

EIR

Executive Intelligence Review

August 26, 1994 • Vol. 21 No. 34

\$10.00

LaRouche: Will the Cairo conference fail?
Clinton spurns 'clash of civilizations'
The impending mitosis of Canada

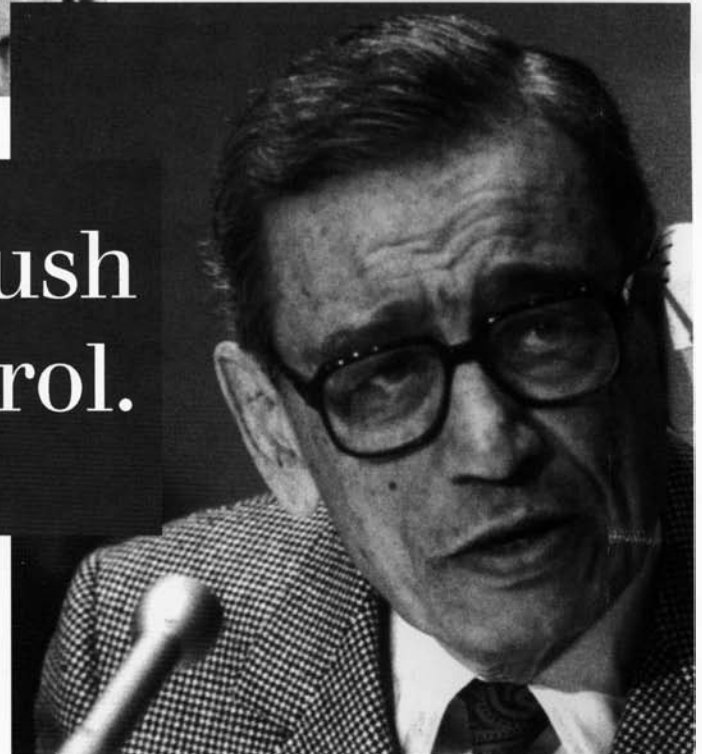
**Taiwan and Mainland China:
a study of physical economy**





What do these two men have in common?

They both push population control.



Stop the UN's New World Order: Hitler in Blue Helmets.

DID YOU KNOW:

- that the population control movement is nothing but a whitewashed version of the Nazi eugenics policy, which was developed in Britain and the United States, then exported to Hitler's Germany?
- that the United Nations has set up a series of conferences, beginning with the September 1994 International Conference on Population and Development, in Cairo, Egypt, whose purpose is to reduce world population by more than two billion people and institute a utopian world dictatorship?
- that National Security Study Memorandum 200, written under the direction of Henry Kissinger and Brent Scowcroft in 1974, defines population growth as *the enemy* of the

United States, and targets over a dozen Third World countries on its "population enemies list"?

- that since NSSM 200 was written, American dollars have paid for the sterilization of roughly *half* of Brazil's women of childbearing age?

This report, revised and expanded from the 1992 Special Report "The genocidal roots of Bush's 'New World Order,'" is intended to help catalyze a fight for national sovereignty, the family, and human life in the face of the Malthusian onslaught of the United Nations and its one-world imperial supporters.

The new sections include texts of major statements against the Cairo population conference by the Schiller Institute, Vatican, and others, and self-indicting extracts from the planning documents drafted by the United Nations bureaucrats.

250 pages \$250 EIR 94-005

Please send the EIR Special Report, **Stop the U.N. New World Order: Hitler in Blue Helmets** to the address below. Enclosed is \$250.00 for each report postpaid.

Please send a full listing of publications available from EIR News Service, including other Special Reports.

Mail to:

Name _____

Address _____

City _____ State _____ Zip _____

Phone () _____

Charge my Mastercard Visa

No. _____ Exp. Date. _____

Signature _____

Make check or money order payable to:

EIR News Service

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

EIR

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: Nora Hamerman

Managing Editors: John Sigerson, Susan Welsh

Assistant Managing Editor: Ronald Kokinda

Editorial Board: Warren Hamerman, Melvin

Klenetsky, Antony Papert, Gerald Rose, Edward

Spannaus, Nancy Spannaus, Webster Tarpley,

Carol White, Christopher White

Science and Technology: Carol White

Special Projects: Mark Burdman

Book Editor: Katherine Notley

Advertising Director: Marsha Freeman

Circulation Manager: Stanley Ezrol

INTELLIGENCE DIRECTORS:

Agriculture: Marcia Merry

Asia: Linda de Hoyos

Counterintelligence: Jeffrey Steinberg,

Paul Goldstein

Economics: Christopher White

European Economics: William Engdahl

Ibero-America: Robyn Quijano, Dennis Small

Law: Edward Spannaus

Medicine: John Grauerholz, M.D.

Russia and Eastern Europe:

Rachel Douglas, Konstantin George

United States: Kathleen Klenetsky

INTERNATIONAL BUREAUS:

Bangkok: Pakdee Tanapura, Sophie Tanapura

Bogotá: José Restrepo

Bonn: George Gregory, Rainer Apel

Copenhagen: Poul Rasmussen

Houston: Harley Schlanger

Lima: Sara Madueño

Melbourne: Don Veitch

Mexico City: Hugo López Ochoa

Milan: Leonardo Servadio

New Delhi: Susan Maitra

Paris: Christine Bierre

Rio de Janeiro: Silvia Palacios

Stockholm: Michael Ericson

Washington, D.C.: William Jones

Wiesbaden: Göran Haglund

EIR (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July, and the last week of December by EIR News Service Inc., 333½ Pennsylvania Ave., S.E., 2nd Floor, Washington, DC 20003. (202) 544-7010. For subscriptions: (703) 777-9451.

European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, D-6200 Wiesbaden, Otto von Guericke Ring 3, D-6200 Wiesbaden-Nordenstadt, Federal Republic of Germany Tel: (6122) 2503. Executive Directors: Anno Hellenbroich, Michael Liebig

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

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

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

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

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

From the Editor

One of our correspondents, a European who has made several visits to Taiwan, charges that most Americans are illiterate (she puts it more politely, of course). The elites of the Republic of China will read from cover to cover any issue of *EIR* or other LaRouche-tied publication in a matter of hours or days, and be ready with their questions, she reported; yet few Americans will actually sit down and read through the materials put in their hands.

So here is a good chance to test your concentration span on some unique and important material.

The comparison in this week's *Feature* of the physical economies of the two Chinas, on Taiwan and the Mainland, is the result of a study commissioned by Lyndon H. LaRouche, Jr., in order to demonstrate the scientific method of *physical economy*, the method which industrialized the United States itself. The R.O.C. on Taiwan, with its emphasis on basic infrastructure, water projects, labor development, directed credit, and other programs proceeding from Dr. Sun Yat-sen's "Three Principles of the People," has also proven the superiority of the physical economy method.

Taiwan's economy is of interest not because of its commercial success, but rather for the intense development of its infrastructure, the very sector of the P.R.C. economy, and of the current U.S. and European economies, which is falling apart due to neglect.

Taiwan did not apply Adam Smith's "free trade" swindles, as some U.S. admirers of Taiwan naively believe. As our study shows, the R.O.C. used dirigistic programs, such as those defended by Adam Smith's opponents Alexander Hamilton and Friedrich List, for directed credit, production, tariffs, and trade. Taiwan's postwar economic planners were all production men, engineers, and physicists.

With the present global monetary and credit system heading into full-scale disintegration, LaRouche's proposed response to this crisis is typified by a Eurasian land-bridge infrastructural development program. This is premised upon his earlier designs for the European Productive Triangle, but also combined with materials derived from his sketches of a Pacific-Indian Oceans Basin policy in the 1980s. The Taiwan-P.R.C. comparative study is an important contribution to this discussion.

Nora Hamerman

EIRContents

Interviews

- 50 Mohamed Abdo Othman**
The ambassador of the Republic of Yemen in Germany evaluates the situation his country faces, both domestically and internationally, following the civil war.

Photo and graphic credits: Page 20 (Dr. Sun Yat-sen), National Archives. Pages 24-35, EIRNS/John Sigerson. Page 57, EIRNS. Page 65, EIRNS/Stuart Lewis.

Departments

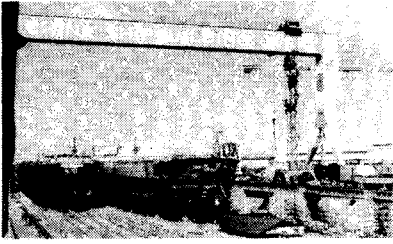
- 59 Report from Bonn**
Geopolitical games with plutonium.
- 60 Andean Report**
Communist senator is assassinated.
- 61 Report from Rio**
The smoke of Satan.
- 72 Editorial**
We need nation-state economics.

Correction: Due to a transcription error, in the interview with Dr. Mario Maldonado which appeared in *EIR* No. 33, p. 8, the name of the President of Guatemala is given as Jorge Serrano Elías. The actual President, was identified by Dr. Maldonado, as Ramiro León Carpio, who replaced Serrano in 1993. We apologize for any confusion that may have resulted from this mistake.

Economics

- 4 AIDS experts admit, 'We are running out of time'**
Meeting in Yokohama, Japan, researchers and public health workers have a grim story to tell. Will governments wise up and change policy, before it's too late?
- 6 United States at cross-purposes in its policy toward China**
- 8 Population policy report stirs up a hornet's nest in India**
India's first-ever report on population policy does not pose a direct challenge to malthusianism, but even so, some powerful vested interests from the depopulation lobby are up in arms.
- 10 Currency Rates**
- 11 Archbishop of Manila calls for boycott of Cairo conference**
Documentation: From Cardinal Jaime Sin's homily in Manila, to a crowd of a million or more people protesting against the U.N.'s upcoming International Conference on Population and Development.
- 12 LaRouche: Will the Cairo conference fail?**
- 14 Business Briefs**

Feature



Taiwan's emphasis on basic infrastructure and industry, including the shipbuilding industry shown here, derives from Dr. Sun Yat-sen's principles.

16 **Physical economy: comparing Taiwan and the P.R.C.**

Simply rejecting British free-trade doctrines will not avert an economic breakdown in the People's Republic of China; a new approach is urgently required. This study, commissioned by Lyndon H. LaRouche, Jr., demonstrates the scientific method of *physical economy* to which economic thinkers in China, and throughout Asia, must now turn. By Kathy S. Wolfe and Cho Wen-pin.

International

- 44 Korea accord boosts Eurasian industrialization**
The United States will help provide Pyongyang with 2,000 megawatts of light water nuclear reactors, according to the historic agreement signed in Geneva.
- 46 Argentine political prisoner Seineldín must be freed**
The bombing of the Argentine-Israelite Mutual Association in Buenos Aires has become the pretext for a campaign of psychological warfare.
Documentation: From a statement by Capt. Gustavo Breide Obeid.
- 49 France seeks Sudan tie to calm Algeria**
- 50 Yemen regains its national unity, looks ahead to a reconstruction program**
- 53 The mitosis of Canada: a British-run coup against the United States**
What's at stake in the Sept. 12 provincial elections.
- 56 The Poliakov file: history as British propaganda and fraud**
- 62 International Intelligence**

National

- 64 President Clinton rejects the 'clash of civilizations'**
Dismissing Samuel Huntington's thesis that we are heading for decades of confrontation between the West and a "Confucian-Islamic" monolith, administration officials are trying to chart their own policy course.
- 66 ADL's hate crimes are backfiring**
- 67 NAACP and black officials targeted**
- 68 Congressional Closeup**
- 70 National News**

AIDS experts admit, 'We are running out of time'

by Carol Hugunin

Experts at the Tenth International Conference on AIDS, which opened in Yokohama, Japan on Aug. 7, agree that the global epidemic of Acquired Immune Deficiency Syndrome (AIDS) is careening out of control. Prospects for a cure or vaccine are looking very slim, given the policies that currently govern the research effort and the funds allocated to it. The conference involved more than 10,000 people from 140 countries: researchers, AIDS activists, public health workers, homosexual groups, and others interested in the disease. "Anyone with HIV [Human Immunodeficiency Virus] won't find much solace at this meeting," said Dr. Mervyn Silverman, president of the American Foundation for AIDS Research. "It has outsmarted us so far, and most of us would predict it will continue to," said Dr. Mark Wainberg of McGill University in Montreal. Dr. Jonathan Mann, director of the International AIDS Center at the Harvard School of Public Health, said that the conference was characterized by a "distinct, although muted, sense of unease."

These "big names" in the AIDS field have themselves to blame for the present magnitude of the crisis. Following their advice, the world's governments have followed an utterly ineffective program that emphasizes condoms and "safe sex," and throws a few pennies at selected AIDS researchers, but in no way addresses the alternative, proposed by Lyndon LaRouche and *EIR* as far back as October 1985: an all-out war against AIDS. LaRouche demanded a halt to the economic austerity policies that are making populations vulnerable to the spread of epidemics; the application of classical public health measures, as earlier applied to tuberculosis and other infectious diseases; and a "Manhattan Project"-style crash program to develop a cure for the disease. These measures were—suicidally—opposed by homosexual activists, Hollywood, the Centers for Disease Control, and the World Health Organization (WHO). Instead, year after year, the "experts"

now convene at international conferences to wring their hands, as the death count rises.

The latest reports from the WHO and Pan American Health Organization (PAHO), and the recently released "Global HIV/AIDS: A Strategy for U.S. Leadership" (Washington, D.C.: Center for Strategic and International Studies), all emphasize that AIDS and tuberculosis, which often accompanies it, are conquering greater portions of the globe, overwhelming health facilities. Each day, over 6,000 people become infected with HIV. Last year, 3 million people became HIV-positive, with one-third of those being in Asia.

Africa hit the hardest

Of the total of 17 million people globally infected with HIV, 10 million are in Africa. Many regions of Africa have been hit so hard that the entire family structure, the social and economic fabric of civilization, have been wiped out, leaving nothing but death, abandoned villages, and AIDS orphans.

In Africa, it was the most productive who became infected and died first. In the Masaka district in Uganda, for example, almost half of all deaths are caused by AIDS. But among those under 35 in that district, 90% of all deaths are caused by AIDS. According to the Center for International Research at the United States Bureau of Census, most of the rest of Africa will, within five years, achieve that same horrifying status.

One-third of the world's population is infected with tuberculosis, but under normal circumstances, a person's immune system keeps the infection walled off in a limited area, preventing the development of clinical TB. In places like Africa, however, where AIDS destroys the human immune system, TB has become resurgent, as a co-epidemic, overwhelming any medical capacity to contain it. And with the

epidemics of TB and AIDS feeding each other in an increasingly weak population, deadly drug-resistant TB has become a major problem.

Spreading fastest in Asia

Although Africa has the greatest total number of AIDS cases, this year's conference was held in Asia, because HIV is spreading the fastest there. So far, India, Burma, and Thailand are the hardest-hit. There is a real fear that much of Asia will soon look like Africa looks today. In Thailand, 4% of all military recruits now test HIV-positive, and 1.5% of all pregnant women. However, in parts of northern Thailand, 20% of young men are HIV-positive.

The situation in Asia shows the discriminate way in which AIDS moves as a pandemic. A country like Japan, which is heavily industrialized, has good infrastructure and a high standard of living, has a much lower caseload of AIDS patients relative to population size. In Japan, two-thirds of AIDS patients acquired the disease from contaminated blood transfusions. But in countries like Thailand or India, which are relatively underdeveloped in real economic terms and where prostitution is a significant factor economically in the "tourist" trade, AIDS spreads like wildfire. AIDS was only introduced into Thailand in 1987, yet already it is so widespread as to be virtually unstoppable.

Speaking recently before India's Parliament, Junior Health Minister C. Silveira announced that government-sponsored testing of 2.1 million people found 15,399 of them HIV-positive. He added that "it is not the policy of the government to detect all HIV-infected individuals in absence of a cure." India has fewer than 1,000 reported cases of clinical AIDS, but an estimated 500,000 or more cases of HIV-positive individuals. A doctor from Madras reported on National Public Radio in the United States on Feb. 18, that HIV-prevalence among Indian truck drivers has jumped from 7% to 50% in just two years. Indian truck drivers transport 40-45% of all goods sold in India, so wiping out truck drivers could collapse the economy.

At the Yokohama conference, Dr. Michael Merson, head of the WHO's AIDS program, stated: "It is so urgent to act here in Asia before we get an explosion of infection. We are running out of time." But the WHO prevention strategy of teaching people about "safe sex," using condoms and treating venereal diseases, will do nothing to stop the spread of the disease.

U.S. Rep. Jim McDermott, chairman of the Congressional Task Force on International HIV/AIDS, gave an official report to the U.S. Speaker of the House of Representatives on "The AIDS Epidemic in Indonesia" (1994). Indonesia is a country in which AIDS is just beginning to get a good foothold, and an epidemic could potentially be averted by a serious policy of screening, quarantine, and treatment. But, like the rest of Asia and Africa, latent TB is rampant in Indonesia. Half of Indonesia's population tests positive for

TB. Normally, without the AIDS epidemic, only 10% of those who test positive would go on to develop clinical TB, and would then pass TB on to two or three others. But among those who are both AIDS- and HIV-positive, over 75% will go on to develop clinical TB. The medical costs of treating the TB alone, will be staggering, if the AIDS epidemic continues to develop at its current rate, without even considering the costs of treating AIDS in the same patient.

At the Yokohama conference, Arata Kochi, the manager of the WHO TB program said, "TB and HIV are feeding off each other at an alarming rate." The WHO is predicting that at least 639,000 Asians will succumb to clinical TB in the next six years, as a result of being infected by both TB and HIV. Of these, at least 224,000 will die, dwarfing the number of Africans that have died so far from a combined TB-HIV infection.

AIDS in America

Among Afro-American citizens in the United States in the 25-44 age group, AIDS is the number-one killer. In most U.S. cities, in this same age group, AIDS is the number-one killer among all ethnic groups. Normally, this is the healthiest age group in a society. Already, some U.S. urban centers, such as Newark, New Jersey, have begun to approximate the level of devastation found in central Africa, in which whole communities are abandoned due to AIDS. Ninety-two Americans die daily from this disease.

A hopeful note

The only glimmer of hope presented at the Yokohama conference was the work of Dr. David Ho, head of the Aaron Diamond AIDS Research Center in New York City. He is studying the 5% of HIV-positive patients who show no clinical signs of AIDS, even after 12 or more years of infection. It appears that these patients have a stronger immune response to AIDS, but it also appears that the particular type of HIV they are infected with is not as potent as that normally seen. "The long-term survivors, although rare, provide a ray of hope to affected patients and the research community that it is possible to coexist with HIV without harm," Dr. Ho said. Nonetheless, a successful treatment or vaccine appears to be off in the distant future, at least in the view of most of the participants at Yokohama.

It should be pointed out, however, that not all researchers are so pessimistic. On April 1, 1994, *EIR* published an interview with Dr. Abdul Alim Muhammad, medical director of the Abundant Life Clinic in Washington, D.C. and minister of health for the Nation of Islam, in which he reported that extremely promising results have been obtained with low-dose Alpha Interferon, Kemron, and other AIDS medications pioneered in Kenya. Dr. Alim's work with these drugs has been hampered by the National Institutes of Health, which has delayed the start of clinical trials for what can only be surmised to be political reasons.

United States at cross-purposes in its policy toward China

by Michael O. Billington

The Clinton administration is pursuing two separate economic policy tracks in its discussions with China which are potentially in direct conflict. One track, authored by the International Monetary Fund (IMF) and the Trilateral Commission, the Anglo-American banking establishment's policy association, insists that China be subjected to radical free-trade "shock therapy," using Beijing's re-entry into the General Agreement on Tariffs and Trade (GATT) as a lever (see *EIR*, Aug. 19, 1994, "Trilateral Commission Targets China").

At the same time, however, President Clinton has taken steps to redirect American investment in China into major infrastructure projects and heavy industry, in keeping with the recent Sino-German agreements reached by Prime Minister Li Peng and Chancellor Helmut Kohl in July. To this end, Clinton is sending Commerce Secretary Ron Brown to Beijing on Aug. 27. Brown will be the first cabinet member to visit China since Clinton extended Most Favored Nation (MFN) status to China, and comes as a personal presidential representative, flying on the President's jet with 25 CEOs of American industry.

Secretary Brown's mission to China, an administration source said on Aug. 15, seeks to steer U.S. companies away from the cheap-labor process industries of the coastal free-trade Special Economic Zones (SEZ), low-technology plants which "just use China for sourcing," i.e., use cheap Chinese labor and raw materials. The SEZs export what they make, dumping much of it onto the U.S. market, putting downward pressure on American wages and adding to the U.S. trade deficit with China.

Instead, the source said, members of the Brown delegation are "principally U.S. exporters of all kinds, including of high technology, who produce things like heavy capital goods in the United States—which creates jobs here—which we want the Chinese to buy."

Some close to Clinton, he said, are aware that using China as a cheap-labor pool harms China and America, and argue that the United States should change regulations to allow export of peaceful nuclear power to build China up—or else "the French and Germans will." U.S. exporters are very interested in building high-speed rail in China, for example, he said. "With the fading of COCOM and other prohibitions against technology, we're looking to develop new

guidelines on what China wants to buy. We haven't opened the sluice gates, but there is an effort to treat China as a very serious market for U.S. goods, emphatically including technology and capital goods."

Kantor's Trilateral approach

U.S. Trade Representative Mickey Kantor put forward the Trilateral Commission's policy track for China through Deputy U.S. Trade Representative Charlene Barshefsky, who visited Beijing in late July, just before the GATT "Working Party on China" meeting which began on July 29. Barshefsky reiterated a U.S. policy first announced at the previous GATT "Working Party on China" meeting in June, at which the United States suddenly insisted that China enter GATT as a developed, rather than as a developing, nation.

