving investment environment and developing economy, made a great progress in the friendship relation between China and the countries and regions of Southeast Asia. The development of the NAECB not only closes the relationship among countries of Asia and Europe closer, but also further improves the relations among China and countries of Asia, the Middle East, and Europe.

HTR nuclear reactors could provide Mideast with electricity and water

Mr. Einav is chief scientist at the Israeli Ministry of Energy and Infrastructure. The interview was conducted by Jonathan Tennenbaum on May 13.

EIR: First, I would like to have your views on the importance of desalination technology in the context of the present situation in the Middle East and the future of the area.

Einav: Well, water is a relatively scarce commodity in the Middle East and it is felt that in order to overcome this scarcity, one should try to introduce new sources of water into the region, which means either importing water or creating water through desalination. Of course, you know there are many techniques to desalinate water—commercial ones, like the reverse osmosis, or evaporation techniques, like the multi-effect evaporation units that are being produced in this country. I have the feeling that we have no alternative but to use either of those technologies or maybe the multistage flash process, which is also available. So we'll have the advantage of actually using those technologies which are well known and established commercially.

EIR: Our publication has been circulating a policy proposal put forward by Lyndon LaRouche, called the "Oasis Plan," which involves using nuclear energy in combination with desalination units to create a network of centers that would produce energy and desalinated water, have high-technology agriculture, and be centers for regional economic development, connected by canals and high-speed rail systems. What do you think of that perspective?

Einav: In the 1960s there were some programs which were pretty similar to this program. There were certain scientists and engineers who went to the United States and worked in some of the laboratories—Oak Ridge [Tennessee], in particular—elaborating those programs and making some feasibility studies based on the then-known techniques of nuclear reactors. I think it is a well-conceived idea, and if we are able to indeed actually materialize this idea, then it might be one of the solutions for this region, especially with the population growth which you see nowadays.

EIR: A particular technology we have discussed is the so-called high-temperature reactor (HTR), particularly the pebble bed form that has been developed in Germany.

Einav: As far as nuclear reactors are concerned, it is probably the best nuclear reactor to be worked on for future use, because compared to other nuclear reactors, it has built-in buffers against the danger of accidents. . . . Of course, if [desalination] could be combined with electricity production, then you can reach a relatively high efficiency of this system with respect to the amount of heat you are producing. So, if you ask me, yes, I think it is a pretty good choice.

EIR: Unfortunately, although prototypes were built in Germany, the further work in this direction has been shut down or reduced greatly.

Einav: This is a sad story, I must tell you. This type of reactor is promising, because it has some inherent safety features that you will not find in other reactors. And you could use thorium as fuel, which is not easily done in other types of reactors. . . . So, it has some important inherent features and that the fact that it was discontinued is, from a technical point of view, a very sad fact.

EIR: In the late 1980s, a major effort was launched in the Soviet Union, in cooperation with Germany in particular, to perfect the high-temperature reactor. Recently there have been reports of negotiations to pursue this development as a joint East-West project.

Einav: If this agreement would materialize, I think it is something we should look for, because it is a good alternative for the supply of electricity and also for this type of dual purpose application.

EIR: What would be the capabilities in technology and know-how in Israel itself to participate in and contribute to the construction of this type of equipment?

Einav: It's really a dynamic question. When we were looking earlier at the installation of another type of reactor, we reviewed the capabilities. Civil works is something that we can do in our country. We can also do some of the heat exchangers, we can do some of the piping and some of the delicate machinery and control systems. Certain pieces we would not be able to do. If you need pressure vessels, our industry is not capable of doing that.

So, I would say that a pretty sizable part could be done here, but not all of it. Some of the critical components would

have to be imported, that's for sure.

EIR: But we're looking into the future to go to a very large-scale use of small modular-type reactors.

Einav: Then I think a feasibility study should be made in order to see what kind of components could advantageously be manufactured in our country. This would be quite easy: We have a pretty developed industry that is quite sophisticated in certain areas, and we would be able to manufacture up to 70% of what you have in this plant after we do some work. I think it is in that ball park—the least would be 40%, and up to 70%

EIR: We are now talking about the nuclear part, but then there would be the desalination plant, which Israel already produces for itself.

Einav: With the desalination, there would be no problem, because we have a company here that is manufacturing multi-effect distillation desalination plants and also vapor compression desalination plants. Part of the components we will buy outside, such as certain special pumps, etc., as necessary. But most of it we can produce in this country with no difficulty.

EIR: Such a development could involve a division of labor

among nations. We are talking about a region that involves Israel and Arab states, and one of the points of the Oasis Plan was that political solutions will not work in the long term, unless they are associated with real economic development which involves water and so forth. How would you see this kind of development of nuclear desalination centers and so forth in the context of regional cooperation? What about the area of Gaza: What would be the possibilities for cooperation there?

Einav: Well, if there is a will there is a way. There could be cooperation. A plant like this could be run with common teams that were trained together. If it is a common plant, peoples of both nationalities could operate it, and it will be subject to certain controls by the International Atomic Energy Agency. One could find solutions for this type of plant and operate it quite easily.

EIR: There is a particularly acute water problem in Gaza. In an earlier discussion you mentioned a possible location in the south there.

Einav: It would be in the very south or at the edge of the Gaza Strip, and then people from Egypt could participate, and people from Gaza and people from Israel could participate in running this plant and maintaining it under international control.

EIR: One feature of the HTR is a very high degree of security against proliferation.

Einav: As I mentioned, the fact that it could be fueled with thorium is a definite advantage, and this is also one of the disadvantages of discontinuing the development of this kind of reactor.

EIR: How would cooperation involve other nations, such as Russia, for example?

Einav: Russia is a big power, although right now the situation is bad. It's like having a sick giant, but it is still a giant. If you take the capabilities they had and divert them to the correct goals, then everyone could benefit. So, by all means, if there is any possibility to engage the Russian scientists and Russian technologies, Russian engineers and production facilities, in order to provide for certain types of nuclear facilities or other facilities at a reasonable cost under rigorous controls and standards, then everyone could benefit. It is only a matter of providing a goal, and providing the money and the vehicle and the appropriate people in order to bridge the gap between the western mentality and the Russian way of doing things, which is different. Although some of the products may look similar, there is a different way of looking at the product and a difference in methods of analyzing a given area. So, there should be an effort to bridge the gap between the Russian technologies and the western technologies and the user. . . .

We can take advantage of all the many people that came

Correction

The "Science Policy" article entitled "Thorium Holds Great Promise for India's Nuclear Future," which appeared in *EIR* of May 6, 1994, should have included the following references:

1) "The Potential Uses of Thorium as a Nuclear Fuel," Dr. H.L. Roy Memorial Lecture, by Dr. Raja Ramanna, Nov. 21, 1981.

2) "Nuclear and Material Aspects of the Thorium Fuel Cycle," by P. Rodriguez and C.V. Sundaram, *Journal of Nuclear Materials*.

3) *The Thorium Fuel Cycle*, by E.R. Merz, Institute for Chemical Technology Kernforschungsanlage, Jülich, Germany.

4) "The Reoptimized Large HGTR Plant Using a Nonproliferation Fuel Cycle," by A.J. Neylan and G. Jones. *Proceedings of the American Power Conference*, 1978.

5) "Concrete Reactor Vessels for HTRs—Building on German Experience," by J. Schoning, C. Elter, and G. Becker, *Nuclear Engineering International*, October 1984.

6) *Nuclear India*, published by the Department of Atomic Energy, Government of India.

over from Russia, and actually bridge this—what I dare call—mentality gap, to go from Russian-type to western-type of applications, etc. . . .

EIR: We have spoken of the need for large-scale development of infrastructure internationally, where the various national governments would have to play the leading role in financing and overall direction.

Einav: I agree that one should spend more on infrastructure, and I think our government has already detected this issue. If you come to our country, you will see that a lot of money is spent now in rebuilding the road system and we also have some plans to invest in railroads and other big projects. When you have actually built your infrastructure, and you build it in time, you have all the amenities to actually revive your economy at a later date. I know that some governments, and for some time our government, did not spend enough money on revitalizing the existing infrastructure and building infrastructure for the future. When you invest in this way, you gain a lot in the future. You don't see the gains immediately, but you'll see them later on. I think the idea is a healthy one.

EIR: The Oasis Plan features the use of high-speed rail and magnetic levitation systems for goods and passengers as a motor for economic development. It foresees a regional high-speed transport system for your region being integrated into a Eurasian and all-African system running from the Atlantic to the Pacific and from Scandinavia down to the southern tip of Africa.

Einav: I think it is a magnificent idea, because I also feel that there is a limitation to the air traffic: You cannot increase the sizes of the airplanes, and there might not be enough space to have big airfields near all the cities. Going back to high-velocity trains is a very good solution. We may see a second coming of the railroad as the prime mover. And I would also add that with air traffic, you will always have to use—at least in the near future—engines that are using fuel which may cause problems in polluting the atmosphere. Whereas with railroads you would be able to use electricity and be able to create electricity by other means. And you will be able to transport a higher volume of passengers. And for high-speed freight, a train could be completely automatic. You would only need remote sensing devices to track the train. You could send it from one place to another with almost no one attending it, or maybe two people for a huge train.

EIR: Is there thinking going on in Israel on building a regional railroad network and integrating with the rest of the world?

Einav: We would love to do it. It is not under our ministry, but I heard this kind of thinking around our place, and, of course, we would like to be a connecting link between Asia, Europe and Africa. And it would be quite natural. I think it is an idea that people will welcome in our region.

Russia's Economy

Theory and practice of the swamp

by Andrei Orlov

Dr. Orlov is prorector of the Economics Academy of the Russian Federation Ministry of Economics. We are publishing this article on the state of Russia's economy, abridged from a chapter of a forthcoming book, with Dr. Orlov's kind permission. It is dated April 15, 1994.

"My atheistic Russia,
My sacred country!"

—Igor Severyanin, *My Russia*, 1924

To begin with, some dry, but nevertheless impressive figures characterizing our great and much suffering Motherland: Russia today is 17 million square kilometers in area, or one-seventh of the Earth's land mass. The population of the Russian Federation is nearly 149 million people, of whom 110 million are urban and 39 million are rural. Russia comprises 21 republics, 6 territories, 48 regions, 1 autonomous region, and 10 autonomous districts. It has approximately 1,060 cities and 2,160 towns.

Russia's share in the world production of electric power is 9-10%; oil, 16-17%; natural gas, 30%; coal, 8-9%; steel, 10-12%; mineral fertilizers, 10-12%; lumber, 15-17%; cement, 6-8%; woollen cloth, 13-15%; grain, 5-6%; sugar beets, 8-10%; potatoes, 10-12%. Russia possesses one-quarter of all forests, the "lungs" of the world.

At world prices, the fuel and power complex of Russia (which is our leading sector, along with the military-industrial complex, among the state-supported sectors of industry) may yield a profit of \$130 billion. This money could subsidize agriculture and the agro-industrial complex as a whole, as well as culture, science, education, and other spheres and branches that serve the people. But until now, our state has been bankrupt in this respect. It takes at least 45-50 trillion rubles [approximately \$25-30 billion at April 1994 rates of exchange—ed.] to support 1 million unemployed, 35 million pensioners, the sick, the disabled, and large families in the face of inflation.

Russia is still one of the most multinational countries. Russians make up over four-fifths of the population—120 million people. There are 3.5 million Tatars, 4.4 million

Ukrainians, 1.1 million Chuvashi, 1.2 million Belarussians, 0.8 million Germans, 0.9 million Chechens, 0.5 million Jews, 0.7 million Udmurts, 0.6 million Mari, 0.6 million Kazakhs, and 1.7 million people of the nationalities of Dagh-estan.

There are 70,000 secondary schools in Russia. One and a half million teachers work in these.

On the eve of World War I

Before talking about the condition in which Russia, its peoples, and economy approach the eve of the 21st century, it is worth looking back and seeing what our country looked like at the end of the 19th century.

In 1894, the population was 122 million people. On the eve of the First World War, this number had reached 182 million—an increase of 60 million, or 2.4 million people annually. Today we have 33 million fewer mouths.

The most difficult sphere of reform is financial stabilization, the ability of the state to manage the budget, to plan incomes and expenditures, and as a result to create a hard ruble. The team of reformers was unable to find the key in monetarism in 1992, nor did they find it in 1993.

In czarist Russia, the financial policy of Sergei Witte [finance minister in the 1890s—ed.] guaranteed a budget with no deficit and the accumulation of gold stock. Without any tax increase, state expenditures grew from 1,110 million gold rubles in 1897 to 3,104 million in 1912—nearly three times during 15 years. During the period of 1904 through 1913, the excess of profits over expenditures was 2,400 million gold rubles. Spending was maintained at a stable level—2.4-2.7 billion gold rubles. Railway tariffs were decreased and buy-outs for lands which passed to peasants from the former landowners were cancelled. Some other tax incentives were introduced. Passport taxes and, in 1914, all kinds of taxes on spirits were cancelled. The gold stock in 1914 equaled 1,604 million rubles, in addition to 141 million gold rubles on deposit in foreign banks. Russia was one of the countries building up its economy with high creative and scientific-educational potential. Money circulation was stable, even during the Russo-Japanese War, with its mass revolutionary-extremist outbursts. The exchange of credit bills for gold was never stopped before the First World War. Taxes in Russia were the lowest in the world. Direct taxes in Russia were four times lower than in Austria, France, Germany, and England.

The productivity of labor in Russian industry grew four times during the period of 1890-1913. The profit from industry nearly equalled that from agriculture. Domestically produced commodities covered four-fifths of domestic demand. From 1910 to 1913, the number of new joint-stock companies grew by 132%, and invested capital increased four times. Business activity, possibilities for investment, and growth of well-being in that period were determined for a

majority of the population by the fourfold growth of their bank accounts and the sixfold growth of their deposits.

Eighty years of pillaging

What has happened to our country during these 80 years? Who gave permission for our enormous wealth to be pillaged? The country has been pillaged for many, many centuries, from the moment it was baptized in 911, or even earlier. It has been pillaged all over: from east to west—from west to east, from north to south and vice versa. It has been pillaged God knows by whom—by ancient tribes . . . by Turks, by Poles, by Frenchmen . . . by czars, by aristocrats, by their servants, by landowners, by bandits, by bureaucrats of all kinds.

The dreadful First World War, revolution, reds and whites, military communism, famine, reconstruction, New Economic Policy (NEP), Stalinism, millions of those killed and tortured to death. . . . The unforgettable Second World War—the Great Patriotic War—brought millions of victims, and one-third of the U.S.S.R.'s national wealth was destroyed.

Then came reconstruction. . . . The superpower of tanks and rockets. Along with partycrats, bureaucrats, pseudo-bureaucrats, mafia of all kinds, corruption. They pillaged and are pillaging the Nature of Russia, its Resources, its People, its Culture, its Intellect. . . .

Russia at the limit

The most serious religious men in Christianity and Islam believe Russia has reached its limit. Is there any choice of roads, as the three epic heroes had in one of the Russian fairy tales? Either to fall into the abyss or to stay on the brink. People perished and are still perishing: Russian soldiers in Karabakh, Abkhazia, Ossetia, Ingushetia, Tajikistan. There were the bloody days of Oct. 3 and 4 [1993] in Moscow, with thousands of wounded. Aggressivity and resistance are accumulating in society.

Aggressive empires have already collapsed or are on the verge of collapse. And they seemed so peaceful, so full of well-being, e.g., Yugoslavia. It reminds one of the theater of the absurd.

The former U.S.S.R. and Russia face collapse, the decay of power, deepest economic and political crises, general depression. Is this God's punishment? The inevitable collapse of the "Empire of Evil"? The leaders' inability to make the acute turn in society and the economy less painful? Treachery, the explosion of nationalism and disintegration? Hypocrisy, unruliness, incompetence. . . . All at once.

For what sins is Russia suffering? For what sins are my people suffering? Ten to fifteen million people do not live, they only exist below the biological (physiological) limit. Malnutrition, famine, terrible housing conditions.

And again there come paradoxes and idiocies—in Russia

there are most of all: holidays, academies, stock-exchanges, mediation cooperatives, pseudo-businessmen, speculators, prostitutes, "bad roads and fools," politicians. There are 3-4,000 criminal groups; 1.5 million weapons in hands; an unbelievable expansion of criminality in 1992-93.

Up till now there is the greatest lack of: order, clever leaders, and wages (on the average 10-15¢ per working hour, 5-10 times less than in Poland; 150-200 times less than in Japan).

In 1992, thirty percent fewer children were born than in 1987. Three hundred and thirty-two thousand refugees are registered, among them 55,000 children. Up to one-fifth of small children suffer from chronic diseases. Only 10-14% of children are considered healthy when they start school. There are more than 3 million single-parent families. Five hundred thousand children annually are left without one of their parents; nearly 100,000 children live in orphanages and boarding-schools. Juvenile delinquency has doubled during the last two to three years. More than 259,000 children with various defects are taught in specialized boarding schools. Nearly one-third of schools need urgent, thorough repairs; one-tenth of them are unsafe. And only 40% of all schools might be considered acceptable for studies. Prostitution among minors has become a profitable and consequently widespread business, and 32-35,000 schoolgirls are registered with the police for this activity.

Ecological disaster

The ecological situation has long since crossed the red line in some cities and territories. Natural resources are being pillaged—land, oil, natural gas, coal, gold, diamonds, forests.

Nowadays, water and air have become the cause of poisoning and the subject of trade; an unsatisfactory condition of drinking water reservoirs (according to the bacteriological indices) has been registered in the Kaliningrad, Kostroma, Omsk Provinces and Khabarovsk Territory. The population of Kalmykia, Karachayevo-Cherkessiya, Kaliningrad, Arkhangelsk, and some other regions have to use drinking water which does not meet chemical requirements. Half of the population of Russia has to drink water which does not meet hygienic requirements. More than 40% of water systems that take water from open reservoirs do not have necessary purifiers.

According to official data, from 13.3% to 24.4% of water samples from reservoirs of drinking water do not meet the bacteriological requirements; 20% fail the chemical standards. Through Russia's vast spaces flow streams of oil products, phenols, heavy metals salts, highly toxic combinations, and a lot of other parasites which are called bacteriological components. In the opinion of specialists, the majority of cases are not even recorded in official data. The real dimension of disease rates as a result of dirty

water usage is ten times higher than the official data on average.

It is high time to put a stop to this. . . . Russia occupies second place in the world—after India—in the number of beggars, homeless, and outcasts. Nearly half the population lives below or around the officially set poverty line. The number of registered unemployed seems to be not so immense—about 1 million people in 1993. But 70% of them are women. (Unemployment, like many, many other vices of the market, has a female face.)

Who gave permission for our enormous wealth to be pillaged? For what sins is Russia suffering? For what sins are my people suffering? Ten to fifteen million people do not live, they only exist below the biological (physiological) limit. Malnutrition, famine, terrible housing conditions.

Hidden unemployment was inherited from the old system. Who has counted the number of unemployed? The experts are arguing: 3-5 or 10-12 million people. . . . These people are either partially employed or are on the roster of some enterprises and institutions. Sometimes they hope for help from the state, for some miracle. Privatization has not yet really started, there is still no conversion of the enterprises of the military-industrial complex. Somewhere the directors of enterprises could create their own "states" and go on in anarchy.

A critical mass for reform

But the conclusion is as follows. It is useless to rely upon the state. One should defend oneself, take all the responsibility, take risks, make mistakes, test oneself in entrepreneurship, support each other.

The other conclusion is simple in itself, but difficult to put into practice: One must work, and work hard. And one must create at last a critical mass of new, private property and new proprietors (20-25 million people, including farmers and entrepreneurs in small business). Then the real basis would be laid for deep, substantial reform of society and of the economy.

So far, 5% of the population—the rich and superrich—who have made their immense capital by speculation and crime, have everything or nearly everything, even reaching

the standards of developed countries. The polarization of profits and life conditions that other countries passed through during a 10-15 year period occurred in Russia in 1992-93. Let us not get into somebody else's pocket and envy the rich. We must try ourselves to escape from poverty. And the state ought to help us.

But power possessed of the lowest intelligence thinks only about how to protect itself, to prolong its death agony. The living conditions of veterans of war and labor and of some of the oldest pensioners seem to have improved. But their number is rapidly becoming less and less. . . . The life of the majority of pensioners, disabled, sick, large families, lonely schoolchildren and students, retired military men, and people of different nationalities sees no improvement. Only honest politicians and entrepreneurs whose hearts are aching for their Motherland might unify and support these groups of the population in such a difficult period. Those small and medium-sized entrepreneurs who are for social justice, who are working in production, starting from the farmers, and who by their own hard work are able to make their business function, are suffering from the dominance of incompetent but greedy bureaucrats in the state and municipal authorities, from graft and corruption.

An abnormal, illogical system of taxation eats up 75-85% of profits. Besides really predatory income taxes and value-added taxes (VAT), which were introduced in 1992 and are still the same, the state has provided for a special tax in the form of a bribe at each level of power and in each office, as well as a heavy interest rate: from the 100% rate of the central bank of Russia, to 200-220% and more at commercial banks. That is why only after breaking free from the speculation-and-crime business of the *nouveaux riches* and after consolidation of forces to carry out some concrete projects, would small and medium-sized entrepreneurs be able to survive themselves.

The basic critical mass of private property and proprietors, which determines the real possibilities for domestic business development in production, must be formed, first of all, in agriculture—the compulsory attachment of private property on land, establishment of its market price and the right to inherit it.

Without this and without the creation of the critical mass of small and medium-sized proprietors, a real competitive market ambience will not be formed.

Instead of the process of deep privatization, which has not yet started, we have superficial denationalization.

Time for a change of mind

Dear reader, let us stop and take a breath. There is no argument—our wealth, possibilities, and resources are quite unique. Serious foreign investors and partners do understand this. But our misfortunes are also innumerable. For what sins do we have all this? “The fundamentals are destroyed, the gates are closed and the lighting is switched off” (Ivan

Bunin, *The Cursed Days*). Mediocrity is spreading everywhere. . . . Mediocrity comes to every house.

Old and new “isms” find their expression in chaotic reform-making and improvisation, rather than profound, basic reforms. Unfortunately, they are leading, together with their mediocrity and power struggles, from the old swamp into a new one. The reform leaders have neither a well-thought-out strategy, nor a distinct idea of how and where to lead Russia and its people. “The blind are leading the blind. . . .”

Social justice looks forward to seeing among its adherents poets, composers, writers, personalities able to fight the mediocrity. The creative intelligentsia who are not able to adapt themselves to any kind of regime, but suffer for their Motherland, for their people, are searching for the way out.

Is it not mediocrity that keeps us in eternal debt to London, Paris, and other clubs? And do we, Russia and its people, have a debt to anybody, or is somebody in debt to us? And don't we push ourselves into this eternal debt by our own foolishness and mismanagement? Or perhaps we have been trapped in well-placed nets? It is time to find out.

“The Universe is the theater. Russia is the stage.

Europe is the circle. The Baltics is the stalls.

America is the gallery. The tragedy is called ‘Gangrene.’

The actors are corpses. Their first actor is called Antichrist.”

(Igor Severyanin. “Sonnet” 1921)

It's time for a change of mind. The Russian creative intellectual is more and more impudently exported. They buy and import our physicists and lyricists, our beautiful girls and women. And whom and what do they bring to our country? Rogues and members of the mafia, something from Brighton Beach, Snickers and Mars Bars.

Who then will give birth to healthy and beautiful children? Who thinks about the genetic fund of the country?

It's high time to put a stop to this, for a change of mind. . . . There is still some time left. Though one cannot give back the lives and blood of those who have perished.

We are in great need of peacemakers. But God knows if some new disappointments are in store for us.

A new time of crowning is sure to come. Will it be 1994 or 1996? Centennial cycles—a new century. On the eve of the 21st century, it is time to think not only about the post-communist period, but about the post-capitalist time as well, with a new state and new leaders. Eleven- to twelve-year periods of the Eastern calendars and heliobiological cycles of solar activity and magnetic storms according to the theory of Chizhevsky—all these things are for some superintellect. It has its own reckoning of time, of our sins and debts. It is time to think about it—for the sake of Russia. For the sake of Man.

Hunger stalks the United States

One in ten is already going hungry, and ever less food is available for food aid programs.

A study released by Second Harvest, the leading food bank network in the United States, at the end of March, reveals that 1 in 10 Americans is going hungry. This incredible rate is not unlike that in many developing nations, according to J. Larry Brown of the Center on Hunger, Poverty, and Nutrition Policy at Tufts University, the March 31 *AgriNews* reported.

Says Brown, "Hunger is at epidemic proportions." According to the report, children account for half of the 26 million Americans who rely on food pantries and soup kitchens for food. Many of those surveyed in the study who are forced to rely on government handouts have at least one employed wage-earner in the family. Although Second Harvest-affiliated food banks feed 26 million people, many more are missed by them. Brown states that the number of hungry is minimally 30 million.

At least 20% of respondents to the study reported they are worried about the source of their next meal, and 32% reported skipping meals.

Apart from the growing number of Americans who rely on Food Stamps (which has risen to an astronomical level of 27 million over the last decade) and food pantries, there is mounting evidence of less food available for food pantries to distribute. Food banks report that cash donations are down, as well as the amount of government-donated commodities. While visits to food pantries in Minnesota have risen dramatically since 1980, the Food Shelf Association reported to *AgriNews* that there was a 50% decrease in cash donations to buy the food last year.

A research director for the Minneapolis-based Urban Coalition said that demand for donated food has increased steadily in the past decade. Individual visits to Minnesota food shelves rose from 180,000 in 1982 to 1.4 million in 1992. Some 446,000 households in Minnesota, home of the agri-business cartel Cargill, used food shelves in 1992. A Willmar-area food shelf has reportedly been mobbed by people affected by last year's flooding.

AgriNews reports that the 1995 budget proposal of the Clinton administration is to eliminate federal spending on commodities distributed to food banks under The Emergency Food Assistance Program. TEFAP purchases food and agricultural commodities for food assistance and victims of natural disasters. Hundreds of thousands of pounds of TEFAP food were distributed after the Los Angeles earthquake. The program spent \$145 million to purchase commodities in 1993, but was cut to \$120 million in 1994. These cuts affected an estimated 8 million households, according to the newsletter of the Grange.

One of the consequences of a free trade policy in agriculture, or declining government intervention to protect the individual producer and the agricultural economy from the rapaciousness of the multinational food cartels, which policy was given a boost with the signing of the North American Free Trade Agreement last year, has been the decline in surplus foods or commodities available for food assistance for the hungry. To put more food in cartel-controlled channels, government price support pro-

grams have been drastically cut for grain and dairy since the 1985 Farm Bill. Therefore, less food goes into government stocks to be made available for programs for the needy. Currently, grain crop stocks are at an historically low supply-to-use ratio, exacerbated by last year's flooding in the corn belt.

The policy to keep stocks low (and put farmers out of business) also affects the availability of food aid abroad. The U.N. Food and Agriculture Organization's provisional estimate of total food aid availability of cereals for 1993-94 stands at 11.8 million tons, compared to 15.2 million tons in 1993-94. Only 7.8 million tons is expected to be provided to developing countries, well below levels provided to these countries in previous years. The need is increasing in Russia, Africa, and parts of central Europe.

In other crop areas where the government gives contracts to food processors to remove surpluses from the market and make them available for school lunch programs and food assistance, the requirement that such foods be domestically grown is causing drastic reductions in the availability of such items as tomatoes and beans. One source reports that the processing company which supplies tomatoes for government food programs will not have a contract this year because of the shortage of domestically grown tomatoes, as a result of the North American Free Trade Agreement. Under NAFTA, the incentive is for growers and processors to move into low-wage Mexican production.

A domestic production shortage to supply government contracts for food aid is also being reported for dried beans. The major bean-processing plant reportedly had to scramble to find beans grown domestically to fill a government contract.

Business Briefs

South Africa

Greatest danger comes from IMF, says Fraser

The greatest problem facing South Africa is external pressures from the International Monetary Fund (IMF) and the World Bank, Malcolm Fraser, the former prime minister of Australia who now heads the aid organization Care International, said in a speech in Johannesburg, Reuters reported on May 12.

"When you look at the record of the kind of advice that these institutions have given a great many countries in Africa and the consequences of it, the kind of advice they've given the Soviet Union or Russia and the consequences of it, that surely offers some warning signals," Fraser said. "I regard western economic advice as at least half responsible for the economic chaos and breakdown in the Soviet Union or Russia. . . . The government has got to maintain a role and make sure that the injunctions of the external institutions and of well-meaning but hopelessly misguided western economists who represent today's orthodoxy do not gain too much influence."

He added that what the new South African government does with respect to the IMF, will be crucial for the African continent as a whole.

Shipping

New pact formed in attempt to stem red ink

Four of the world's 10 largest container shipping companies are forming an alliance, in another attempt to stanch the flood of red ink that is sinking a world shipping industry which has too little cargo, the May 11 London *Financial Times* reported.

Mitsui OSK Lines of Japan, American President Lines of the United States, Orient Overseas Lines of Hongkong, and Nedlloyd Lijnen of the Netherlands have begun negotiations on sharing shipping capacity around the world. The companies will reduce available

capacity on some routes by sharing ships, i.e., using one ship fully loaded with the cargo carried by two companies, rather than using two ships only partially loaded, each with one company's cargo.

American President Lines and Orient Overseas Lines are the two largest container carriers on trans-Pacific routes. Last year, Hapag-Lloyd, the largest German container shipping firm; Nippon Yusen Kaisha, Japan's largest container shipping company; and Neptune Orient Lines of Singapore concluded a similar agreement.

Steel

Demand outrunning limited capacity

Steelmakers in the United States have begun limiting steel shipments because, after years of cutting back production capacity, demand is outrunning supply, the May 13 *Wall Street Journal* reported. Steelmakers are cutting back supplies to low-end users of hot-rolled steel in order to reap higher margins on shipments of more expensive cold-rolled or galvanized steel, which is used for automobiles and appliances.

After years of failed attempts to raise prices, the steelmakers pushed through three price increases last year, a 3% increase in January, and have announced another 2% increase for July. Steelmakers have also increased by 10% the amount they charge for "extras," such as fabricating steel to specific thicknesses and widths. Still, prices remain far below levels of 1988-89.

The *Journal* reported that orders for steel averaged 101% of the industry's shipping capacity. "When auto comes in and says 'we want another 400,000 tons,' that's coming out of somebody's hide," the president of a steel service center in Evanston, Illinois said. (Steel service centers are independent distributors of steel that buy from the mills, and process the steel to order for customers.) The president of another steel service center in Cincinnati said that he is being forced to draw down his inventory below his customary three months, and that orders to the mills that used to arrive in one month are not now shipped for three months.

Science

Apollo space suit aids multiple sclerosis victims

A cooling undergarment for astronauts to wear in space developed by the NASA Ames Research Laboratory in 1968, is now being utilized to relieve some of the symptoms of immobility suffered by multiple sclerosis patients, according to the June issue of *Final Frontier* magazine.

The technology was developed into cool suits for firefighters, helicopter pilots, and underground mine rescue workers. In 1980, Life Support Systems, Inc. was founded to pursue other commercial spinoffs. Multiple sclerosis, which is a disease of the central nervous system, often produces weakness and paralysis in limbs. Doctors have found that lowering the body temperature of the patient even 1° restores many bodily functions.

The cool suit, which has been designed in a 25-pound portable version, allows a patient to regain limb movement. While researchers stress this is not a cure, it provides temporary relief. The company hopes to reduce the cost of the cool suits, making them available for \$1,000 each.

Trade

Free-marketeers are grave diggers of Europe

The causes of the present deep crisis of French society, where unemployment rose from 500,000 to nearly 5 million over 1970-93, are not the "insufficient education of the youth, nor voluntary unemployment, nor technological progress" but the "insidious effects of free trade," Nobel Prize economist Maurice Allais wrote in the Paris daily *Le Figaro* on May 9. Allais called the free-marketeers the "grave diggers of Europe."