The distinction is key. GATT regulations allow developing nations to set a schedule over several years to phase out various protective measures. Even such delayed actions, it must be noted, have destroyed the economies of several nations, such as Mexico's, by slow strangulation rather than decapitation. But slow strangulation is apparently inadequate these days for the western bankers, who are aware of the impending crash of the derivatives-led financial bubble in the western banking system and are demanding their right to loot.

The justification used by Barshefsky and the U.S. GATT negotiators for labeling China "developed" is twofold. "China is an export powerhouse. It surely is not a developing country across the board," Barshefsky told the press. China's foreign trade turnover is \$200 billion per year, making it 11th in the world. But, as the Beijing-linked publication *Zhongguo Tongxun She*, based in Hongkong, wrote on July 29, "International organizations always use a country's per-capita GNP, and never an absolute figure in a single economic sector, to measure a nation's economy." Besides this fact, it is self-evident that nearly the entirety of China's exports is composed of textiles, toys, and similar cheap-labor products—hardly a measure of a developed nation.

The more devious means used to demand that China be treated as a developed nation is the IMF's new method of accounting, adopted in the spring of 1993, called Purchasing Power Parity (PPP). By insisting that goods and services be valued at world prices, regardless of the primitive state of

living and production for the vast majority of China's peasants, and regardless of the 150-200 million unemployed peasants recycled through the SEZ sweatshops, the IMF simply declared China's economy to be three times bigger. Overnight, China became the third largest economy in the world, rather than the tenth.

This statistical fraud was the core of the May 1994 Trilateral Commission report, "An Emerging China in a World of Interdependence," which argued that China must therefore submit to all GATT requirements for advanced sector nations. As the same *Zhongguo Tongxun She* article accurately reports, "China would be subject to the international balance of payment clauses; abolish all non-tariff measures, including such protective measures as import inspection and the import permit and quota systems; and open its banking and insurance, air and sea transportation, port and telecommunications sectors, and its agricultural product markets. This was an attempt to make China sacrifice its national industry in return for a favorable vote by the United States."

Take it or leave it

Although the Chinese government still clings to the illusion that GATT and the World Trade Organization (which is to be created next year) are beneficial organizations which China should join, Chinese officials are adamantly refusing the shock therapy demands of the Trilateral Commission and its supporters in Washington. "China will not restore its GATT signatory status at any cost, and will not trade off the state's fundamental interests for the sake of reentry. China hopes that the United States will adopt a realistic attitude," Wu Yi, P.R.C. minister of foreign trade and economic cooperation, told U.S. Undersecretary of Commerce Jeffrey Garten on July 19.

Li Zhongzhou, the director general for international relations under Minister Wu, told the press that the package proposal which China would present at the July 29 GATT meeting was a final proposal, and that "GATT can take it or leave it." If GATT refuses, he said, "we would continue our economic reforms according to our own schedule and interest." Minister Wu also told Garten that if China's entry to GATT was blocked at this last minute, "its efforts over the last eight years will be totally wasted and all the commitments made by it will become invalid."

Another track—real development?

Garten was not unreceptive to the warning. Unlike Barshefsky, he was in China to prepare the Aug. 27 presidential visit by Secretary of Commerce Brown, not to threaten Beijing with IMF conditionalities. Garten's talks with Minister Wu focused on the potential for U.S.-China contracts of some \$6 billion, mostly in power generation, telecommunications, and transportation, which would boost U.S. exports by \$2-3 billion, Agence France Presse reported on July 20. Brown will likely announce resumption of U.S. government

insurance and credits to U.S. exporters to China under the Overseas Private Investment Corp. (OPIC) and Trade Development Agency, programs suspended after the carnage in Tiananmen Square in 1989.

The United States has to be more cooperative in "China's competitive battleground," Garten told AFP. "I don't think American firms have faced this level of competition anywhere else, in terms of technology and backing by many governments in the form of multimillion-dollar 'umbrella' export financing packages."

Beijing, for its part, has announced several new policies in the past month which indicate a desire to change the direction of reform away from cheap-labor export zones, toward serious programs to rebuild stagnant or collapsing national industry and infrastructure in the interior. Premier Li Peng, returning from his trip to Germany with agreements for extensive infrastructural development and scientific collaboration, said that Sino-German relations were "a great framework for China's policy toward western Europe and the eastern European countries for the 21st century."

The official *China Daily* of July 28 began its lead story: "China intends to shape new policies this year to steer foreign investment away from speculative areas like real estate and into infrastructure and technology-intensive sectors." The Ministry of Foreign Trade and Economic Cooperation is preparing a new "interim national investment guide," and also announced restrictions against "participation of foreign capital in trades in which domestic productive forces had satisfied domestic needs." It is precisely such protective measures which the IMF/GATT negotiators want to eliminate.

President Clinton's deployment of Commerce Secretary Brown, however, should support the Beijing shift toward productive investment. The announcement of the Brown mission followed close after the dramatic shift in U.S. policy announced in July by Clinton while visiting Germany. The President announced a "unique relationship" between the United States and Germany and opened the door to infrastructure development programs in both eastern and western Europe, centered on high-speed rail connections across the continent. Chancellor Kohl had just concluded successful negotiations with Premier Li Peng on Germany's participation in proposed infrastructure development in China, including rebuilding and expanding cross-continental rail lines along the old Silk Routes.

It is precisely this potential for U.S. and German industrial collaboration in the development of, especially, Russia and China, which the British banking interests are desperate to prevent. If President Clinton pursues such a transcontinental development strategy, he can at the same time counter the IMF/Trilateral Commission influence within his own administration which wants to impose shock therapy looting policies on China similar to those which have already destroyed the economies of Russia and eastern Europe. Getting rid of such Bush policies would be as welcome as it is necessary.

Population policy report stirs up a hornet's nest in India

by Ramtanu Maitra and Susan Maitra

With less than three weeks left before the Sept. 5-13 U.N.-sponsored conference on population opens in Cairo, Egypt, a fight has erupted in India over the country's population policy. The tussle has those holding to a "holistic" approach, combining family planning with family welfare to stabilize India's population, pitted against those who eschew such a "soft path" in favor of a direct and drastic reduction of numbers.

The fight was triggered by the country's first-ever "population policy report," prepared by a 10-member committee of experts, headed by Dr. M.S. Swaminathan. Swaminathan, a noted agro-scientist, was a key figure in India's "Green Revolution." The expert committee submitted its draft report to the Ministry of Health and Family Welfare on May 21, and the report has since been tabled before the Parliament for discussion.

A departure from the usual

The report has come under attack from a section of the bureaucracy, non-governmental organizations (NGOs) and the hard-core malthusians. Clearly a deviation from the traditional population policy based on birth control alone, the new report calls for promoting human development and security, and all-round progressive social change, as a necessary condition for "family planning." More particularly, it calls for shutting down the national Family Planning Program in favor of decentralized, locally controlled programs to meet health, employment, and education needs.

"Thus, we concluded fairly early in our work that population issues must be viewed in the broader context of social development," said Dr. Swaminathan in a recent newspaper article. Elucidating the methodology involved in preparing the report, Dr. Swaminathan said that the committee came to the conclusion that the participation of leadership at the village and town levels is required in order to achieve such goals in primary education, primary health care, and the other components of the minimum needs program, as well as in providing contraceptive services. "The grassroot-level democratic institutions must prepare their own socio-demographic charters, indicating potentials, problems, and solutions," the expert committee concluded.

On the numerical aspect of the policy recommended, the committee suggested a few socio-demographic goals in order to achieve a national total fertility rate (TFR) of 2.1 by the year 2010. The 1991 census in India had shown that the country's average TFR is 3.6, with some states, such as Uttar Pradesh, having a TFR of 5.1, while the TFR was a low 1.8 for Kerala and 2.2 for Tamil Nadu. Both southern states have high literacy and educational levels for both women and men, compared to other states. The socio-demographic goals identified by the committee include speedy implementation of the minimum needs program, priority for education of girls, and abolition of child labor. The report also was clear in stating: "No targets should be set for specific contraceptive methods, but rather, the attention should be on improving the quality of services and on promoting informed choice of contraceptive methods."

In addition, the committee also recommended developing a national institutional mechanism "which can foster and support diversity and pluralism in methods of population stabilization based on a socially sensitive combination of health and nutrition interventions, educational and employment interventions, and socio-political interventions like land reform and *panchayat raj*," or village council-based decisionmaking. Dr. Swaminathan told the press that the institutional mechanism which the committee is recommending was modeled after the one that noted nuclear physicist and mastermind of India's nuclear power program, Dr. Homi Bhabha—with the support of then-Prime Minister Jawaharlal Nehru—had developed as an administrative structure within the government to help combine the authority of the government with freedom from inelastic rules and unnecessary procedures. The Bhabha-Nehru blueprint apparently remained on paper only.

Family planning in India's history

On the face of it, one would hardly expect such a report to have set the Ganges on fire, since it does not pose a direct challenge to the fraudulent malthusian thesis. But the shrillness of the debate from some quarters and press reports of some sneaky activities by bureaucrats to harass the expert committee members suggest that the report has stepped full

force on the toes of some powerful vested interests.

To begin with, the preoccupation of the Indian “elite” with alleged overpopulation is nothing new. Furthermore, it is as much a class-caste bias as it is an economic consideration. The National Planning Committee under the chairmanship of Jawaharlal Nehru, set up by the Indian National Congress back in 1935 during the British Raj, had observed at that time: “In the interest of social economy, family happiness, and national planning, family planning and limited number of children are essential, and the state should establish a policy to encourage this.” At about the same time, on the invitation of the All India Women’s Conference, Margaret Sanger visited India to introduce the concept of family planning. It is also no secret that most of the Indian leadership believed then, and still do today, in the unscientific malthusian gobbledygook.

About a decade and a half later, following Independence, again under Nehru’s leadership, India officially adopted a program for family limitation and population control under the First Five Year Plan for rebuilding India. The planners, in a most unscientific deliberation, concluded that the stabilization of the population at a level consistent with the requirements of the national economy must be secured through a reduction in the crude birth rate. But the circumstances, in terms of health care and the introduction of basic medicines, in conjunction with India’s totally inadequate infrastructure to carry out such family planning policies effectively, led to the failure of the policy. The money sunk into that hole only helped to develop a family-planning mafia, which has blossomed and consolidated itself over the years.

About two decades later, in the mid-1970s, a hare-brained scheme was introduced under the pretext of population control. Nehru’s younger grandson, Sanjay Gandhi, led the charge following the emergency rule imposed in 1975 by his mother, Prime Minister Indira Gandhi. In April 1976, when the central government adopted a new “National Population Policy” to reduce the annual birthrate from about 35 per 1,000 to about 25 per 1,000 by 1984—in only eight years!—Sanjay Gandhi took up the family-planning drive as the major plank in his Four-Point Program. Such drastic goals required a drastic approach, and Sanjay Gandhi was willing to “bite the bullet.” But the bold family planning initiative literally turned into a nightmare when the news came to light that poor and powerless individuals were being pulled from buses or forced from their houses by district officials and police and were taken to makeshift sterilization “camps.” The tribals, scheduled caste members, Muslims and other members of the Backward Castes and classes were the first victims of Sanjay Gandhi’s contribution to India’s family-planning effort.

What the ‘elites’ are demanding

Besides the historical affiliations of Indian leaders and elites vis-à-vis various foreign institutions and “gurus” of

population control, there is no gainsaying that a large section of India’s upper-income group and higher-caste members aggressively propagate population control across the board. In part, what lies behind such strong reactions to the expert committee’s report is the fact that the poorer section of India’s population, Hindus and Muslims alike, has a much higher fertility rate than the urban middle-class or the upper-income group. If and when nettled, as they are now by the report, this group of “elites” would not hesitate to recommend as stringent and disturbing measures as those adopted in China, for instance.

The demand of such “elites,” however, are often clothed in such obvious and proven frauds as “economic considerations.” A recent article in the daily *Hindustan Times*, by a spokesman for the adoption of “hard measures” to curb population growth, is reflective of that. “It is just not possible to solve any of our major problems like poverty, malnutrition, disease, pollution, illiteracy, etc., that plague us unless we check our population growth urgently,” wrote K. B. Sahay. Waxing eloquent under the pall of doom, Sahay concluded: “The galloping race toward doom has to be arrested at all cost with purposive action replacing the sloth and apathy that has marked the approach to population control hitherto.”

The grouse of the hard-line population control crowd against the draft report presented to the Union Ministry of Health and Welfare, is that India’s population is 900 million today, and will be 1,400 million by the year 2020, according to one U.N. agency estimate. Hence, according to the hard-liners, there is simply no time left to toy around with the “soft path.”

The U.N.’s contraceptive largesse

In addition to the panicky “elites,” there is a section of the government bureaucracy that has not taken kindly to the expert committee report. A recent news item that appeared in the *Times of India* on Aug. 13 indicated that some people have started a rumor that committee member N. Bhaskara Rao has resigned. Rao has denied the story and has suggested that some people in the bureaucracy and the government could be behind the canard because they may not like such recommendations as the decentralization of the decision-making process and winding up of the family planning program.

There is no question that looming large behind the indignant bureaucrats and other beneficiaries of the government’s far-flung family planning program—such as large multinational pharmaceutical companies and domestic manufacturers of prophylactics and female contraceptives—is the ever-present shadow of the United Nations. Billions of dollars have been distributed worldwide for family planning, with the cash being used to enforce certain “conditions,” such as adoption of controversial female contraceptives—e.g., Norplant and Depo Provera. Nonetheless, the money is big and that makes the family planning mafia powerful.

In India, for instance, successive governments have addressed the population issue exactly the way the United Nations has told them to. Having the distinction of being the first country in the world to have an official family planning program, India launched the National Family Welfare Program in 1951. However, a decade later, the year India's census was taken, it was noted that the population had gone up by 22% in 10 years. The World Bank and United Nations sent teams subsequently to bolster the sagging morale of the Indian leaders, and put out the big lie in printed reports: "A major breakthrough in the FP [family planning] program is now in sight with the recent acceptance of the government of India of the intrauterine device (IUD), the loop, as a contraceptive method to be offered after various successful trials in India and some other countries."

The government started pumping more into the program. While the expenditure on family planning was 250 million rupees in the Third Plan (1962-66) overall; Rs. 139 million was spent in 1966-67 alone, and Rs. 265 million in the next year. The following plan saw a fourfold increase in the budget allocation for the family planning program. Meanwhile, the IUD campaign turned out to be a sordid one, causing more health problems than were either imagined or than the bureaucrats were prepared for. As a result, the Family Welfare Department's own statistics show a steady decline in IUD insertions over the years.

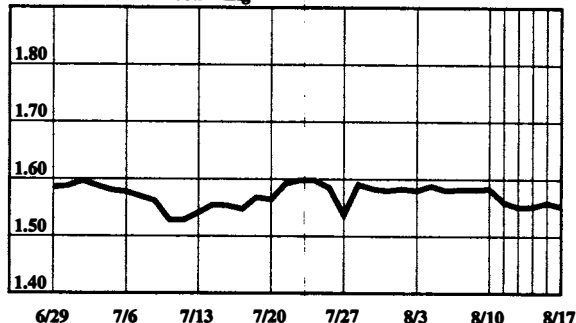
More recently, the introduction into India of Depo Provera, the injectible contraceptive for women, by its manufacturer Upjohn, has created a ruckus. The contraceptive, approved by the Drug Controller of India for introduction onto the Indian market, has come under suspicion elsewhere. Opponents of the drug claim that its regular use, especially by women under 35, carries the risk of making women more susceptible to cancer, including to breast cancer. They also point out that "informed choice," apparently a campaign of the contraceptive manufacturers and regulators, has little meaning in the Indian context, where almost 60% of all women are illiterate. They claim that the situation is thus rife for the abuse of Depo Provera in almost the same way that the IUD program went awry in the 1960s-1980s.

Such failures have not dampened the family planning groups, and there is little doubt that the huge monetary interests that control them cannot and will not simply give up. The Indian Council for Medical Research (ICMR) is now preparing a report, to be submitted to the government, on the validity of introducing Norplant, a long-term implant for women that has come under serious scrutiny in the United States, for instance. In reality, however, government officials had already made the decision to introduce Norplant long before the report could be ready. The Health Ministry has already come out with expensive, colorful, glossy brochures on Norplant, hailing the implant as the new miracle contraceptive, the dream solution to all contraception problems faced by women.

Currency Rates

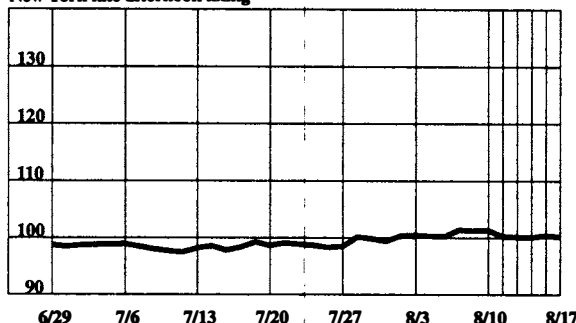
The dollar in deutschemarks

New York late afternoon fixing



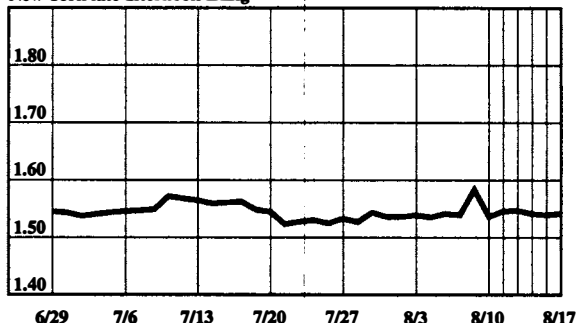
The dollar in yen

New York late afternoon fixing



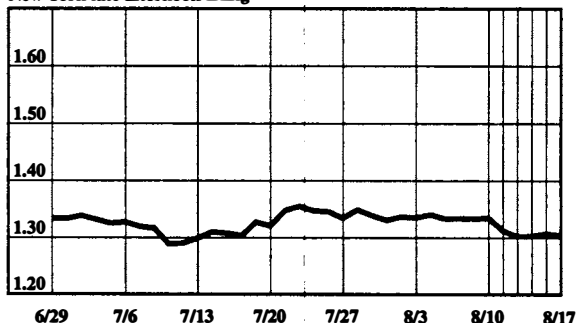
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Archbishop of Manila calls for boycott of Cairo conference

by Lydia Cherry

A crowd estimated at anywhere from a million to a million and a half Filipinos joined Cardinal Jaime Sin, the Roman Catholic archbishop of Manila, in a protest on Aug. 14 against the U.N.'s Cairo International Conference on Population and Development. Protesters held signs denouncing the conference as "the devil's work," and speakers burned copies of the Cairo draft and of pornographic magazines that have flooded into the country in the recent period. Although high-level clergy from at least a half-dozen countries in Ibero-America have issued strong statements demanding significant changes in the language of the Cairo draft document, Cardinal Sin demanded that the Philippines *boycott* the Sept. 5-13 U.N. depopulation shindig.

The speech of the Philippine archbishop makes reference to the "faceless backroom engineers of purported human development" and to an "arrogant global dictatorship which tampers with our most cherished values according to the pragmatics of its demographic goals."

The Philippine Bishops Conference, since at least August 1993, has become aware of a genocidal campaign behind the liberal-sounding verbiage of the anti-population lobby.

For example, Sen. Francisco Tatad told *EIR* in an interview in September 1993, that the Bishops Conference had found out about Henry Kissinger's National Security Study Memorandum 200—a U.S. government document from 1974 outlining the aim of reducing population in the developing sector for geopolitical reasons—at about the same time as some of the senators did. Together, the Bishops Conference and key members of the Senate then held press conferences and congressional hearings to expose this document.

During the week following the Aug. 14 Manila demonstration, President Fidel Ramos began to make concessions, although he is thus far refusing Cardinal Sin's proposal that the government boycott the conference. One of the first concessions announced is that the Cairo delegation will not be headed by the widely despised health secretary, Juan Flavio, but instead by Mr. Habito, a Roman Catholic who heads the Economic Development Authority. More concessions are expected.

Documentation

Below are excerpts from Cardinal Sin's homily held at the Quirino Grandstand, Luneta, Manila on Aug. 14:

Before the Filipino people, before the peoples of the world, before the God who rules the world and our consciences in this world, we gather today to give unambiguous witness to values which are essentially ours, values which collectively we treasure, values, therefore, which it is our most solemn responsibility to shepherd, nurture, and defend. These are human values anchored ultimately in our relation to God, the Source, the end and sustenance of our very human existence on this globe. We gather today impelled by the voice of conscience, crying to be heard in a world that increasingly scoffs at conscience.

We gather today in solidarity with His Holiness, Pope John Paul II, who . . . has labored tirelessly to proclaim the good news of salvation in Jesus Christ and its inexorable imperative for human solidarity the world over, especially with the poor, the oppressed, the embattled, the marginalized, the sick, the weak, the elderly and infirm, the victims of HIV-AIDS, the poor women hurt by birth control technologies, the voiceless, and most of all, the poorest of the poor—the unborn babies threatened with abortion. . . .

We have come before the world, its governments and our own, in a context where human values are increasingly defined by the secular, the pragmatic, the cynical, the interests of the established, the whims of the Godless, and the faceless backroom engineers of purported human development. We have come to combat insidious forces that invade our airwaves and pervade our daily life, forces that pound into our consciousness of our children day in and day out that it is now "modern" to enjoy sex outside of marriage, "normal" to be pregnant on the wedding day, that it is but "provident" and socially "responsible" to use contraceptives, that it is a piece of "insignificant tissue" that is discarded when an unborn baby is aborted. . . .

We raise our voices in the face of the global ideals of development which value material prosperity and well-being

more than children; which favor the diminution of population of the developing world before the serious redistribution of resources of the developed world; which chalk up the accessibility to and use by more and more people of contraceptive devices as a substantial victory for human development, and parade the expected negative growth rates of such as Germany, Italy, Hungary, Spain, and Belgium as a victory to be emulated by developing countries. In this skewed world, we must ask ourselves: Where do we as Christians and Filipinos wish to make our contribution to the world?

If the secretary of health has already practically approved . . . the Cairo Conference program of action, if he has given his official nod to its definition of the family, and has already begun to allow this to color his administration of our Health Department, we must now declare our . . . abhorrence of this approval, and pray for the secretary's enlightenment. Should our call for an outright boycott of the Cairo conference not be heeded, we now declare we would much rather be represented there by persons sensitive to the central values of the Filipino Christian family. . . . Our representatives to Cairo should pro-actively and passionately speak against any possibility of the world body accepting abortion as a means of birth control. Should this murderous proposal ever be formally accepted, the morality of our continued participation in the world body and of our receptiveness to initiatives and influences coming from that body shall have to be seriously questioned. . . .

Here at home, we insist that our government reassess its population control program. . . . We are here because the disturbing agenda of Cairo . . . is already being implemented in the Philippines! We have come together horrified at what is now actually going on in our schools, influenced by the program's mandate to bring "population education" to the most impressionable years of high school, and even down to the tenderest of grade school years. It is you, mothers and fathers of our children, who have brought your complaints to me . . . ; it is because of you that I know what is going on—despite the sanguine denials of health and education officials. . . .

In a Quezon City high school, a mother complains that urban poor students are asked to view hard-core pornography as a way of learning about sex! A deluge of offensive "educational" comic books, seminars, leaflets, and posters now find their way into the hands of students, produced by the sterile dollars of internationally funded NGOs and sold in bookstores—sleazy propaganda portraying prostitution, masturbation, and homosexual acts as "normal". . . .

We reject the idea that the goal of impeding the spread of the AIDS virus, however laudable this might be, justifies the massive distribution of condoms and contraceptives among our youth. The condom, we know, does not make sex absolutely safe against the AIDS virus. The tiny AIDS virus can pass right through the pores of a condom to contaminate another person—fatally! Government and allied NGOs mislead our people, by campaigning for "safe" and "safer" sex. While the threat of an AIDS pandemic is real, these institu-

LaRouche: Will the Cairo conference fail?

This commentary was issued by Lyndon H. LaRouche, Jr. on Aug. 18:

During the 1950s, the London Tavistock Institute's experts were of the opinion that if a population were subjected to a relevant degree of psychological stress, many of the victims of that targeting could be induced to accept wildly irrational beliefs of a form they would have rejected outrightly under normal conditions. So, once McGeorge Bundy, in his capacity as U.S. national security adviser, had ensured the U.S. commitment to a militarily purposeless war in Indochina, Bundy shifted to become head of the wealthy Ford Foundation, where he played a leading role in supervising the funding of relevant, targeted groups of draft-age youth in the anti-war movement. Those are the typical facts key to understanding how it became possible to launch such an abomination as the September 1994 Cairo International Conference on Population and Development.

I was there, teaching on university campus during the 1966-68 interval, between the launching and the mid-1968 collapse of the U.S. anti-war movement. That movement was chiefly college-age, pampered youth from the families of my World War II generation. What moved them was the nightly major television network broadcast of pictures of the prospect facing any draftee who was inducted into military service and shipped into Vietnam. These pampered youth were terrified. This was the psychological stress which induced them to accept the wildly irrational forms of belief responsible for the launching of the Cairo population conference.

To assuage the fears of these college youth, the Ford Foundation and like-minded "establishment" institutions provided some suggestions: the "rock-drug-sex counterculture" and the closely related, utopian delusion called the dogma of "post-industrial society." Under my eyes, students whom I knew as rational 1966 opponents of the Vietnam atrocity became drug-dependent aberrants, no

tions have found it convenient to use so-called "AIDS education" to push population control. There is deception here. This, together with pornography, can only accelerate the pandemic instead of stopping it! . . .

Today . . . we come together in great numbers to expel from our midst a new type of cultural dictatorship being imposed on us by interests alien to our well-being. This

longer functional human beings of summer-fall 1968. This formed the hard core of the first U.S. terrorist organization of 1969, the "Weatherman" bandits.

By late summer 1968, following the Chicago Democratic Convention riots, organized by the Yippies, the anti-war movement in the United States was dead. The election of President Richard Nixon ended it, but for a blip on the screen, after Henry Kissinger's extension of the war into Cambodia, during a few weeks of 1970.

Then, the rock-drug-sex counterculture and post-industrial dogma were spread into the younger generation of secondary-school pupils, and then the younger strata of youth and children.

A similar pattern is found in western continental Europe, a pattern which spread into eastern, Soviet-dominated Europe. So, 50 years after the Weimar of Versailles-occupied Germany, the same disease of Spenglerian cultural pessimism which fed both the Communist and Nazi parties of that period, was spread among the children of my World War II generation.

It is now 30 years since McGeorge Bundy's crew marched over the murdered body of President John F. Kennedy, to escalate the militarily purposeless war in Vietnam. Kennedy was a representative of my generation, which both ruled and misruled the nations of the Americas and Europe during the 1960s and 1970s. During the 1980s, my generation began to be replaced by the generation which administers governments and other relevant institutions today, those who came out of either the anti-war movement of the late 1970s, or the counterculture into which the anti-war movement degenerated from mid-1968 onwards. The lunacy which the terrified U.S. draft-dodgers of the late 1960s accepted during that time, the rock-drug-sex counterculture, and post-industrial utopianism, has become the lunacy with which, to a large degree, the presently dominant social strata of institutions has been "brainwashed." It is this history which produced the possibility that the proposal for a Cairo population conference could be tolerated.

It is only fair to say that that Cairo conference is virtually a Nazi eugenics rally, like the pro-Nazi, 1932 New York City rally held by the family of Averell Harriman, where Nazi eugenics policies were praised, and the lead-

ing Nazi eugenicist Ernst Rudin was elected head of a new international group which declared in the pages of the *New York Times* that they admired the Nazis' "racial purification" dogmas. These New York families acquired their admiration for eugenics from the British Huxley family and similar circles. Bertrand Russell repeatedly advocated mass extermination of "excess" population, especially those with black, brown, and yellow skin-colors, following his return from China, during the early 1920s. It is the British racism of the Huxleys, Russell, et al., which is the immediate source of doctrine of the Club of Rome, and of the proposals for the Nazi-like dogmas presented at the Cairo conference.

The ideas on population, which Bertrand Russell and Adolf Hitler represented, were introduced to Germany by Voltaire crony Maupertuis during the mid-18th century. Thomas Malthus's notorious 1798 work *On Population*, was a popularization of the ideas of a Maupertuis collaborator, the same Venetian monk, Giammaria Ortes, whom Karl Marx praised so vividly in Volume I of his *Capital*. It is the ideas of Ortes, not Malthus, to whom the authors of the Cairo proposal have returned with their argument of "carrying capacity."

There is a deep connection between the possibility of daring to present such a disgusting dogma at Cairo, and the ongoing collapse, toward disintegration, of global financial and monetary institutions. The ideas of economic practice behind the vast, cancerous financial bubble of speculation in "derivatives," and the ideas of the Cairo conference, are two theorems derived from the same set of underlying axiomatic beliefs. Just as the growth of the financial bubble is bringing about the impending disintegration of the world's monetary and financial systems, so a set of nations which would tolerate a Cairo population conference's genocidal proposals, is a set of national institutions which has abandoned the moral fitness to survive.

So far, Pope John Paul II has found many allies among powerful forces around the world, in rallying against the Cairo abomination. The indications are, that probably the overwhelming majority of humanity is showing, through this opposition to that conference, that it is still morally fit to survive. It would be a horrible thing to contemplate, if that were not so.

dictatorship would like to redefine our families, have us ape the degenerate sexual mores prevalent in so-called "developed" countries, condition us toward accepting abortion as a means of family planning. We reject the cultural arrogance of this super world body that shamelessly tampers with our most cherished values according to the pragmatics of its demographic goals. . . . We resent the brazen attempts to buy

our government and our people—the billions of dollars poured into this deluge of contraceptive drugs and instruments throughout the developing world, and distributed among our people against our will. We deeply resent the insensitive and uncritical collaboration our government has extended to this arrogant global dictatorship, whose corruptive effects on our children we today roundly protest. . . .

Business Briefs

Finance

LaRouche's forecast covered in Mexico

Excelsior, Mexico's most important newspaper, reported on American economist Lyndon LaRouche's ninth forecast, on the front page of its business section on Aug. 4.

The article, entitled "Speculative Derivative Bubble Could Break International Financial System: Freeman," which takes up nearly a half-page of the Mexican daily, is based on a news conference in Mexico City by Richard Freeman, who is identified as "an expert on the staff of *Executive Intelligence Review*, one of the publications of the group headed by economist and U.S. political figure Lyndon H. LaRouche." (See *EIR*, June 24, p. 24, "The Coming Disintegration of the Financial Markets," for LaRouche's complete assessment.)

According to the article, written by *Excelsior* reporter José Neme Salum, Freeman "recalled that since 1956, LaRouche has made eight forecasts about critical events, among them the U.S. recession of 1957, the collapse of the Bretton Woods arrangements, and, most recently, the stock market crash of 1987, and the ongoing collapse of the U.S. economy that can be seen at this time." It adds that "now, in his ninth forecast—which was distributed to press—LaRouche says that 'the presently existing global financial and monetary system will disintegrate during the near term.'" The article includes other quotes from LaRouche and Freeman about financial developments in the United States and Mexico.

International Credit

Japanese debt bubble sets off alarms

The bankruptcy of Nippon Mortgage is a reminder that there is a huge bubble of 25 trillion yen in bad loans that the Japanese banking system has to keep under tight control, the German daily *Frankfurter Allgemeine Zeitung* warned in its lead editorial on Aug. 9.

Updated reviews of the scope of bad loans done at Mitsubishi Bank revealed recently that

the total volume is twice as high as earlier thought—which implies, if projected upon the official national figure of 12.5 trillion yen, that the total of bad loans is rather in the range of 25 trillion yen (\$250 billion).

The credit control commission of Japan has opened full bankruptcy proceedings against Nippon Mortgage, a case that increases the degree of nervousness in the entire highly volatile "non-bank" sector of Japan's financial system.

Ukraine

Rule by decree justified by economy, says Kuchma

Ukraine President Leonid Kuchma announced in Kiev on Aug. 9 that he will centralize control of all administrative bodies in his hands, and will take part in all future sessions of the Ukrainian cabinet, especially on questions of the economy and strategic policy. This "rule by presidential decree," Kuchma said, is the only way to run the country at a time of political heteronomy and increasing economic emergency.

New estimates indicate that Ukraine's harvest will be 25% lower this year than had been expected, and that 70% of industry is paralyzed by lack of energy supplies. The fact that there is a considerable undersupply of vital spare parts for coal mining indicates that, unless policy is changed, coal production will also decline further. Ukraine will have to import 6 million tons of coal to overcome energy shortages this winter.

Transportation

China outlines ambitious airport expansion plan

On Aug. 12, the People's Republic of China outlined an ambitious plan to build or renovate about 60 airports to keep pace with demand for domestic air travel. Xu Cunxin, chief of airport construction at the Civil Aviation Ad-

ministration, said that construction of 17 new airports began this year and another 9 new airports would begin during 1994.

Expansion and modernization is under way at nine other airports, Xu said, including Capital International Airport in Beijing and in the cities of Harbin, Taiyuan, Chengdu, Beihai, Urumqi, and Handan. Similar renovation schemes are in the planning stages at 25 other airports.

Foreign financing of construction has zoomed under the liberalization of investment rules. "After China published its new policies for foreign businessmen to invest in civil aviation capital construction in the middle of this year, a large number of foreign businessmen have come to negotiate with related Chinese departments," Xu said.

Infrastructure

European consortium to build harbor in Palestine

A consortium of European firms on Aug. 12 signed a deal with the Palestinian National Authority to build a harbor in the Gaza Strip, provided it is funded by their governments, the Dutch consortium leader Ballast Nedam NV said in a statement, Reuters reported. The deal involves France's Spie Batignolle and Italy's Sistemi Ingegneria SpA.

Construction of the harbor will only go ahead if full financing for the \$60 million project is provided by the Dutch, French, and Italian governments. The Dutch government has promised 40% of the financing on condition that the remainder can also be raised. "The harbor is viewed as of great importance to the development of the Gaza Strip," Ballast's statement said.

The harbor will be laid in a shallow coastal zone a few miles south of Gaza. It will initially be able to accommodate small vessels of up to 5,000 gross tons and can be extended in a later phase to handle 15,000-ton vessels. The German construction group Hochtief AG owns a 48% share in the Dutch company.

Meanwhile, President Clinton asked the Paris Club of major lending nations to forgive Jordan's debt. "I believe urgent international

Briefly

action to relieve Jordan's considerable debt burden is a critical element in demonstrating such support for the peace process," he said in a letter. "It is essential that the people of Jordan feel the benefits of peace in tangible ways. Jordan's debt overhang is a major impediment to economic growth. . . . I therefore encourage you to act as rapidly and as generously as possible to relieve Jordan's financial burden through bilateral debt forgiveness."

The source indicated that the World Bank and the U.N. are exercising great control over the decisions connected with the infrastructure projects.

Middle East

Morocco conference to focus on development

Israel and the United States are preparing for a North African-Middle East economic summit, which officials believe has immense potential to change the economic face of the Middle East, Reuters reported on Aug. 9, citing unnamed officials. Co-sponsored by President Bill Clinton and Russian President Boris Yeltsin, the conference is being organized by private groups, including the New York Council on Foreign Relations, and organizers expect to draw several hundred leaders from government and the private sector.

Israeli Foreign Minister Shimon Peres, at a news conference with U.S. Secretary of State Warren Christopher on Aug. 7, termed the meeting "the next important occurrence" in Middle East peace moves. "This will be the first time in the history of the Middle East that an organized economic effort" will bring together leaders in government and the private sector to discuss economic issues and "open a new situation in the Middle East," Peres said. Hosted by Morocco's King Hassan, the conference will be held on Oct. 31 and Nov. 1 in Casablanca.

Meanwhile, the World Bank continues to impede economic development in the area. A World Bank official responsible for the West Bank and Gaza Strip admitted to a journalist that most of the major projects were still on the drawing boards, even though "Gaza has the

most serious water crisis in the world." Regarding the urgent development projects, he said there were studies for the Dead Sea-Red Sea canal and for two canals to the Mediterranean. However, the idea is to develop only one of the three. The official admitted that they "weren't looking at the big development projects yet," but were still limited to more immediate questions of water distribution, electricity production and distribution to the villages, and building roads. There would have to be "a lot of fancy footwork to be able to do all those projects," he commented.

Demographics

Russia needs more people for economic development

Viktor Perevedentsev, a Russian demographer, said that a coordinated national effort is needed to counter a shrinking birth rate in Russia that has contributed to Russia's economic and social problems, the Aug. 8 *Richmond Times-Dispatch* reported.

Perevedentsev gave the keynote to a conference on "Geodemography of the Former Soviet Union," sponsored by Radford University and Dartmouth College held Aug. 6-7 in Radford, Virginia. Attendees included Emil Payin, an economic adviser to Russian President Boris Yeltsin, and representatives of the State Department and the World Bank.

"Greater population density would bring increased investments in infrastructure, particularly transportation. He said such investments are needed to encourage economic development," AP reported Perevedentsev as saying.

Steve Pontius, Radford's dean of arts and sciences and an organizer of the conference, said that the importance of the conference "is that literally, up to now most of this data [on population] has been classified."

George Demko, a Dartmouth professor of geography, commented on the importance of the Russian statistics: "For the first time, we're looking at a developed country, one like us, at a time when it is under great stress. That can give us some insight into how we might behave. In some ways, it's like looking in a mirror."

● **THE THREE BALTIC** states are expecting a bad harvest this year after a drought, according to the latest forecasts. Lithuania is expecting only 2 million tons of grain, down from 2.7 million last year; Latvia, 800,000 tons less than the 2.4 million in 1993; and Estonia will only harvest 400,000 tons, down from 700,000 tons last year.

● **34 MILLION PEOPLE** in Africa are affected by famine, according to the U.N. Food and Agriculture Organization. The situation has dramatically worsened in Ethiopia, Eritrea, Kenya, Sudan, Somalia, and Angola.

● **KROLL Associates** is in financial trouble, with debts of \$10 million, and has fired 10 of its top people, the Aug. 7 London *Times* reported. The firm gained notoriety during the 1980s as the "CIA of Wall Street" for the number of ex-CIA, FBI, and Scotland Yard people it employed to do corporate espionage in takeover bids.

● **HOLLINGER CORP.**, the British publisher leading a drive to oust President Clinton from office, will cut 200 jobs from its American Publishing Co. The cut will affect the *Chicago Sun Times* (which employs 1,500 and has been owned by APC since March), Pioneer Press, and Star Publication.

● **CHINESE** firms signed contracts on July 16 in Beijing with Impreglio, SpA of Italy, Zublin AG of Germany, and Dumez of France to build a dam on the Yellow River in Henan province. The dam is designed to allow the lower reaches of the river to withstand the worst floods expected in 1,000 years, instead of the worst-in-100 years currently planned for, Xinhua reported.

● **INDIA AND UKRAINE** signed a protocol that could lead to space cooperation, after a delegation of Ukrainian officials, led by Vladimir Gorbulin, who directs the Ukrainian space agency, visited India, *Space News* reported in mid-August.

Physical economy: comparing Taiwan and the P.R.C.

by Kathy S. Wolfe and Cho Wen-pin

The figures for this article are on pages 24–35.

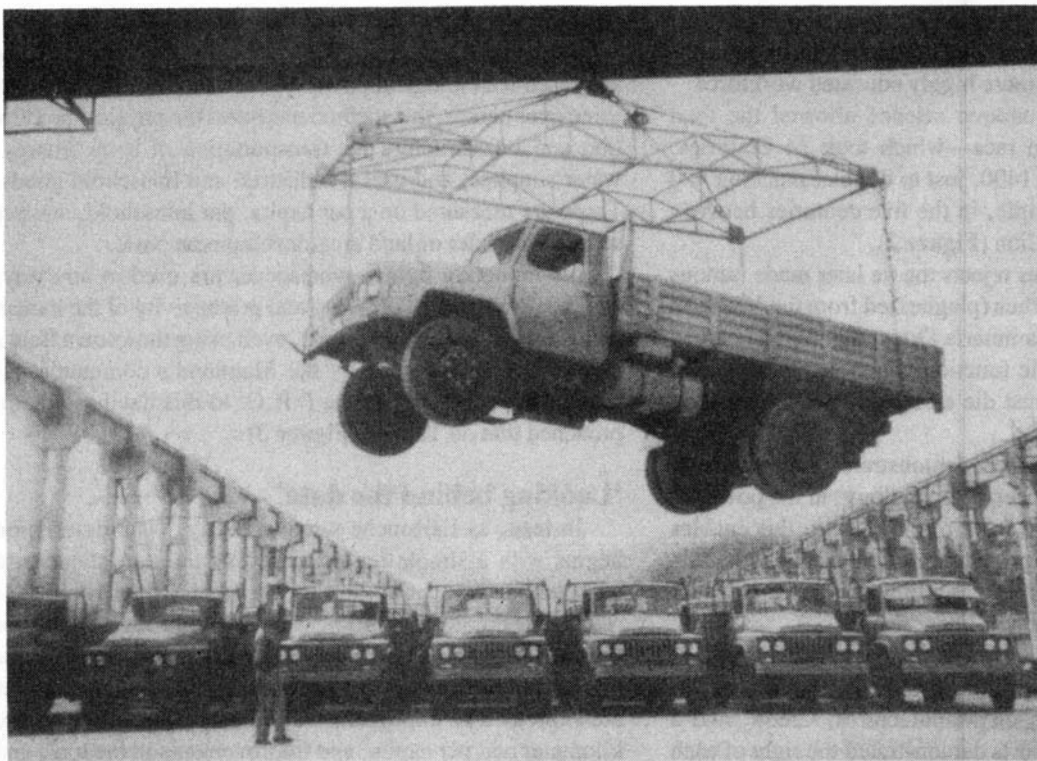
The call by Chinese Vice Minister Hui Yongzhen for a “new Silk Route” high-speed rail bridge from Europe to China in *EIR* of May 27, 1994 is one of several signs that the People’s Republic of China has begun to seek an alternative to the “free-trade” policy of the 1980s which has brought its economy close to disaster. Under pressure from the British System economists of the World Bank, the P.R.C. for the last decade has diverted credit from internal infrastructure and agricultural development, to speculative Special Economic Zones (SEZ) on the coast, where foreigners could make quick money in low-wage assembly of cheap goods for export.

This so-called Chinese miracle created a “blind flow” of millions of peasants who, because the agricultural interior can no longer support them, seek work whatever the wages, on the coast. It was also used by the World Bank and the International Monetary Fund (IMF) to demand that other underdeveloped nations follow the “China model.” It has brought China to the edge of social explosion.