The experts claim that all the remedies have been tried and then resort to small expedients such as "reduction of working hours [and] lowering of retirement age," but "at no time, in fact, did anyone consider questioning the sacrosanct doctrine of one-worlder free trade,"

Briefly

● **RUSSIAN** winter crops suffered 15% losses because of unusually harsh weather, the May 13 *Journal of Commerce* reported, based on preliminary reports by the Russian Ministry of Agriculture. Last year, about 8% of the winter crops were destroyed. The worst areas hit in Russia were Voronezh, 50% of the crop destroyed; Astrakhan, 30%; Krasnodor, 27%; and Belgorod, 22%.

● **THE GATT** is in trouble in the U.S. Congress, Treasury Secretary Lloyd Bentsen warned on May 10. Opponents of the General Agreement on Trade and Tariffs object to loss of national sovereignty and the projected loss of \$40 billion in tariff revenue over 10 years.

● **NUCLEAR POWER** workers in Germany demonstrated to demand reopening of the Brunsbüttel plant near Hamburg on May 6, and promised "more powerful actions" to come. The plant has been closed for 620 days for repairs. Workers are blaming the slowness of the Schleswig-Holstein state government on anti-nuclear politics.

● **CHINA** would need at least 303 million acres of additional farmland by the year 2000 to feed its 1.2 billion people, if current land conditions are not improved, an Agricultural Ministry official told *China Daily*, AP reported May 11. It now has 247 million acres. New techniques could increase production by as much as 100%, the official said.

● **COLD FUSION** is getting more recognition in the United States. A new magazine, *Cold Fusion*, is now being published monthly. It is edited by Eugene Mallove.

● **THE ISRAELI** Histadrut labor federation elected Haim Ramon, a supporter of peace with the Arabs, as its new head, AP reported May 13. Ramon and his allies are on record as supporting a Palestinian state and other compromises with Arab countries.

Allais wrote.

Because of price competition with the Third World, free trade would normally lead to lower wages. But since most countries in the North have minimum wage laws, this is instead causing massive unemployment. The "main aim to be pursued is not commercial exchanges considered as ends in themselves, [but rather] man himself and his full development are the ultimate ends of life in society. The Common Market and free trade cannot be anything but instruments, nothing else."

Allais proposes that the European Community create an institute to analyze the "established truths" of the free trade dogmas of the EC Commission in Brussels, and boycott it if necessary; and that the Maastricht Treaty be revised to return to a system of "community preference" and moderate protectionism. "If we don't manage to persuade our partners" to go along with us, "we should then proceed, unilaterally and resolutely, to a moderate protection" of the French economy. "We should establish reasonable trade barriers at our borders. . . . Sooner or later our partners will join us," he wrote.

Finance

Derivatives losses lead to crisis in Malaysia

Bank Negara, Malaysia's central bank, announced on March 31 that foreign exchange speculation, mostly in London, had resulted in \$3 billion in losses in 1993, on top of \$2.6 billion in losses in 1992. The losses have created a crisis in the government and in the banking system. The 1993 losses alone surpassed the bank's entire reserves and paid-in capital.

When the 1992 losses were announced last year, Finance Minister Anwar Ibrahim claimed they were only "paper losses" that would be recouped, according to the *Asian Wall Street Journal*. However, when the 1993 losses were revealed, Anwar acknowledged that mistakes had been made, and announced the resignation of the bank's governor, Tan Sri Jaffar Hussein, and other changes. Jaffar headed the bank throughout the past decade of rapid growth in Malaysia, which included heavy

involvement in derivatives and other "sophisticated" trading schemes.

Opposition leader Lim Kit Siang accused Anwar of covering up actual losses of as high as \$11-12 billion. Although the government claims that there is no further vulnerability, and that the bank will no longer be involved in long-term currency contracts, there are reports of continuing losses for 1994.

Russia

Drop in output threatens 'economic independence'

The drop in Russian output "threatens the economic independence of the country and brings the danger of a social explosion," the Russian Ministry of Economics warned, according to the May 9 London *Financial Times*. Headlined "Russia in Deep Crisis as Output Plunges By 25%," the paper reported "a deep deterioration in the Russian economy over the past months, with steep falls in production, investment and tax revenues." The indicators of Russia's deepening crisis include:

● The 25% fall in industrial production in the first quarter of 1994 appears to be accelerating, according to preliminary April figures. Production of sugar, shoes, fabric, and clothes has fallen by one-third to one-half.

● Investment in capital projects, including state investment in infrastructure, shrank 28% in the first quarter of 1994, compared to 1993. The Ministry of Economics report on investment claims that work on most state and regional authorities' investment projects has stopped, and foreign investment in Russia remains "weak."

● Tax revenues are collapsing. Tax collection was 15% below budget in the first quarter. Regional authorities are increasingly reluctant to pass collected taxes on to the central government.

● Enterprises' debts are spiraling as customers further up the production chain become increasingly unable to pay for supplies. Many plants will refuse orders unless they are paid up front in cash. The Ministry of Economics figures show that overall corporate debt has risen threefold in the last six months.

Iraq embargo will sabotage Eurasian development

by Muriel Mirak-Weissbach

The United Nations Security Council voted on May 17 to continue the sanctions against Iraq. With the exception of Russia, which reportedly suggested that some lip service be given to Iraq's "good will" in fulfilling the U.N. resolutions, none of the other members of the "Permanent Five" group made a peep. Just prior to the meeting, however, both France and China had raised their voices loudly, calling for relaxation of the embargo. Earlier, in April, U.N. inspector Rolf Ekeus expressed satisfaction with Iraq's compliance, and recommended that a six-month "trial period" be established, during which time continuing fulfillment of the resolutions would be monitored, before the stranglehold were finally lifted. It had been widely mooted, on the basis of Ekeus's public statements, that some gesture would be made at the periodic New York meeting toward lifting the sanctions.

With the May 17 decision, all such speculation has gone out the window. As a spokesman at the Geneva-based U.N. humanitarian program for Iraq told *EIR* the following day, "We talked to the U.S. before the [U.N.] meeting, and they didn't have any intention of shifting position." The only conclusion one can draw from the Security Council's outrageous behavior (they did not even have the grace to issue a comment on their decree), is that they are committed to strangling Iraq, presumably until it is dead.

The implications of this decision, rammed through by the U.K. and its co-thinkers in the U.S. delegation, are enormous. Most immediately, it constitutes a death sentence for the Iraqi population, especially its children, aged, and infirm. As international humanitarian aid organizations have independently documented, unless sanctions are lifted, the specter of famine stalks the land, and attendant social upheavals must be feared. Secondly, the decision intends to sabotage a development dynamic which would have been unleashed with Iraq's re-entry into world trade. And, related to this, it tips the scales in favor of that faction in the Middle East peace process which wants to turn the region into a World Bank-



A girl sells family treasures at the Rasheed Hotel in Baghdad. Middle class families are being forced to sell off their personal possessions to foreigners, in order to get the money to live.

controlled speculators' paradise, rather than initiate advanced-technology-vectored economic growth.

Cause of death: embargo

The toll which the 44-month embargo is taking on the civilian population can only be described as genocidal. Official estimates, from the Health Ministry, for example, reckon that 1 million Iraqis have died as a result of the embargo. Although the poorer strata are harder hit by the skyrocketing inflation, and cannot afford to buy anything on the black market to supplement government rations, the sanctions are killing Iraqis of all income brackets and all social layers. The immediate cause is the total lack of medicine and the consequent crippling of the hospital system, which was one of the best before the war. One journalist who interviewed us, for example, was in mourning for her aunt, who had just died very young. The woman had required oxygen, but the hospital she was in had none. Another professor, the leader of a professional association, had a relative suffering from cancer who required surgery which, due to the embargo, could not be performed in Iraq. The chemotherapy being used to treat her was running out. A woman married to a renal surgeon reported that her husband had simply stopped performing kidney transplants, because there is no medicine available to prevent rejection. Another person reported that women are selling their newborn children to adoptive parents for money with which they hope to keep the remaining family members alive. A young journalist who has had a foot ampu-

tated due to bone infection has been denied a visa to Germany for medical treatment which might save the leg. Literally every family has lost a relative to the embargo.

The paralysis in the health sector is devastating. During a trip to Iraq over May 1-9, the author and Anton Chaitkin of *EIR* visited the University of Mosul, a city in the north. There, Dr. Jamal S. Mulla-Abed, the dean of the College of Medicine, explained that medical students in their final year are unable to fulfill their internship requirements, since "there are no patients in the hospitals for them to treat." Patients requiring hospitalization are largely not admitted because the medical means to treat them are lacking. These include basic materials such as bandages, syringes, anesthetics, basic medication, and materials needed in diagnostics (X-ray film, glass slides for microscopic examination, etc.).

Furthermore, medical students as well as doctors have been denied access to information regarding advances in medicine in the rest of the world, as a visit to the medical school library made clear. On the dozens of racks devoted to periodicals were hundreds of single copies of the leading medical journals in English. The dates on the journals were all the same: Summer 1990, or July 1990, or 2nd Quarter 1990. It was as if time had stopped. Even subscriptions which had been pre-paid and had not expired at the time of the Kuwait crisis were terminated unilaterally by the publishers. Sabotage of the mail in the United States has prevented delivery of copies of journals sent by individual doctors in the United States to their colleagues. The same impression of

entering a time-machine and travelling back three and a half years was created in the main university library, with its 400,000 volumes and 3,000 periodicals. The modern, computerized filing system provides ready access to publications, up to summer 1990.

In an effort to supply study materials for students of medicine as well as other departments, the Mosul University has tried to gear up its own production of pamphlets and books, at the Dar al-Kutub printing and publishing company. Although it has an impressive array of modern computer and typesetting machines, they are being underutilized, because they have access to only one-third of the paper needed, due to the embargo. A rack stood in the corridor full of plates ready for printing, waiting for paper. Due to lack of spare parts, modern equipment is used less, and old-fashioned lead type composition is done manually, as is collating and binding. In 1990, the operation churned out publications at a rate of 2.5 per day, for 294 days a year, but now it is down to 1.5 per day. Dar al Kuttub, which had an important contract with McGraw Hill that was stopped by the blockade, prints for all the universities in Iraq as well as for the private sector.

Educational institutions cope with the scarcity of books by collecting them at year's end and reissuing them to the next semester's class. More life-threatening for the whole population is the lack of food at accessible prices. Food

rations, as Minister of Trade Dr. Mohammed Mehdi Salih explained in his interview with *EIR* (see p. 26), provide for just over half the daily requirements of basic items, such as flour, rice, cooking oil, and the like. The lack of sugar has made sweets disappear, even from the menus of the best hotels. The only recourse Iraqi citizens have to supplement rations is the open market, which is well stocked with fruits, vegetables, even meat, but at astronomical prices. The national currency, the dinar, whose official rate is one to the dollar, has been devalued on the black market from \$1 to 200 dinars in late January, to \$1 to 300 dinars in May. Thus, the search for dollars has become a daily obsession, transforming law-abiding citizens into petty criminals. Well-to-do women fear driving alone at night, lest they be attacked and their cars stolen. It is not only children who have begun to hawk items at traffic lights, or beg outright, but also hotel employees, taxi drivers, and the formerly wealthy classes will also try to find buyers for personal possessions.

The psychological effect of having been cut off from the outside world and deprived of basic necessities, as if thrust into a windowless room and subjected to brainwashing, is to produce rage. It is not uncommon to find women, for example, at the beautiful Jonah mosque in Mosul, accost Americans verbally, and relate their personal suffering in tones of rage. "You can keep up the embargo for another month,



The "open market" in Baghdad. The food sold here is so expensive as to be beyond the reach of most Iraqis. With an average monthly salary of 250-400 dinars, the price of a dozen eggs is 155 dinars; a kilogram of beef is 195 dinars.

another year, another 10 years," said one young mother defiantly, "but we will not die; as a people we will not die." Even professionals, like university teachers who earn relatively high salaries in pre-war terms, have been transformed by the inability to provide for their families into persons gripped by a hatred for America and "the West." One professor stated bluntly that he taught his students "never to forget or to forgive," and warned that "when these Iraqi children, who have grown up through the aggression and the embargo, become the leaders of the country in 20 years, they will pay you back."

Clearly, those responsible for tightening the noose around Iraq's neck are speculating on the possibility that, given time, such rage could explode in social unrest, which they would attempt to manipulate against the ruling Baath Party government.

Geopolitical aims of the embargo

At the March sanctions review meeting at the U.N., France and China dared to raise dissenting voices against the embargo, proposing that at least the Sanctions Committee acknowledge that Iraq had complied with the U.N. resolutions. Russia uttered a similar, weak protest at the May meeting. But all were evidently blackmailed by the U.K. and United States into toeing the line.

The reasons why three of the Permanent Five have broken ranks are primarily economic. France, Russia, and China are all suffering the impact of the depression, and the aggravating effects of International Monetary Fund (IMF) insanity, in the form of "free market" economics. They all need what Iraq has to offer—not only oil, but a huge market for advanced industrial and consumer goods. France, after having sent a parliamentary delegation to Baghdad, made known in March that its two oil giants, Elf Aquitaine and Total, had prepared contracts for developing some of Iraq's new oil fields as soon as the embargo were lifted. The Russian Federation has been talking to the Iraqis about repayment of the latter's \$6 billion debt, in oil and goods. Furthermore, Moscow and Baghdad have been discussing an oil and agriculture program worth \$9 billion, a sum which dwarfs the \$3.5 billion over five years promised by the West. Even Germany, whose export-dependent economy is unravelling at breathtaking speed, is quietly crawling onto the bandwagon. CDU parliamentarian Hans Sterken made known in April that the Bundestag would send a delegation to Iraq in the summer, and German firms are carefully remaking contact with their Iraqi counterparts. Plans are afoot for high-level Iraqi government representatives to visit Germany. The Italians, who took part in a European Parliament trip to Iraq months ago, are now moving openly with a large delegation of 30 businessmen and politicians visiting Baghdad. Even American businessmen have been seen courting prospective trade partners there.

Iraqi Trade Minister Dr. Mohammed Mehdi Salih spelled it out to *EIR* in figures which speak for themselves: In the 44

months of sanctions, an estimated \$55 billion has been lost, in oil revenues which Iraq would have spent for imports of food and goods related to its domestic projects.

Herein lies the deeper reason why the U.K. and United States are so stubbornly clinging to the genocidal sanctions, why the war was launched in summer 1990 in the first place. Although the intent to kill off as many Iraqis as possible through the combined effects of bombings and blockade conforms to the malthusian policy outlines of the notorious 1974 U.S. National Security Study Memorandum 200 (NSSM-200), which spelled out a depopulation thrust against resource-rich developing sector countries, the decision to launch Operation Desert Storm came when it did for broader geopolitical reasons. Europe, led by a Germany in the process of reunification, was poised to answer the historic challenge of building itself up "from the Atlantic to the Urals," through massive infrastructure development, which would have made Eurasia the high-technology locomotive for world economic recovery.

This perspective, outlined at the time by Lyndon LaRouche in his "Berlin-Paris-Vienna Productive Triangle" program, would have generated the production of advanced technological industrial goods for transfer to the developing sector. Because such a perspective constituted a geopolitical nightmare for the British, who have historically viewed Eurasian economic cooperation as a mortal threat to their imperial rule, then Prime Minister Margaret Thatcher, as she recounts in her memoirs, was deployed to organize an all-too-willing President George Bush to launch the aggression against Iraq. Iraq, rather than another oil-producing country, had been targeted decades earlier because of its unique commitment to allocating oil revenues for infrastructure, as a prerequisite to industrialization, not only for itself, but for the Arab world. Thus, the war aims of Desert Storm were explicitly defined, not as forcing an Iraqi withdrawal from Kuwait, but as "bombing Iraq back to the Stone Age" or to the "pre-industrial stage." Thus, too, the linkage introduced long after the original sanctions were voted up, demanding a change in government in exchange for lifting the embargo, targeted Iraq's leadership because of its consistent policy of scientific and technological advance over decades.

The only rationale for maintaining the illegal sanctions, from the British oligarchical standpoint, lies in pursuit of this policy, to keep Iraq in a "pre-industrial stage," to destabilize its government and to prevent at all costs a Eurasian-Middle East development dynamic from taking hold. What the British fear in the current situation of imminent financial blow-out, is that the industrial giants of Europe, which were bamboozled into supporting the aggression in 1990-91, particularly France, Germany, Italy, and the crisis-wracked Russian Federation, might launch vast development projects in a post-embargo Iraq. It is not the financial gain that such projects would yield that constitute a threat per se, but the policy implications they embody. Rather than smashing the

Third World, as current British policy dictates, through the vehicle of a one-worldist governing body called the U.N., renewed trade relations of the sort which Paris, Moscow, Rome and, probably, Bonn have been preparing with Iraq, would define a policy outlook of peaceful relations through mutually beneficial economic cooperation. Not only would Iraq's economy be rebuilt, but its status as a sovereign nation in the process of industrialization would be restored and enhanced.

Stated bluntly, the U.N. agenda calls for deindustrialization, depopulation, and the deconstruction of the nation-state, all of which would be threatened, were France to clinch its Elf Aquitaine and Total deals with Iraq. Trade deals of the sort and dimensions discussed between the Iraqis and the Russians, to the tune of \$9 billion, would signal a shift away from the shock therapy approach imposed by the IMF on Russia. The fact, furthermore, that Russian President Boris Yeltsin recently called for a high-speed rail line from Moscow to Paris, echoing the LaRouche idea, surely set off alarm bells in London and Washington, just days prior to the Security Council meeting on Iraq.

The plot behind the arm-twisting that went on inside the Security Council's "Permanent Five" is yet thicker. The question to consider is: How is it possible for the American secretary of state to emote over the historic significance of the Israel-PLO agreement and Israel's subsequent granting of Palestinian autonomy, in the interests of Middle East peace, just days after uttering an unequivocal condemnation of Iraq and reiterating his determination to maintain the embargo, before the convening of the U.N. meeting? It is an economic fact that the only nation in the region which has the technological capabilities and physical economic base to provide a motor force for regional development is Iraq. Therefore, maintaining the stranglehold through sanctions is tantamount, in purely economic terms, to sabotaging a "great projects" approach to the Middle East.

It is political fact that, although leading figures in Israel, Jordan, and the Palestine Liberation Organization are committed precisely to introducing advanced technologies into the Mideast to generate real, physical economic growth, there is a nasty crew headquartered in London and working through the World Bank which is pursuing an economic policy course aimed at transforming the region into a "free enterprise zone" predicated on consumer goods and services produced by cheap labor of the sort dictated by the International Monetary Fund. There is good reason to hypothesize that the overriding concern behind the U.K. and U.S. insistence on sanctions is to prevent the development dynamic from being unleashed among the parties to the peace agreement.

Thus, the decision rubber-stamped at the Security Council meeting was not only an outrageous assault against Iraq, but it was also a policy intervention designed to smash a Eurasian-Middle East development configuration which was looming large to British eyes—almost the ghost of 1990.

EIR in dialogue with Iraqi intellectuals

In the first week of May, Muriel Mirak-Weissbach and Anton Chaitkin of *EIR* conducted a lecture tour in Iraq, on invitation of the Institute for Foreign Service, associated with the Ministry of Foreign Affairs. They addressed groups of intellectuals and political personalities associated with the leading institutions of the country, which included Mustansiriyah University and the University of Baghdad (both in the capital), Mosul University, the Union of Arab Historians, the Association of Iraqi Economists, and the Institute for Foreign Service in the Ministry for Foreign Affairs.

The speakers addressed the current strategic crisis from the standpoint of the historical conflict between British oligarchism, and its economic school of liberalism, and the American, republican system of national industrial economy. Chaitkin reviewed research on the development of British geopolitics, from the time of Lord Palmerston, including treatment of Nazism and Zionism as geopolitical projects, as well as current plans to deploy the U.N. as a one-worldist dictatorship. Mirak-Weissbach concentrated on the philosophical and historical foundations of a new, just world economic order, presenting Lyndon LaRouche's economic method and programs, as well as his approach to making a renaissance in science.

'What can we expect from America?'

Dr. Sa'adoon Zubaydi, dean of the Institute of Foreign Service, introduced the speakers, noting that after having gone through the traumatic experience of the aggression and embargo, Iraqis are asking what they can expect from the world, particularly from "the most important country, America." Which tendency will prevail in the United States, the tradition of the American Revolution, which made America a nation "which others should have looked up to, in the fight against colonialism," or the imperialist tendency rooted in Britain? Considerable discussion was dedicated to the implications of Britain's takeover of U.S. politics, particularly regarding America's responsibility for the Gulf war. Was the American government not responsible for Desert Storm? An animated debate broke out at Mustansiriyah University and, later, in Mosul, on the true reasons behind Desert Storm, as many had not fully explored the implications of the threat posed to British geopolitical interests by the eastern European revolutions of 1989 and 1990, and the

role which British objectives on the European continent had to play in orchestrating the aggression against Iraq. Since Margaret Thatcher's memoirs have been widely read in Arabic, there is ample evidence to document the case made. Whether the British today have actual "power" in Washington, or only "authority" was one question raised by an economics professor.

The fundamental question which arose regarding the Gulf war involved the definition of American "interests." Many Iraqi intellectuals have embraced the view that George Bush's aggression had been launched in pursuit of the interests of the United States and the U.N., whether these be to control oil or to divide the Arab world or to impose hegemony over economic competitors in Europe and Japan. To deal with this question, which was raised in various settings, the speakers elaborated LaRouche's concept of economic science, identifying in physical economic terms what the true interest of any sovereign nation must be: to develop, through science, infrastructure, industry, and agriculture, the productive powers of labor. From this standpoint, such an aggression could not be in the interests of the American population, or economy. (As one leading government official put it, "Either in Washington they are not seeing the true interests of the American nation, or they are amateurs, ignorant.") Thus it becomes necessary to understand historically how a nation could be brought to deny its original identity and actively sabotage those values, at home and abroad, for which it once stood.

The global strategic crisis

What brought this point home was the briefing given by the speakers on the dimensions of the current, global economic collapse and the impending financial blowout, the perfect example of how adherence to British economic policies over the last 30 years has led to the destruction of the world economy. Some participants were skeptical of the accuracy of the analysis, and there were attempts by several, including economists, to minimize the gravity of the crisis. Some characterized it as a "cyclical crisis," whereas the majority saw America's economic ills deriving merely from competition from Europe, Japan, and the emerging economies. Debate centered on finding out more about the reality in America: How big is the problem? Is it temporary? How is it related to the collapse in military production following the death of communism? How do you measure the real growth of the physical economy, if not by monetary parameters? How much has Third World cheap labor undermined U.S. economic performance? Is the United States not still the most powerful economy in the world?

None of the discussions, whether in university lecture halls, round table debates, or private meetings, were academic. The central concern was to identify the means with which to overthrow the British-imposed policies and mode of thinking, responsible for bringing on the depression crisis

and poising the world on the edge of the abyss. Although the particular conditions created by the embargo are such as to tend to limit one's horizon to solving the immediate life-and-death problems of the country, nonetheless Iraq's intelligentsia has maintained a clear sense of the strategic dimensions of political processes. To be sure, regional problems, like that of "Arab unity," are often raised as those to be addressed first, as being more "practical"; however, most of the participants in the round table discussions were eager to consider solutions on a global scale. The idea of redefining foreign policy relations among nations on the basis of new monetary structures and a development perspective in the interests of all, is not new to Iraq; it is an eminently practical idea there, by virtue of the fact that the country has pursued an "American System-style" development policy over decades, and with extraordinary results. The question is feasibility. As one participant put it, "When will the new, just world economic order, which has been discussed in developing sector nations for 30 years, finally be implemented? Is it not like waiting for Godot?"

Respect for U.S. remains

Persons in positions of political leadership in Iraq displayed an acute awareness of the gravity of the current strategic crisis, and the unprecedented threat for civilization which it poses. Likewise, they showed a keen interest in the political process in the United States, particularly surrounding the Whitewater affair: Will President Clinton indeed strike out on an independent policy course, or will he be contained by the scandals? It is not only because the Iraqi leadership understands the particular role that the United States has played as a superpower which generates this interest, but also the honest desire to reestablish good relations with Washington. As professors, doctors, journalists, and politicians would stress from their personal recollections, much of the country's elite has been educated in the United States, and many, despite the horrors perpetrated by George Bush on their country and their families, still manage to conserve a sense of respect for American people whom they have known.

Thus, what is uppermost in the minds of Iraq's leaders is: How can America, and the West more broadly, be brought back to its senses? In this connection, significant interest was shown in the activities of the movement and publications associated with LaRouche. Capping the tour was a lengthy talk show interview with Chaitkin and Mirak-Weissbach on Iraqi television, during which many of the themes discussed in the universities were summarized. In addition, ample time was given to presenting *EIR*, and the political campaigns run by LaRouche candidates in the United States.

At the conclusion of the round table at his Institute of Foreign Service, Dr. Sa'adoon made a comment which might sum up the sense of the week-long dialogue: "One must never forget the importance of guts and a vision."

Sanctions have not only hurt Iraq, but also its trading partners

His Excellency Dr. Mohammed Mehdi Salih is the Iraqi minister of trade, who has served in this office for seven years. He made the following remarks during a meeting in Baghdad on May 8.

EIR: Can you illustrate for us the dimensions of the trade losses caused by the United Nations embargo against Iraq?

Dr. Mehdi: The embargo has hurt not only my country, but all our former trade partners. Before the embargo, Iraq was using its annual oil revenues in the order of \$15-20 billion, to purchase goods and services on the international market for its projects. With the embargo, we can neither sell nor buy, nor can other countries participate in projects here. We have calculated that the 44 months of embargo have cost \$55 billion in lost trade. Other countries have lost the opportunity, as a result, to trade in this volume. We had relations with the United States, United Kingdom, Germany, Italy, France, Switzerland, Jordan, the former Soviet Union, China, Romania, Bulgaria, the former Yugoslavia, Brazil, and others.

With the United States alone, the volume of trade was \$5 billion per year. We imported about \$1.1 billion from America in food products—wheat, rice, sugar, and cooking oil. Iraq imported 25% of the total U.S. export of rice; that is, we were America's main rice importer, especially from Louisiana. But it was not only food. In 1987, when we signed a bilateral scientific and economic agreement, we demanded that restrictions be eased to allow our purchase of computers, machines, and electrical components. Some of the agricultural machines, like combines we purchased from John Deere, are in Mosul. Furthermore, the Ministry of Trade bought \$250 million worth of Oldsmobiles and Chevrolets, in three contracts. The quarter of a million dollars, we paid in cash. We agreed with General Motors, to build a factory in Al Iskandariyah for the production of 90,000 units per year. This was functioning until the sanctions started. We had planned a Westinghouse power station as well, but it was not completed.

If you analyze any country dependent on oil exports, and block its trade for three years and eight months, you can evaluate the consequences of the sanctions on Iraq. We used to purchase food worth \$3 billion a year, medicines and medical supplies worth \$750,000, which are basic needs of the population. If you add what we bought for our water system, sewage, electricity, and energy sectors, then it

amounts to \$7-8 billion incurred in these sectors, related directly to the needs of the population. Without these imports now, the population is suffering. This is exemplified by the shortage of food and by the malnutrition prevailing in Iraq, as well as by the rapidly increasing rate of mortality, especially among children under the age of five. The minister of health can tell you that we have lost 1 million lives due to the sanctions. The fact was raised by the first report issued after the aggression, the study done by Atisaari and the Harvard Study Team, which estimated in 1991 that Iraq would lose 170,000 children (see *EIR*, June 14, 1991, p. 18). But the mortality rate has not been constant; it has increased to 13 times what it was before the embargo. This is a greater casualty toll than produced by nuclear weapons; at Hiroshima, 50,000 were killed, here the sanctions have killed 1 million.

It is a gradual kind of killing, different from death by weaponry. If you go to a hospital, you will find patients dying from lack of medicines, from Iraq's being prevented from using its resources—the frozen assets in foreign banks, or the oil it cannot sell—to meet people's requirements. There is continued human suffering caused by the sanctions, continued crime caused by the effect of the sanctions on the population.

EIR: How are you trying to meet the needs of the population?

Dr. Mehdi: The most hard hit are the poor, of course. People used to meet their food requirements, at the beginning of the embargo, through government rations, which covered 50-60% of their needs. Thus the Iraqi people as a mass entity, have been consuming one-half of their daily requirements, over four years. Children have access to only 60% of their milk requirements, and only one-year-olds. Before the embargo, we spent \$300 million a year, purchasing milk from Nestlé in Switzerland, SMA Mark and S-26 from the United States, and from Great Britain. Iraq bought the highest quality milk for its inhabitants before the sanctions. Right now, we have to provide for 1,100 tons a month, which comes out to \$4 million a year. If you look at our statistics for last month, you'll see that we had a total population of 20,434,405, of which 19,878,382 were over the age of one, and 544,023 were under one year old. They are receiving half of what they need. This is a crime. Consider that Iraq

was one of the main partners internationally in the fight to reduce human suffering in the world, it helped poor countries, and cared for its own people very well. In 1987, Iraq received the Unicef international award for the protection of children. This prize was given in recognition of Iraq's achievements in child immunization and general welfare.

EIR: According to the resolutions imposing the sanctions, it is explicitly stated that food and medicine are to be excluded. Are you unable to purchase these items because of the lack of money or credit?

Dr. Mehdi: We tried to arrange credit, but the supplier companies demand cash payment. We were able to buy food between April 1991 (U.N. Resolution 687) and September 1992, but at that point the United States froze our assets abroad. We did receive some unfrozen assets, about \$120 million each from the U.K. and Switzerland, \$3 million from Canada, \$13 million from Greece, and about \$10 million from Spain. But the U.S. administration was carefully following our consumption, even watching to see how we would breathe. I believe that, if they could have, they would have prevented us from having the air to breathe. So when they saw that we were gaining access to food and medicine according to Paragraph 20 of the resolutions, then they imposed Resolution 778, which forbade the use of frozen assets, except through an escrow account.

EIR: If the American farmers now going bankrupt in the states of Louisiana and Arkansas knew this, they would probably demand the release of the frozen assets.

Dr. Mehdi: You have to understand, there are actually *two* embargoes, an internal one and an international one. We contacted single companies in Arkansas and Kansas for rice and other food, and they replied that they would be happy to resume trade with Iraq "when our law permits it." The U.N. would allow it, but the U.S. government prevents it, the last administration, and the current one, which is continuing the policy. We think that this is directed by Israel, not by the American people.

We were in contact with our old partners in the United States and Great Britain, and in the Grain Board, which sells wheat. We used to buy 1 million tons of wheat a year, and 500,000-600,000 tons of rice from the United States. Those farmers were able to influence Ronald Reagan's decision not to sign an executive order against Iraq in 1988 when it passed Congress. After one month, in September 1988, the first resolution to impose sanctions against Iraq was adopted by Congress. Those farmers played an essential role in preventing Reagan from signing. Under the Reagan administration, farmers sent letters to this ministry to say they would do so. In 1989, there was the U.S.-Iraq Trade Forum, which stopped the attempt to impose sanctions.

EIR: How has the embargo affected the internal economy

of the country?

Dr. Mehdi: Iraq has natural resources, human resources, and political leadership which has enhanced the utilization of the first two, under severe conditions, to protect the country as much as it could, and to develop certain areas which we could not have done without the sanctions. First, there is the reconstruction undertaken under President Saddam Hussein, through which we have rebuilt almost all the projects damaged. This experience of reconstruction represents wealth for the nation, working without international companies, which have lost the chance to reconstruct. About \$100 billion might have been spent on reconstruction. But we spent Iraqi dinars, our local currency, and utilized local labor for rebuilding the country. There were 141 warehouses, silos, and mills which were bombed. For the first time in history, this ministry rebuilt 139 projects; two remain to be completed. This has been an enhancement to the population—utilizing its moral potential and resources under the direction of political leadership. We now have electricity and fuel to provide to the people. We are suffering daily, but we are becoming stronger in resisting the sanctions. Pierre Salinger and Mary King came to Iraq after the war in 1991, and Salinger said he thought the sanctions would "change" Iraq. I told him, the sanctions strengthened the people, who say, yes, we are suffering, but we will not accept any outside intervention. The people blame the United States, Great Britain, and Europe.

EIR: What implications does this have for the future?

Dr. Mehdi: Those children who are born weak, and are growing up under abnormal conditions, will be the people who one day will run the public and private sectors in this country. How will they think about the United States? It must be said, that when the sanctions began, President Saddam Hussein ordered the beginning of the rationing system, with the explicit direction that foreigners—Americans, British, and Europeans—be treated equally to the Iraqis. All foreign diplomats and other foreigners received rationing cards. Up until the last American left, American children here were being given rations equal to those given Iraqi children. Even now, any foreigners who come here are given equal treatment.

EIR: Beyond the specific sanctions against Iraq, there is a standing policy to withhold certain technologies from developing countries on the grounds that they have "dual use." What kind of trade in technology are you interested in developing after the embargo?

Dr. Mehdi: Iraq is a rich country, with the potential to pay, if it is allowed to trade. Access to the best technologies is unavoidable, if they are made available; but they will not be, unless the U.S., U.K., and Israel say that Iraq should have them. They have to change their policies; they need Iraq, they need our oil. We have the second largest proven reserves. We are ready to trade with any country.

African Synod sharpens fight against Cairo '94

by Lydia Cherry and Anita Gallagher

In the middle of the first ever all-African Synod held in Rome from April 10 through May 8, the secretary of the Pontifical Council for Justice and Peace, Msgr. Diarmuid Martin, delivered an impromptu call for the bishops to mobilize Africa against the U.N.-sponsored International Conference on Population and Development. "What is happening in the preparations for the Cairo meeting is something which concerns the future of humanity," Martin said. "It concerns institutions such as marriage and the family . . . the sacred character of human life. . . . It involves the future stability of our societies."

Martin called upon the African Church to fight the conference by actively intervening with the relevant authorities of their countries, and to increase dialogue about this in Africa with the leaders of the other great religions and other Christian communities. Almost simultaneously, John Paul II during a visit to Roman parishes on April 17, sent up a cry of alarm about Cairo: "I am returning to the Vatican to fight a project conceived by the United Nations which wants to destroy the family. I say simply, 'No, no! Reflect, be converted.'"

Opposing the U.N. Cairo agenda was one of three interrelated themes discussed at this African Synod, called by Pope John Paul II "to emphasize the entire church's interest and commitment to this continent," and to offer "a propitious occasion for people to reach a new awareness of the duty of solidarity urgently needed by Africa." The other two themes were that of the African debt, "which crushes the greater part of the peoples of the continent and which renders futile every effort at economic recovery," and the need to heal the Muslim-Christian conflict, which is being continually inflamed by outside forces.

Martin's impassioned intervention into the program of the synod, otherwise mapped out months in advance, and the

coupling of defense of the family with the issues of debt and ecumenical dialogue, forged the African Synod into a potentially sharp instrument against oligarchist plans for a "Final Solution" to be imposed on Africa through the United Nations, its related monetary institutions, and its policing capacities. Indeed, as *EIR* has proven, the British-led plan for depopulating and looting Africa relies on three interlocking tactics: 1) all-out cultural warfare against the family, in which sterilization, contraception, and abortion are exported as "foreign aid"; 2) savage debt collection and "free trade" swindles to siphon off raw materials while stifling economic development; and 3) the fomenting of fratricidal wars based on religious and ethnic differences.

The breadth of the analysis being applied by leading Roman Catholic figures at present appears to reflect the impact of *EIR*, the Schiller Institute, the Ibero-American Solidarity Movement, and other institutions associated with Lyndon LaRouche and his wife Helga Zepp-LaRouche, which have been mobilizing politically at all levels, from the grassroots to figures of influence, to shut down the Cairo '94 meeting. For example, when the Latin American Bishops Conference (CELAM) denounced "contraceptive imperialism" (see *EIR*, May 20, p. 32) in a letter to the secretary general of the Cairo conference, they denounced the "false premises" that the earth is 'overpopulated,' its resources 'limited,' and its 'carrying capacity' overloaded," and then echoed arguments which LaRouche has developed in his books such as *There Are No Limits to Growth* (1982) and *The Science of Christian Economy* (1992): "These notions or premises are, in effect, all relative. On the one hand, they refer to man's ability to resolve his subsistence problems, and on the other to his genius for transforming the Earth's elements into wealth. The wind, oil, titanium, sand, sun, and other elements were

transformed into resources thanks to man's intervention," the CELAM letter said.

Monsignor Martin's intervention

Monsignor Martin had been called upon to give a progress report to the African bishops, upon returning to Rome from New York where he had led the Holy See's delegation to the third and final preparatory committee meeting for Cairo '94. "The New York meeting made it abundantly clear that the Cairo conference will be a conference about life-styles, rather than about numbers or about development as more traditionally understood. What is at stake is a philosophical vision, linked especially to views of some northern European countries and the United States, based on an exaggerated individualism which colors every aspect of the text and leaves the way open to broadly libertarian interpretations of the proposals," he charged.

A second intervention on Cairo '94 was made by Vatican Secretary of State Cardinal Angelo Sodano, who said: "The positions of governments should reflect what the country thinks. . . . The Catholic Church should make its own stand known; otherwise one risks having small groups, with a determined ideological orientation and at times led by foreign organizations, impose as a national position their point of view."

Theme number two was a clear call "for at least a substantial, if not a total, remission of the [African] debt . . . which crushes the greater part of the peoples of the continent and which renders futile every effort at economic recovery." Debt was central in the debates on the economy. There were calls for a genuine African way of development that pays tribute to the inherited social structures of that continent, and does not follow the technocratic dictates of the "northern" countries. In the Final Message, the synod "also simultaneously calls for the formation of a more just international economic order, in order that our nations may eventually be able to take their place as worthy partners."

'Join in the service of life'

The third theme was the urgent need for dialogue, particularly between Islam and Christianity but also for the church "to engage in dialogue which cuts across and breaks down barriers dividing communities and nations," as it was put in a major speech by Cardinal Hyacinthe Thiandoum of Dakar, Senegal. The cardinal added: "Who does not see that in the Africa of today this apostolate of unity is of paramount importance?"

The Vatican is known to be greatly concerned about efforts by certain powers to pit Islam against Christianity. Pope John Paul II, in opening the synod, took the occasion to send a special greeting to the Muslims of Africa. "The Church of Rome greets all the disciples of Islam who live on the African continent, particularly in the North. She wishes them to receive the blessings of the almighty and merciful God."

Cardinal Thiandoum, speaking during the first full day

of deliberations April 11, had made no bones about the fact that the Christian-Muslim dialogue was not always easy. He observed that in preliminary synod documents Islam is described as "an important but difficult partner in dialogue." Yet this dialogue, particularly in Africa, is extremely necessary: "Most of the time, difficulties with Islam have their source in influences from beyond Africa and from outside Islam as a religion," he added.

This same notion was broached by Bishop Giovanni Martinelli, the Apostolic Vicar of Tripoli, who said that the image of Muslim Libya "which the mass media offer does not correspond to reality." Reflecting particularly on the role of religious sisters who have been in Libya for over 70 years, Martinelli concluded: "Proclamation of the Good News also involves us, as a church, in proclaiming the values present in the Muslim Libyan people, contrary to what many people think."

The Final Message of the African Synod includes an appeal to "our Muslim brethren, who freely claim to faith in Abraham, that we wish to collaborate with them everywhere on the continent in working for the peace and justice which alone can give glory to God." The final document adds that "God does not want to be an idol in whose name one person would kill other people. . . . He wills that we join together in the service of life.

"The living God, Creator of heaven and earth and the Lord of history . . . wants us to join hands in working for human progress and development at all levels, to work for the common good, while at the same time assuring reciprocal respect of the religious liberty of individual persons and that of communities."

Economic justice

Pope John Paul II, who has made 10 pastoral trips to Africa and Madagascar, visiting at least 39 countries, opened the synod on April 10. In his greetings, he noted that, of the bishops, "the great majority are now the sons of the African peoples, chosen from among those peoples and appointed on their behalf." The pontiff cited the importance of the synod examining the application of "the principles of Catholic social doctrine to Africa's needs." He was referring to the 100 years of social teaching, beginning in 1891 with *Rerum Novarum*, in which Pope Leo XIII established that true Christianity involves working to ensure that economic development is guaranteed as a "right" to all human beings, especially the poor.

John Paul II stressed the responsibility of Europe and the United States for ameliorating a situation for which they have been causal factors. "If Africa has been so harmed by others throughout the course of history, we must ask ourselves the question: What needs to be done to change this state of affairs?" the pope said. Weeks earlier, he had brought up the "restitution incumbent on the richer nations" for what has happened to Africa. So many of these richer nations, "espe-

cially in the colonial age, derived considerable benefit from this continent and were responsible for serious injustices,” he noted. Pope John Paul has already announced he will go to Africa to promulgate the results of the synod.

Descent into chaos

Amid the hope of what was described by Cardinal Thian-doum as the current transition period for the African Catholic Church from “a mission church to a church with a mission,” the cold reality came clearly to the fore that, in particular, black Africa is descending into chaos. Archbishop Giovanni Cheli, president of the Pontifical Council for the Pastoral Care of Migrants and Itinerant People, noted that 25 years ago there were 700,000 refugees in Africa, while today there are 7 million. Internally displaced persons in Africa today are estimated to be 16 million, in contrast to 1980 when there were 4 million. The archbishop asked if the time had not come for the church in Africa “to play an even stronger role in the work of preventing the migratory flow of so many people, by assisting in the development of better conditions that will lesson and ultimately remove the causes that force people to leave their homes and homeland.”

Archbishop Jean Zoa, speaking in the name of the National Episcopal Conference of Cameroon, quoted Luke 10:30-31: “A man was going down from Jerusalem to Jericho and he fell among robbers, who stripped him and beat him, and departed, leaving him half dead.” The archbishop then asked, as he pleaded that the synod truly listen to Africa: “Is not this how our continent is—an abode of hundreds of thousands of human lives; men and women, young people and children left by the wayside, sick, injured, disabled and marginalized!”

Cardinal Jozef Tomko, Prefect of the Congregation for the Evangelization of Peoples, addressing the gathering April 14, noted that “the net worth of the whole of Africa is slightly higher than that of Belgium!” Though reiterating that “the mission that Christ entrusted to the church is not a mission of the political, economic or social order,” nevertheless, “how could one proclaim Christ on that immense continent while forgetting that it is one of the world’s poorest regions?” He insisted it could not be done.

Danger of globalist religion

Bishop Jean-Baptiste Ama, from the West African country of Cameroon, warned of growing dangers of anti-Christian doctrines and globalism and noted the impact of these on this West African country. It is clear that the world overall is being flooded with esoteric sects, he began. “But Africa seems more exposed, because of its lack of backing. In fact, in Cameroon, the country’s intelligentsia, of whom the majority were educated in Catholic or Protestant schools, is so frequently a victim of anti-Christian doctrines that a number of them, if not almost all, belong to the Rosicrucians or the Freemasons.” In discussing other sects influencing Camer-

oon, the bishop cited the “religion invented by an American woman, Alice Anne Bailey, born in 1880 in the United States and who is considered to have had a remarkable influence in American circles with regard to religious independence.” Bishop Ama then leveled a strong attack against globalism: “Initially, the first name of globalism was ‘Lucifer Trust Association’ a name that in itself indicated its aim. But in order not to excessively shock public opinion, the name ‘Lucifer’ was abbreviated to ‘Lucis,’ which led to the name ‘Lucis Trust Association.’ ” (As *EIR* has reported, the Lucis Trust has its headquarters at the United Nations in New York!) He said that in Cameroon, this religion of globalism is already represented by three of the initiated, known as the Shambala, one of whom is in Yaounde, another in Kribi, and a third in the vicinity of Ebolowa.

In his opening message, Pope John Paul emphasized the importance of Africa’s holding out against western mind-control. He reflected on the fact that African culture has included “giving such great importance to the veneration of their ancestors. They believe instinctively that the dead continue to live and remain in communion with them. . . . The peoples of Africa respect the life which is conceived and born. They rejoice in this life. They reject the idea that it can be destroyed, even when the so-called ‘progressive civilizations’ would like to lead them in this direction. And practices hostile to life are imposed on them by means of economic systems which serve the selfishness of the rich.”

In the Final Message, the synod, “in union with the Holy Father and universal church,” appealed to the 53 African nations which will be present at the International Conference on Population and Development in Cairo: “Do not allow the African family to be ridiculed on its own soil; do not allow the International Year of the Family to become the year of the destruction of the family.” It also includes condemnation of the “enslavement of man to money, the new god, through which pressure is put on the poor nations to force them to choose options in Cairo which are contrary to life and morality.”

According to the Final Message, the synod “occupied itself extensively with the grave cultural, socioeconomic and political problems of the continent, during these critical and crucial years full of uncertainty and chaos, of convulsion and upheaval.” It notes that “the Savior has bestowed on us those two great gifts of the kingdom of God which He is in person—justice and peace. The synod demands greater justice between North and South. There should be an end to presenting us in a ridiculous and insignificant light on the world scene after having been brought about and maintained a structural inequality and while upholding unjust terms of trade! The unjust price system brings in its wake an accumulation of the external debt which humiliates our nations and gives them a regrettable sense of inferiority and indigence. In the name of our people, we reject this sense of culpability which is imposed on us.”

ADL intimate behind German Cairo preps

by Our Special Correspondent

A key German coordinator of efforts to muster German participation in the upcoming United Nations "kill the population" conference in Cairo, is one Klaus-Henning Rosen. Although he is not exactly a household name, Rosen, who currently serves as assistant director at the German Foreign Ministry, also happens to be one of the most intimate collaborators with the Anti-Defamation League of B'nai B'rith, and over a period of years has worked with the ADL in various underhanded operations against one leader of the opposition to Cairo, American economist and statesman Lyndon LaRouche.

According to German government sources, Rosen is doing the "responsible coordination work" for a flurry of events leading up to the September United Nations International Conference for Population and Development (ICPD). The first event on May 19 was a closed-door hearing by the All-Party Parliamentary Group on Population and Development. On May 25, the National Commission on Population and Development—a government-sponsored "non-permanent" advisory body composed of representatives from 12 federal ministries, several ministries on the state level, and so-called experts on demographics—held another confidential session in Bonn.

On June 14, the gaggle of German neo-malthusians pushing the Cairo conference will then step into the public view with hearings in Bonn. Approximately 25 parliamentarians, government representatives, demographers, and others will testify, while a number of leading non-governmental organizations (NGOs) will be amply represented, including World Hunger Aid, the German Association for the United Nations, and the Hanover-based German World Population Foundation.

The June 14 meeting is being held at the Evangelical Church House, which is run by the Evangelical Church (EKD), the main Protestant church in Germany. Although the German Catholic Church is also planning to participate—despite Pope John Paul II's vocal opposition to the Cairo conference—it has had to operate in a somewhat surreptitious way. The Catholic Church's dilemma was referenced in a private discussion on May 16 with a leading figure in the German NGO network for Cairo. He whined that the Vatican had been "very destructive, very extreme, and very successful" at the discussions, in New York City in April, of the Preparatory Committee (PrepComm) for Cairo. He affirmed that the Vatican has "made things difficult for all that was

planned. There had been a draft document for Cairo that was all completed, based on a far-reaching consensus. Now, in April, the consensus was destroyed. Nearly everything meaningful has now been put into brackets. It was a real disaster in the end."

The NGO source also said that the aggressive Vatican organizing against Cairo had placed German Catholics in a most uncomfortable position. "The German Catholic Church, in fact, has a much more moderate position than the Vatican on many relevant matters, such as contraception and so on. And the German Catholic Church is being cooperative over Cairo. But now they are in a difficult position, and are acting somewhat in the background, simply trying to say publicly those things which put them into agreement with the pope, to avoid controversy. But if you read the paper prepared by the German Catholic Church on these issues, you will find it very moderate. It was approved by the German Catholic Bishops Conference in 1993, and out of 75 bishops, only one or two dissented."

Who is Klaus-Henning Rosen?

Cairo coordinator Klaus-Henning Rosen is a senior figure in the German Social Democratic Party (SPD), and was formerly an aide to the late chancellor and SPD chairman Willy Brandt. He is currently an assistant director at the German Interior Ministry. From his position in Brandt's office, he worked together with Irwin Suall, head of the ADL's Fact-Finding Division, in the spring of 1986, to help concoct the slander that LaRouche had been involved in the assassination of Swedish Prime Minister Olof Palme. Revelations following the collapse of the East German communist regime in 1989 demonstrated that this slander line had been manufactured by a special division of the East German secret police, the Stasi.

As a conduit for anti-LaRouche disinformation, Rosen utilized the magazine *Blick nach Rechts*, whose former editor, Kurt Hirsch, is currently under investigation for having been a Stasi informant.

Rosen's prominent position in the Cairo-94 preparations, from his vantage-point in the Interior Ministry, is noteworthy for another reason. The official German delegation to Cairo is being led by Manfred Kanther, Germany's interior minister, rather than by the ministers of development, health, or foreign affairs, as one might expect. This odd assignment is an indication that at least some parts of the German government wish to treat the issues of population growth in the developing world, and of refugee and migration flows, as high-priority security issues. Such thinking is in line with the recent propaganda wave recommending that "advanced" countries such as Germany build a modern-day version of the ancient Roman *Limes* wall in order to keep starving hordes of darker-skinned "barbarians" at bay. This "Limes" scenario, of course, fits perfectly with the population-reduction schemes that will be pushed at the Cairo-94 meeting.

South Africa: New showdowns brewing

by Linda de Hoyos

Nelson Mandela was inaugurated on May 10 as the first black President of the Republic of South Africa, after his African National Congress (ANC) won a 62% victory over its opponents in the country's first multiracial elections April 26-29. During the period of the election process and immediately thereafter, Mandela has emerged as a symbol of national unity and reconciliation, as South Africa emerges from its international isolation.

Admiring rumors that the election results had been agreed upon by participating parties before the actual vote, the ANC will dominate a new government of national unity. The ANC won the overwhelming majority, but did not tally the two-thirds majority that would enable it to change the Constitution unilaterally. The Inkatha Freedom Party was also able to win the majority of the hotly contested state of Kwazulu/Natal, giving the IFP the look of a major contending opponent of the ANC down the line.

The composition of Mandela's cabinet indicates the fragile balance in South Africa today. The unity government is to include six ministers from the former ruling National Party and three from the IFP of Zulu chief Mangosuthu Buthelezi. Buthelezi has been named the interior minister, which gives him significant political power. On the other side, Thabo Mbeki, secretary general of the ANC, and South Africa's former President F. W. de Klerk were appointed first and second executive vice presidents, respectively. Also named in the cabinet were leading members of the South African Communist Party, which holds major posts in the ANC. This includes Joe Slovo (housing and welfare minister), chairman of the SCAP, who is known to have significant British backing and first suggested the idea of a national unity government.

The cabinet appointments represent an attempt to postpone the economic reckoning that will soon hit. In an effort to reassure the business community, Mandela kept Chris Stals as head of the Reserve Bank, and also kept Derek Keys as finance minister. The London *Financial Times* hailed the decision to retain Keys, whom it described as a "tough fiscal disciplinarian . . . [who] has halted the rise in government spending and reined in the budget deficit," as demanded by the International Monetary Fund (IMF).

Economic issues central

Such fiscal discipline will make it well-nigh impossible for the ANC to carry out its Reconstruction and Development

Program, which promises housing and electricity to South Africa's long-deprived black population. An editorial in the Johannesburg *Business Day* complained that Mandela had already struck "a discordant note" in his inaugural address, "when he warned cabinet partners would have to accept the ANC's reconstruction and development program, failing which there would be serious strains."

The government has named ANC professor Ben Turok, known for his opposition to the IMF, as head of the regional development plans for the heavily populated PWV region. But, as the *Financial Times* happily noted, the ANC's "Jay Naidoo has been appointed minister without portfolio and is expected to oversee the ANC's development program, though it is not clear how much power he will have over Finance Minister Keys."

The ANC has already outlined plans to bolster the living standards of the majority population. The new Water and Forestry Minister Kader Asmal, of the ANC, announced on May 19 an effort to bring clean, safe water and sanitation to millions of deprived people in rural areas. The government, he said, would proceed with the Lesotho Highlands project designed to supply the Johannesburg industrial heartland with water.

The ANC also wants to lift the value added tax on food and to increase food subsidies. It is seeking government funds in labor-intensive infrastructure projects in road-building and irrigation. It has also vowed to bring electricity to the rural population.

But on the other side, the ANC has essentially pledged that its budget, to be presented June 22, will adhere to the "mock budget" of the National Party, dating from March, which calls for cuts in government expenditure. While the ANC hopes to reshape government spending by significantly decreasing military spending, there is an inherent contradiction between the ANC's commitment "to deliver" and its also-stated commitment to abide by the free-trade rules of the IMF. The British and British-dominated business press of the country is already warning that if Keys or Stals were forced to resign over a collision between economic reconstruction and the demands of the IMF, this would be "a disaster for South Africa."

But the British, whose corporations, such as Anglo-American, initiated the negotiations in 1985 that brought the ANC to power, believe they have their options covered. The May 5 *Business Day* noted that "there is a strong argument to be made that keeping cabinet colleagues to their spending limits will take more than Keys's determination and understanding of the economy; it will require someone with deep ANC roots and party authority to have those limitations accepted in the cabinet and by an expectant populace."

Whether the new South Africa can avert the disaster that has collapsed eastern Europe and Russia at the hands of the IMF, will depend upon the ability of the ANC leadership to prove *Business Day* wrong.

Yemen war signals British move to destabilize Arabian Peninsula

by Dean Andromidas

The igniting of a civil war in Yemen signals a British move to destabilize the Arabian Peninsula and the Horn of Africa. The move is part of London's continuing strategy of sabotaging any expansion of the policy approach of peace through economic development initiated by the Gaza-Jericho accord between Israel and the Palestine Liberation Organization (PLO). The destabilization follows French and German economic and political initiatives in the region, and is also directed at Jordan, Oman, and Iraq, all of which have a deep interest in a united Yemen. Whatever may be the specific internal causes of the conflict between the two parts of Yemen, Britain and its chief instrument in the region, Saudi Arabia, have played the decisive role in detonating the conflict.

The British role is confirmed by Middle East sources based in western Europe who point to the strategic and geopolitical dimensions of the conflict, rather than a fight for oil within Yemen, as primary in determining how the situation is unfolding. These sources point to the fact that at the end of last year, French President François Mitterrand made an official visit to San'ā, the capital of Yemen, a country whose favor France had always given low priority. Yet, to make a point, Mitterrand led a strong economic and political delegation. France proceeded to show considerable interest not only in Yemeni oil, but in other economic activity as well.

France, which has considerable influence in Djibouti, located on the Red Sea directly opposite Yemen, saw a strong united Yemen as a more favorable regional power than Saudi Arabia, which sees Islamic northeast Africa as its sphere of influence. France has also been cultivating ties with the Islamic Republic of Sudan, particularly political leader Hassan al Turabi, as part of an effort to stabilize North Africa, especially Algeria.

The French delegation was soon followed by a high-powered German economic delegation. Germany is particularly well-positioned in Yemen, given the fact that not only has it had economic relations with North Yemen over a long period of time, but the former communist German Democratic Republic had been very active in the former socialist south. This has left a cadre of experienced engineers and economic experts, many of whom are now employed by major German industrial firms and who could be readily deployed in the south. A delegation from Yemen reciprocated the German

visit, travelling to Bonn to sign an economic cooperation accord.

Infrastructure and regional politics

More importantly, both France and Germany have taken a deep interest in participating in broader economic regional development whose potential can be unleashed once the Gaza-Jericho accord takes hold and regional peace initiatives are solidified among Israel, Jordan, and Syria. France has been instrumental in backing the peace initiative by Israeli Foreign Minister Shimon Peres and PLO Chairman Yasser Arafat. In the context of the multilateral economic committees which form part of the official Middle East peace conference in Madrid, both France and Germany have responsibility for transportation infrastructure, including railroads, highways, and ports. French engineers have toured Israel and the Palestinian territories with a view toward the possibilities for high-speed rail construction. For their part, the Germans, through Dornier Management Consultants, a subsidiary of Daimler Benz, Germany's largest industrial enterprise, have offered to develop, at their expense, a master plan for infrastructure reconstruction and development for the Palestinians. Dornier has drafted a master plan for the entire region from Turkey to the Arabian Peninsula.

British geopoliticians know as well as French and German engineers that infrastructure projects such as railroads, seaports, and a nuclear energy grid must be regional in scope in order to be viable. A seaport in Gaza must serve Jordan, Iraq, and the Arabian Peninsula. High-speed railroads must link up with the European grid at the Turkish border and reach southward through Syria, Lebanon, and Israel, and into Egypt and the Arabian Peninsula, and westward into Iraq, Iran, and the Indian subcontinent. A united Yemen with a population of 12 million, commanding the mouth to the Red Sea and forming a bridge between the Middle East and Africa, could be an important link in this chain.

Since the time of Germany's construction of a rail network throughout the Ottoman Empire prior to World War I, the British Arab bureau has worked to keep the region divided and to ensure that such infrastructure would never be developed again. British strategy has always been to keep the nationalist and more populous Arab states such as Yemen,

Jordan, Syria, and Egypt, which also lack substantial oil resources, embroiled in conflict or subservient to the oil-rich, British-dominated, and feudal Saudi Arabia, Kuwait, and tiny and rich Gulf states. It was Iraq with its large and skilled population and substantial oil resources which posed a danger to British interests.

Target Yemen

A unified Yemen, with a nationalist and secular tradition, was perceived as a potential threat to Saudi Arabia, a feudal monarchy ruling over 11 million Saudi subjects and 5 million foreign workers. The discovery of substantial oil reserves in Yemen reinforced that fear. But Saudi animosity predates Yemen's neutrality during the Gulf war against Iraq, and even predates unification. This is particularly true in the case of northern Yemen.

The northern Arab Republic of Yemen was formed in 1962 through a military coup backed by Arab nationalist Egyptian President Abdul Nasser, which overthrew the feudal Imam of Yemen. Saudi Arabia immediately militarily and materially backed the royalists in what became a six-year civil war. When the civil war was concluded, the northern Arab Republic became dominated by a coalition including the military and the Saudi-backed Hashid tribal federation. Nonetheless, the North Yemen regime of President Ali Abdullah Saleh, who is now President of unified Yemen, pursued an independent, nationalist foreign policy and played a role in Arab regional politics. Saleh is particularly disliked by the Saudis. He received his military training in Baghdad, and modeled his army along Iraqi lines. In 1989, North Yemen joined with Iraq, Egypt, and Jordan to form the Arab Cooperation Council. This was perceived not only as an attempt to encircle Saudi Arabia; with backing from Iraqi oil resources, it could form the basis for a powerful alternative to the domination of the region by Saudi petrodollars.

Following the end of the northern civil war and consolidation of the Arab Republic of Yemen in 1968, the Marxist People's Democratic Republic came to power following a long period of insurgency against British colonial authority. The latter's primary interest was the port of Aden, a strategic coaling station for the British Navy in imperial times. Some say that the British allowed the Marxist regime to come to power in order to prevent a unified Yemen following the formation of the Arab Republic of Yemen. Although the southern regime had introduced many social reforms and tried unsuccessfully to export its revolution, it played little or no role in Arab regional politics. The collapse of the Soviet Union, its primary backer, made unification with the north and the establishment of a democratic and unified Yemen an attractive option.

Playing both sides

Yemen's neutrality in the Gulf war was based on a powerful consensus throughout the country and across party lines,

both north and south. It demonstrated the possibility for strong national unity that could not go unanswered by the Anglo-Saudi supporters of the new world order. The punishment was swift, with the immediate deportation of a million Yemeni citizens living and working in Saudi Arabia. Nonetheless, the Yemeni regime, despite the immense social hardship and financial losses, not only weathered the crisis, but managed in 1993 to hold the first elections ever held in the Arabian Peninsula.

The discovery of oil reserves led Saudi Arabia to deploy its military along its undemarcated border and to dispatch letters to foreign oil companies operating in Yemen, claiming that their concessions were in disputed territory. This was followed by Saudi manipulation of tribal politics in the north, and what appeared to be a series of assassinations of Yemen Socialist Party (YSP) leaders.

In the north, the Saudis have financially backed the Islamic Islah Party, which became the second-largest party in Yemen following the elections. It is led by Sheik Abdullah Bin Hussain Al Ahmar and Sheik Mujeed al Zindani. The former is president of the parliament and chief of the powerful Hashid tribal federation. Despite Saudi backing, both leaders opposed the Gulf war. Sheik Al Ahmar was only recently in Saudi Arabia, where he is said to have been pressured to break with President Saleh.

Meanwhile, in the south, a series of assassinations of YSP leaders over the past year became one of the principal causes of the break between northern and southern leaders. These assassinations were in fact committed by members of the Al Fahdi family, who led the country under the British and were forced into exile following the establishment of the Marxist regime. Having taken up residency in Saudi Arabia, the family furnished mercenaries to fight the Soviets in Afghanistan, an operation created and financed by Oliver North, the CIA, and British intelligence. After returning to Yemen, and most likely with Saudi support, they began a series of assassinations and bombings directed at the YSP.

The discovery of substantial oil reserves deep in the former south made the idea of a united Yemen less attractive to some southern leaders. Saudi Arabia and other Gulf states made it known that if the south were to leave the union, they would receive recognition. At the end of 1993, while refusing to receive President Saleh, the Saudis played host to then-Vice President Ali Salim Baidh, the principal southern leader, and only recently received former oil minister, southerner Saleh Abu Bakr Bin Husseinoun.

While the British have successfully convinced the Saudis of the correctness of the objective to dismember Yemen, or at least to force the downfall of its nascent democracy, European observers point out that the whole affair could easily backfire. A protracted civil war in Yemen and an active intervention by Saudi Arabia could exacerbate the deep economic and political weaknesses that lie below the surface of the Saudi monarchy.

Croatia's two-front war vs. Serbia, IMF

by Rainer Apel

Considering that Croatia lost one-third of its territory in a war two years ago, policy-makers in Zagreb are in a peculiar state of calm that doesn't correspond to the fragility of the situation: The Serbs might launch another attack on Croatia at any time.

For a city like Osijek at the very northeastern end of Croatia, which was pounded with about 30,000 Serbian artillery shells during 1991 and which mourns the loss of more than 3,000 of its citizens, the facade of "normalcy" in Zagreb cannot be maintained: The Serbs surround Osijek on three sides; only the western side is held open by the Croatian Army as a supply corridor. Serbian forces are only 2 kilometers away, just across the Drava River.

This author saw both cities during a tour in mid-May. Osijek, longtime center and capital of the Slavonian region, is within the range of standard Serbian artillery, rocket-launchers and main battle tanks, and is no less exposed than it was during the heat of the 1991 war. People in Osijek might tell you that the situation is under control, but they also admit that the war isn't really over yet.

Unreal air of 'normalcy'

There are many indications that the population, which otherwise seems to have returned to normal everyday life, is aware of the fragile situation: There are sandbags stockpiled in front of cellar windows in many buildings and reserve stocks of bricks and other construction material in many places. In residential areas, many of the windows have only been covered with transparent plastic sheeting.

The refugees and Croats who were expelled from their homes across the Drava River by the Serbs in late 1991 and early 1992 make up about one-half of Osijek's population. Many of them have been exiled in the city since the war broke out. In other cases, the exiles are Croatian villagers who came to work in Osijek every morning, only to find out one summer day in 1991 that their village had been destroyed, and their family killed or deported by the Serbs, making return for them impossible. The refugees and Osijek citizens who have lost relatives in the area and soldiers who are still posted there are a social and political antidote against the outbreak of "normalcy" tendencies one finds in Zagreb far from the front line.

While the Croatian Army and militia, which are visible all over Osijek, represent a certain defense capacity and maybe even a deterrent against a surprise Serb attack, the United Nations "blue helmets" who are stationed in the no-man's-land around the city with a mandate to "protect" it pose a big problem. Most of them are Russians who had fought in Afghanistan; their crude behavior and open arrogance against the Osijek population is telling: They are no friends of the Croats.