Simply backing away from British “free enterprise,” however, will not avert a breakdown in China. Economic thinkers in China and across Asia must now ask themselves: What is it in the British *method* which produced this crisis? Is there a superior method, a philosophy of economic science, which could save China, and develop the rest of the world?

Lyndon H. LaRouche, Jr. has commissioned this study of the Republic of China on Taiwan (R.O.C.) and of Mainland China, to demonstrate the scientific method of *physical economy*, the method which industrialized the United States itself. The R.O.C. on Taiwan, with its emphasis on basic infrastructure, water projects, labor development, directed credit, and other programs proceeding from Dr. Sun Yat-sen’s “Three Principles of the People,” has also proven the superiority of the *physical economy* method.¹

Taiwan’s economy is not of interest because of its commercial success, but rather for the intense development of its *infrastructure*, the very sector of the



Dongfeng trucks manufactured in the People's Republic of China. Drawing on the methodology that was so successful in Taiwan, the P.R.C. can achieve similar breakthroughs in economic output and standard of living; but following the British free-trade model is a recipe for disaster.

P.R.C. economy, and of the current U.S. and European economies, which is falling apart due to neglect. Taiwan's infrastructure began with construction of water projects needed for highly irrigated agriculture in a monsoon climate, and a high level of health and education infrastructure, later extended to power and transportation grids. As LaRouche pointed out in a recent interview, "Taiwan's infrastructure development approach is actually qualified to provide an even more developed industrial base" than Taiwan's industrial sector today.

The statistics of physical economy show that, starting from the identical cultural base, the Chinese citizen on Taiwan has been able to create a higher economic output and standard of living, precisely because of the higher value given each individual's labor power. This theory is the exact opposite of the World Bank's demand for a "free-trade," cheap-labor approach. In fact, what Chinese in Taiwan can do, so can Chinese on the Mainland. They are the same people, who speak the same language, and have the same heritage.

For example, all the propaganda from the IMF that China is "overpopulated" and China's unfortunate one-child-per-family policy notwithstanding, the fact is that Taiwan's infrastructure has allowed a population density far greater than that on the Mainland (**Figure 1**).

Yet many Taiwanese leaders today have forgotten the *method* of physical economy and, brainwashed by Anglo-American universities, have begun to adopt "free marketiza-

tion," "deregulation," and other forms of "financial AIDS," a disease caught in London and on Wall Street. The same is happening in Japan, South Korea, and the other "Asian miracles": All of these nations are about to be in big trouble in the coming world financial crash, because their current leaders are without any competent economic theory or science.

We do not propose, that is, to substitute a "Taiwan model" for a "China model." Rather, this study will use the physical evidence in Taiwan's economy, compared to that of the P.R.C., to demonstrate the traces of an economic method whose roots are much older and more scientific.

What is physical economy?

"The true measure of the value of human productive activity is the increase of the economy of labor, through aid of technological progress," as LaRouche defined it in his economics textbook, *So, You Wish to Learn All About Economics?*²

Physical economy began, LaRouche notes there, in the Golden Renaissance, with Gemisthos Plethon of Greece, who presented a report on national economy to Cosimo de Medici in fifteenth-century Florence. Leonardo da Vinci's subsequent work on theory of machine design reflected Plethon's effort to develop a way to multiply the power of each man's labor. Based on this method, economics as a science was established by Gottfried Leibniz in his 1670s studies of the principles of heat-powered machinery and their effects

on increasing productivity of labor. He showed that industrialization requires rising real wages and family living standards to produce an ever-more highly educated workforce.

This Renaissance economic science allowed the total population of the human race—which took 24 centuries, from 1000 B.C. to A.D. 1400, just to double, reaching 400 million—to more than triple, in the five centuries between 1400 and 1900, to 1.5 billion (Figure 2).

Physical economy thus rejects the lie later made famous by Britain's Thomas Malthus (plagiarized from the Venetian slave trade economist Giammaria Ortes) that humans breed like rabbits in a geometric function which has fixed limits, past which the rabbits must die en masse, when their food runs out.

Physical economy instead demonstrates that whenever man has created renaissances in technology, in the power of machinery to multiply the work of every man, this enables such an increased rate of production of physical goods, that humanity is able to supersede any limits imposed by older technologies, and grow at non-linear rates.³

This method became known as the American System, as applied by Alexander Hamilton, first U.S. Treasury secretary, in his 1791 reports on Manufactures, Credit, and a National Bank. These reports demonstrated the right of each *sovereign nation-state* to a sovereign system of credit, manufacturing, and infrastructure technology. Hamilton's *Report on Manufactures* refutes, line by line, the British System of Adam Smith, under which the British Empire refused these rights to colonies and insisted upon the British fleet's right to "free trade."

Hamilton's method industrialized the United States; the works of his student Friedrich List industrialized Germany. Based on Hamilton and List, the economists of the Meiji Restoration industrialized Japan. It was the enormous industrial, scientific, educational, and artistic output of this American System worldwide, which allowed for the very sharp upturn of global population from 700 million in 1800 to 1.5 billion by 1900 (Figure 2).⁴

The fight between the American System of physical economy and the British System of free trade defines all subsequent world history. Communism itself and the works of Karl Marx were nothing but a British attack on the American System, turning the state against the individual citizen. Having funded and helped establish Soviet and Chinese communism, the British used communism as a threat, to demand that all nations turn to free trade as the only alternative.

Lyndon LaRouche has become famous in recent years for insisting that there is a "third way." LaRouche has been the only economist in this century to revive the physical economy of the American System, and to take it further, putting it on a rigorous scientific basis.

LaRouche's method of physical economy ignores, as useless, all paper monetary measures such as Gross National Product and balance of payments, which equate the value of

machinery with the value of marijuana.

To demonstrate which kinds of productive activity create increased technological power of each member of the workforce over nature, this method measures the physical production and infrastructure for transportation of food, energy, water supplies, and useful industrial and household goods. These are measured on a per capita, per household, and per square kilometer of land area-development basis.

No monetary figures whatsoever are used in any way. Instead, the standard of living and productivity of the human being are studied. For example, even using the known fraudulent statistics provided by the Mainland's communist regime, life expectancy in the P.R.C. to this day has not approached that on Taiwan (Figure 3).

'Looking behind the data'

Instead, as LaRouche wrote recently: "The description begins with a simple requirement that the rate of increase of potential population-density be greater than zero. This requires technological progress, which requires increases of production per capita and per square kilometer, and of labor productivity per capita and per household. Those conditions are expressed as improvements in the area used, per square kilometer and per capita, and improvements in the tools and materials of production. . . ."

"The characteristic of the recent 600-odd years of European Renaissance culture is the increase in the rate of urbanization. The reason is the requirement of increasing emphasis upon improvements in land-area use and in tools, and also the cultural requirement of an increase in the physical standard of household consumption and in life expectancies. To accomplish certain productivities, more people must simply be located more closely together—at higher living standards. Such changes imply already an increase in urbanization relative to the percentage of the labor force required for rural occupations.

"Urbanization signifies more; new categories of change emerge lawfully from out of the belly of the old."⁵

Make a cut in time through the process of economic production. to sustain the households of the productive workforce and its skills, and to maintain the industry and agriculture to employ them, there is a social cost of a consumers' "market basket"—so much consumption of food and other consumer goods per household and per area, and of a producers' "market basket"—so much consumption of producers' raw materials and industrial goods per capita and per area.

Call the rate of flow of this cost at the moment before the cut, is called "input," or "energy of the system." The rate of the economy's useful physical output at the moment after the cut, is called "output of the system." The "free energy" of the system is then approximated as that amount by which more output is produced than was needed for input (output—input), as a ratio over input.

$$\text{Free energy} \approx \frac{\text{Output} - \text{input}}{\text{Input}} = \frac{\text{Free energy}}{\text{Energy of system}}$$

A properly growing physical economy must meet these four criteria:

Criterion 1. The workforce's per-capita and per-household consumption must increase in terms of comparative quality and quantity of the contents of its total market basket. Yet, the time required to produce that enhanced market basket must be less than that required to produce the earlier, poorer quality market basket.

Compare, for example, the consumption of electrical energy per household, for the advanced industrial nations of the United States, West Germany, and Japan, with the underdeveloped economies of India, the P.R.C., and Taiwan. We deliberately take data for 1970, when the United States, West Germany, and Japan were at their postwar industrial peak, before the 1971 collapse of the gold standard, the 1974-78 oil shocks, and the 1979 Federal Reserve interest rate shock. The three industrial nations' household consumption was two orders of magnitude higher than that of India and the P.R.C., while Taiwan's was ten times that of the P.R.C. and half that of West Germany. By 1990, Taiwan had surpassed Japan's 1970 level (**Figure 4**).⁶

Criterion 2. Urban physical-productive employment and market baskets' output must increase relatively over rural, up to an asymptotic limit of feasible reduction in percentage of rural.

The industrial nations all had over 70% of their workforce in urban areas, whereas India and the P.R.C. had under 20%. Again, Taiwan was approaching the industrial level in 1970 at 60.5% and surpassed it by 1990 (**Figure 5**).

Criterion 3. Producers' goods market baskets must increase relative to households' goods market baskets, both in percent of the time of the production process devoted to them, and in quality and quantity of per-capita and per-area composition.

For the United States, Japan, and West Germany (**Figure 6**), the productivity of industrial output, even simply in gross tons of industrial goods produced annually per manufacturing worker, is an order of magnitude higher than that of the underdeveloped countries. This is a coarse estimate that at least the quantity of industrial goods which would be available to producers is increasing per capita of industrial workforce and by extension per time required to produce them.

In West Germany and Japan, where the land is the most heavily improved by intensive infrastructure, fertilizer, and other inputs per square kilometer for farming, the productivity of agricultural land (**Figure 7**) far outstrips even that of the United States. The relative cost to the economy of producing food as a consumers' market basket input need is falling even faster, per ton, than the cost of producing industrial goods. On this measure, Taiwan ranks as one of the most productive agricultural areas in the world.

Criterion 4. Thus, the input or "energy of the system," per capita, per household, and per square kilometer, must increase absolutely. In addition, however, the ratio of "free energy" to "energy of the system" must also increase. That is, as the graphs begin to show, it is possible, by using technology, to increase the productivity of each worker and each area of land, to have an economy which requires ever higher producer and consumer inputs, but yet the output of which is so much larger, that the excess of output versus input grows more.

This can only be done within the human mind, through new scientific inventions which are so revolutionary as to *change the matrix* of the entire input-output system, as LaRouche proposed in a recent document on economic modeling:

"Looking at this input-output system, we then change the matrix to be used for future intervals fundamentally, by introducing one or a combination of changes in technology:

"1) Introduce an existing, but presently unused technology.

"2) Develop a new technology, based on a feasible discovery which has not yet been made. Extend the physical requirements for the new technology, and define the output, also in physical terms, as input to the economy.

"The use of 'fundamental' signifies that we are concentrating here only upon technological transformations of the physical-economic process, rather than readjusting the division of labor within the bounds of technologies presently in use.

"Let the matrix corresponding to the state of the economic process prior to the 'fundamental' change be designated by 'A,' and the first matrix to correspond to the state of the economy following that change as 'B.' Both states A and B can be described statistically, and derived statistical values provided for the relative entropy or not-entropy of the transformation which has occurred. *However, relative to any possible formal mathematical schema, the transition between the two states, A and B, is an absolute mathematical discontinuity which cannot be represented with the terms of A and its predecessors.*

"Backwards, however, we can proceed. We can comprehend all states antecedent to B from the vantage-point of B's technology.

"Thus, the statistical study of physical economy is apportioned into two departments: 1) study of past transitions, not trends; and 2) construction of synthetic states based upon the arbitrary introduction of unapplied and unexisting advances in technology. The science of physical economy is a study, not of trends, but of *revolutions* of that sort which cannot be forecast as trends from current and prior states of the economic process."⁷

For example, Taiwan's energy consumption in heat terms (kiloliters of oil equivalent) is over 40% from electricity, of which 37% is generated by nuclear reactors. Compare this,



Masters of the method of physical economy, Alexander Hamilton (left, in an engraving by John F.E. Prud'homme) and Dr. Sun Yat-sen. Hamilton's American System was the basis for the rapid industrialization of the United States. Sun's Principle of People's Livelihood merged Confucian moral teachings with Hamilton's concept of national, government-funded infrastructure and other projects.

over time, to the energy technologies in the P.R.C., only 5% of whose energy consumption is in the form of electricity (Figure 8). The vast change induced into an entire economy by the technological leap from Matrix A—a wood-, coal-, and oil-burning economy such as the P.R.C.—to Matrix B, not only an electrically driven, but a nuclear electrical economy, such as Taiwan's, will shift all the factors of production in an economy.

The change induced by the new technology itself, however, cannot be described using classroom mathematics, it must be emphasized. The physical economic statistics may be arrayed in mathematical ratios and so on, on either side of the change, as Matrix A and Matrix B, but the change itself occurs only in the human mind, in the process of the discovery. To the statistically fixated computer hack, this new creative fundamental scientific invention looks like a nonexistent "hole" in the mathematical world. Yet what goes on within such virtually nonexistent holes in physical-economic time is the basis for all human progress.

"We are concerned to understand better the nature of the relationship between a type of scientific technological discovery, and a type of economic transformation derived from the application of such a species of discovery," wrote LaRouche. "For that reason, good economists would spend

much of their lives like prospectors, digging around in virtually nonexistent holes within the physical-economic space-time fabric.

"We are not seeking a mathematical result. We are seeking something far more important, vastly more useful. We are uncovering the principles which we must master, in aggregate, to define those species of discovery needed to master the new problems now before us. We do mathematical work, and so forth, because we must have an orderly arrangement of the data. Nonetheless, we are not looking into those data; we are looking behind them."⁸

Taiwan: 'out-Japaning' Japan

The Cold War made the postwar "Taiwan economic miracle" and its comparison to Mainland China one of the most-studied subjects in international economics. While none of these studies incorporates the concept of physical economy, Taiwan's economic policy is clear to those who do. Taiwan out-Japaned Japan in dirigistic programs, such as those used by Alexander Hamilton and Friedrich List, for directed credit, production, tariffs, and trade. Taiwan's postwar economic planners were all production men, engineers and physicists. They were also close students of Japan's 1868 Meiji Restoration, whose leaders rejected the British free-trade system and

TABLE 1

Taiwan: land cultivation and population growth

	Cultivated area (km ²)	Total population (millions)	Population density per km ² cultivated area
1895 (start of Japan occupation)	6,000	2.3	383
1945 (end of Japan occupation)	8,600	6.0	698
1960	8,700	10.8	1,241
1990	8,900	20.4	2,292

based themselves entirely upon Alexander Hamilton.⁹

"Taiwan did in 25 years (1950-75) what took Japan 50 years (1870-1920)," is the commonly repeated quote.

Taiwan, 14,000 square miles in area (slightly smaller than Holland), was ceded to Japan by the Ching Dynasty in 1895. Under its imperial plan, Japan had sought Taiwan as a food supplier for Japan, which meant Japan had to upgrade Taiwan's agricultural productivity.

In 1895, Taiwan was an island of subtropical rice paddies planted by sixteenth-century methods, beset by swamps, flooding, plague, cholera, and malaria. It could barely feed its 2 million inhabitants. During the Occupation from 1895 to 1945, "Taiwan's death rate dropped from over 34 deaths per 1,000 persons a year in 1906, to 18.5 deaths per year in 1941," as one 1954 Princeton University study financed by the U.S. State Department complained. Because birth rates remained high, Taiwan's population rose dramatically. "If policies of betterment or exploitation follow this course," the Princeton study concluded, "they must eventually face the consequences of population growth, where it is the last thing that is needed."¹⁰

As China's eminent geographer Dr. Chen Cheng-siang has pointed out, this had everything to do with the improvement of Taiwan's land cultivation (Table 1).¹¹

In 1895, "in addition to plague, cholera, and malaria, which flourished due to the use of human excrement as the sole fertilizer and pools of stagnant water as the sole irrigation methods," the Princeton study reports, "enteric parasites, tuberculosis, venereal disease, etc., were rampant. . . ."

"By direct action and through state-owned companies, Japan enlarged communications facilities into a thorough public network of roads, bridges, railway lines, telegraph and telephone installations, tunnels and mountain trails; constructed harbor equipment to accommodate an ever-growing volume of shipping; expended a tremendous effort if not large sums on sanitation and disease control; relieved much of the uncertainty of weather by large-scale facilities for

irrigation and flood control. . . .

"Rice yields were increased spectacularly through the spread of new strains of seeds," under which yields rose by 30%, from 15 to 22 hectoliters (100 liters) per hectare. "Fertilization was systematically introduced on a large scale, with rotation of crops, and matching of irrigation schedules to the growth cycle. . . ."¹²

Japanese sanitation innovations included strict quarantine, cargo searches, rat extermination programs, construction of sewer systems, construction of urban freshwater piping systems from mountain reservoirs and wells, garbage collection, inspections in markets, butchereries, and other public areas, and draining of swamps through the irrigation canal system.

Universal elementary school education was mandated, as had been the first act of the Meiji Restoration in Japan, to upgrade the agricultural workforce.¹³

As an imperial occupation, however, Japan deliberately did not create industry other than food processing, canning plants, and the power, rail, road, and other infrastructure needed to transport large amounts of agricultural produce to Japan. There was no creation of a native industrial labor force; the 600,000 skilled workers needed to run the trains and power plants were all Japanese. In 1937, Japan did begin a five-year plan to create fertilizer, chemical, textile, steel, oil-refining, shipbuilding, and metals industries, but this was cut off by the war.¹⁴

Dr. Sun's 'Principle of People's Livelihood'

Following their flight to Taiwan, Gen. Chiang Kai-shek and the nationalist Kuomintang party (KMT) embarked on an industrialization effort that far exceeded Tokyo's blueprints. The pullout of the 600,000 Japanese all but removed the island's industrial workforce, but they were replaced by almost a million KMT cadre fleeing the Mainland.

Most important was the KMT's policy on *labor power*. Focused on avoiding the terrible class and regional income disparity of China in the 1920s, which the KMT began to address during the "development decade" of 1927-37, General Chiang and KMT economic planners stressed Dr. Sun Yat-sen's Principle of People's Livelihood. This was a concept of national wealth, in which Confucian moral responsibility for the well-being of the population is realized by means of Alexander Hamilton's principle of government-funded national infrastructure and public projects.

Wrote Chiang: "Almost everyone has the view that our failure in the anti-communist struggle is due to our not carrying out the 'Principle of People's Livelihood' on the Mainland. However, let me ask: During the past four years on the Mainland, did any of our party branches ever carry out land surveys? Did any city party office conduct any labor survey? Did any provincial party office submit any report based on systematic social and economic surveys? The realization of

the Principle of People's Livelihood is through actual practice, not just theoretical discussion."¹⁵

The KMT avoided the policy of "primitive accumulation" (looting) from the peasantry to fund industrialization. The KMT in the 1950s and '60s deliberately promoted rising peasant consumption standards, while in the process of transition to industry. Chiang called for a kind of benevolent Confucian industrialization process:

"Industry and commerce have great impact on agriculture," he wrote in *The Chinese Economic Theory* (1943). "The well-to-do people invest and speculate in land. As a result, land ownership becomes progressively unequal. . . . If we do not try to solve the land question, through work in industry and commerce, and (instead) resort to violence to equalize land ownership, then within a short time, inequality will occur once more. Today, poor peasants kill rich peasants. Tomorrow, will not the poor peasants become rich peasants? This method is opposed to human nature."¹⁶

Contrast this to Mao's program of imposing a 24% rate of accumulation of agricultural surplus to fund industry, in which peasants had to sell rice to the government at under the cost of production, to finance the creation of state industries. Communist China "is probably the only country in modern times to combine, over 20 years (1950-70), a doubling of per capita national income, and constant, or even declining, average food consumption," wrote one observer in the early 1980s.¹⁷

Instead, the KMT introduced extensive land reform, which transformed agriculture and population density on the island, and which had the double benefit of creating an instant industrial sector (Table 1). While the Japanese Occupation doubled Taiwan's population and population per cultivated crop area, the postwar Nationalist program more than tripled the population and the population per cultivated area, which rocketed from 698 to 2,292. The program was modeled on the land-for-industry reform of Japan's first finance minister, Count Shigenobu Okuma, which was itself modeled upon the writings of Alexander Hamilton.

All land under absentee landlords and huge monopoly land holdings was taken, and, along with state lands, was given to landless farmers. The amount of crop that farmers were obliged to pay in rent was reduced and regulated. Under a government purchasing program, parity prices were established high enough to guarantee farmers a working profit.

Then, an entire private industrial sector was created, by dirigist means. In return for their land, big landowners received titles to Taiwan's extensive state-run rail, energy, water supply, cannery, and other infrastructure and agribusiness companies abandoned by the Japanese. "Overnight, we were no longer farmers but became industrialists," as one elderly Taiwanese told *EIR*. "Despite the fact that we knew nothing about railroads, and despite their wartime dilapidation, we simply had to make them work, for our own survival

and for the future of the nation."

An aggressive program was set up to train Taiwanese workers for industrial jobs, along with a major expansion of higher public education. Free secondary school (junior high and high school) education enrollment rates zoomed from 20% of school-aged youth in 1950 to 40% in 1965. Income taxes were made highly progressive.