This author learned from talks with Osijek citizens that the U.N. presence played a dubious role also before the Russians had arrived there. When the U.N.-arranged ceasefire went into effect in January 1992, the Serbs first launched the heaviest artillery shelling on Osijek in the entire war, and then began mass expulsions of Croats from occupied regions across the river. The Serbs would call the few U.N. blue helmets stationed there on short notice and then drop busloads of expelled Croats at the demarcation line, where the U.N. then told the Croatian Army to transfer them on to Osijek. This daily humiliation went on for half a year, and the stream of deportees ended only in June 1992, when the U.N.-proclaimed "protection mandate" finally became operational.

What made Osijek citizens accept the arrival of the blue helmets in 1992 was hope that it would stop the brutal Serbian shelling. It did so, but meanwhile, with no real end of the war, no foreseeable domestication of the Serbian monster, and the all-too-apparent fact that the United Nations regime has replaced Croatian administrative authority in Osijek and strictly observes the status quo in the Serbian-held territories, a spirit of enormous opposition to the United Nations has built up. While the older citizens tend to be fearful, speaking about the tragic situation in a low voice, as if wanting not to be detected by spies of the U.N. occupation regime, the younger ones show a somewhat more rebellious spirit that goes along with a strong sense of Catholic-based resistance.

Resistance to IMF enforcers

As this author found out in talks with Osijek youths, there are quite a few who, in their search for a more principled approach to the situation, have come in contact with the ideas of Lyndon LaRouche. His call to replace austerity and debt-servicing enforced by the International Monetary Fund (IMF) as it is practiced in Croatia now, with an intense effort to reconstruct the war-torn regions (which will require an estimated \$20 billion) using methods of "physical economy" and of national banking principles pioneered by Alexander Hamilton, has found numerous friends there.

It is important for this youth potential to make itself heard in Zagreb, which is showing strong, pragmatic tendencies to accept the status quo and not push too hard for a return of Serbian-seized territories. There are some indications, indeed, that some of these youths will work to revitalize a spirit of offensive against Serbia.

Balaguer wins in Dominican Republic

by Carlos Wesley

The official count of the Dominican Republic's electoral board, an independent body, showed that President Joaquín Balaguer defeated his chief rival, José Francisco Peña Gómez, by a margin of nearly 3% in the May 16 election.

But the same foreign interests who are out to destroy Haiti are seeking to defraud Balaguer of his victory in the nation which is Haiti's neighbor on the West Indian island of Hispaniola. Long before the votes were even counted, the BBC of London proclaimed the self-admitted voodoo devotee Peña Gómez winner, and alleged that the count was fraudulent.

A gaggle of foreign "observers" linked to the Project Democracy apparatus in Washington has been trying to deliver power to Peña Gómez. Unlike Balaguer, the latter backs moves to restore Jean-Bertrand ("The Necklacer") Aristide to power in Haiti. Peña Gómez is a vice president of the Socialist International and a member of the Inter-American Dialogue, a bankers' think tank that calls for drug legalization.

John Graham, Canada's former ambassador to Venezuela, Haiti, and the Dominican Republic, headed a delegation from the Organization of American States (OAS). He was called on the carpet by Dominican authorities, because his team was profiling voters on the Haitian crisis, instead of observing the balloting. Most brazen was former U.S. congressman Stephen Solarz, who led a delegation from the National Democratic Institute for International Affairs. NDI is a U.S.-taxpayer financed organization within the Democratic Party which has been mixed up in Project Democracy's Iran-Contra affair and other dubious efforts to "foster democracy" abroad. Solarz came close to demanding that Balaguer's election be annulled. There is "the real possibility that there was a deliberate effort to tamper with the electoral process," said the NDI in a full-page advertisement in the May 19 *Listín Diario*.

Solarz's behavior caused the non-partisan Nationalist Union to write to former President Jimmy Carter, the NDI chairman, accusing the institute of "creating a dangerous atmosphere because it can unleash violent acts, which—at a moment the United States is considering an armed intervention against our neighbor Haiti—could have unpredictable consequences for our country."

Solarz is an old hand at usurping the role of another

country's legitimate electoral authorities. He was a ringleader in the maneuvers that overthrew Philippines President Ferdinand Marcos, proclaiming Corazon Aquino the winner of the 1986 elections before a single vote was officially counted. Despite his righteous posturing abroad, Solarz is so personally unsavory that an offer to make him the ambassador to India had to be withdrawn earlier this year. An investigation by the FBI failed to remove a cloud of suspicion around his attempts to obtain a U.S. visa for mob-linked Hongkong businessman Albert Yeung Shau-shing, who has a criminal record.

Haiti strategy crumbling

Balaguer said the attempts to defraud him stemmed from "an international conspiracy" promoted by the superpowers, linked to "the situation in Haiti." On May 19, the Dominican Foreign Ministry blasted meddling in the elections by "sectors of the foreign news media and the international observers, [who] are threatening national security . . . with their anti-democratic behavior." The statement charged "an international conspiracy aimed at uniting both nations, Haiti and ours, in the event that the electoral process degenerates into major disorders with the aid of powerful foreign interests."

The desperate efforts to have Peña Gómez replace Balaguer in the Dominican presidency are linked to the failure of attempts to force the surrender of the Haitian military next door. On May 13 by the Council of Hemispheric Affairs (COHA), chaired by Robert White, formerly Jimmy Carter's ambassador to Cuba, issued a statement explaining: "For Washington, its stake in the electoral outcome cannot be overstated." The document, drafted by COHA director Larry Birns, claimed: "A Balaguer victory would doom any chance of a successful U.N. embargo" of Haiti.

Except for Argentina and Uruguay, nearly every Ibero-American nation opposes an invasion of Haiti by a multilateral military force under the OAS. "Not even disguised as a collective decision would [invasion] be acceptable," said Venezuelan Foreign Minister Miguel Angel Burelli Rivas. Joao Baena Soares, the outgoing secretary general of the OAS, says an invasion would violate the OAS charter.

The May 18 jailing on corruption charges of former Venezuelan President Carlos Andrés Pérez—a close friend of Jimmy Carter and mentor of Peña Gómez—removed a strong advocate of intervention from the scene. Among the options left are for the United States to intervene unilaterally or to seal the border. U.S. forces announced that they will conduct maneuvers for an "undetermined period" in the area starting May 17.

But Balaguer says he will not permit foreign troops to monitor the border, the *Washington Post* reported. His vice-presidential running mate, Jacinto Peynado, said, "Haiti cannot be a concentration camp. Of course, we are worried about the Haitian situation. If they come, they will need health, education. What are we going to do? Would the United States want 100,000 Mexicans to come across its border?"

Italy's new cabinet dominated by P-2

by EIR Staff

Italy's new prime minister, Silvio Berlusconi of the Forza Italia (Go Italy) party, announced his cabinet on May 9, after a 45-day brawl. Its composition shows that the "anti-corruption fight" that dominated Italian politics for the last two years was nothing but a move to replace the traditional parties with structures dominated by the outlawed Propaganda-2 freemasonic lodge. Although the Berlusconi phenomenon is not the same as P-2, the prolonged in-fighting leading to the formation of his cabinet, together with the final list of ministers, show that his independence is very limited. The P-2 networks are connected to the Anglo-American faction of Margaret Thatcher and George Bush, which are also destabilizing the American presidency and working for a U.N. world government.

Central in this operation is the figure of former President Francesco Cossiga, who was instrumental in forcing Berlusconi to assign the Interior Ministry to the Northern League. Cossiga is an intimate friend of Margaret Thatcher, and a protector of P-2 head Licio Gelli and of the secret Gladio network. In 1992 it was Cossiga who, as President, started the "anti-corruption" campaign that demolished his own party, the Christian Democracy, together with all other traditional non-communist parties.

The foreign policy of the new Italian government will be "very pro-British and pro-American, and against this Franco-German axis," said Lucio Caracciolo, the director of the Rome geopolitical magazine *Limes* in a discussion on May 10. He said this was primarily because of the new foreign minister-designate, Antonio Martino, "a Thatcherite who doesn't like the Franco-German axis conception of Europe." Martino is heavily influenced by his cousin Ferdinando Salla di Sinagra, the secretary general of the Italian Foreign Ministry. Caracciolo claims that Salla di Sinagra is the top strategic planner in Rome.

The new cabinet

Here are profiles of major ministers in the new government:

Vice premier and interior minister: Roberto Maroni (Northern League) is the right-hand man of League chieftain Umberto Bossi. The Interior Ministry controls the police and part of the secret services, along with the administrative centers. For 50 years, it has been held by Christian Democrats. The fact that it went to a Northern League representa-

tive means a major blow to Berlusconi's autonomy, and sets the stage for further dismemberment of the state structure, and the use of police dossiers for political destabilization.

Vice premier and postal minister: Giuseppe Tatarella (National Alliance) represents what the international media call "neo-fascists." Bets are on that the mail will finally be delivered on time.

Foreign minister: Antonio Martino (Forza Italia), a Sicilian, is the son of Francesco Martino, Italy's foreign minister in the 1950s; Martino is an economist who studied at the Chicago School of Economics. Both father and son were members of the P-2. Antonio Martino will work in tandem with his cousin Ferdinando Salla di Sinagra, secretary general of the Foreign Ministry.

Treasury minister: Lamberto Dini is a senior technocrat who first worked at the International Monetary Fund and then at the Banca d'Italia. He is the author of a "Report on Derivatives" (1993) and enjoys the confidence of "the markets."

Budget minister: Giancarlo Pagliarini (Northern League) is a former budget analyst for commercial companies. He will try to take control of the privatization of state-controlled industries.

Finance minister: Giulio Tremonti (Independent) is a fiscal consultant who is supposed to carry out Berlusconi's tax reform.

Defense minister: Carlo Previti (Forza Italia) is Berlusconi's lawyer. Originally he was supposed to become justice minister, to crack down on "communist prosecutors," but Berlusconi could not get the appointment through. As defense minister, Previti will activate his connections to the "military-industrial complex," as he worked for nine years as manager of the state-owned defense company Alenia.

Justice minister: Alfredo Biondi (UDC) is a recycled member of the old establishment. A former Liberal Party member, he is now in the grouping collecting the remains of the PLI, PRI, and PSI-PSDI. He represents a softer version of the original crackdown policy which Previti was supposed to carry out.

Industry minister: Vito Gnutti (Northern League), a small industrialist, will push for tax reduction and "liberalization" of wages. His views on large infrastructural projects are not known.

Public works minister: Roberto Radice (Forza Italia), a friend of Berlusconi, will take care that money flows again into public works.

Agriculture minister: Adriana Poli Bortone (National Alliance), a former prosecutor and teacher from Puglia, will oppose the European Union's quota policies.

Transportation minister: Publio Fiori (National Alliance), a former Christian Democrat.

Health minister: Raffaele Costa (UDC) was health minister under Prime Minister Carlo Azeglio Ciampi. Berlusconi's plan for the health care system is a "mix between public and private."

A pitiful end for Spain's González

by Christine Bierre

The mood in Spain these days anticipates a rapid "end of regime" for Socialist Prime Minister Felipe González, who has been in power for 12 years. A maelstrom of scandals has led to the resignation of six top government officials since early May. With a whopping unemployment rate of 21%—the highest in Europe—the country is undergoing its worst economic crisis of the last 30 years. Bankruptcies of major banks such as Banesto and of top industries have become the daily lot of the economy.

Even more shocking is the exposure of massive corruption, going up to the highest levels of the economy and the state. This is, of course, not independent from the influx of drugs from South America into Spain. Though things are hardly quite so simple, it was even rumored that the Banesto bank had collapsed because of the sudden drying up of the



Spain's Felipe González, at a gathering of European Socialists in Washington, D.C. in 1980. Now, Prime Minister González may soon find himself without a job.

funds of drug kingpin Pablo Escobar, after he was killed in Colombia last November.

The shakeup in Spain fits a pattern of economic depression and scandals which are scrambling the entire European political map. In Italy, two years of anti-corruption scandals led to almost a total turnover of the political class in the March parliamentary elections. In England, the Conservatives were trounced in local elections in April, and Prime Minister John Major is not expected to stay in office after the June 12 elections for the European Parliament.

Likewise in Spain, the crisis is accelerating so quickly that it is hard to speculate how much longer González will be able to hold on to power.

The heads are rolling

The crisis started with an arrest warrant issued against Luis Roldán, the director general of the powerful Civil Guard, accusing him of embezzlement and kickbacks. From his hiding place, Roldán has barraged the press with statements threatening that if he is not let off the hook, he will name names and bring down the entire system. His cynicism can hardly be underestimated, nor his depravity: The latest issue of the magazine *Interviú* publishes photos of Roldán cavorting naked during a bisexual cocaine orgy.

The Roldán arrest warrant was followed by the resignations of Interior Minister Antoni Asunción and Agriculture Minister Vicente Albero. Their resignations had barely been accepted by González, when two other top figures of Spain's financial establishment were arrested: Mariano Rubio, head of the Bank of Spain, and Manuel de la Concha, head of Madrid's stock exchange. The latter is also suspected of having managed investment funds for Albero, which were not properly declared to the tax authorities.

The last to resign was Judge Baltazar Garzón, number two in the Interior Ministry, who became quite popular after running successful operations against drug traffickers. González had brought him in to boost the regime's credibility. Garzón claims that he didn't know about all this corruption.

Felipe González has refused to step down and call for new parliamentary elections. Only a censure vote by the parliamentary majority could force him to resign, but so far the two parties that have joined with his own Socialist Party to give him a majority, the Catalan and Basque nationalists, are clinging to the governing coalition, and so the opposition could not expect to win a vote against him. How much longer this will last is another question.

The Cisneros connection

Some observers expect the scandals to continue. It has already been proven that the head of the central bank, Mariano Rubio, shifted millions of pesetas into a Swiss account before going to jail. The prime minister himself could become a target.

Observers are not excluding the possibility that ties be-

tween Felipe González and the Venezuelan Cisneros Group could come to light fairly soon (see articles, pp. 42-52). This relates to an old story, which *EIR* previously reported, concerning possible kickbacks to González from the purchase by Cisneros of Galerías Preciado, a chain of department stores, for the juicy sum of 20 billion pesetas. This could well cause the downfall of González, since the Cisneroses are currently under investigation for fraud in the case of the Venezuelan Banco Latino, of which the Cisneros Group was an important shareholder, and which has been accused, among other things, of being involved in drug-money laundering. Banco Latino director Ricardo Cisneros fled Venezuela after an arrest warrant was issued against him, and remains a fugitive from justice.

Another sore spot for González on the Venezuelan front is his intimate friendship with the disgraced former President, Carlos Andrés Pérez, who was deposed from the presidency last year for corruption, and has just been arrested. Pérez is also tight with the Cisneros clan.

The close tie between the Cisneros woes in Venezuela and the crisis of González in Spain was underscored when *El País* reported on May 13 that Roldán had been hiding out for two weeks on the Venezuelan island of Margarita, allegedly under protection of the political police, the DISIP. *El País* quoted Samuel Robinson, editor of *Hora Cero*, a Margarita newspaper, saying that he saw Roldán at the island on May 7, in the company of his associate Antonio Morán. *El País* quoted a DISIP bodyguard who claimed that "on Thursday the 4th he was asked to guard a heavyweight [a high-level personality], apparently of French nationality." The bodyguard later recognized Roldán from a photo.

Dirty tricks

The Spanish paper *El Mundo* published in the second week of May the story that González had run an investigation against Mario Conde, the head of the Banesto Bank, which was recently forced into bankruptcy by the government, through his own right-hand man and deputy prime minister, Narcis Serra.

González was looking for dirt to pin down his main potential political rival, whom he feared as a Spanish version of Italy's upstart politician Silvio Berlusconi, currently the prime minister.

According to *El Mundo*, Roldán did much of the footwork in this investigation, which cost some \$500,000, and was paid for with suitcases full of cash. By the end of 1992, when these dirty tricks took place, Conde's political career had come to a screeching halt, and his bank was later closed down by the state, accused of being heavily overextended in the derivatives markets. *El Mundo* also revealed that the company in charge of the Banesto investigation was none other than Kroll Associates, which ran similar investigations for the CIA and the FBI on such "difficult" matters as the assets of former Philippines President Ferdinand Marcos.

Book Reviews

The Romanian secret service's 'wilderness of mirrors'

by Daniel B. Platt

Red Horizons: Chronicles of a Communist Spy Chief

by Lt. Gen. Ion Mihai Pacepa
Regnery Gateway, Washington, D.C., 1987
446 pages, hardbound, \$19.95

Red Horizons is an exposé of the incredible machinations of Romanian Intelligence during the 1960s and '70s, told in the form of reminiscences by the man who was its top administrator. He reveals, in fascinating and appalling detail, the measures used to monitor and police millions of Romanians, the subterfuges used to manipulate foreign leaders, and the brutal reprisals against opponents, all driven by the diabolical stratagems and mad caprices of Romania's absolute rulers, Nicolae and Elena Ceausescu.

The individual who wrote this book no longer exists. When he defected to the United States in July 1978 he was given a new identity, which, as far as we know, was sufficient to protect him from reprisals. Before his defection, he was the head of Romania's *Departamentul de Informatii Externe* or DIE, the equivalent of the CIA in the United States. Subsequently, Romanian governments would attempt to entirely rewrite the history of his life in Romania.

Thus, we are dealing with a book written by a rather chimerical person. We can only hypothesize his motives for writing it; since his value to western intelligence services was staggering, we can probably discount the motive of monetary gain. He rose to prominence in his profession due to his facility in dealing with both information and disinformation; the world of intelligence is sometimes called the "wilderness of mirrors," because it is difficult to differentiate between what is real, and what is semblance. Pacepa says he defected because he had had "enough of life at the top of a society that I detested more every day." Elsewhere in the book, without



Nicolae Ceausescu's intelligence service was devoted to presenting Romania to the West as a new kind of democratic communist dictatorship—anticipating Gorbachov—while Romanians suffered bone-crushing poverty at the hands of the international financial institutions. Here, three months after he was executed, Romanians gratefully receive fresh fruit from one of the first aid shipments, organized in part by Sweden's Schiller Institute.

noting the apparent irony, he reports a conversation with the head of Romania's Disinformation Service, who says of key influence agents abroad, "Who would ever suspect these tough anti-Communists of being our men?"

In the mirror: Ceausescu and Gorbachov

Much of what is recounted in *Red Horizons* is true, and can be corroborated with material *EIR* has assembled over the years. Consequently, interesting questions are raised about U.S. policy, given that this information was in the hands of the CIA no later than 1978. The code name "Horizon" was given by Ceausescu to a vast deception and influence operation that began in 1972, designed to plant and nurture the idea in the West that Romania was a new kind of Communist nation, struggling to assert its independence from Moscow and to chart a more democratic course. The plan was to stir up the West's sympathy for Romania and to gain its political and economic assistance, and it was fabulously successful. Then, from the vantage point of 1987, Pacepa writes: "But the way Mikhail Gorbachov has gone about seizing absolute power in the Soviet Union today truly makes him look like Ceausescu's *alter ego*. . . . There is also a startling similarity in the way the two dictators have portrayed themselves to the West. Both Romanian 'Horizon' and Soviet *glasnost* depict a supposedly liberal and reasonable Communist dictator with whom the West should think it can do business."

Interestingly, Pacepa uses the exact formulation that Margaret Thatcher used in describing Gorbachov, as "a man

with whom we can do business." The question then becomes, given that the Thatcher-Bush gang undoubtedly had detailed knowledge of the predecessor "Horizon" operation, did they nonetheless fall for *glasnost*, or were they cynically pretending, for the benefit of the *hoi polloi*, in order to consummate a condominium deal? One suspects, given the ardor with which both Bush and Thatcher embraced Gorbachov, and the dismay they both evinced at the fall of the Iron Curtain, that it was the condominium they craved.

The 'war crimes' gambit

Another operation which Pacepa describes in detail was a favorite means of neutralizing opponents in the Romanian emigré community, by fabricating evidence that they were anti-Semitic former Nazi collaborators. He describes one such operation beginning in 1972 against Valerian Trifa, a naturalized American citizen who was the archbishop of the Romanian Orthodox Episcopate of America. The DIE wished to take over his episcopate for the purpose of influence operations, as they had already taken over another, much smaller one, but Trifa was uncooperative. The DIE conducted two separate investigations, hoping to find evidence of Trifa's involvement in crimes during World War II, but came up empty-handed. What happened next was a precise anticipation of the John Demjanjuk case:

"At this point, Ceausescu personally stepped in and ordered [Gen. Gheorghe] Bolanu [in charge of DIE operations against emigrés] to mount an operation aimed at getting Trifa

denaturalized and deported from the United States as a Nazi war criminal. . . . The framing of Trifa as a war criminal was a long process that followed to the letter the guidelines received from the KGB on how to go about such an operation. First, the general horror scene of crimes actually committed by others should be set, to bring back heart-breaking memories in the minds of survivors. Next, one of the real butchers of that time and place should be selected—one now dead, whose style of killing had been peculiar to him so that it would be remembered by the survivors—and then his crimes should be attributed to the target.”

The scheme was very elaborate, with pains being taken to make it appear that the charge against Trifa emanated from American and British Jews, so as to conceal the Romanian origin of the operation. Word was also insinuated into Israel that damning documents and photographs existed in Romanian archives, so that the Romanian government could appear to be persuaded, with great reluctance, to release the fabricated “evidence.” Amazingly, after Pacea was given asylum in the United States and described this operation in detail, the newly created Justice Department Office of Special Investigations decided to *denaturalize and deport Trifa anyway*.

Pacea’s angle

On the other hand, of course, there are aspects of Pacea’s book which are clearly self-serving baloney. Pacea insists that, in his heart of hearts, he remained a devout Christian, all during the time he was heading up the DIE. No one ascends to such a position without being an amoral killer—any hint of compunction would have been enough to disqualify him. He tells a misty-eyed tale of how, on the night before his defection, he went to a hiding place in his apartment, removed a piece of parquet floor, and took out an envelope containing his 1945 membership card in the Association of Young Friends of the United States, which he gazed upon with nostalgia and then burned. It is obvious to the reader, after over 400 pages of description of the incredible, omnipresent surveillance that every Romanian was under, that if that membership card ever existed, it was burned long before 1978. Finally, he humbly describes what a magnanimous gesture it was for the United States to grant him asylum. One imagines the thunderous sound of champagne corks popping all over Foggy Bottom.

From the beginning of this book, the reader gets the impression that Pacea is not exactly laying all his cards on the table. He clearly has a highly trained, analytical mind—yet much of the book is devoted to grotesque, quasi-pornographic vignettes involving renowned political personalities. Admittedly, the well-known eccentricities of Mr. and Mrs. Ceausescu offer a mother lode of this sort of material, and years of close proximity to them must have filled Pacea with a loathing that is hard to get out of his system. He dwells on the foibles of other, non-Romanian personalities, however, with an intensity that either suggests he was rather thin-

skinned for a professional killer spy, or that he is aiming for propagandistic effect. He goes to great lengths to paint Yasser Arafat and other Arab leaders with a most repulsive palette: “ ‘I am very happy to receive my brother Ceausescu’s messengers,’ [Arafat] began, speaking rapidly in his lilting English and occasionally spattering saliva around, after embracing me and leaving two gooey spots of mucus on Olcescu’s cheeks.”

It is plausible that Pacea would retain such encounters in minute detail, but his book often reads like a pulp novel. Did he originally compose an erudite treatise on intelligence, only to have Regnery Gateway send it back, saying it needed more dirt? Or is Pacea still exercising his professional skills?

While it may be difficult to evaluate what Pacea says (let alone *how* and *why* he says it), it is a more straightforward matter to discuss what he does *not* say. We know from this book and numerous other accounts, that Ceausescu was cultivating very close relations with Arab leaders, for influence operations and commercial reasons. *Ipso facto*, we know that this activity must needs have aroused the intense interest of the Israeli Mossad, yet discussion of this in Pacea’s book is, as the saying goes, conspicuous by its absence. Pacea describes what he refers to as the “gentleman’s agreement,” whereby Romanian intelligence would contract with the Israeli deputy director of intelligence for immigration, Yitzhak Yesahanu, to allow the emigration of Romanian Jews to Israel in exchange for cash and/or military hardware and intelligence stolen from the West. Ceausescu also aspired to be the mediator between Menachem Begin and Anwar Sadat, as part of the “Horizon” operation; he had played a similar role earlier with Golda Meir, including inviting her for talks in Romania, during which, according to Pacea, the DIE foiled a Palestine Liberation Organization attempt on her life. Nonetheless, Pacea paints Ceausescu as an anti-Semite who was clearly predisposed to favor the side of his contacts among Arab leaders (depicted by Pacea as bestial degenerates and pathological liars). If this were the case, it would surely not escape the attention of the Mossad. Thus, the absence of discussion of this as an intelligence problem is significant.

It is doubtful that, at the time this book was written, Pacea had “come in from the cold”—there is only one reliable exit from the wilderness of mirrors. This reviewer’s suspicions were recently confirmed during a conversation with a Romanian emigré, who had known Pacea during his college days and later followed his career. He said simply that Pacea has reasons of his own for telling the truth, for lying, and for saying nothing. If the reader bears this in mind, he can nonetheless gain useful insights into the methods of Warsaw Pact intelligence agencies. The most striking feature of this book, however, is its vivid and intimate portrait of the peculiar reign of Nicolae and Elena Ceausescu, by turns macabre, hilarious, chilling, and pathetic.

Pérez or Peña: Will justice be served in Venezuela?

by Jaime García

On May 18, two days prior to the first anniversary of Carlos Andrés Pérez's (CAP) removal as President of Venezuela, that country's Supreme Court issued an arrest warrant for the former President and two of his former cabinet ministers, accusing them of misuse of public funds. Ten of the court's magistrates voted for the arrest, and four opposed it. Pérez was immediately taken to the headquarters of the Technical Judicial Police, where he was photographed and fingerprinted, and then sent off to the El Junquito Jail in Caracas.

Ironically, it was also to the El Junquito Jail that alternate Judge Guillermo Heredia, of the 42nd Criminal Court, had decided to send Venezuelan Labor Party (PLV) Secretary General Alejandro Peña Esclusa three weeks before, in a fraudulent trial ordered by the Cisneros Group—the leading members of Pérez's corrupt “financial entourage.” Publication by the media of the astounding irregularities committed in the case against Peña (see p. 45) forced the 42nd Court's permanent judge to replace Heredia and allow Peña to go free on bail, while the case was appealed to a higher court.

For Venezuelans, former President Carlos Andrés Pérez and the young leader Alejandro Peña have come to symbolize the two alternatives for the nation's future. Pérez represents the power of the international drug-money-laundering mafia, submission to the International Monetary Fund's (IMF) conditionalities, brutal looting of the country's wealth, and ripping up national sovereignty at the behest of supranational powers. Peña Esclusa and the PLV, linked to American statesman Lyndon LaRouche's international movement, have for years proposed economic and political solutions diametrically opposed to CAP's, which are now the order of the day. They have also exposed the origin and international ties of Pérez and his cronies, to the extent that, in the trial against Peña, Cisneros employees accused him of participating in a conspiracy that they claim brought down the CAP government and provoked the recent collapse of Banco Latino, the bank the Cisneros crowd unabashedly looted.

The truth is that Venezuelans, at least beginning with Pérez's second term in 1989, have rebelled against the IMF's policies and those of the corrupt faction which has looted the nation. This internal warfare is reflected by those who wish to continue corrupting the justice system, as in the case of Cisneros versus Peña, and those who seek to wield justice against the corruption employed by Pérez. It is also reflected

in the warfare against the national currency and the threats by foreign banks and the IMF, on the one hand, and the almost daily protests by Venezuela's productive sectors, business and industrial associations, demanding radical policy change rather than just cosmetic touches to the free trade model left by CAP.

As Peña Esclusa indicated in his May 18 press conference in Caracas (see next page), President Rafael Caldera has the moral authority to pull the country out of the danger of dissolution, and must act immediately to halt those who seek Venezuela's destabilization.

International pressures

That destabilization has taken the form of extraordinary pressure from the international banking community, combined with internal rioting and a campaign of rumors that Caldera has suffered a heart attack and is gravely ill or dying. An IMF delegation arrived in the country just prior to the Supreme Court's decision on Pérez. The delegation is supposedly on a “routine” visit, but government sources report that its members are demanding that Caldera sign a standby agreement with the Fund, which he has thus far refused to do.

As Venezuela's justice minister pointed out on May 11, the eruption of rioting and looting in various cities that began on May 10 is highly suspicious. He noted that the riots, which began following the killing of a high school student, coincided with announced government actions against both Carlos Andrés Pérez and former President Jaime Lusinchi. In Los Teques, a city near Caracas, two students were wounded in riots, and there were also violent confrontations between protesters and police agents in Lara, Margarita Island, Bolívar state, and elsewhere. The U.S. State Department announced on May 17 that it was issuing an advisory to American citizens to stay away from the affected areas, as the riots “are expected to continue.”

In a clear allusion to CAP and the Cisneros gang, Interior Minister Ramón Escovar Salom announced that the government is investigating possible orchestration of the riots by “those hurt by the fight against corruption and those who don't want certain crimes against the state punished, and who want to create an environment of confusion, which can serve as a smokescreen at a time [when] the country is paying careful attention to developments in the struggle against corruption.”

Alejandro Peña reveals who and why of the assault on Venezuela

The following is the presentation given by Alejandro Peña Esclusa, secretary general of the Venezuelan Labor Party, at a May 17, 1994 press conference held in Caracas.

I have called this press conference to make two revelations: First, there is a plan orchestrated with national and international backing, whose purpose is to destabilize the Venezuelan government and overthrow President Caldera during the third quarter of this year. Second, I have been informed that the Cisneros Group intends to have me imprisoned as of next Friday. We will see this afternoon how both things are intimately related.

Operation Pincers

On Feb. 21, I wrote a letter to Dr. Rafael Caldera, in his dual role as President of the Republic and as commander-in-chief of the National Armed Forces, warning of a “pincers” operation designed to destabilize his government.

I explained that a Reuters news wire, published on Feb. 18 of this year, reported on a meeting of bankers held in New York—specifically at the Americas Society—where they practically demanded that the Venezuelan government continue the IMF [International Monetary Fund] measures of Carlos Andrés Pérez, threatening that, should it not do so, there would be an economic debacle in Venezuela. The wire story referred to the speech of a U.S. citizen named William Perry (not to be confused with the defense secretary of the same name).

After investigating Mr. William Perry, the Venezuelan Labor Party (PLV) concludes the following: First, that Mr. Perry has been carrying out a campaign since August of last year against Dr. Rafael Caldera; second, that Mr. Perry, who has held important positions in the Bush administration, has been pressuring Venezuela to adopt the program of the International Monetary Fund; third, Perry falsely insists that the intervention of the Banco Latino is a maneuver to persecute adversaries of the government; fourth, Mr. Perry was the one who invited Vice Adm. Radamés Muñoz León to the United States; and fifth, Mr. Perry is linked to Mr. Gustavo Cisneros.

Perry is not the only one who is attacking the Venezuelan government. We have evidence that important spokesmen of the international financial community want to force the

Venezuelan government to its knees before the IMF. I assure you that the resignation of Ruth de Krivoy from the presidency of the central bank was not the only cause of the recent capital flight and subsequent devaluation of the bolivar. During that same period, there was an international campaign against Venezuela which contributed greatly to the financial destabilization of the country. In this sense, I want to accuse the newspaper the *Financial Times* [of London] of participating in the pincers campaign against Venezuela.

Why attack President Caldera?

We have previously documented that the U.S. banks, including Chase Manhattan Bank (the coordinating bank of the Venezuelan foreign debt) are having serious problems. During the next 12 months, a speculative financial bubble much larger than that of the 1930s is going to burst. I can assure you that the leading U.S. banks are technically bankrupt.

As has been fully detailed by Nobel Prize-winning French economist Maurice Allais, neo-liberal euphoria has led international bankers over the past 20 years to invest their capital in speculative activities, instead of directing it toward productive activities. The result is that production has fallen drastically. That is, what has happened to the U.S. banks is similar to what has happened to the Venezuelan banks.

Given this situation, the strategy of the Anglo-American financial and banking elites is the following: First, to prevent at all cost that any country suspend its foreign debt payments and abandon the parameters of the IMF, since such an action would precipitate the collapse of the creditor banks; second, to eliminate national defense capabilities, reducing the National Armed Forces and promoting the creation of a supranational army capable of intervening militarily in any country which refuses to follow IMF dictates; third, to promote population reduction, falsely alleging that the economic crisis is not the result of usury and speculation, but of “overpopulation.”

It is a fact that the Venezuelan government is not obeying the orders of the international bankers on these three fronts. Dr. Caldera is not prepared to continue with the economic “package” of Carlos Andrés Pérez and the IMF. An EFE news wire published April 11 in *El Diario de Caracas* says that “an official spokesman reports that Venezuela will not sign a letter of intent with the IMF, since that would mean betraying the people on the part of the Caldera government.”

That same day, April 11, it was published that Foreign Minister Miguel Ángel Burelli Rivas declared, “It is wrong for the OAS [Organization of American States] to have an armed wing to intervene in regional conflicts.” Carlos Andrés Pérez [CAP], on the other hand, has repeatedly proposed the creation of a supranational Latin American army. That is why Luigi Einaudi, an official of the U.S. State Department and known detractor of the Latin American

armed forces, wanted CAP to be the next president of the OAS, but since CAP was "burned," he went with César Gaviria; that is, they wanted any politician who is a follower of the IMF and is prepared to reduce the Armed Forces. Evidently, Burelli Rivas would not serve their purpose.

Finally, an EFE news wire published April 27 in *El Nacional* reports that Venezuela "figures among those nations that will not sign the document on population growth at the next United Nations Conference on Population and Development, to be held in Cairo." It is our opinion, in

. . . highly credible sources have informed me that a "judicial bounty" has been offered for my head. I have been informed that a lot of money has been offered if the arrest warrant hanging over my head is ratified.

fact, that Venezuela should not even attend that conference, where the parameters for reducing the population by inhuman methods contrary to the doctrine of the Catholic Church will be set.

I insist, therefore, that the international attacks on President Caldera stem from those sectors which do not tolerate nationalism, which do not respect the concept of independence and sovereignty. They fear that Dr. Caldera will dare to question the legality of the foreign debt, as he has already done as a candidate, and as he has done more recently in an article published in Mexico. They fear that Dr. Caldera will suspend payment on the debt and implement economic measures different from those of the IMF. But most of all, they fear that the Latin American countries—and even those of eastern Europe—will follow Venezuela's example.

Why does Gustavo Cisneros want me imprisoned?

Moving to the second issue I would like to address this afternoon: I want to report that a second phase of the Cisneros Group's suit against me is coming. As you know, the Cisneros Group brought a suit against me which many, both within and outside the country, have described as the most serious violation of the freedom of expression in recent years. An arrest warrant was issued against me and I am currently free on bail, given that the decision is being appealed. Now, highly credible sources have informed me that a "judicial bounty" has been offered for my head. I have been informed that a lot of money has been offered if the arrest warrant hanging over my head is ratified.

This information is serious if one considers the article

published by *El Diario de Caracas* on May 8, which reveals that in the *Cisneros v. Peña Esclusa* case, there were "costs . . . which, according to two independent sources in the judicial arena, amount to \$600,000." I don't know if this is true or not, but I believe that it is a very delicate matter that must be seriously investigated.

But, why does Gustavo Cisneros want me imprisoned? Simply, because I dared to question the Cisneros Group. If I am imprisoned, this will serve as a warning to anyone who dares to question Gustavo Cisneros or who tries to request, as I did, the confiscation of the assets of Banco Latino's directors. If, on the other hand, the arrest warrant against me is revoked and the inquiry declared terminated, then many will lose the reverential fear they have had for Gustavo Cisneros. It is that simple.

Further, they want to oust me from the political scene because I am presenting solutions for the current economic crisis. In the PLV, we have studied the proposals of Lyndon LaRouche, proposals which are definitely not to the liking of the international bankers. In a certain sense, what has happened to me is the same as has happened to my friend, U.S. presidential candidate Lyndon LaRouche. They have persecuted him in the courts and, as with me, they have tried to discredit his economic proposals because they are opposed to the policies of the IMF.

But the truth will always out. I have the satisfaction of reporting to you that the candidates movement which LaRouche leads obtained votes of 40% last week in the primary elections in Pennsylvania, Indiana, and Ohio. The previous week LaRouche was invited as a guest of honor to Russia, where he held meetings at the Economics Ministry, at the Academy of Sciences, and in other extremely important forums.

In his role as U.S. presidential candidate, LaRouche has proposed the elimination of the IMF and the reform of the international financial system so that it can be oriented to production and not to the speculation that characterizes it today. As you know, the Russians have expressed their disagreement with the policies of the IMF; LaRouche's proposals have widely circulated in that country, LaRouche's books are circulating there in the Russian language. I can tell you that the international bankers fear that Russia will adopt his proposals. After all, Russia is a power with the capacity to have its sovereign decisions respected.

The importance of Venezuela's implementing nationalist economic measures, such as those proposed by the Venezuelan Labor Party, lies in the fact that this could detonate a successful economic change worldwide. Dr. Caldera has the prestige and the ability to make himself heard not only in Latin America, but in other parts of the world. That is why the U.S. banker friends of Gustavo Cisneros attack Caldera, that is why they want to see me behind bars, and that is why they want to prevent our program from being heard in Venezuela.

The Cisneros Organization strikes back in the courts

The following is a translation of a four-part series by Rodolfo Schmidt, published by Diario de Caracas May 8-11, under the headline "The ODC Empire Strikes Back in the Courts." (ODC stands for Diego Cisneros Organization, the holding company for Cisneros family interests in Venezuela.) Headlines and subheads are all as in the original.

Cisneros: 'In Venezuela justice does not function'

According to Gustavo Cisneros, president of the "Diego Cisneros Organization" (ODC), justice in Venezuela "does not work." But his closest executives have just given a master class on how to make it move with unprecedented speed, through witnesses of doubtful credibility, with nonexistent identities; with judges of questionable impartiality, with access to the resources of the State. . . . The proceedings are bringing skeletons out of the national closet, some very recent.

Two prosecutors from the prosecutor general's office, Aracelys Salas and Erasmo Pérez Fernández, knocked on the door of the judge's private chambers.

It was two in the afternoon of Thursday April 21.

Surprised, Guillermo Heredia Rodríguez, acting judge of the 42nd Criminal Court of the first instance, received his visitors, who presented him with the decree appointing them as "special prosecutors" to intervene in the case of file 2321-94.

What a setback! The case was about to gel, and now this. The judgment was already drafted. The only thing missing was his signature. Besides that, the titular judge of the 42nd Court, Noel Vera Sandoval (alias "El Gato"—"The Cat") had not given him any warning about a possible intervention by the prosecutor's office in this case.

But, for the prosecutor's office, it was not just any case file. It was the complaint from "ODC" (Diego Cisneros Organization), Venevisión-Cada, against Alejandro Peña Esclusa, secretary general of the Venezuelan Labor Party.

And, as such, more than a lawsuit, it is an orchestrated retaliation operation being played out in the judicial theater, which bares the roots of its sordid bunch of participants, Rambo-esque psychotics, hit-men, executioners in senseless and cold-blooded massacres, killers with badges and revolvers, traffickers of money and influence, dispensers of legal

arguments and desk gangsters.

Promises and revenge

The collapse of Banco Latino was the direct detonator for the regrouping of this fraternity of the underworld of legality, and the lawsuit that followed.

Peña Esclusa had publicly called for—as did many others—securing the assets of the stockholders and directors of Banco Latino, among them Ricardo Cisneros, to make good on the losses caused by the systematic looting of that institution, which, according to Gustavo Roosen, are as high as 313 billion bolivars, "which unfortunately—one way or another—all we Venezuelans will have to pay."

According to Gustavo Gómez López, former president of Latino, the Cisneros Group held, at the moment insolvency was declared, 30% of the bank's stock. On the other hand, the public offer by the Cisneros Group to pay "immediately whether they are due or not, all the debts of the group" with Latino (more than 2.9 billion bolivars), has not been fulfilled until now.

But the suit by the Cisneros Group, case file 2321-94 (for "inciting criminal activity," and "inciting destruction and looting"), is but the continuation of an old grudge that goes back to the beginning of 1985, when the book *Narcotráfico, S.A.* [a version of *EIR*'s English-language *Dope, Inc.*] circulated—very briefly—in Venezuela, which, in one chapter, links members of the Cisneros Group and executives of Banco Latino to drug-money laundering. The inclusion of that chapter was financed by the then Minister of Justice of Jaime Lusinchi, José Manzo González, with U.S. \$60,000—in cash, a transaction carried out at a villa in Country Club [sic]. The respective text was also provided by the minister of justice [sic]. For those present, it was a maneuver by Jaime Lusinchi to hit the principal economic stronghold of his political rival Carlos Andrés Pérez.

It doesn't function . . .

On that occasion, the Cisneros Organization managed to get a tribunal to decree the prohibition—still in force—of the sale and circulation of the book, the first time that happened since 1958, and the deportation of two correspondents associated with Lyndon LaRouche, said by Cisneros and the DISIP [political police] to be responsible for the publication of *Narcotráfico, S.A.* Alejandro Peña Esclusa, an engineer and a Venezuelan, remained in Venezuela working on his political project.

Of no avail were the protests of the communications media that saw in this sentence a dangerous precedent. Of no avail either were the juridical arguments condemning this outrage. Venezuelan justice was "working well"—for the Cisneros Group. Peña Esclusa energized the Venezuelan Labor Party and dedicated himself to denounce the policies and the relationships of Carlos Andrés Pérez, the dealings of Banco Latino, and the practices of the Cisneros Group. He

became a bother for the *ODC empire*, especially when he called for seizing the assets of those responsible for the financial looting of Latino.

And the Empire decided to attack. With witnesses of doubtful credibility, with nonexistent identities; with judges of questionable fairness, with access to the resources of the state.

With all the advantages, one would say, and a series of maneuvers that would once again test the vulnerability of the nation's justice.

Local justice is a mess, not even a pigsty, or mud hole.

Stated more elegantly, "it is politicized"; "it doesn't function"; "it does not protect human rights."

That is, according to the coinciding judgments of Gustavo Cisneros and the *Miami Herald*, an influential Florida newspaper.

The partisan judicial system "does not function because it does not protect the human rights of Venezuelans," pontificated Gustavo Cisneros during a meeting with the members of the editorial board of that daily, in mid-March.

That's how Cisneros justified the decision of his brother, Ricardo Cisneros Rendiles, to remain a fugitive in the United States, rather than facing the nation's courts for his alleged responsibility in the collapse of Banco Latino.

U.S. \$600,000

Inspired by Cisneros's revelations, a week later the newspaper published an editorial comment titled: "The Law Follows Its Own Rules in Large Part of Latin America." The eloquent summary: "In Venezuela . . . freedom on bail, injunctive relief, and judicial transparency are not rights. They are arbitrary concessions from the judge."

But Gustavo Cisneros—with an impertinence unusual for a counsellor of Venezuela's Permanent Mission to the United Nations Organization—was speaking with authority, from knowledge of the subject.

Because, while he was lecturing abroad about the injustices of the justice system in his native country, some of his closest executives in Caracas were demonstrating mastery in how to make it function . . . conveniently.

Without regard to costs, institutional or of political economy, which, according to two independent sources from the judicial community, are in the order of U.S. \$600,000.

Also, without regard—to any significant degree—to the transparency of judicial processes, or the credibility or impartiality of the witnesses, according to what can be gleaned from key components of case file 2321-94.

So peculiarly was it put together, that the prosecutor general of the republic felt it necessary to appoint special prosecutors to supervise the handling of this case. This judicial Via Crucis began in Caracas three days before the Cisneros-*Miami Herald* meeting in Florida, when:

a) Pedro Felipe Durán Galvis, an employee of the Film Management of Venevisión, assisted by

b) Ricardo Kösling (drily, a "lawyer"), presented 14 pag-

es of hallucinatory and farfetched ramblings, bringing suit against Peña Esclusa before the 42nd Court of

c) Oscar Noel Veral Sandoval ("The Cat").

d) Bypassing the assignment judge, in "an arbitrary decision," Vera Sandoval accepted the lawsuit, and thus, case file 2321-94 came to life, *maculada ab initio*.

And with that began to manifest themselves both the proverbial "Great Power of God" of the Diego Cisneros Organization, as well as the vulnerabilities of the judicial system, which, according to Gustavo Cisneros, "doesn't work in Venezuela."

Case File 2321-94: 'It works for me'

Violence, DISIP, deaths, traps and lies are the common denominators that link the key figures of the meteoric court

One slight amendment

This letter, dated May 18, was sent from Carlos Méndez, associate editor of EIR Resumen Ejecutivo, to Diego Bautista Urbaneja, director of El Diario de Caracas:

Dear Editor:

I have just carefully read the series of four articles published by Rodolfo Schmidt in *El Diario de Caracas* (May 8-11) under the general title of "The ODC Fights Back in the Courts," referring to the offensive of the Cisneros Group against Alejandro Peña Esclusa, secretary general of the Venezuelan Labor Party, and I have nothing to object to, except one thing.

In Part I of your series (May 8) Mr. Schmidt indicates that the ongoing judicial attack by the Cisneros Group against Peña Esclusa "is but the continuation of an old grudge that goes back to the beginning of 1985, when the book *Narcotráfico, S.A.* circulated—very briefly—in Venezuela, which, in one chapter, links members of the Cisneros Group and executives of Banco Latino to drug-money laundering. The inclusion of that chapter was financed by the then Minister of Justice of Jaime Lusinchi, José Manzo González, with U.S. \$60,000—in cash, a transaction carried out at a villa in Country Club. The respective text was also provided by the minister of justice."

Since I was the correspondent and bureau chief of *EIR* in Venezuela when the Cisneroses succeeded in getting a judge to ban the circulation in Venezuela of the book *Narcotráfico, S.A.*, I feel obliged to make a clarification. It is worth mentioning that the Cisneros Group also suc-

procedure mounted by the Diego Cisneros Organization in Criminal Court 42.

There are lawyers who know the law, and there are lawyers who know the judge. This phrase suggests that among those who carry out the law, there are some who use the law to violate justice. In this case, Ricardo Kösling, lawyer for the ODC, knows Oscar Noel Vera Sandoval, head of the 42nd Criminal Court and the judge in charge of Case File 2321-94.

Is it because of this personal familiarity that Oscar Noel Vera Sandoval ignored normal procedures and personally accepted the complaint, without going through the appropriate assignment judge?

But, beyond the personal relationship, there are other common denominators between the two, namely the DISIP [political police], Henry López Sisco, and violence.

Kösling, for example, always carries not one but two

9 mm pistols; publicly revealed telephone wiretaps link him with those who plotted to assassinate Deputy Walter Márquez after denunciations of the El Amparo massacre.

Kösling may have had personal reasons to want to “blow up” Márquez. According to military intelligence sources, “there is evidence that places him close to the intellectual author of the massacre of the 13 fishermen.”

Kösling dispatches from the CCCT [shopping mall], where his brother—closely linked to the DISIP—is chief of security; a place where—coincidence of coincidences!—the closed circuit TV cameras stopped working when a car entered that later exploded in the garage. That car-bomb was part of the series of attacks (officially attributed to “financial terrorism”) prior to the collapse of the Banco Latino, for which Henry López Sisco, DISIP commissar [of operations], is technically held prisoner.

Technically, because López Sisco leaves for work every

ceeded on that occasion (the first week of February 1985) in having the DISIP raid my private residence and *EIR*'s office in Caracas, and that they detained and later expelled from the country my wife, Lucia López de Méndez, Lorenzo Carrasco and his wife, Silvia Palacios, (correspondents of *EIR* in Brazil who were visiting Caracas at the time), and myself.

1) I don't question, nor do I have any reason to doubt, that what Schmidt says is true, insofar as someone paid someone \$60,000, which he probably has evidence of. What I do wish to make clear is that neither myself, nor any of the authors of the book *Narcotráfico, S.A.*, nor its publishers received \$60,000 for including said chapter.

2) At no time did the authors of the book, nor any person connected with its editing and publication, or with *EIR*, receive the text of said chapter, nor any other text. The chapter referring to the Cisneros was conceived and written in its totality by the authors of the book.

Moreover, everything that is said in this chapter is based on public sources, and there is nothing in it that would be secret or confidential. But the best way in which the reader can verify that what I say is true, would be for *El Diario de Caracas* to re-publish this chapter, which is No. 5 of Part III. I am authorized by *EIR*—on behalf of the authors of the book and its publisher, The New Benjamin Franklin House Publishing Co., New York, New York—to give you permission to do this free of charge.

3) One last thing. In Part III of your report (May 10), Mr. Schmidt recalls that at the time, the press reported that substitute Judge Guillermo Heredia Rodríguez—who so precipitously sentenced Peña Esclusa—was the defense lawyer of “Leovigildo Briceño, the general commissar of the DISIP who took 15 kilos of cocaine home ‘for

safekeeping.’ ”

For my part, I wish to indicate that Leovigildo Briceño, under the name of “Commissar Amilcar” (of the DISIP), was the one who directed the raid on my house and on the *EIR* office, as well as the physical side of our expulsion from the country over the *Narcotráfico, S.A.* affair.

Apart from the case of Leovigildo Briceño, it would be worth recalling that more has happened since February 1985 with the other officials who participated in the whole affair of the banning of *Narcotráfico, S.A.* in Venezuela.

As far as I know, Judge Ana Luisa Gandica, who was the one who signed the orders for the raid carried out by the DISIP, was suspended in March 1986 because she was implicated in the affair of Commissar Leovigildo Briceño, who, according to press reports of April 1986, was suspended from his job and arrested not only for having appropriated for himself the 15 kilos of cocaine, but also a certain quantity of jewels which were under police custody. It turns out that the person who ordered the raid on the jewelry stores where the jewels were seized, which later disappeared, was Judge Ana Luisa Gandica, who in the past was the legal counsel for Pepsi-Cola in Venezuela, property of the Cisneros family. Judge Gandica was a witness at the wedding of Lázaro Rogelio Ugarte, ex-chief of security of former President Carlos Andrés Pérez.

A brother of Ana Luisa, Prosecutor Luis Gregorio Gandica, was ousted as a prosecuting attorney in 1985 for having taken information out of the archives on an investigation relating to drug trafficking, according to reports in the press.

Thanking you in advance for your attention to these matters, I am

Yours Truly, Carlos Méndez



Alejandro Peña. "He became a bother for the ODC empire, especially when he called for seizing the assets of those responsible for the financial looting of Banco Latino."

day from his confinement at the 2nd Police Zone in Catia. He goes in an official vehicle to his new-old place of work—the DISIP—where he officiously operates as "anti-terrorist instructor," although internal sources attribute enormous decision-making power within that agency to him.

'It works for me . . .'

Ricardo Kösling is also—coincidentally—a lawyer of confidence of the DISIP.

Oscar Noel Vera Sandoval, alias "The Cat," is the preferred judge for cases that interest the DISIP. There are two rumors in legal circles about the origin of the judge's nickname. The first is "because of his green eyes"; the second, "because of his actions behind the court scene in the assassination of lawyer Ramón Carmona Vasquez." Carmona was silenced by members of the Gato Group of Molina Gásperi, when he threatened to reveal the names of those who benefited from the corruption scandal—commissions paid by Campetti to high-level figures—in the case of Playa Moreno in Margarita.

Both persons [Kösling and Vera Sandoval] are inseparable from the "Rambo" ("psychopathic," according to psychiatric opinion) Henry López Sisco. Hunter, the sergeant-detective in the popular television series, has a phrase, "It works for me." Perhaps justice in Venezuela "doesn't work," as Gustavo Cisneros said for the benefit of the editors of the *Miami Herald*. Perhaps it doesn't work for the rest of society. But, with these two central figures in the court arena, Cisneros is disproven in his claim, because the ODC, some of

its executives and employees, lawyer Ricardo Kösling and Judge Oscar Noel Vera Sandoval, have lent themselves to launching what would become the most meteoric court procedure in memory.

The first act began March 8, 1994, with the presentation of an incredible lawsuit; one might say, "straight out of the movies." In the suit, an employee of Venevisión (Pedro Felipe Durán Galvis), for example, asserts that:

- nearly 6 million individuals depend either directly or indirectly on the Diego Cisneros Organization (!). (The ODC has 10,000 employees.)

- the Banco Latino was taken over as the result of "a conspiracy, which is public and well-known, in which the participation . . . of Alejandro Peña Esclusa has been proven." (Other courts laid responsibility for the collapse of Latino on 82 directors—among them, Ricardo Cisneros Rendiles—stockholders, and supervisory authorities.)

'You say . . . !'

Despite these public and notorious facts, Judge Oscar Noel Vera Sandoval accepted the slander and cited the above witness to promote the concept of a "conspiracy" against the ODC. Peña Esclusa surrendered himself 12 days later, on March 21, and was subjected to an incredible interrogation, clearly intended to establish "the existence of a campaign against the Cisneros group." For example:

Q: Do you believe in the division of society into right, left or center?

A: No.

Q: Do you believe in the class struggle?

A: No.

Q: Do you believe that reaction, subversion, and anarchy would help the country out of its current crisis?

A: No.

Q: Do you have any proof or evidence that citizens Gustavo or Ricardo Cisneros are involved in activities of trafficking, consumption, or possession of drugs which you can provide to this court?

A: No.

Q: What is the reason for your campaign against the Cisneros Organization?

A: I have not had a campaign against the Cisneros Organization; rather, I have defended freedom of expression which in my opinion was violated when the circulation of the book *Narcotráfico, S.A.* was prohibited, just as I have tried to defend the interests of thousands of Banco Latino depositors who have presumably been embezzled by the board of that bank, on which sits Mr. Ricardo Cisneros Rendiles against whom there is apparently an arrest warrant related to the Banco Latino case.

Q: Who financed that campaign. . . ?

A: I wish to insist that when "that campaign" is referred to, that the only campaign the Venezuelan Labor Party has

carried out has been solely to defend Venezuelan institutions, as well as the constitutional rights of the citizenry. In this sense, I wish to clarify that I have never carried out a campaign against any group; rather, my actions have been limited to defending, I repeat, Venezuela's constitutional precepts.

Q: Does Lyndon LaRouche have anything to do with this campaign?

A: There is no such campaign, such a campaign does not exist!

Q: Explain to this court the purpose of the campaign against the Cisneros Organization and its workers.

A: I wish to repeat that I am not carrying out any campaign against the Cisneros organization and its workers; on the contrary, I have expressed my concern for the fate of the thousands of workers at Banco Latino, owned in part by the Cisneros Organization.

Q: Have the Radio Caracas Radio Group, Radio Caracas Television, or Diario de Caracas financed your campaign?

A: No. . . . I wish to repeat that there exists no such campaign as that which you have repeatedly attributed to me.

"Repeatedly," . . . five times, to be precise, is how often the questioner of the oh-so-nice Court 42 took for granted and as proven the existence of the "campaign," the intellectual creation of Ricardo Kösling.

And further comes this jewel, whose pertinence to the case cannot be understood by anyone:

Q: Do you have any knowledge of a conspiracy against President Bill Clinton of the United States of America?

A: I have read about the Whitewater case, which appears to destabilize the Clinton government.

Q: Do you know of any group or persons who are conspiring against the President of the United States?

A: No.

Feline tricks

Ricardo Kösling's emblem is the Lion. It appears on the left of his stationery.

The following day began the feline tricks of the "Lion" Kösling and the "Cat" Vera, when Kösling went to the court and requested that his friend Oscar Noel Vera Sandoval subpoena "the security chief of the Diego Cisneros Association, citizen Efrén Díaz."

The judge immediately—and improperly—did so:

1) Ricardo Kösling is not part of the case, and therefore cannot act in his own name. According to the law, the plaintiff Pedro Felipe Durán Galvis (employee of Venevisión) had to have undertaken that task.

2) The Diego Cisneros Association does not exist.

3) Citizen Efrén Díaz does not exist.

Feline errors, products of haste?

The next morning, instead of Efrén Díaz, Diego Cisneros Organization executive Antonio José Díaz Rojas presented

himself. And the feline judge Vera Sandoval accepted the witness without correcting the evident identity problem.

(Just try to do that yourself in any court, to see how the Code of Procedures is applied.)

Perhaps justice in Venezuela doesn't work for your average Venezuelan. But "it works for me," Gustavo Cisneros might have added in his chat with the Miami journalists. This is clear enough in Case File 2321-94.

Commissar Efrén: executioner cum witness

Depending on the case, Venezuelan justice can work at astounding speed, without regard to the quality, identity, credibility, or condition of the witnesses. Above all when one finds behind the scenes the Diego Cisneros Organization and a conspiracy of a fraternity of scoundrels determined to twist the outcome of justice.

The first witness subpoenaed by the "Cat" Vera Sandoval, Antonio José Díaz Rojas, is the head of security of the Diego Cisneros Organization; the security departments of Venevisión and of Cada (supermarket chain—ed.) report to his office at Venevisión.

With his summons and appearance, Kösling and Vera pulled one of the most notorious of skeletons out of the closet of macabre national history, and entered it into Case File 2321-94.

Because Díaz Rojas is also Commissar Efrén, "the bad boy" of Henry López Sisco, as he is known in DISIP circles.

The "bad boy" who was a key factor in two massacres of traumatic memory.

The "Cantaura Massacre" occurred at dawn on Sept. 3, 1982 under the authority of DISIP director Rembergo Uzcatogui, planned by Arpad Bango, then the DISIP's director of intelligence, and carried out by Henry López Sisco, DISIP director of operations, together with Commissar Efrén (Antonio José Díaz Rojas).

The operation was a "premeditated" butchery, according to those who had direct knowledge of it. An agent named "Fifth," progressively seduced, convinced, and persuaded a group of 42 students at the UCV [Central University of Venezuela] to participate in what one intelligence source dubbed "guerrilla calisthenics."

"They weren't even armed," "Quinto" reported to Arpad Bango. "When they had camped, they fell on them at dawn with everything they had . . . they even hit them from the air. . . ."

Twenty-five youth died in Cantaura, 18 survived. Officially, a dangerous guerrilla front in training had been eliminated. From then on, Commissar Efrén, Antonio José Díaz Rojas, current ODC chief of security and Henry López Sisco's "bad boy," began to be called "the Executioner of

Cantaura." Now, he is the ODC's first witness.

The second massacre

Four years later, on May 8, 1986, Commissar Efrén, Antonio José Díaz, as usual along with Henry López Sisco, participated in a new massacre, that of Yumare in Yaracuy.

A group of nine Colombian guerrillas found themselves in a place where they were to receive a shipment of Venezuelan weapons. Domingo D'Alexander had already paid for the contraband and was awaiting delivery, to be "channelled" by various high-level DISIP officials. "But since the weapons had already been pre-paid in Caracas, there was never any intention of delivering them. To prevent the Colombians from giving them away, it was necessary to kill them. Thus, the officers were left with the money and the weapons," remembers a military intelligence source who investigated the case. "To make it look like a confrontation, López Sisco gave himself a self-inflicted wound, what we call a 'fishing-line shot.' You stretch the skin, thus . . . and you shoot. Nothing happens, it doesn't even hurt."

Nine bodies were found at the scene. The press reported on "Henry López Sisco's serious wounds," which he survived only thanks to his "extraordinary physical condition." What you can do with a fishing-line shot!

The fraternity of scoundrels had delivered another blow.

Thus, Commissar Efrén, or Antonio José Díaz Rojas, a veteran of at least two shameful massacres—went to the court of Judge Oscar Noel Vera Sandoval to accuse Alejandro Peña Esclusa of "sowing psychological terror against those of us who work at the previously cited companies."

His evidence: "Anonymous telephone calls, threats, messages by fax, newspaper ads, etcetera, which have affected the peaceful working environment" . . . (the result of the collapse of Banco Latino and the links of the Cisneros Groups to that bankrupt institution).

This much accomplished in Case File 2321-94 (of which not a single page has been numbered to this date), Judge Vera Sandoval leaves on vacation, leaving in charge Guillermo Heredia Rodríguez. That is, he sent a list of five alternates to the Judiciary Council, and they designated Heredia.

'Satanic Verses'

Feline luck. Vera Sandoval and Heredia have a good relationship. Both move within the circles of the DISIP and of mid-level finances. Both like to ban books, despite (as in the previous case of *Narcotráfico, S.A.*) Article 66 of the National Constitution.

The operational link between the two "is the bodyguard of 'Cat' Vera, alias 'Pecos Bill,' the most famous car thief of the 1980s—now 'presumably' rehabilitated," commented a lawyer who knows the two individuals well.

Within court circles it is said that Heredia got his beginning in the protective shadow of the notorious judge Luis Guillermo La Riva. When La Riva left the judiciary, Heredia attached himself to "Cat" Vera Sandoval.

Between the two of them, they succeeded in 1989—with Heredia as lawyer for the Islamic Center and Vera Sandoval as judge—to ban the circulation inside Venezuela of Salman Rushdie's book "Satanic Verses."

To then lawyer Heredia, "Cat" Vera's was an important ruling in that "it establishes a legally favorable precedent, because it defines the limits between citizens' rights and commercial rights." (!!)

Never mind that, in the process, the constitutional right of 17.9 million Venezuelan citizens to have access to that work of literature was violated.

Heredia's other two cases, reviewed in the press, involved the defense of Leovigildo Briceño, the general commissioner of the DISIP, who took home 15 kilos of cocaine "for safekeeping," and the defense of Florencio Ramón Gómez (the case of the fake loans of Bandagro).

These are then the characteristics of the individual who took charge—accidentally or temporarily—of the court run by his friend Noel Vera Sandoval, to dictate justice in the name of the Republic and with the authority of the law, in the case of Case File 2321-94.

Heredia, the substitute, would impose—without any apparent reason—a frenetic pace on the court. Legal experts don't recall such an accelerated process in Venezuela's prior legal history. At the speed of lightning. At full speed. It disproves the statement of Gustavo Cisneros Rendiles, made to the editors of the *Miami Herald*, when in mid-March he told them that "Justice doesn't work in Venezuela."

- Friday, April 15: Carlos Añez, Cada's general security manager, former agent of the Judicial Technical Police, member of the "Gato Group" (Carmona case) which gave the nickname "Cat" to Vera Sandoval, testifies.

Añez tells the same story as his boss, Commissar Efrén, he of the massacres, because why should it be any different?

- Monday, April 18: Alejandro Peña Esclusa appears, already cited as a suspect by Judge Heredia. He declares:

"[The arguments given] by the court as the reason for subpoenaing me, including a supposed campaign against the Cisneros Group and supposedly the incitement to crime, among others, for having called for an embargo or confiscation of the assets of the Banco Latino's directors, give the impression that certain interests want to divert attention from the serious act of embezzlement against 1.2 million Venezuelans in the notorious case of the Banco Latino, according to what is said by the media. The fact is that Judge Diamora de Simancas issued an arrest warrant against citizen Ricardo Cisneros Rendiles for the alleged crimes of embezzlement, illegal appropriation and conspiracy in the case of the Banco Latino. It is also the case that citizen Ricardo Cisneros Rendiles, vice president of the Diego Cisneros Organization, is today a fugitive from Venezuelan justice. Therefore, it is not I who discredit the Cisneros group, but the facts."

- Wednesday, April 20: During one day of furious activity, a race against time.

At 10:30, Carlos Raúl Bardasano Pereda, head of the

Gustavo Cisneros cabinet, testifies. Bardasano reiterates the "anguishing work situation," the anonymous calls to Cada and to Venevisión. He said, in his two-page statement, that he "presumed" Peña Esclusa's responsibility.

And hour and a half later, Luis Emilio Gómez Godoy testifies.