Taiwan was able to afford this, partly due to the external assistance of U.S. aid from 1950-65 at the rate of \$100 million a year, totaling \$1.5 billion. The U.S. Mutual Security Agency, during a period when U.S. military planners still understood the principle of the Army Corps of Engineers as a force for development, helped to build not only Taiwan's military, but also its infrastructure. As much as 37% of U.S. aid went for non-military infrastructure such as harbors, warehouses, railways, highways, bridges, and power plants.

The P.R.C. also had external aid from the Soviet Union from 1949 until the 1960 Sino-Soviet split. Soviet shipments of ferrous metals in some years equalled in volume 40% of China's ferrous metals output; there were huge shipments of oil, coal, and over 1,000 Soviet industrial advisers were sent. "The volume of economic and technological assistance which crossed from the Soviet Union to the People's Republic of China between 1949-59 is unmatched in history," economist Leo Orleans told U.S. congressional hearings in November 1978. Out of China's total production in 1960, the share of products manufactured at plants built by Russia was: steel 40%, rolling stock 50%, turbines 50%, trucks 80%, and tractors 90%, Orleans said.¹⁸

The question, again, is: What is the *method* by which aid is used? Stalin sold Mao his most obsolete junk, and this aid was not free. The debt to Russia had to be paid by Chinese agricultural exports, adding to the drain on China's rural sector. The Korean War, in which a million Chinese died, created an additional Chinese war debt to the U.S.S.R. for military assistance.

Most significantly, the Soviets did not transfer skills to the Chinese population. In most Chinese industry, no significant technical improvement was made after the withdrawal of Soviet aid in 1960, when the Russians took home all their blueprints. "The industrial technology of our country in general is equivalent to the technology of the advanced countries in the 1950s or early 1960s," wrote two Mainland economists in 1982.¹⁹

The power of population density

The method of industrialization used on Taiwan has led to one of the highest concentrations of economic power in the world. During the past 40 years, this could also have been done in Mainland China, the greater size of the Mainland notwithstanding. The key was Taiwan's increase of its *relative potential population density*, which Lyndon LaRouche

TABLE 2

Initial physical economy indicators for 1970

Country	1970					Taiwan	
	U.S.	Germany	India	Japan	P.R.C.	1970	1990
Population per km ²	22	245	170	279	85	408	571
1,000s kwh consumed per capita	3.7	2.1	0.06	2.5	0.12	0.94	4.3
Urban population as percent of total population	73.6%	81.3%	19.8%	71.2%	17.4%	60.5%	75.0%
Manufacturing work force as percent of total workforce	14%	23%	12.5%	30%	8.2%	20.9%	32%
Agricultural work force as percent of total workforce	4.1%	7.5%	74.9%	16.5%	80.8%	36.7%	12.9%
Tons of food produced per capita	2.9	2.6	0.8	0.8	0.3	0.7	0.5
Life expectancy at birth	71.3	70.6	48.4	73.3	59.1	69.1	74.1
People per doctor	636	575	4,870	887	3,800*	2,266	913
People per hospital bed	130	90	1,653	105	760*	602	228
Pupils per teacher	21.2	19.2	36.5	21.9	37.6	25.4	21.1

* Includes barefoot doctors with substandard facilities.

has described as follows.

At any given, fixed level of infrastructural and agricultural technology, there is a limit on the density of population maintainable per average area of land. This *potential population density* depends for each area of land upon rainfall, quality of soil, etc. Even at today's low technologies, China's fertile central plain can sustain 500 people per square kilometer, but the mountains of Tibet can sustain fewer than 10 persons per square kilometer. Normalizing the local natural factors to a standard average of a nation's land as a whole defines the *relative potential population density* of a given land area at a given level of technology.²⁰

Because Taiwan's technological level, however, especially due to the island's concentrated buildup of infrastructure, has been not fixed, but is rising, Taiwan's *relative potential population density* has been rising virtually without limit. Indeed, it is *this very ability to sustain rising population density which has allowed an even faster rate of economic growth*.

The groundbreaking 1992 *EIR* study "Infrastructure and Economic Development" found a deep correlation between industrial success, infrastructure, and a high relative potential population density. **Table 2** here is adopted from that study of the United States, West Germany, Japan, India, and Mainland China, and to it we have added Taiwan.²¹

In the initial or basic physical economic indicators in **Table 2**, differences between the United States, West Germany, and Japan at the height of their powers in 1970, and India and China, are clear. West Germany's consumption of 2,100

kilowatt-hours (kwh) per capita is 35 times that of India and 161 times that of China. Japanese and U.S. electricity consumption per capita is even higher.

In 1970, Taiwan is at almost half the industrial standard of electricity consumption; in 1990, Taiwan has far surpassed American levels.

Figure 9 compares Taiwan's electricity consumption to that of Mainland China, which by 1991 had reached only half of Taiwan's 1970 level; it is barely on the same map. This was not exactly what one would call an "economic miracle."

Note that here, as with all figures available to *EIR* on the People's Republic, we are using official figures, which are known to exaggerate economic output.

The central problem is that China's enormous economy is still run on pre-twentieth-century technologies. Over 74% of China's energy consumption in heat terms (tons of coal equivalent) in 1985 came from burning coal, an eighteenth-century technology. Out of China's total final consumption of energy of 680 million tons of coal-equivalent, 504 million tons was consumed in the form of coal, 141 million tons in oil and gas (20.7%), and only 34.6 tons of coal-equivalent, or 5%, was consumed in the form of electricity, largely from coal-burning power plants. As recently as 1993, only a tiny 0.1% of electricity in China was produced by nuclear power. (As mentioned above, 40% of Taiwan's energy is consumed as electricity, of which 37% is nuclear generated.)²²

In 1985, China's dilapidated rail system transported 1,356 million tons of total freight—over 40% of which was

(continued on page 35)

FIGURE 1
Population density is higher in Taiwan
 (people per km²)

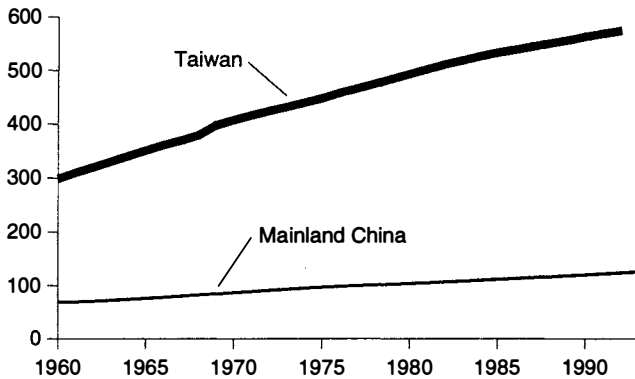


FIGURE 2
Renaissances cause population growth
 (billions world population)

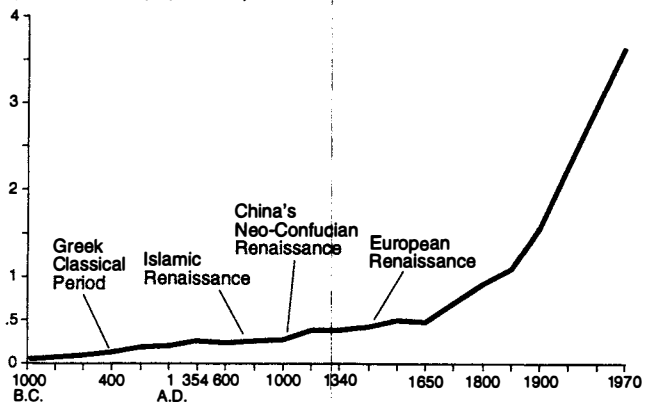


FIGURE 3
Life expectancy at birth improves in China
 (years)

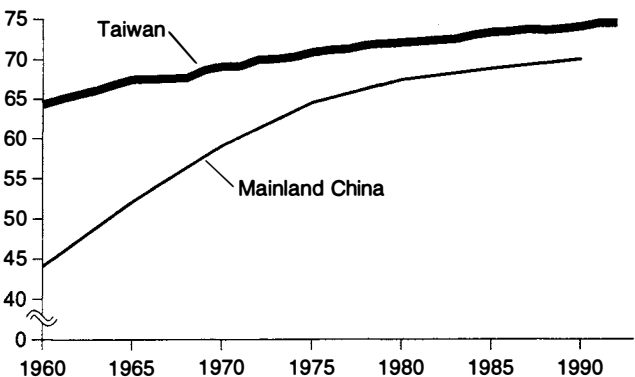


FIGURE 4
Electricity used per household, 1970
 (thousands of kilowatt-hours)

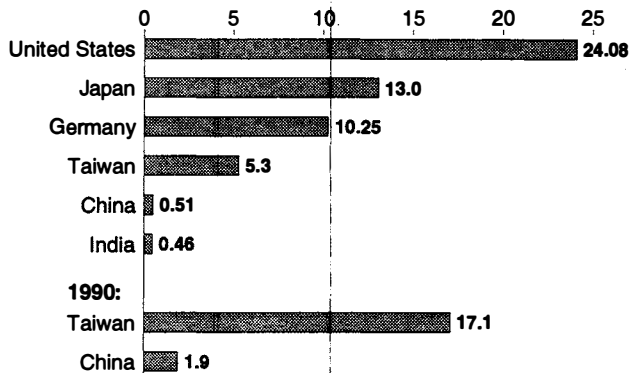


FIGURE 5
Urban population, 1970
 (percent of total population)

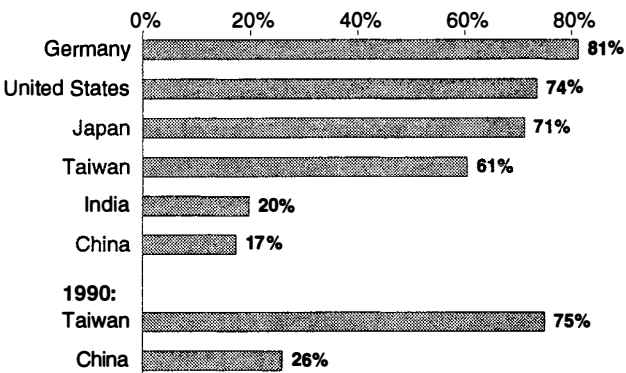


FIGURE 6
Industrial output, 1970
 (tons per worker)

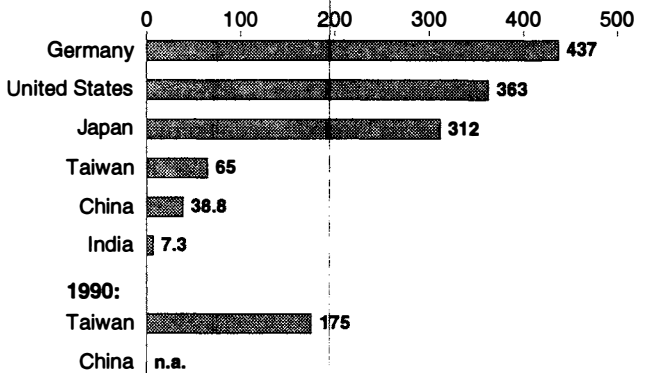


FIGURE 7
Food produced per km² crop area, 1970
 (tons)

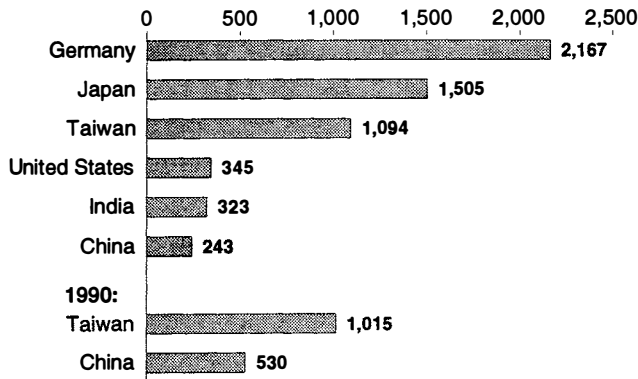


FIGURE 8
High level of electricity consumption in Taiwan
 (thousands of kilowatt-hours per household)

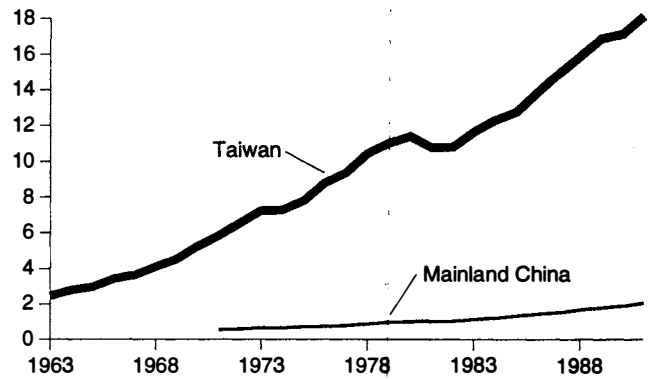


FIGURE 9
Per capita electricity consumption
 (thousands of kilowatt-hours)

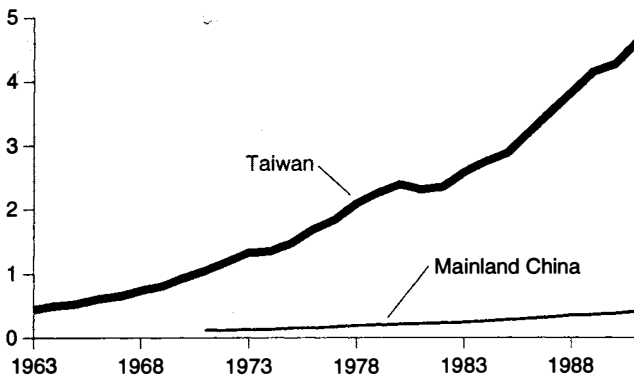


FIGURE 10
Urban population as percent of total
 (percent living in urban areas 100,000 and larger)

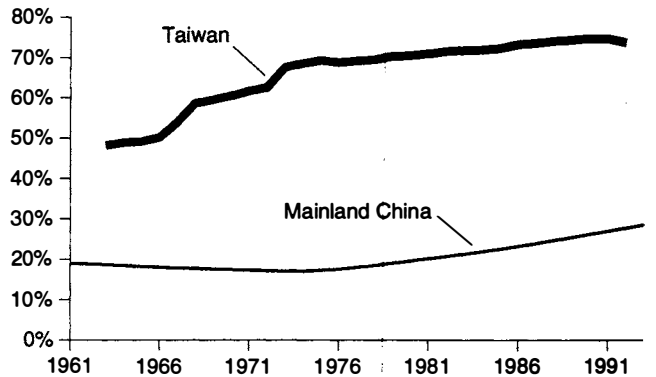


FIGURE 11
Manufacturing workforce
 (percent of total workforce)

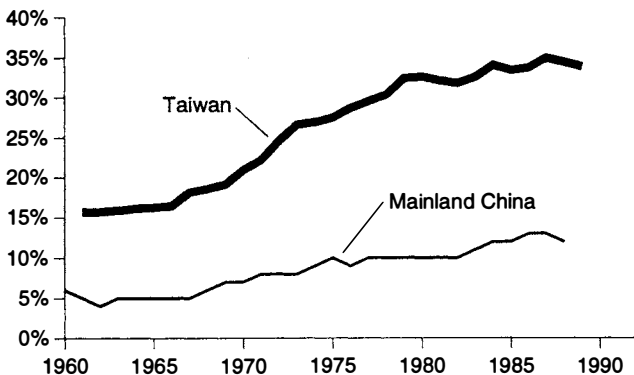


FIGURE 12
Agricultural workforce
 (percent of total workforce)

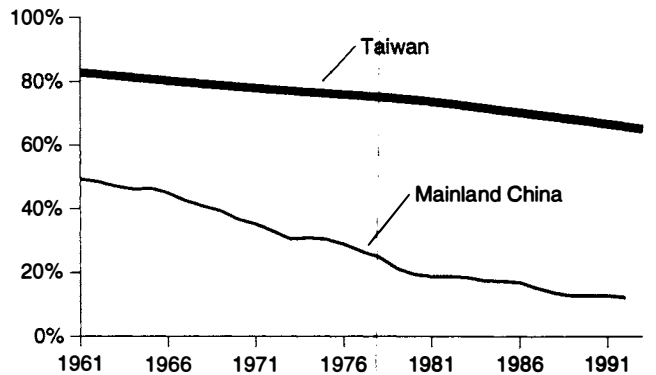


FIGURE 13
Taiwan's agricultural and manufacturing workforce
 (percent of total workforce)

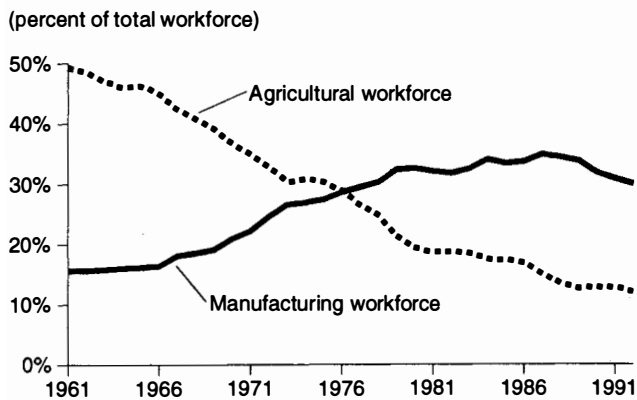


FIGURE 14
Mainland China's growing 'other' workforce
 (percent of total workforce)

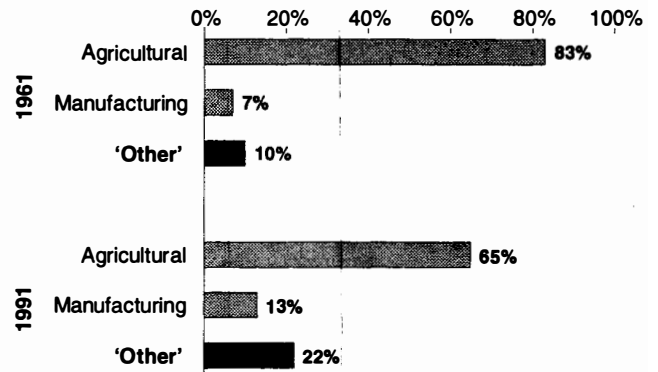


FIGURE 15
Taiwan's manufacturing workforce
 (percent of total workforce)

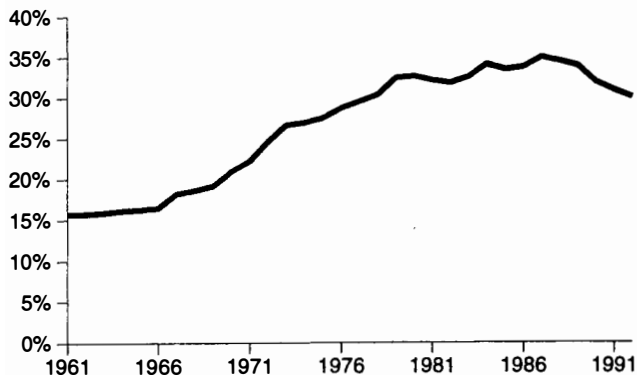


FIGURE 16
Taiwan's financial-commercial workforce
 (percent of total workforce)

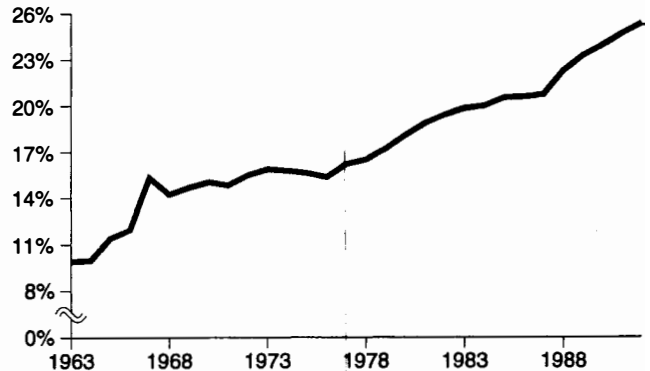


FIGURE 17
Structure of Taiwan's workforce
 (percent of total workforce)

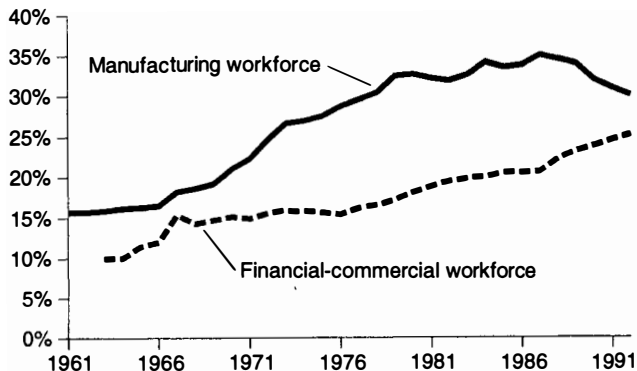


FIGURE 18
Convergence in per capita food production
 (metric tons per 1,000 population)

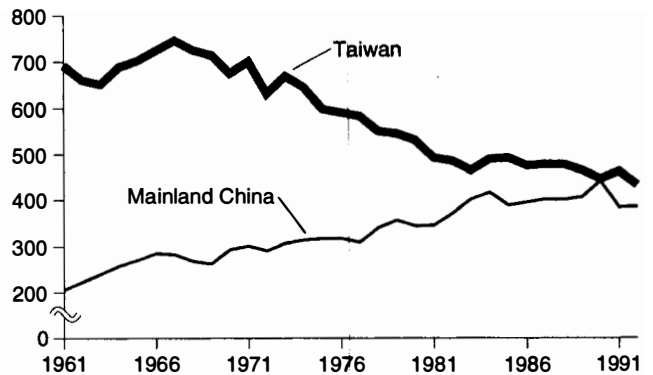


FIGURE 19
Taiwan's food productivity keeps rising
 (metric tons produced per agricultural worker)