This 36-year-old lawyer of the Cisneros Group, due to various absences on the highest levels, currently serves as the leading director on the administrative board and as executive president of Venevisión. He also bought for 430 million bolivars the villa that his boss Ricardo Cisneros Rendiles sold to him from Miami. The property in question is the "Cada of Country [Club]," and consists of 5,000 square meters of buildings, and 13,000 square meters of land. It is conservatively valued at 1.5 billion bolivars.

He repeated the account of Commissar Efrén, of "Cat" Añez, of Bardasano, that of the threatening anonymous phone calls, of the anguishing experiences, etc.

Fifteen minutes later, Ennio Velásquez Leonett, Cada executive, stresses the "confusion and distress that occurred in the Cada companies as the result of a series of reports in the press and on television."

No, I have never seen (Peña Esclusa) speaking in the name of any economic group.

No, I have never seen any direct message ("where Peña Esclusa incites the Venezuelan community or population in some way to carry out acts of subversion against the Cada companies and in general against the Cisneros group").

But, "I can infer."

No, I don't know if Peña Esclusa is involved (in acts of terrorism that go against the democratic system).

No, I have never received any threat ("due to my ties to the Cisneros Group").

What an unproductive witness for putting together Case File 2321-94, now in the hands of Judge Heredia.

Of the accidental 'Heredia' and the miracles of justice

The fraternity of scoundrels put together Case File 2321-94 at enormous cost and with a plethora of knavery, twists and turns, and benefits to themselves. When the disaster documented in the file became evident . . . the corpus—delicti?—disappeared. Gustavo Cisneros complained in Miami that justice in "Venezuela" doesn't work. There is nothing better than this unusual case-file to illustrate how it does work when his interests, his executives and his allies intervene in the national courts.

Thursday is an insane day at Court 42. It is the fifth working day under the charge of substitute Heredia who, in that period of time, had dedicated himself virtually exclusively to this file case. It appears that Heredia wants to set a record for speed.

Thursday, April 21.

It is 12:30 in the afternoon when Luis Antonio Regalado Molina, a Cada executive, shows up at Court 42.

● No, I don't know who is behind these actions (telephone calls, leaflets, etc.) against the Cada supermarkets.

● No, I do not know that the IBC Group has anything against Cada company. . . .

Second unproductive witness!

A half hour later, Braulio Enrique Gudiño La Cruz shows up as a witness.

Gudiño is the lieutenant of Commissar Efrén (a.k.a. Antonio José Díaz Rojas). His job is head of operations of Venevisión's Systems and Control Division.

Gudiño is a former DISIP agent and there are those who hold him responsible for the death of Jorge Rodríguez. But military intelligence sources familiar with that assassination relate that "Of course . . . Gudiño was there when Rodríguez was beaten. But Jorge Rodríguez was killed by Henry López Sisco. By a karate chop that shattered his liver. His liver burst. In the autopsy, the liver was shattered. When he collapsed, Gudiño took him and put him in the bed."

That ODC security officer testified that:

● No, I don't know Peña Esclusa.

● No, I don't know who is behind (the campaign).

● No, I don't know if Peña Esclusa is linked (to the threats). . . .

Third unproductive witness!

No, no, no. . . .

The last witness, brought forward by Ricardo Kösling as lawyer for ODC, appears the same day at 1:00 in the afternoon. It is Carlos Miguel Chacin Rodríguez, Cada's legal representative.

● No, I don't know Peña Esclusa.

● No, I don't know of a link ("between Peña Esclusa and an economic group to carry out any campaign against the Cada companies and against the Cisneros Group").

● No, I have no direct knowledge ("that messages were issued inciting the community to carry out acts of subversion against the Cada company, and in general against the Cisneros Group").

Fourth unproductive witness!

Of nine witnesses offered by the Cisneros band, four know absolutely nothing. And the other five are: a) the head of Gustavo Cisneros's cabinet; b) the executive president of Venevisión; c) one of the employees of Film Management of Channel 4; d) his two principal security officers, former police agents involved in some of the worst cases of violence in this nation's history, the Cantaura and Yumare massacres, and the assassination of Carmona.

What witnesses! What credibility!

But Heredia paid no heed to these trifles nor to the evident interest in self-preservation of some of these witnesses in

testifying as they did.

Heredia was obviously in a hurry. His rush is evident in the records of the case file, according to which, while the court was still taking testimony from three witnesses, the sentence had already been written. After this miracle of Venezuelan justice, Gustavo Cisneros has no reason to complain any more that "Venezuelan justice doesn't work."

Perhaps substitute Heredia thought that "once the dog is dead, the rabies dies with it," or, what is the same, "once sentence is passed, all discussion is moot."

Breathing down the neck

But the rabies and the mess were just about to start.

With the surprise visit of two prosecutors from the Attorney General's office, Aracelys Salas and Erasmo Pérez Fernando, at two in the afternoon of that same hectic Thursday, Heredia's strings got tangled.

The two officials were commissioned by the attorney general to intervene in the process of Case File 2321-94. They were special prosecutors. "Special prosecutors" are assigned when there exists reasonable doubt on the part of the Attorney General's office regarding the honesty of a procedure. The first specific demand of the envoys was to request that "the pages that make up the current case file be numbered."

The proper numbering of the pages that make up a legal case file is a formal guarantee of procedural transparency. The lack of numbering is, as every law student knows, one of the easiest methods of manipulation or fabrication. As has occurred in the past, entire pages or sections can disappear or appear as necessary.

Why, then, was the case file of more than 300 pages not paginated, until the very day of the sentence?

But the intervention of the special prosecutors could not halt the rate of amazing developments.

The substitute Heredia, despite feeling the judiciary breathing down his neck, signed that very day both the sentence and the arrest warrant against Alejandro Peña Esclusa, finding him "involved in the crime of incitement to commit crime and instigating devastation and looting." He left open an inquiry against "others" who had taken part in the perpetration of the deed that concerns us.

But all Peña Esclusa had asked was for the embargo of the assets of Banco Latino's looters, who had fled the country two months earlier, to guarantee recovery of the losses from that debacle. Among the fugitives: Ricardo Cisneros Rendiles.

Months earlier . . .

The decision caused a public commotion and a new stupidity by the substitute judge. Defending himself from journalistic questions about the dizzying "speed" of his ruling (a sentence on the fifth day), Heredia confessed that the court had actually known of the case "for several months."

And how could that be, if the initial complaint was presented by Pedro Felipe Durán Galvis, employee of Film Management of Venevisión, on March 10, 1994, and the sentence ruled on April 21, 1995?

That is, precisely 30 working days.

What then happened "several months ago"? Perhaps that's when, after the close ties, privileges and stock ownership of the Diego Cisneros Organization in the already-collapsed Banco Latino were revealed, that it was decided "to make Venezuelan justice work." Perhaps, to shut the mouth of those who sought the embargo of the fugitive bankers' assets, and of the media which began to probe—and is still probing—into this collective tragedy which cost every economically active Venezuelan no less than 300,000 bolivars.

The national shock showed how substitute Heredia had gotten tangled up. To contain the damage, judge in charge Oscar Noel "Cat" Vera Sandoval cancelled his vacations and returned to the bench.

This praiseworthy initiative turned the 42nd into the only court in the republic where two judges administered "justice in the name of the republic and by authority of the law."

The first measure that "Cat" Vera took was to act as a superior judge. He announced that there would be no "hearing against those who have participated in the events under investigation." Case closed.

Justice 'a la Cisneros'

Then, a court was assigned to investigate the stunning fact of the supposed disappearance-misplacement of Case File 2321-94.

Simultaneously, another court opened up an investigation with regard to the supposed violations of the secret hearings in the case of Case File 2321-94.

Assuming that the case file is lost, where does the arrest warrant against Peña stand? The grounds for that order—apparently—do not exist in Court 42. If they don't exist, how can a superior judge confirm or revoke a sentence? And should it reappear, what guarantees are there that it is the same Case File 2321-94? Who could be interested in "disappearing" the case file in question? Who benefits?

The fraternity of scoundrels pulled off this case at enormous cost and in a shocking manner (was it "months earlier" or on March 10, 1994?), full of knavery, twists and turns, and benefits to themselves; they brought it to a conclusion with a pre-prepared sentence while witnesses were still being interrogated; and when the disaster documented in the file became evident, and the pages were numbered as the two special prosecutors had demanded . . . the corpus—delicti?—disappeared.

Gustavo Cisneros complained in Miami that "Venezuelan justice doesn't work." There is nothing better than the unusual Case File 2321-94 to illustrate how it can work when the Cisneros interests, executives and allies intervene in the national courts.

Samuel Ruiz and 'the poster'

The Ibero-American Solidarity Movement has made things a little bit hot for "Comandante Ruiz" lately.

On May 3, one week after Bishop Samuel Ruiz told a group of supporters that "we brainwashed" government peace commissioner Manuel Camacho Solís, the two men publicly met in his diocese San Cristóbal de las Casas, Chiapas. But a surprise awaited them: That very morning, the city had awakened to find itself plastered with a poster headlined "Samuel Ruiz: Wanted for Treason!"

Ruiz is the ringleader of the Marxist liberation theology network in Chiapas, which created and now protects the Zapatista insurgency.

The impact of the poster, signed by the Ibero-American Solidarity Movement (MSIA), was such that it was the lead headline in several national newspapers the next day. For example, *Excelsior* headlined its page-one article, "Propaganda against Bishop Samuel Ruiz. MCS [Manuel Camacho Solís] Is Surprised Upon Arriving in San Cristóbal."

The article, accompanied by a photograph of the poster, reported: "Upon his arrival this afternoon in San Cristóbal, Manuel Camacho Solís discovered the 'news of the day': posters against Bishop Samuel Ruiz. Attached to walls, including the front of the municipal palace just a few steps from the cathedral itself, the posters made by the Ibero-American Solidarity Movement—identical to those which appeared in Mexico City one month ago—have provoked reactions. The city, already polarized, has seen clusters of people gathered since dawn to read the poster, 'Wanted for Treason to the Fatherland' (under the photograph of Samuel Ruiz). And the posters that 'appeared' today add the

names of Camacho Solís, Cuauhtémoc Cárdenas—who will be here next week—and of Comandante Marcos and the NGOs."

The fact is that the majority of the population does not back Don Samuel and his "Zapatistas," whose only real support comes from abroad, from certain news media, from the liberation theologians, and from Camacho's own political circles.

That same day, May 3, Don Samuel and Camacho took off for the Lacandona jungle of Chiapas, to meet with the terrorists of the Zapatista National Liberation Army (EZLN). Thus far, Camacho has issued no statement on the meeting, but the EZLN and Don Samuel have. On May 6, Marcos told the daily *La Jornada* that "the government is giving clear signs that the hard line is winning," and he threatened that "if there is no democracy, there will be civil war in the country."

For the EZLN, democracy means handing power over to Cuauhtémoc Cárdenas, the presidential candidate of the Party of the Democratic Revolution (PRD). On May 9, *El Heraldo de México* reported that the EZLN was preparing a warm welcome for Cárdenas, including a banquet in his honor, "because he has given us his full support."

Cárdenas's envoys to the EZLN were Pablo Gómez and Gilberto Rincón Gallardo, leaders of the "former" Mexican Communist Party, now part of the PRD. Cárdenas immediately accepted the invitation, adding for some strange reason that "of course, the Zapatistas did not pay nor will they pay anything toward our travel costs to that place" (*Unomásuno*, May 12).

Making it clear that he is in no hurry to solve the conflict in Chiapas, Don Samuel took off for Rome on May 6, without anyone inviting him there. *Excelsior* reported that according to an ecclesiastical source in Rome, his trip could represent an effort by the wily bishop to avoid being forcibly retired from his diocese. The day of his departure, the spokesman for the communications commission of the Mexican Bishops Conference, Msgr. Genaro Alamilla Arteaga, declared: "Only a lunatic would sit down to dialogue with hooded ones. . . . No one with the slightest common sense would sit down to deal with those who won't show their faces, much less when the fate of a nation of more than 85 million inhabitants is at stake."

In an open letter published by the press May 10, the Regional Civic Front for Peace of the Highlands and the Jungle accused Don Samuel and Camacho of extending the conflict, and charged that "the delaying tactics being used by the mediating bishop are only serving to hold on to his pontifical mandate over the San Cristóbal de las Casas diocese."

On May 9, Gustavo de Anda wrote in *El Heraldo de México* that Don Samuel is "known from some time ago" as a guerrilla trainer; he cited the cases of Riobamba, Ecuador, in 1974, and Panama in 1985. "Recently," De Anda wrote, "knowledgeable circles in the U.S. and Mexico have learned of another subversive effort inside the United States itself. In fact, Samuel Ruiz has travelled punctually every year for the last 11 years to personally give intensive courses in liberation theology in San Antonio, Texas. The courses, which are sponsored and organized by Texas Bishop Patrick Flores—also from the mystical left wing—pull together primarily Mexican-American priests, to egg them on."

'Noriega's' party wins elections

Torrijos-Carter treaties are given new meaning: "Torrijos wins you the elections, Carter appoints your cabinet."

Nearly five years after George Bush sent tens of thousands of American troops into Panama to remove Gen. Manuel Noriega and the military-founded Revolutionary Democratic Party (PRD) from power, that same party was returned to office by Panamanian voters in presidential elections held May 8.

Elected President for a five-year term was PRD candidate Ernesto "Toro" ("Bull") Pérez Balladares. He received just over 33% of the vote, defeating Mireya Moscoso, widow of Panama's late would-be führer Arnulfo Arias, 29%; salsa king Rubén Blades; and former Chase Manhattan Bank official Rubén Darío Carles. Three other candidates each got less than 3%.

Although Balladares, a U.S.-trained economist of free trade inclinations, disavowed Noriega and denounced the former Panamanian Defense Forces throughout the campaign, the perception inside and outside Panama is that the PRD was "Noriega's party." This was reinforced by the PRD's opponents, whose electoral propaganda hammered away on the theme that a PRD victory meant a return to the military governments of the past.

A few weeks before the election, for example, U.S.-installed President Guillermo "Porky" Endara announced that he would have a "momentous" announcement in the next few days. Expecting the worst, Panamanians stockpiled food and water and sat down in front of their television sets on April 14, only to see Endara present a series of videos documenting the ties of Balladares and his

running mates with the previous Noriega regime.

Thus, the elections provided a vindication of sorts for Noriega, currently a prisoner of war of the United States in Florida. The results also demonstrate that Bush lied when he justified launching his new world order by claiming that an invasion was necessary to free the oppressed Panamanians from the "hated dictator" Noriega. In fact, as U.S. Democratic presidential pre-candidate Lyndon LaRouche, an outspoken critic of the invasion, recalled in a May 12 radio interview, Bush went after Noriega because the Panamanian leader refused to cooperate with "Bush's illegal operations in connection with the Contras," including "drug running." LaRouche said that Bush was "the Willie Horton of Panama," who "killed thousands of Panamanians by ordering a strike against the most densely inhabited tenement slum in Panama."

Alas, the elections give Panamanian nationalists no reason for elation, because the architects of this "democratic experiment" of the new world order prediscounted the results and rigged the race so that no matter who won, the policies carried out by the continued U.S. occupation—through Endara's narco-government—remain unchanged. Virtually the first appointment Balladares made to his cabinet, was that of Gabriel Lewis Galindo to the Foreign Ministry.

Lewis Galindo was the Washington-based leader of the Civic Crusade, which provided cover for Bush's campaign against Panama, first by lobbying for a crippling embargo and economic sanctions, and then calling

for the invasion.

Having betrayed his country once, Lewis is now charged with getting Panama into the North American Free Trade Agreement. More importantly, he will be in a key position regarding the transfer of big chunks of valuable real estate from the former Canal Zone to Panama, a potential boondoggle worth several billion dollars. But, the key reason he got the job is to revise the 1977 Torrijos-Carter treaties (which he helped negotiate), for the United States to keep its military bases in Panama past the year 2000.

U.S. Rep. Charles Rangel (D-N.Y.) said at a conference shortly before the elections that "the U.S. needs assurances that Panama can defend the canal." Panama cannot do so, since its army was destroyed by the invasion and Endara. Rangel said that the United States has substantial "military investments in Panama, and tens of thousands of people directly or indirectly depend on the U.S. military there, so we just can't pull out." The only reason the treaty hasn't been renegotiated yet, he said, is because Endara "is perceived as a puppet of the United States. But, we will deal with this right after Panama's election."

Former U.S. President Jimmy Carter, in Panama to monitor the elections, hailed Lewis Galindo as an excellent appointment. In fact, sources say, Lewis Galindo was appointed by Balladares at Carter's suggestion. Since Balladares campaigned by wrapping himself in the mantle of national hero Omar Torrijos, one wag commented: "That's the new meaning of Torrijos-Carter: use Torrijos to win the elections, and Carter appoints your cabinet!"

Indicating that Lewis Galindo is part of a package deal, Carter also announced the appointment of his longtime aide, Robert Pastor, as the new U.S. ambassador to Panama.

Report from Rio by Silvia Palacios

PT, tool of the new world order

São Paulo Forum founder "Lula" got the royal treatment in Washington, while his followers wreaked havoc at home.

The circumstances surrounding a recent visit to the United States by Luis Inacio "Lula" da Silva, presidential candidate of Brazil's neo-communist Workers Party (PT), showed that the PT's leadership is totally committed to the agenda of the Bush-Kissinger new world order, and to a plot led by the Inter-American Dialogue to destroy the continent's sovereign nation-states.

High-level U.S. government officials, especially those linked to the Dialogue, of which the PT is a founding member, treated Lula as though he were already Brazil's President. On the eve of the visit, even President Bill Clinton stated that the prospect of Lula's election raised no fears in the United States.

Lula, awed by the VIP treatment he received from top U.S. bankers, returned their favors by supporting virtually all plans for transforming the Organization of American States (OAS) into a force for hemispheric military intervention, whose first foray would be into Haiti. At a Washington press conference, he stated that he favors a military intervention to "restore democracy" in Haiti, and added that the coup against his friend, bloody liberation theologian Jean-Bertrand Aristide, "was as serious as Saddam Hussein's invasion of Kuwait."

U.S. bankers found nothing objectionable in what Lula had to say on economic matters. State Department official James Ferrer remarked that "the social emphasis of Lula's platform has many things in common with Clinton's domestic agenda, and with

what the U.S. government is promoting in Latin America." Lula also openly supported the world eco-fascist lobby's campaign to pressure Brazil into accepting debt-for-nature swaps—that is, debt relief in exchange for limiting Brazilian sovereignty over the Amazon region.

Lula also reaffirmed his support of legalized abortion—a stance which is bound to endear him to the organizers of the upcoming Cairo depopulation conference.

His trip reached its nadir with his meeting with Edgar Bronfman, the tuggish president of the World Jewish Congress who, according to Brazilian press reports, said that he would ensure that Brazil's Zionist lobby throws its support behind the PT candidate. Lula was following in the footsteps of his predecessor, the corrupt Fernando Collor de Mello, who as President-elect likewise met with Bronfman, who is connected to British intelligence.

Moreover, while Lula was in Washington showing a democratic face and negotiating with bankers and the Inter-American Dialogue, back at home his PT was revealing its true terrorist nature by unleashing a Brazilian version of the foreign-backed "indigenous" uprising which rocked the Mexican state of Chiapas back in January. The Unified Workers Central (CUT), the labor federation led by the PT, made a factional move for power, orchestrating a plan of chaotic strikes in strategic locations around the country, which would affect transportation and medical services in São Paulo, Bra-

silia, and Paraná. The actions were timed to coincide with another strike called by the federal police, whose union is likewise affiliated with the CUT.

On top of this came a series of aggressive actions staged by Brazil's Without Land movement. In several of the country's important cities, such as Rio de Janeiro and Porto Alegre, Without Land demonstrators took over government offices, while in southern Brazil they attempted to occupy tracts of land in actions which they dubbed "cry of the earth."

The Without Land movement is an offshoot of the Theology of Liberation, and is considered to have the greatest "revolutionary" (i.e., terrorist) potential. It has an organizational structure similar to that of the Shining Path narco-terrorists in Peru.

The PT's bloc in Congress is made up of different party sectors, but its strongest lobby comes from this movement. Without Land members say that Lula has promised that when he becomes President, he will grant tracts of land to 800,000 landless families, and that they will hold him to that promise, reserving a threat to unleash violence in the countryside if he reneges. Carrying out that threat would be another step in the PT's plan to violently seize power—with or without elections.

Fortunately, Brazil's Armed Forces moved in quickly and preemptively to ensure that this chaos scenario was not successful. In a flawlessly executed operation, the troops took to the streets for the first time since the end of the military junta in 1984. In the capital Brasilia, 1,200 elite troops and six armored cars surrounded the headquarters of the federal police, while four helicopters flew over the Plaza of the Three Powers to participate in airborne troop maneuvers. A total of 20,000 troops was put on alert.

International Intelligence

Haiti's bishops condemn embargo

Haiti's Roman Catholic bishops have condemned the embargo against their country, according to a front-page story in the April 17 issue of *Camino*, the weekly newspaper of the Bishops' Conference in nearby Dominican Republic.

"We find ourselves at the bottom of the wave of misery that has been hitting Haiti for a little over two years," says the statement. "Thousands of children are dying in some regions because of epidemics," the bishops said, adding that regardless of the causes that "led to the imposition of sanctions against our country, we think that the solution of a political problem should not come through endangering the lives of thousands of people."

Britain blocked wartime plan to save Jews

The British Foreign Office blocked a plan in World War II to save 70,000 European Jews from destruction, at the height of the Nazi Holocaust, the *Sunday Times* of London reported on May 15. Most of these Jews died.

According to the newspaper, newly released British government papers, now available at the Public Record Office, reveal that Britain urged the United States to abandon the rescue, which would have given thousands of families safe passage at very low cost. According to the article: "Historians say that if the rescue had gone ahead it could have changed the fate not just of the 70,000 people targeted, but of 1.3 million Jews living in parts of Europe that were not under direct German rule. Up to half a million victims transported to the Nazi death camps from Hungary, Romania, Bulgaria, Slovakia, and Italy could have been saved.

"By 1943, Winston Churchill's government knew Germany was exterminating Jews from throughout Europe. But the Foreign Office thought it impossible to countenance a scheme that would enable Germany

and her satellites to unload their unwanted nationals on the allies.' One hand-written Foreign Office minute says: 'Once we open the door to adult male Jews to be taken out of enemy territory, a quite unmanageable flood may result.'"

A document of the American Embassy in London at the time reports that the embassy was told that the Foreign Office was "concerned with the difficulties of disposing of any considerable number of Jews should they be rescued from enemy-occupied territory. It is likely to prove almost if not quite impossible to deal with anything like the number of 70,000 refugees whose rescue is envisaged."

The British Foreign Office was also involved in sabotaging international efforts to support the internal patriotic German resistance to Hitler.

Drug money scandal hits Monaco casino

A scandal is breaking out against the Monte Carlo Casino, run by the Société des Bains de Mer, and 65% owned by Prince Rainier of Monaco. It is likely that mainly through pressure coming from France, Monaco has finally decided to close down the worst aspects of this operation, because six national counsellors of Monaco have called for an official investigation of the casino and the company running it.

The German daily *Bild Zeitung* on May 13 ran the headline, "Monte Carlo: Laundromat for Dirty Drug Money." According to the paper, the Monte Carlo Casino is part of an extended mafia structure.

From reports in the French daily *Le Figaro*, it appears that the story involves a wealthy artist, Italo Casadei, who lost some 7.5 million francs at the casino. Casadei paid an initial installment of FF 5 million; his wife then put down a deposit of FF 2.5 million, and both paid an extra FF 322 million. A couple of months later, the casino pretended never to have received the FF 322 million. It then tried to cash the check illegally, and when the check was blocked, pro-

ceeded with outright thuggery, beating up Casadei, tying his wife up, and looting their apartment several times. The latest incident was the burning of his car, leaving next to it a half-filled gas tank with a courtesy card from the Monte Carlo Casino hanging from it.

The French parliamentarian and "mafia expert" François d'Aubert has been sounding alarms about the casino. Yearly, 20 billion deutschmarks in cash pours into Monaco bank accounts, mainly from the casino. Most of this money comes directly from the drug traffic and from kidnapping, says *Bild Zeitung*.

Vatican gives U.N. 'a slap in the face'

The pope has given the United Nations "a slap in the face," accusing it of "contraceptive imperialism," according to an article in the Italian daily *La Repubblica* on May 14. In what the paper calls "a further escalation of the Vatican war against the United Nations," it reports on a new document, "Demographic Evolution: Ethical and Pastoral Dimensions," prepared by the Pontifical Council for the Family, headed by Cardinal Alfonso López Trujillo of Colombia.

The document is part of a Vatican effort to oppose the agenda of the U.N. Conference on Population and Development (ICPD), scheduled to take place in Cairo in September. It states that "none of the public international institutions has the right to put pressure on states or on national communities, to impose on them policies incompatible with respect for people, families, and national independence."

The Vatican document, addressed to Catholic bishops, accuses the U.N. of betraying its mandate: "Such institutions were born of the desire to bring together, freely, the attempts of all nations toward a more just society. They must, therefore, respect the legitimate sovereignty of nations, as well as the just and correct autonomy of the couple, man and wife."

At this point, *La Repubblica* notes, the

Briefly

● **HELGA ZEPP-LAROUCHE**, candidate for chancellor of Germany of the Civil Rights Movement-Solidarity, broadcast a short campaign statement on nationwide television in Germany May 16, addressing the economic crisis and the need for implementing Lyndon LaRouche's Productive Triangle plan for European high-technology infrastructure development.

● **FRENCH** President François Mitterrand vowed not to lift his moratorium on nuclear testing, decided upon after the fall of the Berlin Wall. Speaking in a nationally televised press conference on May 10, he said that it is a "major point of disagreement" with the right-wing majority in Parliament, and that were the Parliament to vote in favor of resumption of the nuclear tests, he would call for a national referendum.

● **ZAIRE'S** minister of foreign affairs and an emissary of the Tunisian President were killed in a plane crash near Kinshasa on May 6. The two were part of a mission to try to mediate in the Rwandan crisis. This initiative, which had started independently, had later received the support of the Organization of African Unity, which is considering deploying peacekeeping troops into the country.

● **THE UNITED NATIONS** Human Rights Committee has ruled that sodomy laws are a violation of human rights, according to a dispatch in *Outline*, a Chicago homosexual newspaper.

● **CUAUHTEMOC** Cardenas, presidential candidate of Mexico's Party of the Democratic Revolution, met with Subcommander Marcos of the Zapatista Army in the jungle on May 15, to express sympathy for the "just" demands of the guerrillas. Marcos warned that if "democracy" is not installed in Mexico, "then there is another way: war." Cardenas said that "the demands of the Zapatistas are the same we have fought for, beginning years ago."

document "goes in with the knife": "As a result, these institutions would be going beyond the limits of their competence and their right, if they incited states to adopt demographic policies that they have authored, and if they chose pressure politics, in an attempt to facilitate the execution of these policies."

La Repubblica protests that the tone of the accusation is "without precedent," and that this is an unfair polemic, since "the U.N. is not authoritarian but democratic."

The newspaper writes that the Vatican document "hints at the hypothesis of a great plot, an alliance of very well-heeled financial organizations fighting for birth control and companies which develop and produce contraceptive devices and methods of sterilization." This is a sign that the Vatican is "sparing no weapons" in its fight against the U.N. conference, the paper concludes.

Will Thatcher be extradited to Argentina?

"We may have to ask for Margaret Thatcher's extradition," said Argentine President Carlos Menem, speaking in San Carlos de Bariloche on May 16.

Menem made these remarks in the context of being asked about Erich Priebke, an ex-Nazi SS official who has resided in Bariloche for 40 years, but was recently "found" by ABC News. His extradition has been requested by the Italian government for taking part in the Ardeatine Caves massacre in Italy during World War II. Menem was cautious on the Priebke case, saying that from all reports, Priebke was a "good person . . . but there is a request from the Italian government and we must await the decision of Italian authorities."

Menem then said: "We will have to determine if the sinking of the *General Belgrano* was a war crime. . . . If it was, with all due respect, we would have to seek Mrs. Thatcher's extradition." The Argentine ship was sunk by the British during the 1982 Malvinas War, as it was moving away from

the British-created exclusion zone around the Malvinas. Three-hundred and twenty-three Argentine sailors died as a result of the attack. Menem added that if the extradition of Priebke is being requested "on the grounds that the Jewish Holocaust was a war crime, so was the sinking of the cruiser *General Belgrano*."

Menem's startling departure from his generally slavish pro-British policy, comes in the context of his growing concern over the potential for destabilization of his country, as Mexico has been destabilized since January by the Zapatista insurgency.

Argentina, Caricom back invasion of Haiti

Argentina and several Caribbean countries are the most enthusiastic backers of an invasion of Haiti, according to an Associated Press report on May 17. Argentine Foreign Minister Guido Di Tella said on May 16 that Argentina would support "an eventual multinational military intervention against Haiti—led by the United States—to restore democracy, if this is approved by the United Nations or at least the OAS."

According to Associated Press, only Argentina and Trinidad and Tobago, and perhaps some of the Caricom nations of the Caribbean (i.e., British Commonwealth countries) support the idea of an invasion. Support among the rest of the Organization of American States (OAS) is weak. "Not even disguised as a collective decision would [invasion] be acceptable," said Venezuelan Foreign Minister Miguel Angel Burelli Rivas. Mexico, Chile, Costa Rica, Uruguay, Dominica, Panama, the Dominican Republic, and Cuba maintain the same position.

During Di Tella's recent trip to London, according to British sources reported in the Argentine daily *Página 12* on May 17, he toasted British Foreign Secretary Douglas Hurd with the statement that he was "proud to be an Anglophile," and proposed that Britain and Argentina together set up a South Atlantic Treaty Organization.

Wall Street Tory John Train revives 'Get LaRouche' salon

by Jeffrey Steinberg

Early this year, writer Christopher Byron pitched a story idea to the editors of *Worth* magazine, a glossy New York City-based publication that caters to an audience of upper-middle-class stock market and mutual fund investors. According to sources at *Worth*, which started out as an in-house publication for clients of a major Boston mutual fund, Byron proposed to do a piece on a "dangerous cult" headed by Lyndon LaRouche. *Worth* accepted Byron's story proposal and the article is scheduled to appear later this year, perhaps in the July-August 1994 issue. Lawrence Hooper, Byron's editor at *Worth*, refused to provide *EIR* with the exact publication date, but acknowledged that the article is already in the editing stage.

Byron, who has already published one slander against LaRouche in the Oct. 5, 1992 issue of *New York* magazine, covering for the Bush administration's stonewalling of the Pan Am Flight 103 probe, makes no bones about the fact that he has consulted with Anti-Defamation League of B'nai B'rith (ADL) official Mira Lansky Boland in preparation for the *Worth* story. Back-and-forth discussions between Byron and several *EIR* writers revealed that his forthcoming article follows a story line crafted by the ADL and other participants at a series of highly illegal secret planning sessions held during the early to mid-1980s. Those sessions led to federal and state railroad prosecutions against LaRouche and a score of his associates during 1985-88.

Documentation of those secret gatherings, which took place at the Manhattan townhome of Wall Street investment counsellor John Train, is on file with the U.S. Fourth Circuit Court of Appeals. In a string of civil and criminal cases between 1984 and 1993, attorneys for the National Broadcasting Company (NBC) and the ADL, along with U.S. and state prosecutors in Massachusetts, New York, and Virginia,

systematically withheld evidence about the Train gatherings that would have led to the acquittal of all LaRouche associates, on the grounds that they had been framed up by a secret, combined government and private task force, whose co-conspirators knew all along that LaRouche and his associates were entirely innocent. Had the truth about those meetings come out, NBC and the ADL could have been fined millions of dollars, and could have been enjoined by court order from circulating further slanders against LaRouche. In sum, none of the subsequent federal and state prosecutions would have been even conceivable, had the truth about the Train sessions come out in court.