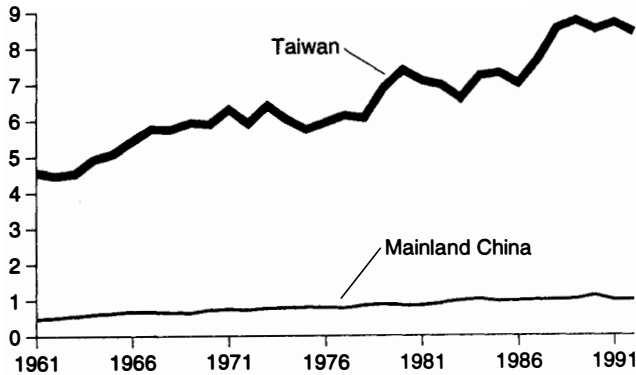


FIGURE 20
Grain consumption stagnates in China
 (metric tons consumed per 1,000 population)

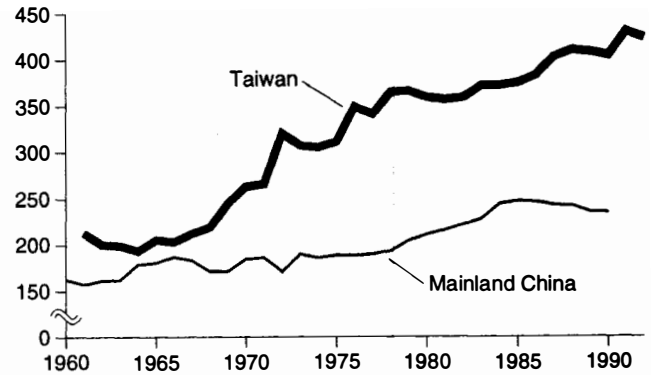


FIGURE 21
Taiwan: people per medical doctor
 (number of people)

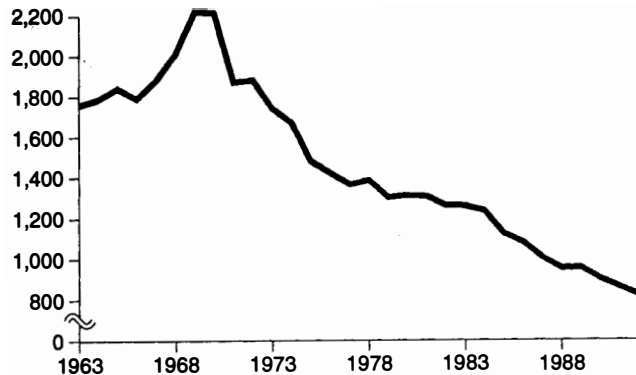


FIGURE 22
Taiwan: people per hospital bed
 (number of people)

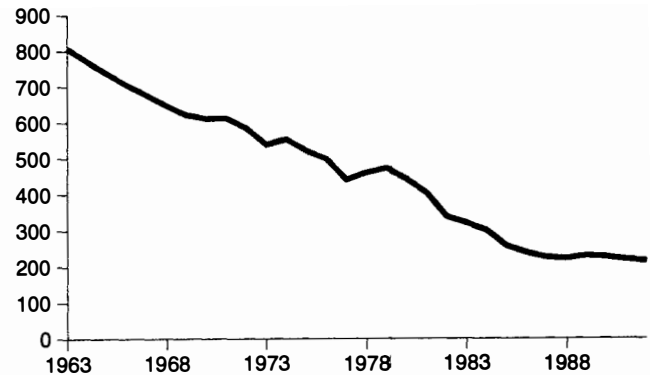


FIGURE 23
Taiwan: student-teacher ratios
 (average number of students per teacher)

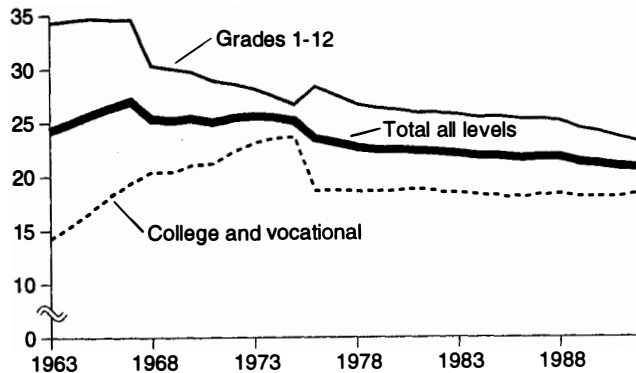


FIGURE 24
Taiwan: school enrollment
 (total enrollment as percentage of school-age youth)

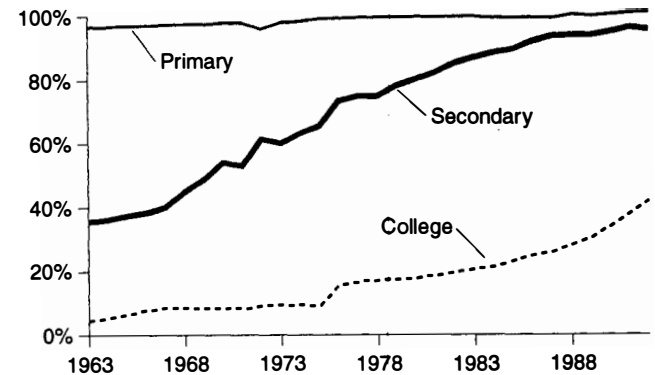
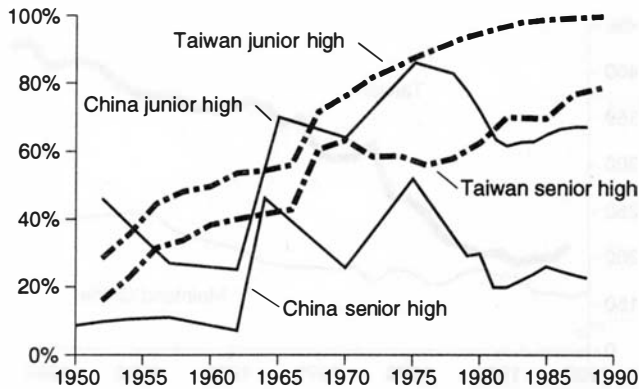


FIGURE 25

Student enrollment rates

(percent of students who could enroll)



Source: "Guidance to Modern Chinese Study," by Reiitsu Kojima (Iwanami Publishing Co., 1990, p. 376).

FIGURE 27

Lifetimes per square kilometer

(as of 1970)

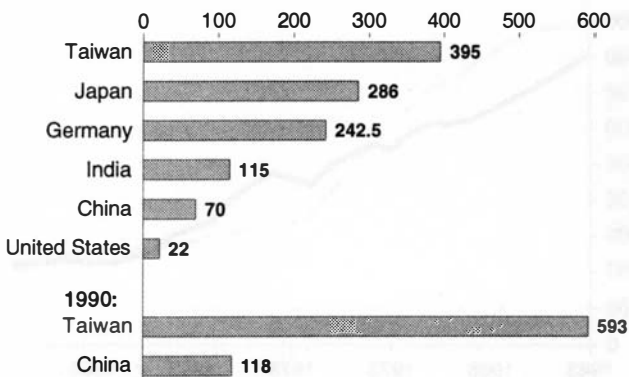


FIGURE 28

Lifetimes per km² in Taiwan and Mainland China

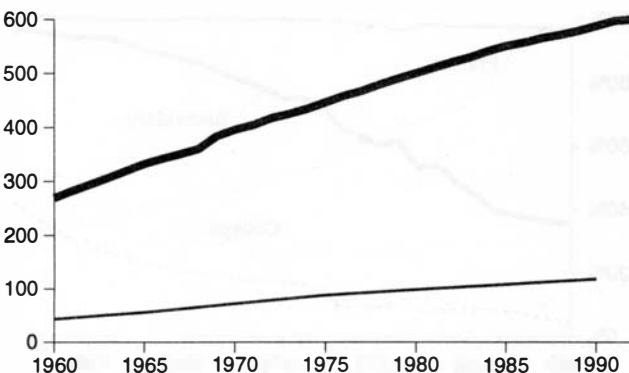


FIGURE 26

Taiwan employed persons, by education level

(millions)

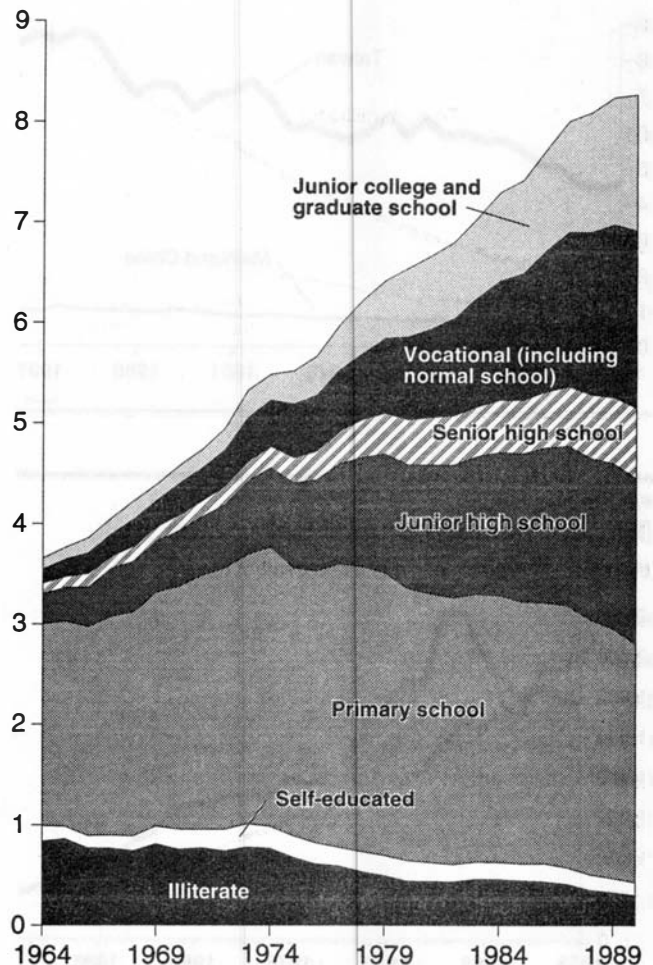


FIGURE 29

Lifetimes versus population density

(lifetimes, or population, per km²)

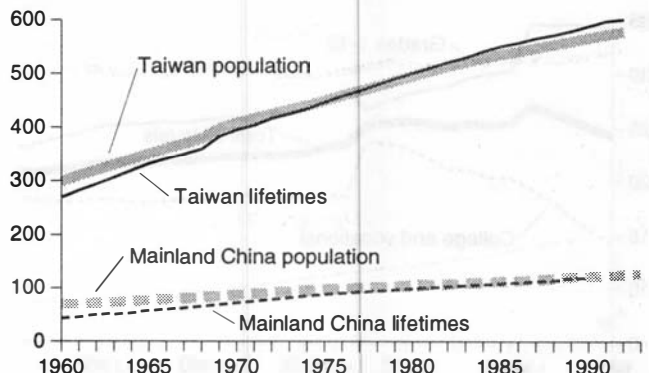


FIGURE 30
Rapid growth in Taiwan's households
 (millions, or hundreds of millions)

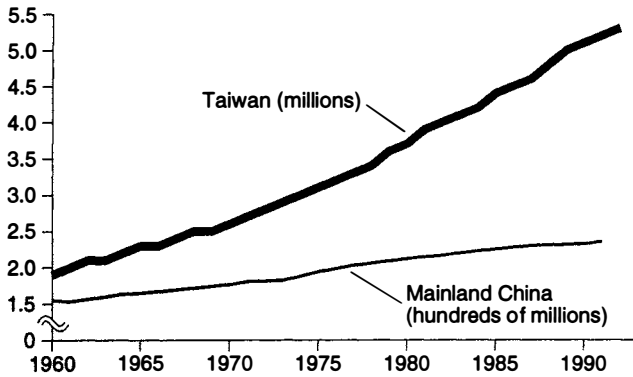


FIGURE 31
Average number of persons per household in Taiwan and Mainland China

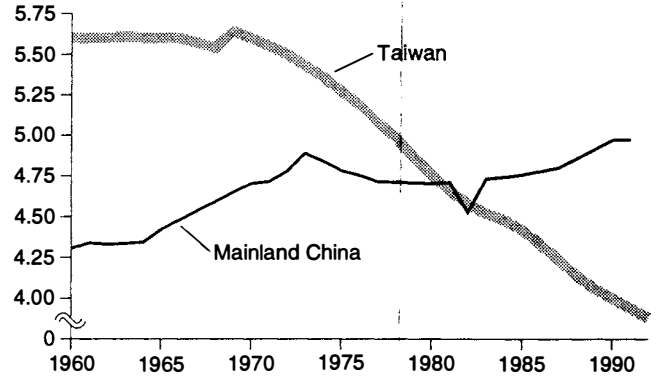


FIGURE 32
Taiwan's reproductive rate drops sharply
 (gross reproductive rate minus infant deaths)

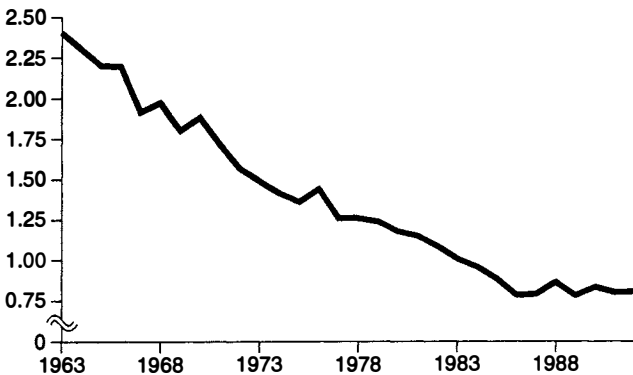


FIGURE 33
Mainland China's reproductive rate
 (gross reproductive rate minus infant deaths)

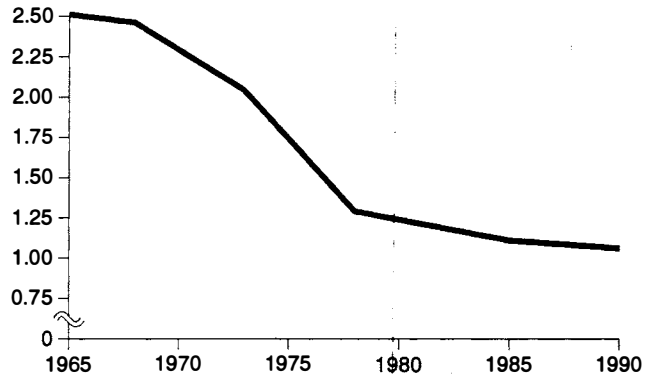


FIGURE 34
Used area per 1,000 households
 (km²)

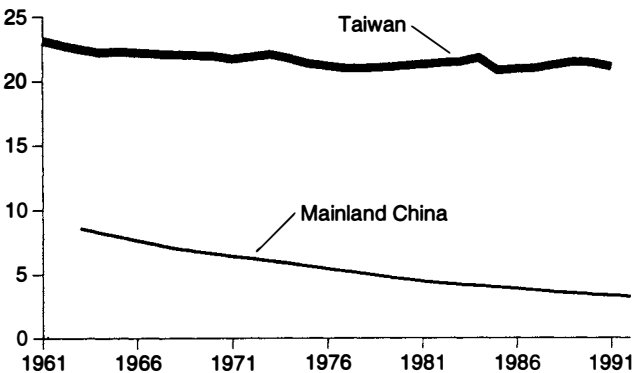


FIGURE 35
Urban area per 1,000 households
 (km²)

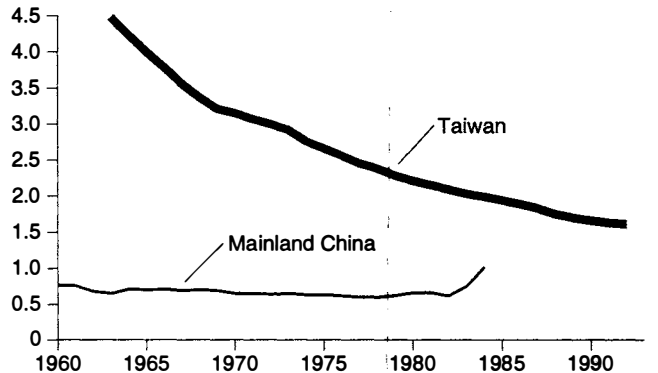


FIGURE 36

Electricity used per km² of used area, 1970
(thousands of kilowatt-hours)

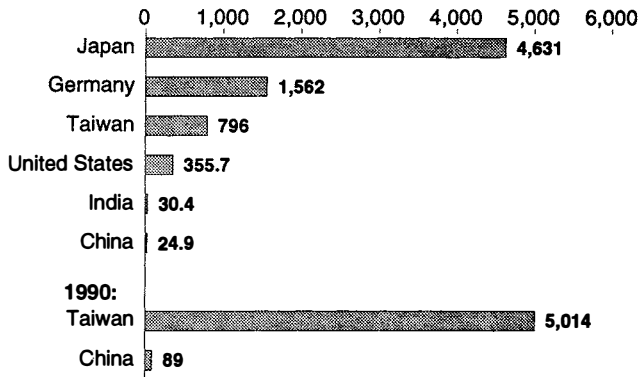


FIGURE 37

Electricity consumed per km² used area, 1970
(millions of kilowatt-hours)

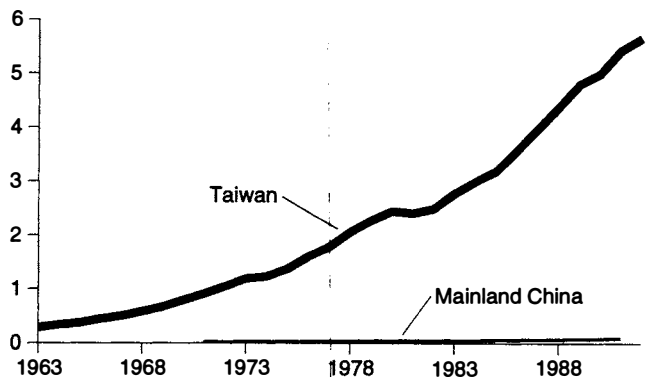


FIGURE 38

Total food production yields
(metric tons per km² crop area)

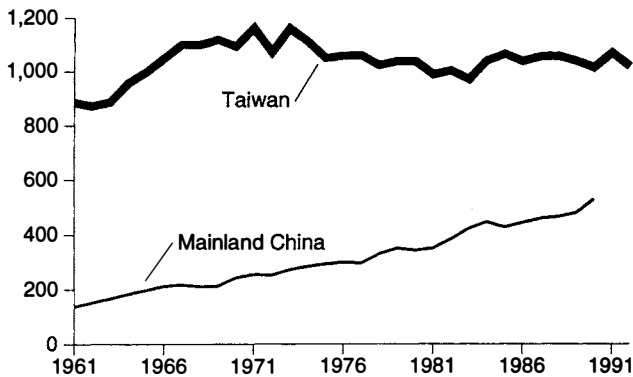


FIGURE 39

Total grain production yields
(metric tons per km² grain-growing crop area)

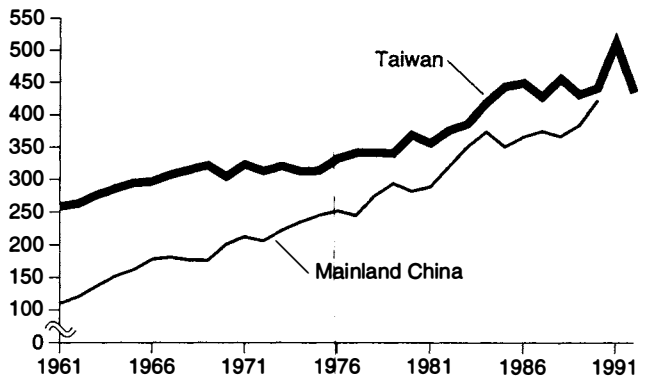


FIGURE 40

Total grain production per agricultural worker
(metric tons)

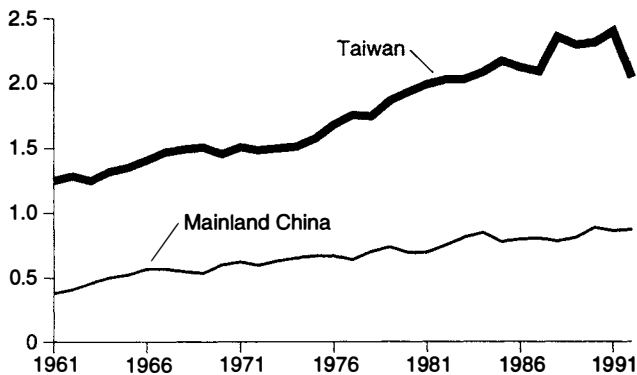


FIGURE 41

Rice production yields
(metric tons per km² paddy area)

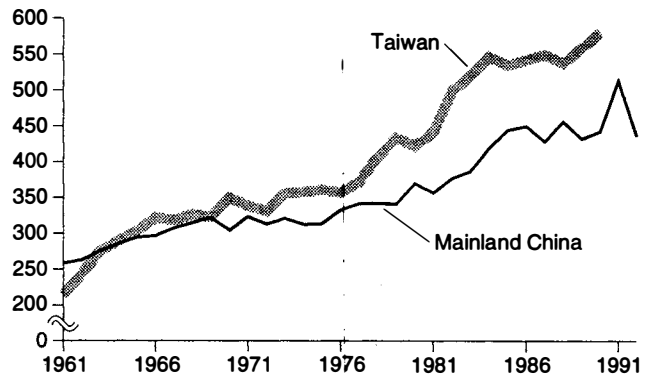


FIGURE 42
Rice production per agricultural worker
 (metric tons)

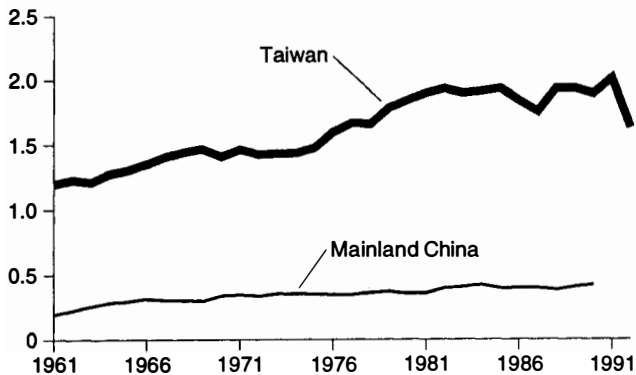


FIGURE 43
Meat production per km² crop area
 (metric tons)

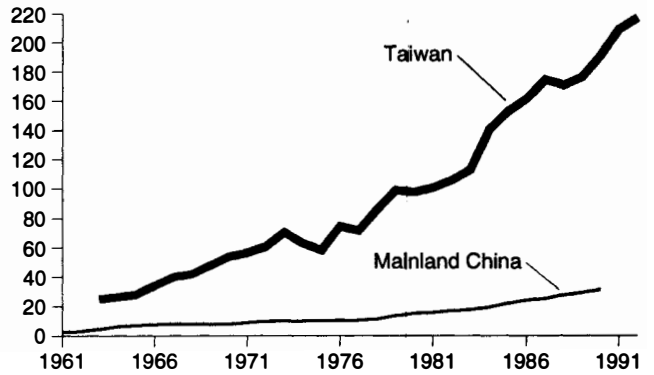


FIGURE 44
Meat production per agricultural worker
 (metric tons)

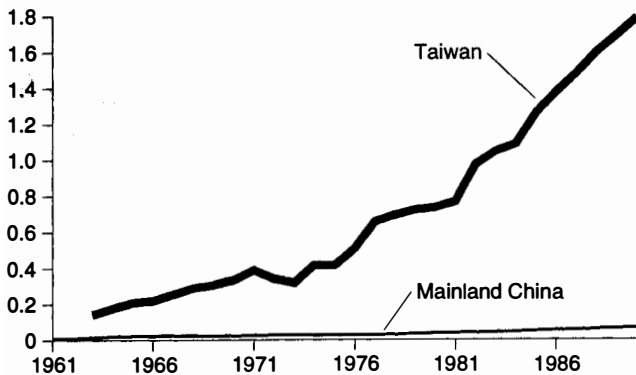


FIGURE 45
Meat consumption
 (metric tons consumed per 1,000 population)

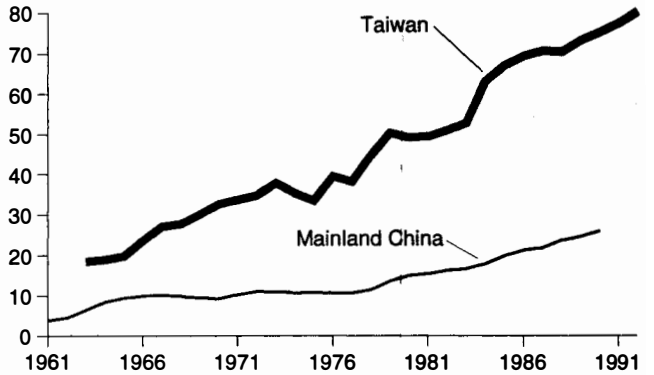


FIGURE 46
Taiwan: rice versus meat consumption
 (tons consumed per 1,000 population)

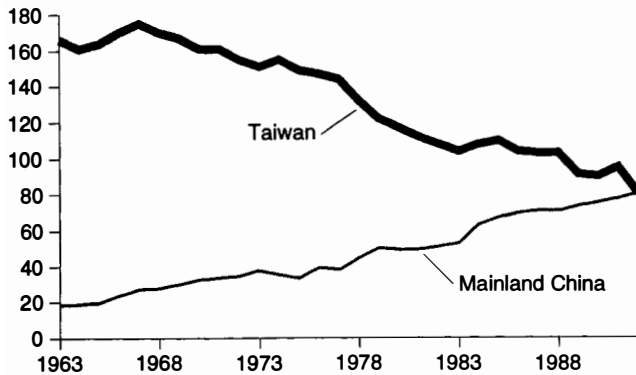


FIGURE 47
Taiwan: water withdrawn as percent of total water available

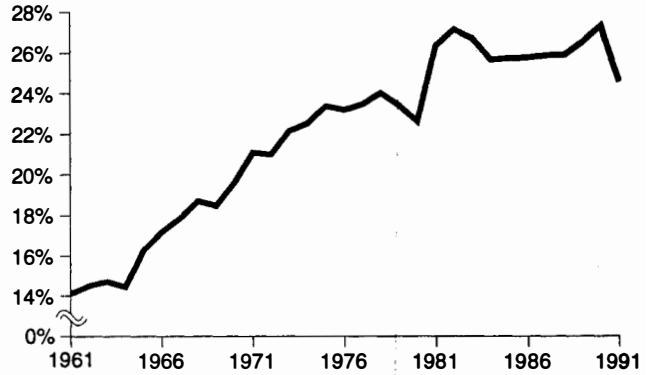


FIGURE 48

Per capita domestic water use in Taiwan

(m³ used per person)

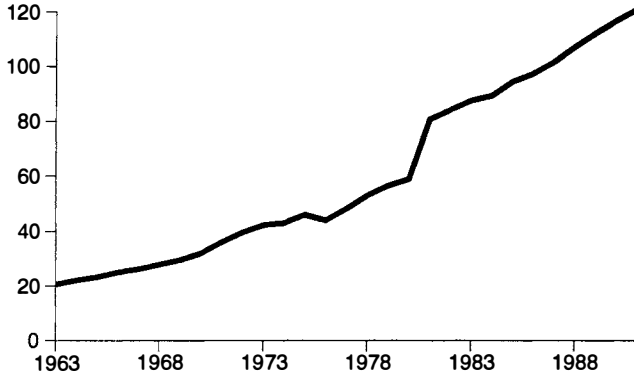


FIGURE 49

Taiwan: total water use per used area

(million m³ per km²)

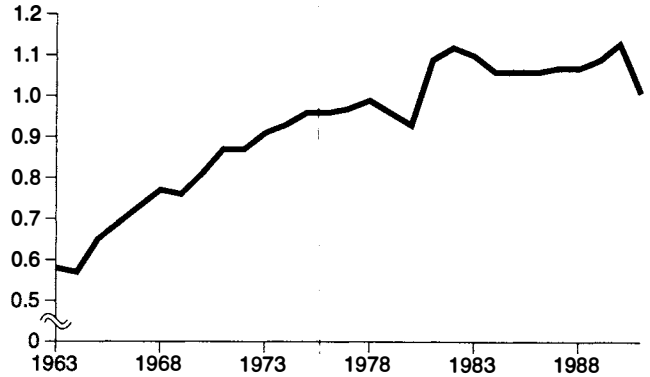


FIGURE 50

Taiwan: intensity of agricultural water use

(million m³ used per km² cultivated land)

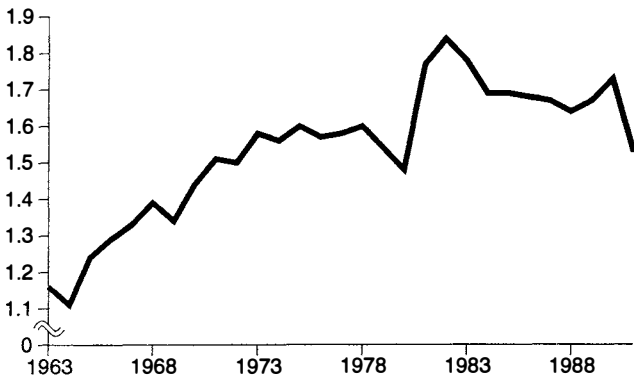


FIGURE 51

Taiwan: farm families' agricultural water use

(million m³ used per 1,000 farm families)

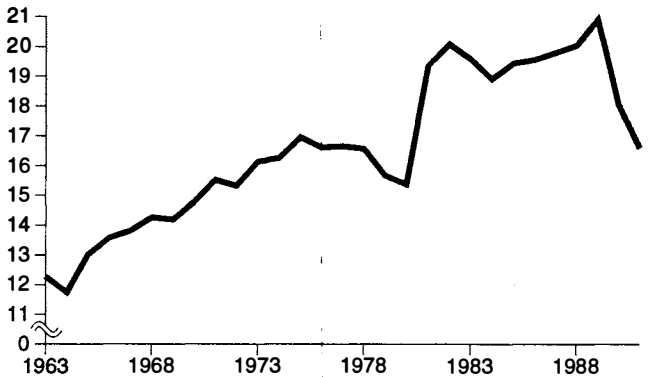


FIGURE 52

Taiwan: agricultural water use per farm laborer

(thousand m³ used per farm laborer)

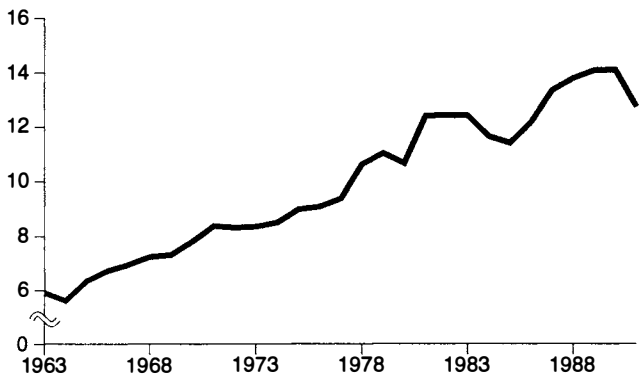


FIGURE 53

Taiwan: water use per 1,000 households

(million m³)

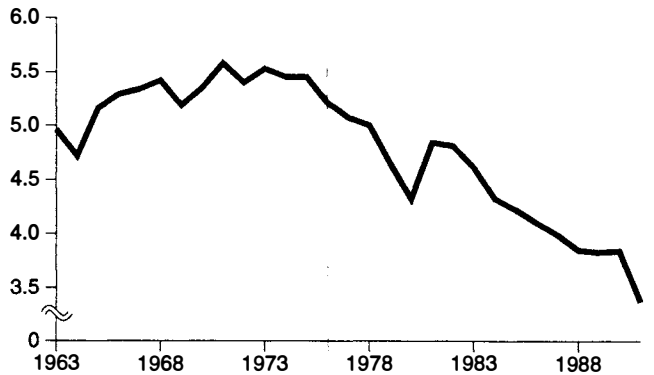


FIGURE 54

Taiwan: domestic water use (withdrawn)

(thousand m³)

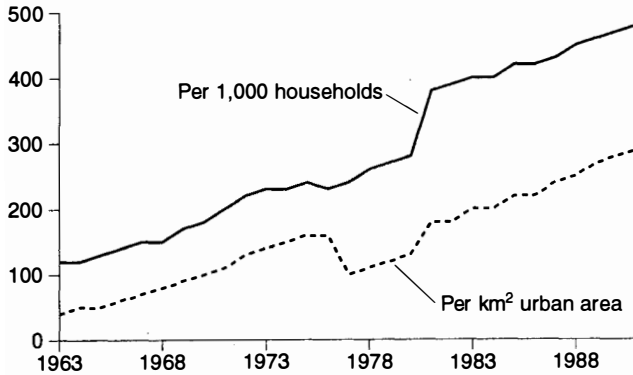


FIGURE 55

Taiwan: industrial water use per capita

(m³ per person)

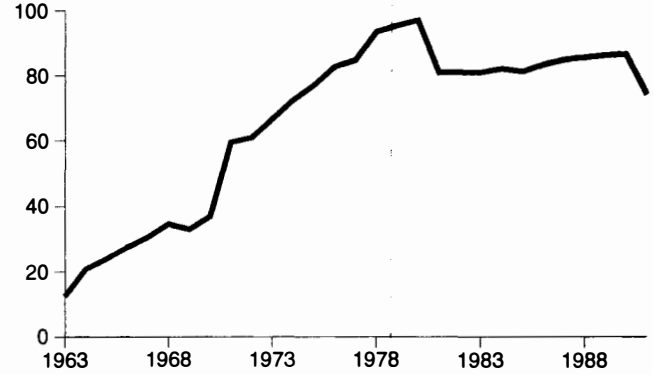


FIGURE 56

Taiwan: industrial water use (withdrawn)

(thousand m³)

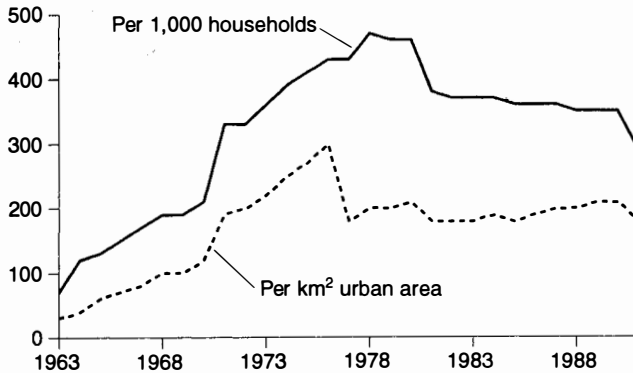


FIGURE 57

Taiwan: total freight per household

(metric tons)

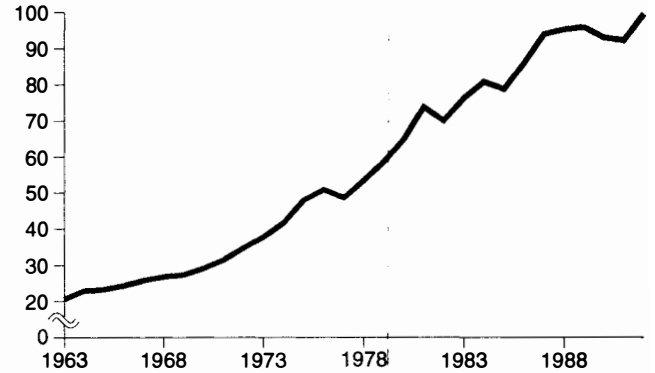


FIGURE 58

Taiwan: gross industrial output of manufactured goods

(million metric tons)

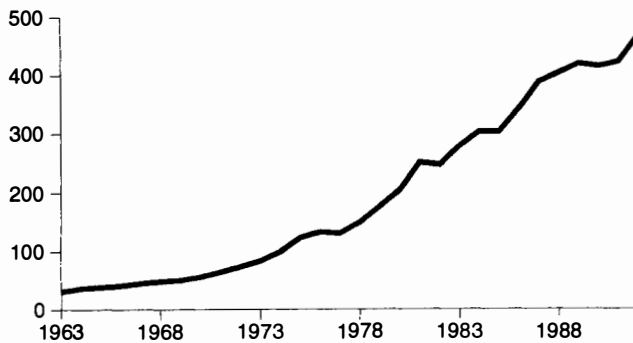


FIGURE 59

Taiwan: industrial output per 1,000 workforce

(metric tons)

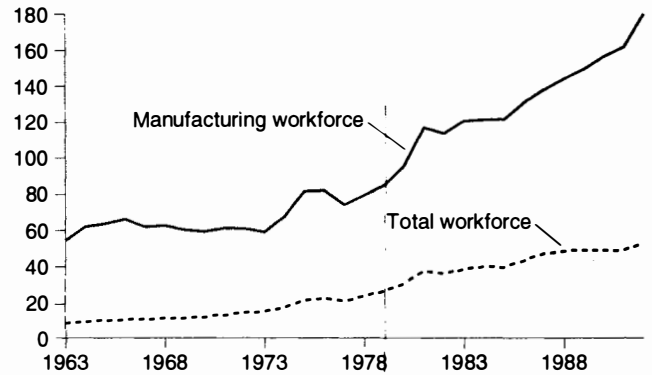


FIGURE 60

Cement produced per manufacturing worker
(metric tons)

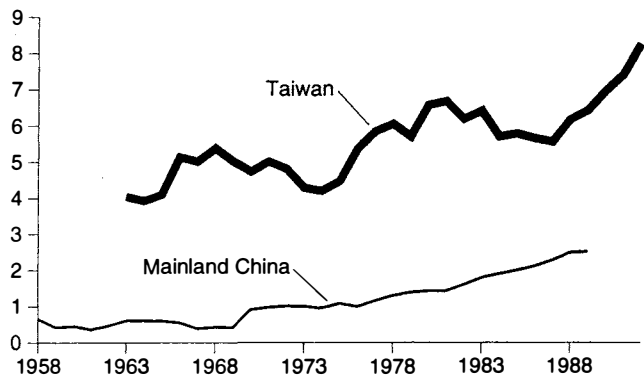


FIGURE 61

Taiwan: cement produced per household
(metric tons)

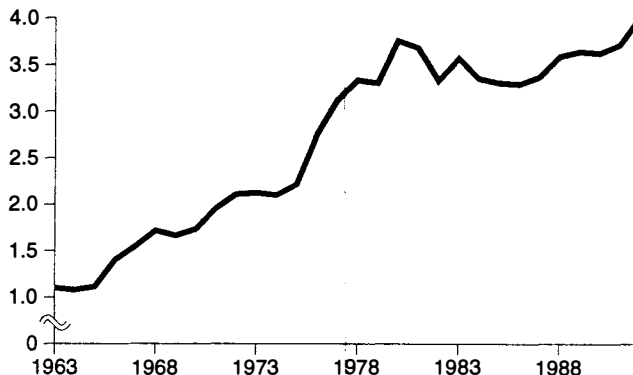


FIGURE 62

Steel production per manufacturing workforce
(metric tons per 1,000 manufacturing workers)

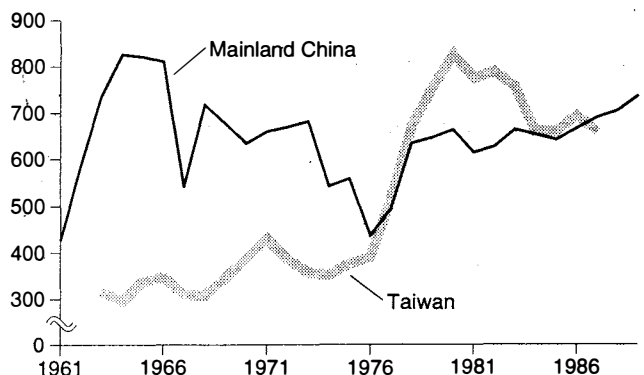


FIGURE 63

Taiwan: per-household crude steel production
(metric tons per 1,000 households)

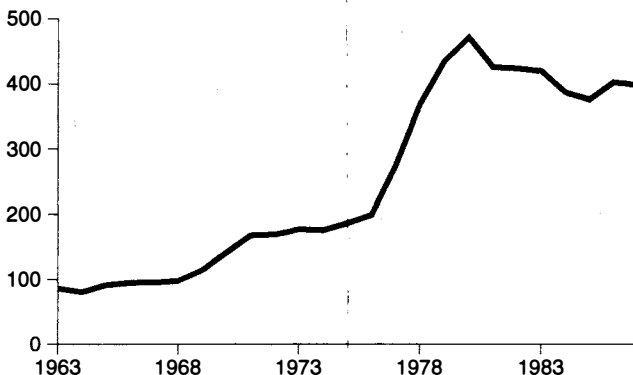


FIGURE 64

Fertilizers produced per 1,000 manufacturing workforce
(metric tons)

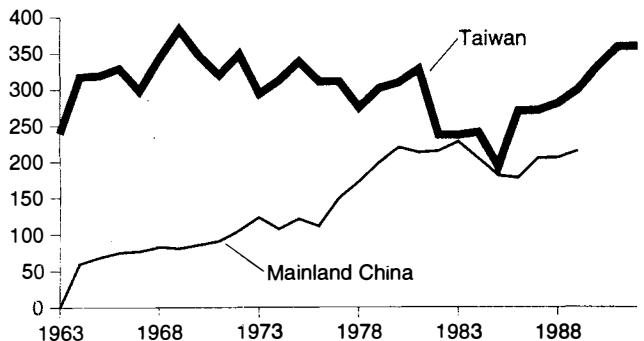


FIGURE 65

Taiwan: per-household fertilizer production
(metric tons per 1,000 households)

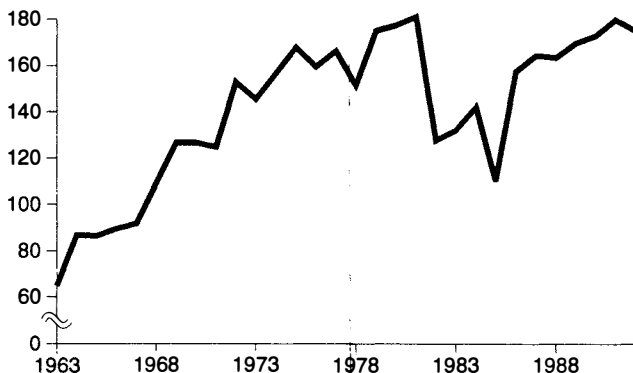


FIGURE 66

Tire production

(pieces per 1,000 manufacturing workforce)

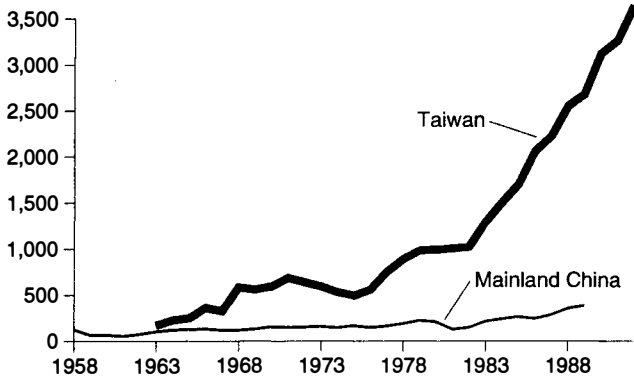
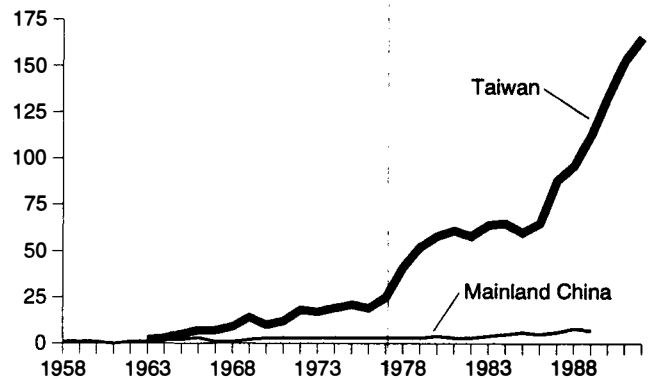


FIGURE 67

Motor vehicle production

(units per 1,000 manufacturing workforce)



(continued from page 23)

simply shipping around the coal, oil, and gas necessary to run the rest of the economy.