The pawprints

The pawprints of John Train are all over the planned Byron smear job, which was initiated at about the same time that Lyndon LaRouche was being released from federal prison in late January 1994, after having served five years behind bars:

- Mira Lansky Boland, the former CIA employee who served as the liaison between the ADL and federal and state prosecutors throughout the 1980s, and who is one of Byron's "sources" for the LaRouche story, was a participant in the Train-led meetings. She was forced to admit her involvement only after she was subpoenaed to testify at an evidentiary hearing in the case *Commonwealth of Virginia v. Welsh* in state court in Roanoke, Virginia on May 24, 1990.

- Train himself is a regular contributor to *Worth* magazine. A marketing statement issued by *Worth* and circulated on the Internet computer network prominently features Train: "*Worth's* editorial mission is to help readers take control of their financial destinies through a unique and wide-ranging approach to financial journalism. Contributors include re-

spected financial practitioners, such as America's best-known stock picker Peter Lynch, Walter Mead, and John Train."

Train's 1989 book *The New Money Masters* featured a chapter on *Worth's* senior contributing editor, Peter Lynch, former head of Fidelity Investment Corp.'s Magellan Fund. Fidelity originally launched *Worth* magazine under the name *Investors Vision* in 1986 as an in-house publication servicing its 850,000 clients (Fidelity is the world's largest mutual fund, holding \$340 billion in assets and accounting for 12% of the daily trading on the New York Stock Exchange). In 1991, Fidelity launched a publishing subsidiary and took *Investors Vision* "independent," under the name *Worth*. NBC's cable television subsidiary CNBC airs a nightly show by *Worth* magazine.

Christopher Byron denied that he knows Train personally, although he said he is familiar with Train as an author. "I wouldn't know him if I sat next to him on a bus," Byron told *EIR* in a May 14 telephone interview.

Other anti-LaRouche scribblers who similarly denied links to Train and the "Get LaRouche" salon, were later shown to have been lying.

The 'Get LaRouche' strike force gathers

On April 23, 1983, one month to the day after President Ronald Reagan's historic television address announcing the LaRouche-designed Strategic Defense Initiative (SDI) as U.S. strategic policy, Wall Street investment counsellor John Train convened a gathering of approximately 25 journalists, government officials, and at least one representative of the ADL. The meeting's purpose: to launch a barrage of media slanders against Lyndon LaRouche, preparatory to a government frame-up drive against LaRouche and his political movement.

For a period of eight months leading up to that meeting, former secretary of state and self-proclaimed British agent Henry A. Kissinger had been conducting a personal lobbying effort with FBI Director William Webster, and with members of the President's Foreign Intelligence Advisory Board (PFIAB), to rig a government crackdown on LaRouche. At a Jan. 15, 1983 meeting of PFIAB, Kissinger cronies Leo Cherne, Edward Bennett Williams, and David Abshire succeeded in activating an FBI national security probe of LaRouche, on the laughably bogus grounds that LaRouche was a suspected foreign agent.

Senior Reagan administration officials were well aware that for the preceding year, LaRouche had been functioning as a White House-sanctioned back-channel to senior Soviet officials, pursuing informal discussion of possible U.S.-Soviet collaboration on developing and deploying a global ballistic missile defense system based on new physical principles that would render offensive nuclear weapons obsolete. The program that President Reagan announced on March 23, 1983 as the SDI was precisely the program devised by

LaRouche and negotiated with the Moscow representatives. The SDI effort was one of a half-dozen classified projects in which LaRouche participated during the early years of the Reagan administration.

The Kissinger-promoted "LaRouche=KGB" line was a hoax, calculated in part to wreck the Reagan SDI initiative. At Train's "Get LaRouche" sessions, Train rammed through the Kissinger message: The key to slandering LaRouche was to label him "KGB."

Eyewitness account

Michael Hudson, a former consultant to Chase Manhattan Bank, attended the first of three known meetings of the John Train salon devoted to the Get LaRouche effort. On May 26, 1983, Hudson told Robert Greenberg, then a reporter for *EIR*, about the gathering. Greenberg taped the discussion.

Hudson asked: "Do you know who John Train is? . . . there was a fairly large meeting about a month ago at his house, you know, presumably all of the people, all of your enemies in the publications, journalism field. . . . It was he [Train] who has been introducing me to quite a few people, and seems to want to step it up to the government level."

Asked by Greenberg whether the "government people" mentioned by Train were from the FBI, Hudson responded: "Well, of course they are. . . . What he's trying to do is to put me in with the—he's actually one of the people who's trying to get me in with the IRS." Hudson continued: "He seems to think you're KGB. . . . He writes for the *Investors Chronicle*, Financial Times Publishing, London; *Le Matin*, Paris; and *Harvard Magazine*. . . . [The meeting] had to do with coordinating national magazine stuff about you guys, and working with federal law enforcement agencies to try to, I think, deny you funding and tax exemption, is the delicate way to put it. [The reporters] all seemed to come into it committed to do something."

Another participant in the Train salon sessions was Sol Sanders, a former editor of *Business Week*. On March 7, 1984, Sanders told *EIR* reporter Herbert Quinde that two defamatory broadcasts on NBC in January and March 1984 had been planned out at the Train salon gathering. Pat Lynch, a producer for NBC, attended the Train sessions and produced one of the LaRouche smear broadcasts, a 20-minute segment on NBC's television news magazine, *First Camera*.

In 1984, Lyndon LaRouche filed a defamation suit against NBC, Pat Lynch, and the ADL in U.S. District Court in Alexandria, Virginia. In the course of the pre-trial discovery, Lynch produced a wall-sized chart depicting the structure and alleged goals of the LaRouche political movement. The chart attempted to construct a profile of the LaRouche movement as KGB-linked. It also focussed on recent successful efforts by LaRouche to promote the idea of a debtors' cartel among Ibero-American governments. Lynch claimed under oath that she had received the chart from Peter Spiro,

a reporter for the *New Republic* who had penned one of the slander stories against LaRouche in January 1984.

In fact, the chart was produced by Virginia Armat, an aide to John Train, and was presented at the "Get LaRouche" salon meetings by Train himself, a fact that Lynch personally knew at the time she was deposed. During discovery and trial in the *LaRouche v. NBC* case, Pat Lynch repeatedly lied or evaded any mention of her participation in the Train salon sessions, thereby concealing crucial evidence confirming LaRouche's contention that the NBC story was part of a government-linked plot to trash the LaRouche movement.

A revised version of the same chart turned up with the New York State attorney general in the course of a prosecution of four LaRouche associates in 1989.

It would be years before witnesses, including Lansky Boland, would admit that the Train meetings had involved government agents, including representatives of the FBI and the National Security Council (NSC), proving that the entire "Get LaRouche" effort had constituted an illegal "active measures" program. Most of the crucial evidence did not surface until after LaRouche and six co-defendants were convicted in a federal trial in Alexandria, Virginia, and other LaRouche colleagues were fraudulently tried and convicted in state courts in New York and Virginia.

On Aug. 9, 1990, Chip Berlet, an ADL collaborator and leading figure in the drug legalization lobby, admitted to Quinde that he, too, had been at several of the Train sessions between the Spring of 1983 and the Spring of 1984. Berlet's travel expenses between Chicago and New York City to attend the Train meetings were paid for in cash by John Rees, another salon participant who had been an FBI informant against the LaRouche movement since the 1970s (Informant No. WF-5728-S, according to FBI documents obtained under the Freedom of Information Act). In the Spring of 1986, following electoral victories in the Democratic primaries in Illinois by two LaRouche associates, Rees and the ADL's Irwin Suall delivered slanderous testimony against LaRouche at a hearing of the U.S. Commission on Civil Rights. The testimony came right out of the Train salon sessions.

Chip Berlet named a half-dozen other participants at the Train gatherings he had attended, and described several other individuals who were only identified to him as "gentlemen with a government connection."

One government agent identified by name was Roy Godson. The son of a career CIA official, Roy Godson was employed at the time of the Train salon sessions by the NSC and the PFIAB.

'Moles' at the NSC

Richard Morris was the executive assistant to National Security Adviser William Clark in 1982-84. He testified under oath in Roanoke that Roy Godson and two other NSC employees, Walter Raymond and Kenneth deGraffenreid,

had repeatedly tried to force the White House to cut off all contact with LaRouche and his representatives, claiming to possess "proof" that LaRouche was, variously, a KGB agent, an anti-Semite, a fascist, etc.—all standard formulations used in the Train salon-generated "drip-by-drip" smear campaign against LaRouche.

Godson, Raymond, and deGraffenreid all had good reason to pitch the slanders against LaRouche in and around the White House. All three were prominent players in the George Bush-led secret Nicaraguan Contra supply operation—an operation that LaRouche had publicly criticized for drawing the Reagan administration into bed with Latin American cocaine chieftains and terrorists.

ADL officials Lansky Boland, Irwin Suall, Rabbi Morton Rosenthal, and former ADL employee Carl Gershman were also involved in the Contra effort, as well as the smear drive against LaRouche.

All told, the three Train salon sessions generated dozens of major media slanders against LaRouche, and fueled the climate for federal and state frame-ups. In cases such as the March 1984 First Camera broadcast, patently false allegations aired on TV actually triggered government probes. Among the most egregious of the Train-generated smears were:

- A January 1984 *New Republic* article calling for a media gang-up on "political extremist" LaRouche. The "extremist" label was incorporated in every subsequent slander.

- The January and March 1984 NBC-TV slanders.

- A November 1984 *New Republic* cover story by Dennis King, an ADL retainer, and Ronald Radosh, a paid Contra propagandist. The 12,000-word article was based on information leaked from the files of the Reagan NSC, identifying many of the administration officials who had worked with LaRouche representatives on the SDI and other sensitive national security projects. This leak constituted a serious breach of national security, and should have been the subject of an intense federal probe. It helped launch a witchhunt against the officials who had dared to work with LaRouche, and marked the beginning of a deterioration in Reagan administration policy.

- A March 23, 1986 *Wall Street Journal* article by Ellen Hume, another attendee at the Train salon sessions.

- A May 27, 1986 *Wall Street Journal* signed commentary by King and Lynch (who had met each other at the April 1983 Train salon session), featuring material illegally leaked to them from an ongoing Boston federal grand jury probing LaRouche campaign financing.

- Two April 1986 NBC television news broadcasts, both produced by Lynch, which featured allegations that LaRouche was involved in the assassination of Swedish Prime Minister Olof Palme, and had plotted to kill Henry Kissinger.

- An August 1986 *Readers' Digest* slander by senior editor Eugene Methvin, another Train salon participant and

a longtime close associate of Train and Train's assistant Virginia Armat.

On Oct. 6-7, 1986, the active government attempt to dismantle the LaRouche movement was launched when 400 federal, state, and county police raided publishing offices associated with Lyndon LaRouche in Leesburg, Virginia.

A Redcoat through and through

When John Train was a Harvard undergraduate in the late 1940s, he and a group of his friends once dressed up as British Redcoats and disrupted a Patriots' Day parade at Lexington Commons commemorating the ride of Paul Revere. It was a psychologically revealing incident, one that Train still likes to reminisce about today.

Longtime fan Sol Sanders affectionately refers to Train as "the last of the OSS old boys on Wall Street"—a reference to the U.S. Office of Strategic Services, an arm of British Intelligence established during World War II. But a far more appropriate label might be "British Tory turncoat." Train was born in 1928 to a New England family which had emigrated to North America from Scotland in 1640. The family became wealthy and prominent in the 19th century through its Enoch Train and Company, whose clipper ships profited in the Chinese opium trade, run from offices in Boston and Liverpool, England. The opium trade, facilitated by two British-run opium wars against China, was a cornerstone of Lord Palmerston's British Empire program, which sought to destroy everything the United States stood for (see *EIR*, April 15, 1994, "Lord Palmerston's Multicultural Human Zoo").

One of John Train's grandfathers was a founding partner in the House of Morgan. The other grandfather, Charles Russell Train, was attorney general of Massachusetts (1873-80). Through the J.P. Morgan family links, Train's mother was reportedly an intimate of Corliss Lamont, son of Morgan senior partner Thomas Lamont and a leading light in American Communist Party circles.

Following the traditional American Tory education at Groton and Harvard, John Train settled in Paris in 1952, and, following in his mother's footsteps, founded the decidedly left-wing *Paris Review*, along with British Fabian writer Stephen Spender, W.H. Auden, and fellow Harvard graduate George Plimpton. Train, like the *Paris Review* itself, was transformed into a Cold War "neo-conservative" institution during the post-McCarthy red scare epoch, and Train settled into a career in the investment business, working for deVegh and Co. until 1959, when he founded his own firm, Smith Train Counsel.

Smith Train manages the portfolios of a private clientele of wealthy families. Although the list of Train Smith's clients is a tightly held secret, some news accounts have linked Train to Maurice Greenberg of American International Group, and Train has been a close personal friend of Sir Jimmy Goldsmith and his brother Edward since Paris days. Train's founding partner, F. Randall Smith, started out with L.F. Rothschild.

Train's first wife, Maria Teresa Cini di Pianzana of Florence, Italy, came from an old Venetian family. When their marriage ended in divorce in 1976, Train married Frances Cheston, former wife of Whitney Tower of the Anglo-philic New York Whitney family.

In 1984, at the height of John Train's role in the "Get LaRouche" frame-up offensive, Train Smith Counsel was bought up by the British through an entity called English Association Trust. EAT's holding company, English Association Group, PLC, is a wholly owned subsidiary of PKBanken of Sweden, which is a joint venture of the Swedish government and Swedish investor Eric Penzer. PKBanken is closely allied with Nobel Bofors, the giant Swedish chemical and explosives manufacturer that was deeply implicated in the illegal sales of military hardware to the Khomeini regime in Iran at the time of the Iran-Iraq War.

'Get LaRouche, now get Clinton'

Over the past several years, John Train has contributed three articles to the *American Spectator*, the neo-conservative monthly that has been at the center of the recent assault on the U.S. presidency. The January 1994 issue of the *Spectator* helped launch "Clintongate" with its now infamous interview with two former Arkansas state troopers who accused President Clinton of a string of infidelities while he was governor.

Among the *Spectator's* leading financial backers are two of Train's longtime cronies, Sir Jimmy Goldsmith (see above) and Richard Mellon Scaife, Iran-Contra moneybags and personal participant in the Train "Get LaRouche" salon sessions.

As *EIR* has documented in recent months, the *American Spectator* is itself run from London by the Hollinger Corp., owners of the *Telegraph* newspapers, the *Jerusalem Post* and a string of other financial journals and newspapers in Britain, Canada, the United States and Australia (see, e.g., *EIR*, April 8, 1994, pp. 54-55). Sir Jimmy Goldsmith, a Rothschild cousin, sits on Hollinger's board of directors, along with two members of the Rothschild family.

The ties to the Clinton-bashers run even deeper. Two leading lights of the Train salon, Rael Jean Isaac and Midge Decter, are avid participants in the assault on the U.S. presidency. Isaac, a director of Americans for a Safe Israel (AFSI) and a paid operator of the ADL, has led the crusade against the peace accords between Israel and the Palestine Liberation Organization, and appeared at an Oct. 10, 1993 rally in Arlington, Virginia calling for a new Middle East war. AFSI is deeply implicated in the Hebron settlers' movement that produced Baruch Goldstein, the mass murderer of the Cave of the Patriarchs in Hebron. She attended the "Get LaRouche" sessions in 1983-84.

Midge Decter, the wife of *Commentary* magazine publisher Norman Podhoretz and a leading neo-conservative, also attended Train's salon meetings. She sits on the editorial board of the *American Spectator*.

Lawsuit against Clinton poses constitutional issues

by Edward Spannaus

The latest developments in the British intelligence-run scandal mongering against President Clinton raise constitutional issues of tremendous gravity, particularly with respect to the question of whether a sitting President is subject to a civil lawsuit. Presidential pre-candidate Lyndon LaRouche has proposed a way to ensure both that justice is secured and that the institution of the presidency is defended, under the special circumstances of this case in which the suit is being instigated by a foreign power.

New admissions regarding the role of the British Hollinger Group media empire in coordinating this destabilization of the presidency have come from the pen of the London *Sunday Telegraph's* Ambrose Evans-Pritchard—who seems unable to contain himself, despite the fact that *EIR* exposed his game at a well-attended Washington, D.C. press conference on April 6. In his May 8 column concerning the sexual harassment lawsuit which was filed two days earlier by Paula Jones, Evans-Pritchard acknowledged that he had had “a dozen conversations with Mrs. Jones over the past two months.” He furthermore admitted that “I happened to be present at a strategy meeting last month on a boat on the Arkansas River” at which Jones’s attorney “was weighing the pros and cons of legal action.”

A week later, Evans-Pritchard admitted the actual motivation and purpose of the Jones suit. It doesn’t “matter all that much whether Mrs. Jones ultimately wins or loses her case,” he wrote on May 15. “The ticking time bomb in the lawsuit lies elsewhere, in the testimony of other witnesses.”

“Put plainly,” Evans-Pritchard blurted out, “the political purpose of the Jones lawsuit is to reconstruct the inner history of the Arkansas Governor’s Mansion, using the legal power of discovery. In effect, the two lawyers and their staff could

soon be doing the job that the American media failed to do during the election campaign and have largely failed to do since. . . . Testimony would be available to the public as court documents.”

U.S. versus British law

Ambrose Evans-Pritchard and his co-conspirators are trying to take advantage of the acknowledged difference between the British and U.S. systems of law and government. It is a principle of the British system that the monarch is above the law and beyond its reach; but it is a fundamental principle of U.S. law that no man is above the law—that this is a government of laws, not men. It is unthinkable in Britain that the king or queen could be subject to a civil action brought by a private citizen in a court of law or equity. Thus, Evans-Pritchard is wetting his pants in glee, thinking he has found a vulnerability of “those stupid Americans” in allowing their chief magistrate to be dragged into court.

In obvious recognition of the true intent of the Paula Jones suit, President Clinton’s lawyer Robert Bennett let it be known that he intends to challenge the Jones suit on the grounds that a sitting President cannot be sued during his term in office. “If you permit the President of the United States to be sued and permit the case to go forward . . . think of the consequences,” Bennett said. “There could be thousands of lawsuits. . . . Your President would be tied down 365 days a year being asked questions by lawyers.”

The U.S. Supreme Court has already held, in the 1982 case *Nixon v. Fitzgerald*, that a President is absolutely immune from a lawsuit for damages for acts performed in his official capacity. But there is no direct precedent on the issue of a civil suit against a sitting President for acts *prior* to

assuming office. The historical and legal evidence indicates that attorney Bennett has a point, under the outrageous circumstances of this case, but it may not be as sweeping as he suggests.

Historical precedents

This issue first came up in U.S. constitutional law in 1807, concerning the issuance of a *subpoena duces tecum* for relevant evidence to President Thomas Jefferson during the treason trial of Aaron Burr. In upholding the subpoena, Chief Justice John Marshall stressed the differences between the U.S. and the English systems. "It is a principle of the English constitution," said Marshall, "that the king can do no wrong, that no blame can be imputed to him, that he cannot be named in debate."

But, he continued: "By the Constitution of the United States, the President, as well as every other officer of the government, may be impeached, and may be removed from office on high crimes and misdemeanors." As to the issuing of a subpoena, Marshall observed that any individual charged with a crime has the right to compel the attendance of witnesses, and a President could be subpoenaed, "*provided the case be such as to justify the process.*" In other words, even a President could be subject to the process of the courts—not for frivolous or trivial reasons, but if the case merits it.

In the 1982 *Nixon* case, the conservative majority, led by Justice Lewis Powell in a 5-4 decision, held that a President had absolute immunity from a suit for damages for his official acts. In light of his high visibility and the effects of his actions, "the President would be an easily identifiable target for suits for civil damages. . . . [This] could distract a President from his public duties, to the detriment of not only the President and his office but also the nation that the presidency was designed to serve."

But even so, the majority did not contend that the separation-of-powers doctrine bars every exercise of judicial power over a sitting President; rather, the court "must balance the constitutional weight of the interest to be served against the dangers of intrusion on the authority and functions of the Executive Branch. . . . When judicial action is needed to serve broad public interests . . . the exercise of jurisdiction has been warranted."

Dissenting from the majority's holding of absolute immunity for the President was Justice Byron White, joined by justices William Brennan, Thurgood Marshall, and Harry Blackmun. They argued that giving the President absolute immunity "is a reversion to the old notion that the king can do no wrong." They cited, as did the majority ruling, the debates in and around the Constitutional Convention; the dissenters also cited John Marshall for the principle that every citizen has the right "to claim the protection of the laws, whenever he receives an injury." They further referenced Marshall regarding the point that a President should be protected from "vexatious and unnecessary subpoenas," but that

this was the responsibility of the court *after* such process had issued—i.e., that the court should fashion a remedy to protect a President from harassment or bad-faith actions.

LaRouche's proposal

In an interview with *EIR* on May 19, Lyndon LaRouche was asked about the suggestion that civil actions should not be allowed to be pursued against a sitting President. "I see it a little bit differently," answered LaRouche. "Generally, of course, I do not wish to have the presidency tied up with a scurrilous lawsuit of this type."

But, LaRouche suggested, there is one flaw in the argument that Paula Jones should have to wait for her suit until the President's term of office is finished. "What about the rights of a litigant? Does the litigant have an honest case?" asked LaRouche. "If so, will we deprive the litigant of their rights to justice for a period of 2-6 years if they suspend the case for that period of time?"

LaRouche proposed that there should be some "special rules" for such a case. "We've got to give the President a fair shake as a person, as well as President," particularly because of the problems of raising funds for a legal defense. The first thing to do, therefore, would be to require that Jones show two things in a preliminary deposition.

"First of all, she should be compelled to show that her collaboration with Ambrose Evans-Pritchard did not produce a lawsuit which is clearly politically motivated to destabilize the presidency (which is what Mr. Pritchard said the purpose of this operation is)."

If it turns out to be the case that she wouldn't have filed the suit without the instigation of Evans-Pritchard, a British intelligence-controlled agent, then "there are grounds for a summary dismissal or suspension of the suit, and I don't think the woman has any claims coming to her. . . . If she's got a claim, she can wait until the President is through with his business in office. Because she would not have made the suit at this time, but for foreign intelligence instigation."

If those are the facts, LaRouche continued, then either dismissal or postponement would cause no harm.

"If the case is shown to be frivolous, I think very stiff sanctions should be applied against those, including Mr. Ambrose Evans-Pritchard, who would instigate such a civil action dishonestly for a political purpose, particularly if it destabilized the government of the United States," LaRouche added. "In that case, the highest possible legal sanctions under the so-called Rule 11 type of situation should be applied, not merely to Mrs. Jones and her husband, if he's in the case, but also to those who have been *wittingly deploying* Ambrose Evans-Pritchard to do what Mr. Evans-Pritchard has claimed he has done; in that case, *very tough sanctions*. And once we've kicked someone in the head with tough sanctions for that kind of dirty operation (if that is shown to be the case), then I think you would dissuade other people from doing similar things."

Senate votes to lift Bosnian arms embargo

by William Jones

The U.S. Senate on May 12 passed two resolutions calling for lifting the arms embargo against Bosnia and Hercegovina. With one calling for unilateral U.S. action and the other urging a collective decision by the NATO allies, it is apparent that disagreements persist in the Senate on how to proceed. But with the failure of the latest "peace plan," and disunity among the United States, Russia, and the European Union, President Clinton must realize that "the buck stops here." He must understand his own obligation to make that tough, unilateral, decision to allow the Bosnians to defend themselves against Serbian aggression.

One Senate resolution was authored by Majority Leader George Mitchell (D-Me.) and another by Minority Leader Bob Dole (R-Kan.). The Dole amendment calls on the United States to unilaterally lift its arms embargo against the government of Bosnia and Hercegovina, something that the Clinton administration has been extremely reticent to do. Already in January, the Senate voted to adopt a sense-of-the-Senate amendment to the State Department authorization bill, calling on the President to lift the U.S. embargo against Bosnia and Hercegovina.

The Mitchell amendment was an attempt to blunt Dole's call for unilateral U.S. moves, but, although mobilizing considerable support, it failed to prevent passage of the Dole resolution. The Mitchell amendment calls on the administration "to seek immediately the agreement of NATO allies" to lift the embargo, but barring that, the United States should then lift the embargo unilaterally. In defending his amendment, Mitchell said, "We require collective action. We need the involvement of others. We can't solve every problem in the world by ourselves."

Both amendments passed 50-49, with eight senators voting in favor of both and six voting against both. Thirteen Democrats joined 37 Republicans in support of the Dole amendment. The increasing concern was indicated by Sen. Joseph Lieberman (D-Conn.), one of the sponsors of the bill: "The premise of the arms embargo was to keep arms from flowing into the former Yugoslavia, as part of an overall policy to avoid war there," he said. "This policy has failed."

Despite their contradictory features, the two amendments undoubtedly did send a message of Senate support for lifting the arms embargo, a message which was clearly registered by the White House. "The President certainly understands the Senate's sentiment in this regard," said White House

Press Secretary Dee Dee Meyers. Senator Dole called the passage of the two amendments "a big, giant step to lifting the embargo."

Legislation in the House

Similar legislation was introduced in the House of Representatives by Rep. Frank McCloskey (D-Ind.), House Democratic Whip David Bonior (D-Mich.), and ranking Republican on the the House Foreign Affairs Committee Ben Gilman (R-N.Y.). The bill, entitled the "Bosnia and Hercegovina Self-Defense Act of 1994," is an amendment to the Armed Services appropriations bill.

The McCloskey legislation calls on the President to provide military assistance to the government of Bosnia and Hercegovina "upon receipt from that government of a request for assistance in exercising its right of self-defense under Article 51 of the U.N. Charter." There will undoubtedly be something more of a fight to get this one through the House, however. House Speaker Tom Foley (D-Wash.) commented, "I wouldn't suggest it's on the fast track." Supporters of the bill, however, say that they have a good shot at getting the legislation passed.

Opposition from Europe

The difficulty in convincing the other western nations to lift the arms embargo was clearly manifest immediately as the Senate voted on the amendments. The most strident opposition continues to come from Britain and France. French Foreign Minister Alain Juppé, who was in Washington for an official visit on May 15, commented on the two proposals: "It seems almost to me the worst solution. It's not an effective one. It's a kind of desperate solution because if we—if the Security Council—because it must be its decision—lifts the arms embargo, what will happen the day after? First, the withdrawal of the Unprofor [U.N. "peacekeepers" in Bosnia] on the ground; second, the end of the humanitarian relief for population; third, the resumption of fighting; and fourth, help called by Muslims [sic] to other countries and possibly to the American government and European governments, and so that means more fighting, more war, more wounded people. We must avoid that, and that's why I am still very attached to the political track and diplomatic track."

The following day it was announced that the United States had rallied behind a European plan that would give the Bosnian Serbs 49% of the country, and the Bosnian Croats and Muslims 51%. This met with immediate skepticism from the Bosnian government, which understandably saw it as acceptance of Serb gains as a result of their aggression. The Bosnian-Croatian federation is demanding 58% of the national territory. Nor are the Serbs happy with the agreement. They, in turn, are demanding 64-68% of the territory of Bosnia-Hercegovina. They now command 70% of the territory, which they have succeeded in occupying by force of arms.

LaRouche Democrats score election gains

by Marianna Wertz

The 1994 mid-term elections are proving to be a fertile ground for the growth of the political movement associated with economist and presidential pre-candidate Lyndon LaRouche. Hundreds of candidates have been running in elections for offices from school board to governor, as well as dozens of U.S. congressional campaigns, in states across the nation. Beginning with the March Texas primary, numbers of LaRouche's associates have already been elected to state and county offices in the Democratic Party, and congressional candidates won 41% and 46% in congressional primaries in Ohio and Indiana (see *EIR*, May 13, p. 62).

All the campaigns are focused on a few critical issues: 1) to win the exoneration of Lyndon LaRouche and his co-defendants from the judicial railroad which put LaRouche in prison for five years and intended to eliminate him from politics; 2) to institute the American System of political economy, including federalizing the Federal Reserve System and placing a tax on the insane derivatives speculation which is destroying the nation's productive economy; and 3) to stop the mind-destroying outcome-based education (OBE) policies and the related satanic multicultural education programs associated with the Anti-Defamation League of B'nai B'rith.

On May 10, LaRouche Democrat Therese Mallory scored 38% in the Pennsylvania Democratic primary for the 7th Congressional District, and 46% in Delaware County, where Mrs. Mallory resides and where the LaRouche movement has a high profile. In that race, Mallory's opponent, environmentalist lawyer Sara Nichols, who was endorsed by the Democratic Party, said that the race was "a lot closer than I thought." In Pennsylvania, as they had in Illinois and Indiana, the state Democratic Party issued a release warning of the presence of LaRouche's associates on the ballot, and Nichols's supporters handed out palm cards at every voting station, identifying Mallory as a LaRouche supporter, to try to scare away votes.

Flagship campaigns

The current "flagship" campaigns are Nancy Spannaus's run in Virginia for the U.S. Senate seat held by Charles Robb, and Ted Andromidas's campaign for Dianne Feinstein's U.S. Senate seat from California. Spannaus is well known among Democratic layers in Virginia for her crucial role in defeating

former Virginia Attorney General Mary Sue Terry's run for the Democratic nomination for governor. The second week in May, Spannaus was interviewed by the state AFL-CIO leadership, the first time that body has broken from bureaucratic control to interview a LaRouche Democrat. Though they formally endorsed Robb, sources report that there was thoughtful discussion of the fact that "LaRouche is here to stay and has to be taken seriously." The Virginia Democratic primary is June 14.

In California, Andromidas heads a slate of over 100 candidates for local, state, and federal office on the ballot in the June 7 primary. Heading the slate with Andromidas are gubernatorial candidate Mark Calney and David Kilber, running for state superintendent of public instruction. Kilber is in the middle of a statewide revolt over the OBE-style California Learning Assessment System (CLAS), the new assessment test for 4th, 5th, 8th, and 10th graders, which has come under attack by parents and Christian groups over the past year because its purpose is to psychologically profile the students and their families and to impose New Age values. As part of the test, the children are told to write down their "thoughts, feelings, and questions" about a story given in the test. After one story about a violent relation between a mother and son, the student is instructed to "think of problems that families have" and "things that young people do that they are later ashamed of." This test, says Kilber, "should be thrown in the garbage can."

Lawrence Freeman is heading up the LaRouche Democratic slate, which also features several congressional candidates, for Maryland's Sept. 13 primary. Running for governor, Freeman had a full-page interview in the May 13 issue of *Warfield's Business Record*, which goes out to 5,000 CEOs in the Baltimore area. The interview begins, "As one of the first to officially declare his candidacy in this year's race, Freeman says he can provide the 'moral leadership' that Maryland's business and political leaders lack. When he met with *Warfield's*, Freeman talked about his plans to help the state regain its manufacturing prowess, and he talked about his relationship to LaRouche. . . ."

The combative attitude of many of the LaRouche-associated candidates is perhaps best seen in Kevin Morgus's successful campaign for the Albany, Oregon Advisory Committee to the School Board in April. Morgus noticed from the voters' pamphlet that nobody was running for the seat, so he launched a write-in campaign, stapled a candidate's statement to a copy of the LaRouche pamphlet opposing outcome-based education, and distributed it to about 200 households. Morgus won the election against four other write-ins! In the May 17 Oregon primary, 28 LaRouche-associated candidates ran aggressive campaigns, winning from 8 to 13%. State Superintendent of Public Instruction candidate Jerry Cohen, who won 13%, educated hundreds of voters on the dangers of Oregon's "Education for the Twenty-First Century" OBE-style reform law.

Book Reviews

Burleigh and the battle for American Classical music

by Susan Bowen

Hard Trials: The Life and Music of Harry T. Burleigh

by Anne Key Simpson

Scarecrow Press, Inc., Metuchen, N.J., 1990

476 pages, \$49.50, hardbound

This biography of African-American composer Harry T. Burleigh (1866-1949) is No. 8 of a series designed to focus attention on "significant North American composers of art and folk music from colonial times to the present." Divided into sections describing the composer's life and works, his goals and outlook, the book also includes an exhaustive catalogue of his output, from both published and recorded material, as well as some scores previously unpublished.

The book fills a gap, because very little is written about the Negro spiritual in standard music history books. Reference is made throughout to the turn-of-the-century debates around the issue of the composition of the art song, and of the spiritual as an art form. Arguments were often quite heated over the origin of the spiritual, its performance, and how to write appropriate accompaniment. The idea that black Americans would produce, perform, and participate in the great works of art, was not as acceptable to many critics and audiences as was the idea of blacks "entertaining" them.

The "Negro music" debate did not occur in a vacuum. As this century opened, a battle was raging between the proponents of the American System of Political Economy, and the advocates of the British imperial system. The conflict extended into every arena of political, economic, and cultural life. The years between 1890 and World War I saw the spawning of the Federal Reserve, the Internal Revenue Service, the Federal Bureau of Investigation, the Anti-Defamation League of B'nai B'rith (ADL), and the revival of the Ku Klux Klan—all institutions created to tear down the concept of the sovereign nation-state.

Lyndon H. LaRouche, in his address to the February 1994 Schiller Institute conference, identified the cultural issues:

"When you think about music, don't think about entertainment, or some fool jiggin' on the beach. Think of the greatness of music. Think . . . of the work of Dvořák with Harry Burleigh. That was discovery! The spiritual was never the same after that, because its potentiality was *discovered* by applying principles which are the accumulated knowledge of music of centuries, embedded in that relationship and process. Think of things in that way, and then you see: Music is not entertainment. Music involves precisely, in the most demanding way, of the individual who wishes to become a professional musician, a good one, demands precisely in the most intense degree, the same kind of training and intensity as the greatest physical scientist.

"There has been a folly popularized . . . that art and science in particular, are separate things, that they have no relationship to each other. But on the contrary, the person who says that, knows nothing of either science or art. Because the same creative principle which we find emblazoned in the accomplishments of the past 600 years, which surpass everything done by mankind in the millions of years before, the principle of creativity, the same principle which marks man as in the image of God by virtue of these gifts of creative powers; that same principle is the essence of science, is the essence of music."

Dvořák and Burleigh

Antonin Dvořák, the Czech composer, was in the United States from 1892 to 1895, teaching composition and other aspects of music at the National Conservatory in New York. He had been encouraged by Johannes Brahms to extend the tradition of Classical music into the New World, and also, of course, to enrich music itself by fighting for the creative principle. In 1892, Burleigh left his native Erie, Pennsylvania after he received a scholarship to Mrs. Thurber's National Conservatory. Burleigh, a baritone with a reportedly extraordinary voice, sang at Dvořák's request, the Negro songs he knew as plantation melodies, and other melodies—for example, those said to be sung around the Underground Railroad stops—which he remembered hearing as a child.

Simpson recounts that once after Burleigh had sung "Go Down, Moses" to Dvořák, the Czech master said, "Burleigh, that is as great as a Beethoven theme." The point, of course, was to develop from that theme a lawful, Classical composition, creating out of it a beautiful work of art by means of polyphony (multiple voices). In 1944, after his last concert, Burleigh said, "Under the inspiration of Dvořák, I became convinced that the spirituals were not meant for the colored people, but for all people."

Most standard textbooks about the history of music in America have misconstrued the reality. For example, one reads in the standard texts how the "periods" of European music—the baroque, classical, romantic, and modern—also had their day in America, but that, as the United States developed its own musical identity, it took the form of the Broadway musical. Page after page of "documentation" purports

to show how these forms evolved “naturally” after the Civil War, with the touring Negro minstrel shows, variety shows (which became vaudeville), the extravaganza (including burlesque), musical comedy, and operetta forms turning into the 20th-century banalities of Broadway entertainment, big band, jazz, and rock music. Instead of the oft-repeated historic pattern through which folk music was transformed through polyphony into a new Classical idiom, the process was reversed in post-Civil War America, with Classical themes from concertos by contemporary composers such as Brahms being banalized into “tunes.” The American population was “dumbed down.”

Degradation of the spiritual

This could not have succeeded without a parallel, nasty British operation to degrade “serious” music. Starting around 1900, operas by the German Romantic Richard Strauss and the Italian *verismo* cultist Giacomo Puccini were produced in New York which were insidious parodies on the Classical operas of Mozart and Verdi. In these works, the *bel canto* singing art was reduced to sensual display of vocal acrobatics, and the dramatic content was perverted to exalt satanic heroines like Strauss’s *Salome* and Puccini’s *Tosca*. In 1906, the overt pornography of *Salome* helped turn New Yorkers against “German opera” (which had already been rotted out by Wagner’s “music”) at the very moment when the British oligarchy was on a full-scale offensive to destroy the popularity of Classical German music in the United States on the eve of World War I.

In the 1920s, Burleigh became upset over the banalization of the Spirituals, which occurred as the German-inspired lieder circles and men’s choirs vanished from the American landscape. He wrote passionately about this in a letter to the National Association for the Advancement of Colored People in 1922, which was reprinted in full in *Courier* magazine:

“The growing tendency of some of our musicians to utilize the melodies of our spirituals for fox trots, dance numbers and sentimental songs is, I feel, a serious menace to the artistic standing and development of our race.

“These melodies are our prized possession. They were created for a definite purpose, and are designed to demonstrate and perpetuate the deepest aesthetic endowment of the race. They are the only legacy of slavery days that we can be proud of; our one, priceless contribution to the vast musical product of the United States.

“In them we have a mine of musical wealth that is everlasting. Into their making was poured the aspiration of a race in bondage whose religion—intensely felt—was their whole hope and comfort, and the only vehicle through which their inner spirits soared free. They rank with the great folk music of the world and are among the loveliest of chanted prayers.

“Now since this body of folk song expresses the soul of a race it is a holy thing. To use it and not artificialize or cheapen it calls for reverence and true devotion to its spiritual significance. Yet, these delinquent musicians contemptuously disre-

gard these traditions for personal, commercial gain.

“Skilled musicians can detect instantly the flagrant misappropriation, the amateurish perversion. There are others, the unskilled musicians and particularly our young people who cannot detect the misuse of these prayer songs, who cannot distinguish the false from the true, the makeshift from the real, the spurious from the genuine, the theatric from the spiritual, and who are thus being fed with a wrong idea, a false valuation of all our beautiful melodic inheritance—unless this pernicious trickery is stopped. . . .

“In the interests of millions of colored people who love and revere the spirituals and who believe these old melodies can be an essential factor in the cultural evolution of the race as well as a powerful stimulus to its higher artistic development—and in the interest of millions of white people who love and revere the spirituals and who believe that the ‘Negro stands at the gates of human culture with hands laden full of musical gifts,’ I earnestly solicit your help and cooperation in a determined effort to persuade our misguided friends to cease their desecrating work and to join with us in honoring and protecting from any secular or degenerate use of the Negro spirituals—the only songs in America that conform to the scientific definition of folk songs.”

Simpson’s book includes facsimiles of concert programs drawn from archives of recital halls, newspapers, universities, and individuals, which show that the idea that great Classical music could still be composed, was still alive early in this century. The programs often ordered the numbers chronologically, by composer, and almost always included new compositions by American composers seeking to compose in the Classical tradition.

Burleigh, who, aside from being a singer, described himself as an arranger of spirituals and a composer of art songs, had wanted to compose instrumental music, especially for strings, but was unable to arouse any interest (or patrons), and so resigned himself to vocal writing only. And Burleigh had much more flexibility than others in his circle, since he had steady employment as soloist at both St. George’s Church and Temple Emanuel in New York. Many of his associates had to write ragtime music, jazz, or otherwise do less than they had trained for, simply in order to eat.

In 1924, Burleigh wrote a letter on the occasion of the 30th anniversary of the St. George’s Service of Spirituals—a tradition he started—which shows how he saw the long-range implications of this policy: “We talk of American composers. Why are they American? You cannot listen to their music and immediately mark it American. But you can recognize an Irish lilt or a Russian rhythm. We have not developed a distinctive national literature or art; we have not made American music. It will come, but it will take time. When it does, I think it will show the influence of the Negro spirituals. They are the only American folk music. They are the product of a homogeneous people. They have not yet affected American music. They will not, until America is willing to admit that Negroes can be artists.”

Senate shoots down 'racial justice' act

The Senate on May 11 rejected a bill that would have allowed those convicted of murder to use evidence of racial bias in appealing a death penalty sentence. The 58-41 vote opposed including the racial justice act in the crime bill.

The House had approved the provision that would make it easier for defendants facing the death penalty to challenge death sentences as racially discriminatory, using statistical evidence. This measure was upheld by a vote of 217-212 against a Republican challenge on April 20.

In the Senate debate, the Senate's only black member, Carol Moseley-Braun (D-Ill.), argued in support of the measure: "There are jurisdictions in this nation, including the federal government itself, where the death penalty is administered in a racially discriminatory manner."

Studies have shown that blacks and other minorities are more likely to receive the death penalty than whites, and the death penalty is imposed much more often when the victim is white. The racial justice act would have overturned a death penalty if the defendant could prove by statistical evidence that racial bias was a factor in imposing the sentence.

Opponents argued that such a measure would impose a racial quota on death sentences and could virtually end the death penalty in most states. "The so-called racial justice act has nothing to do with racial justice and everything to do with abolishing the death penalty," said Orrin Hatch (R-Utah).

Judiciary Committee members from both houses who meet to resolve differences in the two bills could decide to put the racial justice provision back in, despite the Senate vote. Both

houses must then pass the final measure before President Clinton can sign it. The death penalty is legal in 36 of the 50 states, but most of the executions in the past two decades have come in Texas, Florida, Louisiana, and other southern or western states. There is also a federal death penalty, but the federal government has not executed anyone for more than 30 years.

Dorgan suggests interest rate, derivatives link

Sen. Byron Dorgan (D-N.D.) indicated in comments on the floor of the Senate on May 13, that the reason for the Federal Reserve's hike in interest rates may have been because of concern about the rapid growth in derivatives trading rather than the alleged fear of inflation.

"I think the Fed is taking a look at the stock market," said Dorgan. "I think the Fed is taking a look at the enormous growth of derivatives, and I think the Fed is deciding to increase interest rates. . . . The Fed is deciding they also want to try to dampen the speculation in the financial sector in this country. Meanwhile, those in the productive sector will pay the cost."

Dorgan called for opening the operations of the Fed to congressional scrutiny. "Monetary policy, the decisions about money and interest rates, is made downtown in a building by the Federal Reserve Board," Dorgan said. "That is not a part of an open society, not a part of a democratic process. It is closed, secretive, unresponsive, and unaccountable to the American people." Dorgan is preparing a bill which would restrict commercial banks that are heavily engaged in derivatives trading from having the benefit of federal deposit insurance.

Mitchell urges sanctions on China on human rights

On May 15 on "Meet the Press," Senate Majority Leader George Mitchell (D-Me.) said that he favored punishing China with trade sanctions unless it improves its human rights record by early June. At that time, President Clinton must make a decision as to whether China should retain Most Favored Nation (MFN) trade status, which would grant Chinese goods the lowest tariff rate.

Mitchell said he believed that China had not yet met U.S. conditions for the renewal of MFN. "There has been significant progress in some respects, not in others," Mitchell said. "As of now, I don't think that the terms of the Executive Order have been met. And therefore the extension of the MFN status should be conditioned with some sanctions."

In his Executive Order last June, Clinton said he would revoke MFN this year unless China made "overall significant progress" on seven human rights issues, including freeing political prisoners, ending repression in Tibet, and easing emigration restrictions. Mitchell said Chinese human-rights policy had gone back and forth, and that a decision on extending MFN would have to be made on "the full record on all seven issues."

American business groups, among others, fear Beijing will retaliate in kind against sanctions, restricting access to one of the fastest growing markets for U.S. goods. "I think it'll be a very close call," Mitchell said regarding the outcome of a vote. "But it depends upon what the decision is at the time and what sanctions are imposed."

Senate Minority Leader Bob Dole (R-Kan.), on the other hand, believes that President Clinton should extend MFN status. Also speaking on "Meet

the Press," Dole said that if Clinton did not extend MFN, China would retaliate against U.S. exports, costing many Americans their jobs.

Pressure building for Clinton to move on Haiti

Liberal Democrats are upping the pressure for President Clinton to militarily intervene to restore ousted President Jean-Bertrand Aristide, who advocates the "necklacing" of his opponents, to power in Haiti. Under congressional pressure, Clinton has stiffened the embargo against Haiti, while at the same time the administration is preparing contingencies for some form of military intervention.

In a commentary in the May 16 *New York Times*, Sen. John Kerry (D-Mass.) argued that there is "every reason to think an international invasion would succeed. . . . Haiti's 7,000-man military is hardly a formidable opponent. It is an undisciplined collection of gun-wielding bullies with little training or experience other than terrorizing poor, unarmed civilians." Kerry wrote that "a show of determined resolve from a U.S.-led international force of professional soldiers, backed up by sufficient air power . . . could quickly subdue the Haitian military."

Reflecting the pressure, U.S. Ambassador to the United Nations Madeleine Albright said on the "Today" show on May 11, that a U.N.-U.S. force would be needed in Haiti, "no matter what happens." Even if the sanctions "work" (i.e., the Haitian military leaders leave the country without an invasion), "there still will be need for some kind of a force to deal with the security issues in Haiti," she said. "There will be need for some

kind of United Nations forces, we think, with an American component of some type, no matter what happens." Pressed on the timetable, Albright answered that "a lot of contingency planning" is under way. She reiterated that the United States does not rule out going into Haiti unilaterally, but insisted that "this is not the time yet to discuss it."

Leach sues to get Whitewater documents

Rep. Jim Leach (R-Iowa) filed suit on May 11 to force the Resolution Trust Corp. (RTC) and the Office of Thrift Supervision (OTS), two agencies overseeing the savings and loan industry, to hand over documents relating to the Whitewater land development affair, which is dogging President Clinton. Leach, the senior Republican on the House Banking Committee, told reporters that the issue is whether Congress has the right to seek documents that might embarrass officials.

Leach has been the Republican point-man in the House for the British-controlled "Whitewater" scandal, and a regular contributor to BBC news programs.

"Shielding information to protect public officials from public accountability is simply not the American way," Leach complained. The suit, in U.S. District Court in Washington, seeks documents relating to the Madison Guaranty Savings and Loan institution of Arkansas, whose head, James McDougal, and his wife were partners with then-Arkansas Gov. Bill Clinton and Hillary Rodham Clinton in a failed vacation development called Whitewater.

Leach has charged that funds from the bank, which failed at a cost to taxpayers of about \$67 million, were funneled into Whitewater. He has not accused the Clintons of any criminality, but is attempting to create an image of culpability around the White House. The suit accuses the RTC and the OTS of "arbitrary and capricious" deviation from the custom of honoring requests by the Banking Committee's ranking minority member for documents.

The suit also asks RTC and OTS officials to admit they "violated their legal obligation to turn over the documents" under the Freedom of Information Act (FOIA). Leach said he had formally asked for OTS and RTC records on eight separate occasions beginning in December, and complained that "75% of the requests were denied, including about 99% of those records that would contain anything of interest." He said the documents are expected to disclose how much money was transferred from Madison to Whitewater, and other information.

Both the House and Senate passed resolutions calling for hearings on Whitewater, but left it up to party leaders to decide when the hearings could be held without interfering with an investigation by special counsel Robert Fiske. In his suit, Leach asked for swift action by the court.

After appearing before Judge Charles Richey, lawyers for the two sides agreed that Leach's lawyers would file a motion for summary judgment and all legal briefs would be filed by June 27. Oral arguments would then follow. The suit seeks a declaration that the defendants' actions violated the FOIA and two other laws, and asked for an injunction requiring immediate disclosure of the documents.

National News

Missouri barge traffic threatened by water cuts

U.S. barge and river terminal operators are stunned by the latest plan to cut water use on the Missouri River. The U.S. Army Corps of Engineers' Omaha, Nebraska office has proposed a new operating manual for managing water flows on the Missouri River which gives much higher priority to protecting fish and wildlife, and supporting upstream lake recreation, than to barge traffic, the *Journal of Commerce* reported on May 13.

The proposal would cut back the barging season to seven months, and would also cut back river water levels every year from mid-summer until the end of October, providing just enough water for minimal barge loadings—the same condition imposed in the recent drought, which almost killed the barge industry on the Missouri River. Critics are also worried about the impact on the Mississippi River, since half of the Mississippi's flow between St. Louis and Cairo comes from the Missouri.

The proposal is so bad, that even railroads, which normally compete against the barges, are joining in protest, since the proposal would limit the amount of low-sulfur Western coal moved on the river.

Abortion pill set for U.S. use in two years

The abortion pill RU-486 will be available in the United States within two years, as a result of a May 16 agreement by the French manufacturer Roussel Uclaf, under pressure from the Clinton administration, to turn over the pill's patent rights and all technology, free of charge, to the Population Council in New York. The Population Council, one of the big promoters of the U.N. Cairo-94 conference, plans to find an American company to produce the pill, which will then undergo testing on human subjects, expected to begin shortly, over a two-year period.

Even the *New York Times*, which editorialized in support of the agreement, could

not hide the effects of the pill, which is used up to the 7th week of pregnancy: "Abortions induced by RU-486 are painful, because expelling the embryo can take several days. The procedure typically requires a woman to visit a doctor three to four times. . . . About 1 in 500 women need a transfusion after taking the pill."

The same issue of the *Times* lavished praise on all forms of death culture: In addition to an editorial proclaiming "RU-486—Here At Last," a signed commentary gloated over Washington State's legalization of euthanasia as a medical practice, under the headline "When Is It Right to Die?" The letters column featured the assertion from the president of the Colorado Population Coalition that overpopulation in Rwanda had caused that country's woes; and the "Science Times" section featured a strange article, "The Male of the Species: Why Is He Needed?" by Natalie Angier, who argued that males are not needed for sexual reproduction.

'Counterproliferation' is new Pentagon strategy

Some utopian elements in the Pentagon are pushing a "counterproliferation" doctrine, according to the May 15 *Washington Post*, a new doctrine which urges a preemptive approach toward what it considers unpreventable proliferation of nuclear, chemical, or biological weapons in the hands of "rogue nations" or terrorists. Some \$400 million, described by the *Post* as "a tiny fraction of the overall defense budget," has been allocated for FY 1995 for the initiative, which Assistant Defense Secretary Ashton Carter described as more about thinking and integrating the new threats into deployment of existing resources than development of new weapons.

This thinking appears to go hand-in-glove with the ongoing takedown of the nation's R&D weapons capability, including the Strategic Defense Initiative, under the rubric of "post-Cold War" strategy. Despite Carter's denial that "this is not about preemption," other military and intelligence analysts say it is. The *Post* added, "Perhaps the best known example of counterprolifera-

tion was Israel's 1981 bombing of a nuclear reactor under construction in Iraq in an attempt to preempt Iraq's effort to develop nuclear weapons."

Whooping cough hit 27-year record last year

Weekly Epidemiological Record reported in mid-May that from Jan. 3 to Dec. 4, 1993, there were 5,457 pertussis (whooping cough) cases reported to the federal Centers for Disease Control in Atlanta, Georgia—an 82% increase over the number reported during the same period in 1992 and the highest annual number of cases reported since 1967. Compared with 1992, the number of reported pertussis cases increased in 35 states. During 1993, large outbreaks occurred in Chicago and Cincinnati.

Pertussis, a childhood disease that is entirely preventable by inoculation, may be severe, especially among infants: Of the cases last year, 69% were hospitalized, 22% developed pneumonia, 3% suffered seizures, 1% had pertussis encephalopathy, and 0.6% died. In addition to infants, the next group at greatest risk are preschoolers who do not complete the course of vaccinations. This group made up approximately 50% of the cases in 1993.

Nearly a decade ago a hysterical campaign against the diphtheria-pertussis-tetanus vaccine was given a major media boost by NBC's Washington, D.C. affiliate.

Weekly complains: North turned his back on gays

"North, Robb Both Take Gay Money" was the lead headline of the *Washington Blade*, which calls itself "The Gay Weekly of the Nation's Capital." One story in the mid-May issue featured Sen. Chuck Robb's May 9 speech at a Human Rights Campaign Fund conference, and his May 10 attendance at a Democratic fundraiser held at the home of the "openly gay" director of the Whitman-Walker Clinic of Northern Virginia.

A second article detailed how Oliver

Briefly

● **'MCCARTHY ERA, Is It Returning? Seamy Allegations against Prez Evoke Comparisons,'** ran the headline of a mid-May feature in the *Philadelphia Daily News*, which first appeared in the *Seattle Post Intelligencer*. It cited columnists who are comparing today's seek and destroy missions against political figures via unproven allegations of sexual misconduct, to the McCarthy period.

● **DEFENSE** Secretary William Perry said on May 11 that military base closings may be delayed. Perry said that the military's next round of base closures may be too large and disruptive to carry out in one year, adding that the administration may ask Congress to delay some of the cuts for another two years.

● **NEW YORK MAYOR** Rudolph Giuliani proposed a \$31.6 billion budget on May 11 that cuts the municipal work force by 15,000, affecting almost every major agency except police and fire. The *New York Times* reported that parks would be cleaned less often, sanitation workers would travel longer routes, welfare lines would be longer and recipients would be fingerprinted, and there would be fewer after-school programs.

● **LYNDON LAROUCHE'S** statement on the assassination threat against Nation of Islam Minister Louis Farrakhan was covered in the *Los Angeles Community Circle Clipper*, in its April 1-14 issue. The statement was headlined by the paper, "ADL Threats to Farrakhan: A History of Espionage and Death," referring to the revelations of spying by the Anti-Defamation League of B'nai B'rith.

● **U.S. JUDGE** Sylvia Rambo of the Middle District of Pennsylvania issued an order May 3 to the Justice Department to explain why it is seeking the death penalty against a black defendant in a murder case. The order, for the first time, will force the Justice Department to disclose the grounds on which it chooses who is to die in federal cases.

North, running as a Republican for Robb's Senate seat, worked during 1985-86 "closely with a cadre of gay men in his efforts to raise private funds for the Nicaraguan Contras." North joined forces with the National Endowment for the Preservation of Liberty (NEPL), whose staff "was comprised almost entirely of conservative gay men."

Carl Spitz Channell, the president of NEPL, "made no secret that he was gay," wrote the *Blade*, and he often arrived at NEPL social gatherings "in the company of his male lover." A law enforcement source told the *Blade* that he didn't think there was any doubt that North knew: "If anyone raised any objection, North would cut it off."

Frank Ricchiazzi, a "gay Republican leader," said that he and many of his homosexual friends made personal contributions to the Contra effort. The *Blade* reported: "Ricchiazzi and other gay Republicans said they are disappointed and angry that North, while working in harmony with gays during his National Security Council days, has now turned against the gay community."

"It's hypocritical at best," said Ricchiazzi.

Stephen Breyer tapped for Supreme Court post

Judge Stephen Breyer, nominated to the U.S. Supreme Court by President Clinton on May 13, is being widely praised as a "consensus builder," and his nomination appears headed for easy Senate confirmation. In making the announcement, Clinton said that Breyer "has proven that he can build an effective consensus and get people of diverse views to work together."

Breyer is currently the chief judge of the U.S. Court of Appeals for the First Circuit in Boston. As special counsel to the Senate Judiciary Committee in the 1970s, he was the chief architect of airline deregulation. He was also a principal author of the Kennedy crime bill known as S-1.

He was a member of the U.S. Sentencing Commission from 1985 to 1989, which developed federal sentencing guidelines, which he has defended against attacks on their inflexibility. He successfully opposed

including the death penalty in the guidelines, and he opposed Congress's adding of mandatory minimum sentences for various crimes. (Mandatory minimums were enacted by Congress separately from, and often in contradiction to, the federal sentencing guidelines. Judges have a small amount of discretion to depart from the sentencing guidelines; they have no ability to deviate from mandatory minimums, which are mostly used in drug cases.)

The *New York Times* described Breyer as "a bit of an Anglophile." He is married to the British-born daughter of Lord John Blakenham, a former Cabinet minister and former head of the Tories.

Kahane paper howls over 'Jewish Week' exposé

The late Meir Kahane's weekly in New York, the *Jewish Press*, sent up a howl in its May 6 issue over exposés by the *New York Jewish Week* of the fundraising practices of Kahane Chai, which the Israeli government has now banned as a terrorist organization. In addition, the Israeli consulate in New York had openly attacked the *Press*.

The *Press* let loose a barrage against *Jewish Week* publisher Gary Rosenblatt, calling him "the sycophantic lackey" of the United Jewish Appeal-Federation, "which provides charity funds to support his newspaper," charging that Rosenblatt has "vented his anger against the *Jewish Press*, its writers, Orthodoxy and especially Rabbi Meir Kahane."

Since March, *Jewish Week* has been exposing illegal fundraising practices of Kahane Chai and has succeeded in forcing the Internal Revenue Service and New York State authorities to look into financial flows to the terrorist Kahane groups. The *Jewish Press* has responded by demanding a financial investigation of the UJA, the main financier of emigration to Israel: "Is the *Jewish Week* aware that some very sincere Jews who make a donation to the UJA, and claim a full tax deduction for that charitable contribution, are actually purchasing a subscription to the *Jewish Week*? One day those innocent souls who donate to the UJA may be called in by the Internal Revenue Service."

Editorial

What Ben Franklin had to say

Were Benjamin Franklin to come back from the grave today he would be shocked by many things in his America, and delighted by a few. Certainly that we now live in the age of electrification would be a source of satisfaction to him, since that was his dream.

Indeed he once prepared an all-electric Thanksgiving dinner for his friends, to demonstrate just this potentiality. The turkey was killed by a shock, cooked by battery power, and so on. He was profoundly interested in the scientific questions posed by electricity, but he was also keenly interested in every aspect of infrastructure development in the new nation he hoped to create. Roads, canals, and a postal service would be important, but crucial would be the potential leap in productivity, opened up by electrification.

In a letter written in 1751, to Cadwallader Colden, an American friend, he wrote the following: "There are no bounds (but what expense and labor give) to the force man may raise and use in the electrical way. . . . The greatest known effects of common lightning may, I think, without much difficulty be exceeded in this way, which a few years since could not have been believed. . . ."

One of the obvious problems faced by the 13 colonies and then the new United States in Franklin's day was *under*population. There were far too few people, even in the coastal area of the original colonies, to accomplish the task of making the wilderness habitable. This was not merely a question of cutting down trees and planting grains, building iron works, and so on, but of creating the proper circumstances in which culture would flourish.

At first sight, 1994 America would be impressive to Franklin—for its technology, and also the extent of the nation—but imagine his shocked displeasure as he came up against the cultural degradation. Most of all, he would be astounded that people now believe the world to be overpopulated. For Franklin the desirability of creating conditions in which an *expanding* population would flourish was axiomatic.

This was one of the major points of controversy between the colonies and the British precursors

of Parson Malthus, who wished to artificially restrict industrial development in North America, and thus put a cap on what is now named as its *carrying capacity*. Appealing to the enemies of this outlook in England, Franklin wrote a pamphlet on "Observations Concerning the Increase of Mankind, Peopling of Countries, etc.," in which he argued the benefits of doubling the population every 20 or 25 years. He wrote: "What an accession of power to the British Empire by sea as well as land."

In his day as in ours, the British were noted for their racism. Franklin satirizes this with rapier-like humor, while arguing for an end to British restraints on the development of American industry. A little further on in the essay, we find these words:

"All Africa is black or tawny; Asia chiefly tawny; America (exclusive of the newcomers) wholly so. And in Europe, the Spaniards, Italians, French, Russians and Swedes are generally of what we call a swarthy complexion; as are the Germans also, the Saxons only excepted, who with the English, make the principal body of white people on the face of the earth. . . . And while we are, as I may call it, scouring our planet by clearing America of woods and so making this side of our globe reflect a brighter light to the eyes of inhabitants in Mars or Venus, why should we, in the sight of superior beings darken its people. . . ."

He concludes with a humorous attack upon slavery, again mocking British racism: "Why increase the sons of Africa by planting them in America, where we have so fair an opportunity, by excluding all blacks and tawnys, of increasing the lovely white and red? But perhaps I am partial to the complexion of my country, for such kind of partiality is natural to mankind."

Benjamin Franklin foresaw that America could be a great nation and his vision was like that of his collaborator Tom Paine, of "a beacon of hope and a temple of liberty" for mankind. Sad to say, most Americans have lost track of what that means. Imagine Ben's shame were he to learn that his America is now endorsing the same policies against population growth which he dedicated his entire life to fighting.

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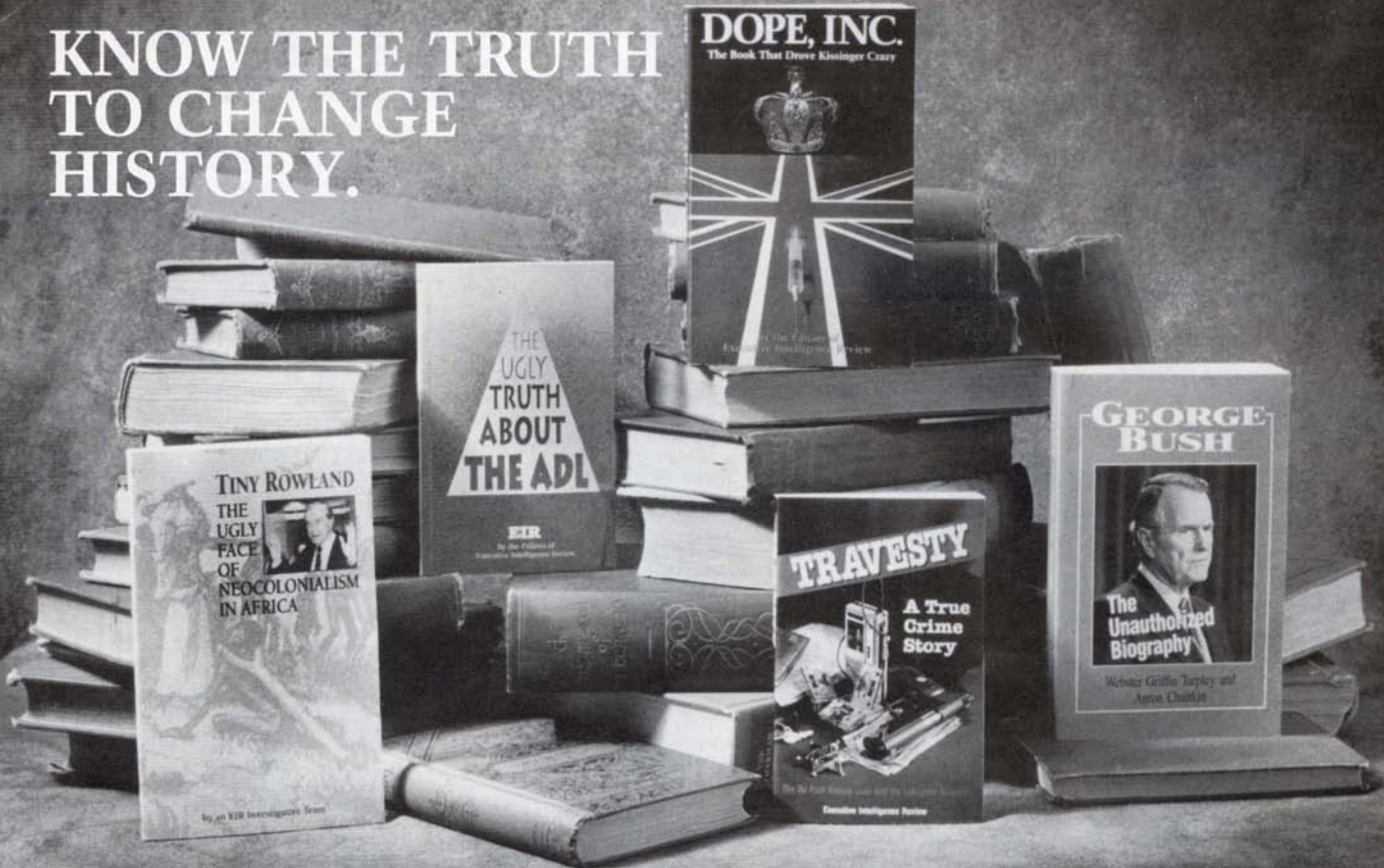
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