“Without a crash program for nuclear power generation, there is no solution for China,” as LaRouche’s “Emergency Plan for China for the Next 100 Years” notes. “The present official policy, massive expansion of conventional uses of coal, would constitute national suicide if continued into the medium term. . . . The problem is, that the power density of coal (and other fossil fuel technology) imposes such a low level of productivity that the Chinese economy will collapse. . . .

“Per unit of thermal (or electric) power generated, a modern nuclear power plant requires approximately 60,000 times less fuel by weight than a power plant using coal, oil, or gas. . . . A coal power station producing 1,000 megawatts of electric power consumes 3 million tons of coal per year (about 38,000 railroad cars) whereas a nuclear plant generating the same power requires merely 50 tons of uranium.”

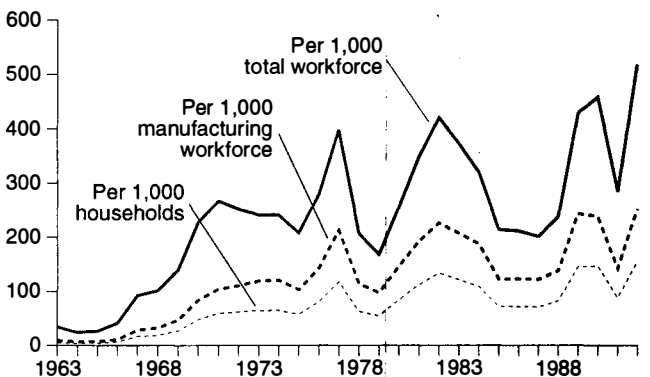
Returning to Table 2, note that the industrial nations can support as an urban population, a much higher percentage of citizens (71-81%). As Figure 10 shows, Taiwan surpassed this level by 1973, while the P.R.C. is still more than 70% rural.

The shocking fall in urbanization rates in the P.R.C. during the 1960s and '70s in Figure 10 shows the effects of Mao’s Cultural Revolution. As a “solution” to urban unemployment, from 1965 until 1977, almost all graduating classes of secondary school (junior and senior high school) students, who would otherwise enter the labor force, were sent from the cities to remote rural areas to work on farms and be “re-educated” by the peasants. Under his “Third Front” policy, Mao also sent manufacturing workers and their families from major urban centers to remote rural areas or smaller cities, dismantling some machinery from their plants and

FIGURE 68

Taiwan: merchant vessel production

(deadweight tons)



moving it with them. Soldiers demobilized out of urban units were also sent to work on farms to avoid urban unemployment.

LaRouche’s “Emergency Plan for China” seeks to finally fully reverse this legacy and calls for 1,000 new cities to be built on the Mainland.²³

At least in West Germany and Japan, as Table 2 shows, with urbanization goes a higher percentage of the workforce (23% and 30%) employed in manufacturing, compared to West Germany and Japan’s agricultural workforce (7.5% and 16.5%). India and China are the opposite, with 74.9% and 80.8% of their workforce in agriculture. The United States is already declining into a “post-industrial” service society; with only 14% of workers in industry and 4.1% in agriculture, the rest have become economic overhead.

Compared to Table 2, Figure 11 shows that Taiwan’s

workforce has surpassed the United States in manufacturing force to total workforce, while the P.R.C. had not reached Taiwan's 1960 level. Compare this with the agricultural workforces in **Figure 12**. Because Taiwanese are able to be employed at a high rate in manufacturing, they are able to leave the agriculture sector at a high rate.

Figure 13 is the result. As noted above, in LaRouche's "Criterion 2" for a successful physical economy: "Urban physical-productive employment and market baskets output must increase relatively over rural, up to an asymptotic limit of feasible reduction in percentile of rural."

Not only is Mainland China at the opposite end of these scales, heavily dependent on a peasant economy, but the *rate of change* is almost flat compared to that in Taiwan in Figures 11 and 12.

More disturbing is **Figure 14**. Mainland China's workforce, according again to the official Beijing figures in Figures 11 and 12, has shifted from 83% agriculture and 7% manufacturing in 1961 (leaving 10% in "other" categories), to 65% in agriculture and 13% in manufacturing in 1991. That leaves 22% of the workforce in "other" categories. Did they all become stockbrokers? The purpose of getting peasants off the land is not to clear the land; it is primarily to employ them in industry.

What we see here is a very large disguised unemployment. Whether they have gone into the service sector or become homeless day laborers, clearly there are a great many displaced peasants whom Beijing has not been able to put into stable manufacturing jobs. Twenty-two percent of China's 463 million workforce is 102 million people, in official figures! No wonder that some economists estimate the "blind flow" of unemployed Chinese at up to 200 million.

Also quite disturbing about Taiwan's manufacturing workforce percentage as a percent of total workers is the very recent downturn (**Figure 15**). It began just after the 1987 financial deregulation in Taiwan which, done at the behest of London and Wall Street, will give Taiwan the same post-industrial financial AIDS which the United States has now, if allowed to continue. Upon examination, sure enough, Taiwan's "financial and commercial" workforce as a percent of the total began to rise that same year (**Figure 16**).

If this London-New York style of employment pattern is allowed to continue, under pressure from the international banking community to deregulate, Taiwan's economic miracle will be destroyed (**Figure 17**).

Table 2 also shows one good reason why the industrial economies, overall, can support urbanization: Food for the cities is produced on top of what the agricultural population consumes. Only a rising agricultural productivity (see values for "tons food produced per capita") would allow urbanization, which is what the figures for the United States, for example, show. The U.S. agricultural labor force as a percent of total workforce is one-eighteenth the size of India's and

one-twentieth of China's, but in tons of food per capita, the United States produces 3.6 and 9.7 times more, respectively. The problem is not that American agricultural employment is low; in 1970 (unlike today), America was still feeding itself, and farm employment needed to be no higher than it was then.

The problem is that the United States since 1970 has implemented the crackpot theory of the "post-industrial society," in which the non-farm workforce has gone into overhead service jobs, not into manufacturing.

Taiwan's gross agricultural productivity of tons of food per capita (**Figure 18**) reached its postwar height in 1969, after the Nationalists had made every possible agricultural improvement *at prevailing 1960s levels of technology*, and even raised area under cultivation from 8,600 square kilometers at the end of the Japanese Occupation to a temporary high of 9,100 square kilometers.

Since 1970, Taiwan's planners decided to move so rapidly to a twenty-first-century industrial economy, that they made an error in agricultural policy: a strategic decision to abandon 100% food self-sufficiency. Land, as well as labor, was shifted into manufacturing at increasing rates. Food production per capita in **Figure 18** dropped, because gross tonnage of food production was allowed to remain constant at about 9 million tons a year, while the island's population zoomed from 14.7 million to 20.7 million. There is a certain progress here, in that Taiwan has shifted from tons of rice production to higher-nutrition per ton production of meat, processed food, and vegetables. Less than half of Taiwan's cultivated land is now rice paddies. The policy, however, is wrong.

Beijing's figures in **Figure 18** claim that the P.R.C. finally reached Taiwan's rapidly declining levels of food production per capita by June 1989. It must also be underlined that *food production figures* such as these, which are highly political in China, are some of the most inflated of official Beijing statistics.

According to the Beijing figures used in **Figure 18**, China's total food production more than doubled from 196 million tons in 1965 to 456 million in 1992. Anywhere from 10 to 30% of these tonnage figures, however, may be inflated by the inclusion of grain husks, stems, and leaves, in addition to other inedible parts of the potato and other plants, according to Indian agronomists interviewed by *EIR* who have traveled extensively in China.

The picture is clarified somewhat by comparing productivity of the agricultural workforces in **Figure 19**. Clearly Taiwan's agricultural workers continue to progress in what each is able to produce, and sharply outperform those in China, although the absolute number of them has fallen by 30% since 1970. This is a product of Taiwan's superior water and other infrastructure (see below).

Figure 20 shows that Taiwan's consumption of grains continues to grow, while even using official figures, con-



Fifteen thousand Taiwan farmers demonstrate in Taipei against free-trade looting by the General Agreement on Tariffs and Trade, May 1993. Many Taiwanese leaders today have succumbed to the British disease, and the nation will pay the price if this policy is not rapidly reversed.

sumption in the P.R.C. is not impressive. Large amounts of Taiwan's gross grain consumption in Figure 20, perhaps 20%, are actually consumed by animals as feed grains, so that this figure also represents Taiwan's highly industrialized standards for meat consumption. Percentage of grain fed to livestock in China is so small that Beijing does not even report it; it would not appear in the scale of Figure 20.

Grain consumption reflects the dislocations of the P.R.C.'s Cultural Revolution. The flat consumption levels from 1972 to 1978 reflect rice rationing coupons imposed upon urban residents during the period. After the Cultural Revolution was halted, Deng Xiaoping's "Land to the Peasants" reforms of 1977-78 allowed the leasing of substantial communal land to peasants. Under this "agricultural responsibility system," farmers could retain a surplus and sell it, and thus consumption levels rose from 1978 to 1984.

After a certain expansion, however, by 1984, this had reached its limit, as there was little new land to lease out, and consumption flattened. All during this period, agricultural infrastructure was not improved on any major scale, nor were new agricultural technologies introduced. Because of this, erosion grew into a serious problem; more recently, arable land has even been increasingly removed from agriculture to

build up Deng's Special Economic Zones.

Neither has Taiwan's agricultural base, however, been significantly upgraded since 1969-73. The problem is not that Taiwan has been abandoning farming for industrialization. There is simply a real political problem with abandoning food self-sufficiency: It leaves a sovereign nation open to blackmail.

In fact, Taiwan's *relative potential population density* in the amount of population its agriculture will support, has been allowed to decline too far. By stagnating at 1960s or 1970s levels of agricultural technology, there is no way that the country's industrial sector can make up the difference. Taiwan should be moving into twenty-first-century food production technologies such as hydroponics, genetic engineering for yields, and even aeroponics, in which plants are cultivated partially in water and partially in air.

Taiwan's current practice of producing computers for export and then buying food on a collapsing world market, masks a failure to press forward the development of domestic agriculture. After exporting food, often massively, since 1900, Taiwan in 1973 had its last year of net food exports in tons, consuming 10.2 million tons of food and producing 10.4 million tons, leaving 200,000 tons for export. By 1992,

Taiwan was consuming 14.2 million tons of food annually, but producing only 8.9 million tons. Taiwan's financial agricultural trade balance did not decline as rapidly, because the value of its meat and other processed exports per ton was more in dollar terms than the value of its largely grain imports per ton. By 1992, however, Taiwan's agricultural trade deficit was U.S. \$1.5 billion, masked by an overall trade surplus of almost \$10 billion.²⁴

Such financial considerations are, however, irrelevant to true physical economy. An agricultural policy which is increasingly adapting to Adam Smith's free-trade theory in the end cannot do Taiwan any good.

Health and education

The health and education parameters in Table 2 all show similarities for the industrial countries on the one hand, and the underdeveloped countries on the other. Industrial countries' life expectancies are over 70 years; underdeveloped nations, below 60—sometimes far below. The number of people who must be served by each doctor and hospital bed, and the number of pupils each teacher must educate, are lower in industrial economies. In every category, Taiwan's health and education data have reached industrial standards (Figures 21-26).

Official Beijing statistics are not believable in these categories, and so Mainland China's data have not been included in most of these figures. For example, the data on education in Beijing's *Statistical Yearbook of China in 1991*, claim that the ratio of students per teacher in middle and high schools is a mere 14.6—a level much higher than even the most expensive private schools in the United States.

One Japanese researcher did, however, produce a realistic comparative graph (Figure 25) which shows the effects of the P.R.C.'s Great Leap Forward (1957-61) and Cultural Revolution (1966-76).²⁵ As previously mentioned, beginning in 1965, most graduating classes of secondary schools were sent to the country. To avoid this, students from 1965 to 1970 quit senior high school in large numbers, and even quit junior high. In 1970, under the influence of Deng, Mao temporarily halted the policy, encouraging students to return to school (note a rise in the graph), but in 1975, the policy was again implemented and the regime even closed large numbers of schools, especially in rural areas, to force students onto the farms to "learn from the peasants." Since 1980, enrollment rates have recovered, but new school construction has had to make up the huge deficits of the 1970s, plus keep pace with the rising school-age population.

The development of an educated workforce on Taiwan is instructive. Figure 26 shows how Taiwan has virtually wiped out illiteracy since the war. The percentage of the workforce with an education higher than primary school has zoomed from 700,000 out of 3.7 million or 19% in 1964, to 5.5 million out of 8.3 million in 1990 or 66%. Virtually the entire

growth in the workforce has been in high school and college graduates.

Looking further 'behind the numbers'

More careful inspection shows that the indicators in Table 2 should be refined to reveal more about what it is "behind the numbers," which makes an industrial economy function and grow. Table 3 tries to do this. It underlines that it is the very concentration of *relative potential population density* which best encourages industrialization and progress. Truly the anti-population theorists are trying to stop the modern industrialization of the nations they victimize.

As the life expectancy figures in Table 2 show, a human life in underdeveloped nations is not the same as a human life in industrial countries. Instead of raw population per area density, Table 3 therefore measures *lifetimes* per area, against the standard of the 1970 U.S. life expectancy of 71.3 years. In 1970, an Indian's life expectancy of 48.4 years, was only 68% of the average American's; a Chinese life expectancy was only 83% of an American's.

Multiplying these percentages by raw population per area in Table 2, we derive Table 3, line 1: "lifetimes per area." In lifetimes per area, India and the P.R.C. are even more underpopulated than they were in simple population per area in Table 2. India's population density falls from 170 to 115 and the P.R.C.'s from 85 to 70. Japan is now clearly the most population-rich of the industrial nations, and Taiwan outstrips Japan (see also Figure 27).

Comparing lifetimes density in Taiwan and the P.R.C. over time, Figure 28 shows the superior rate of increase in Taiwan. Taiwan's lifetimes density has the steepest slope, rising from 269 in 1960, to 600 in 1992, compared to Taiwan's simple population density rising from 300 to 570.

Figure 29 compares the new measure of lifetimes to the old one of simple population density for both countries. As Taiwan's living standards reach U.S. levels in the mid-1970s, and then exceed U.S. levels, Taiwan's "quality of life" measure of lifetimes per area rises above its simple population density. But for the P.R.C., by 1991, the measure of lifetimes per area has barely reached the simple population density rate. China's simple population density rises from 70 to 120 people per square kilometer—but China's lifetimes per square kilometer are only 43 to 118. This is because China's life expectancy, which was only 44 years in 1960, was still, in 1991, below the U.S. standard (at 70 years versus 71.3)—even if Beijing's figure for life expectancy is accepted, which is open to question.

Table 3's next improved measure, "people per household," refers to the fact that people do not exist as discrete, countable individuals, but rather, human life is organized through the family household. Only the family household can produce a new generation, support those who work, and care for the aged. A society organized around anything less

TABLE 3

Improved physical economy indicators for 1970

Country	1970					Taiwan	
	U.S.	Germany	India	Japan	P.R.C.	1970	1990
Life expectancy	71.3	70.6	48.4	73.3	59.1	69.1	74.1
as percent of 71.3 years	100%	99%	68%	103%	83%	97%	104%
× population per km ²	22	245	170	279	85	408	571
= Lifetimes per km ²	22	242.5	115	286	70	395	593
People per household	3.2	2.9	5.1	3.9	4.6	5.6	4.0
Km ² used area per 1,000 households	72.7	6.8	15.5	2.8	22.1	6.6	3.4
1,000s kwh consumed per capita	24.08	10.25	.46	13.06	.51	5.3	17.1
1,000s kwh consumed per km ² used area	355.7	1,562	30.4	4,631	24.9	796	5,014
Tons food produced per km ² crop area	345	2,167	323	1,505	243	1,094	1,015
Freight tons per household	82	129	2.6	195	8.5	29	93
Tons industrial output per worker	363	437	7.3	312	38.8	65	175
Millions m ³ water consumed per 1,000 households	7.6	1.3	3.3	3.2	2.1	5.4	3.8

than a real household will not be able to reproduce its workforce. People work and produce sustenance for themselves, and for children and other non-working population, via the household. In Table 3, the United States and West Germany average some 3 persons per household, and Japan almost 4. India and the P.R.C. are more in the range of 5, while Taiwan is declining from of 5.6 to 4.

This ratio requires further interpretation. On the one hand, industrialization would allow young couples to move out of peasant extended families and create a rapid rate of *new* household formation in urbanization, which is desirable. If an economy reflects a prosperous large ratio of new young couples, with only two (or three) persons per household in their first few years, that would reduce the number from an average five or six persons per household. Figure 30 shows indeed that Taiwan's rate of formation of new households is rising rapidly, almost tripling from 1961 to 1991. This reflects the postwar baby boom generation forming new families. In Figure 30, the P.R.C.'s number of households (while vastly larger in absolute number) shows a much flatter slope, a lower rate of rise; it does not even double from 1961 to 1991.

On the other hand, if young couples are not having children, thanks to the malthusian population propagandists, a too-rapid fall in people per household could indicate an economy in danger of becoming a post-industrial junkheap. The collapse of population growth in the United States, West Germany, and Japan by 1970—reflected today in Japan's massive labor shortage—is also shown here. An average of

three to four persons per household in 1970, in what Adam Smith advocates mistakenly call "mature economies," meant that couples in these particular industrial nations were not even having two children each, totalling four per household. A fertility replacement rate of 2.3 births per woman is needed just to maintain the existing population.

By that measure, China's "one-child policy" has been an economic abomination as well as a moral one. We know from Figure 30 that China is not producing many new, prosperous young households. Figure 31 shows that the average number of persons per household is also stagnating, after a big drop following implementation of the one-child policy in 1974.

Figure 31, however, also shows that Taiwan is endangering itself. The precipitous rate of collapse below the four per household danger point, shows that Taiwanese couples may be heeding the malthusian "post-industrial" credo and simply not having enough children.

If this ratio does not level off and continues to fall, it should be read as a red flag in Taipei. Taiwan's net reproduction rate (Figure 32), the rate at which women are reproducing female children, is also falling sharply and seems to bear out this reading. Gross reproduction rate is the average number of female babies expected to be born during their lifetimes, to all those fertile females alive in that year. Net reproduction rate is the gross rate, minus (net) of infant deaths under the age of one. At a net reproduction rate of 1, each woman is reproducing on average 1 girl during her fertile years, and thus, on average, 1 boy. The family is producing 2 children per 2 adults. Thus, if the rate is under 1, Taiwan

is not even reproducing its population.

Even the edited official Beijing and U.N. figures show that the net reproduction rate of the P.R.C. is undergoing a similar precipitous drop (Figure 33).

Power density per used area

Table 3 also shows that the use of land in each nation is not uniform. There are different classes of land which are put to different uses. Therefore, one must take into account productivities per different types of land. A nation has farmland or cultivated area, urban area, industrial area, and "used area," which refers to the sum of these and all land area modified and used in some way by man. Further, the cultivated or urban portion of the land is improved, in different ways in each country, by different densities of networks of transportation, power, water, and other infrastructure.

In Table 3, another measure of *relative potential population density*, "square kilometers of used area per 1,000 households," is a significant change from the initial population density figures in Table 2. It shows a major distinction for especially Japan and Taiwan, which use less of their territory than do either the United States or even West Germany. In Table 2, Germany and Japan had comparable population density rates of 245 and 279 people per square kilometer, both ten times that of the United States. In Table 3, however, compared to the American used area per 1,000 households of 72.7 square kilometers, West German households used one-tenth of this space—but Japanese households used one-twenty-sixth of the space. By this measure, Japan's household population density is another order of magnitude more intense than that of even West Germany.

This is not a question of Japanese "living in rabbit hutches," as they are often slandered to do—packed into one-room apartments at a low standard of living. Rather, it reflects the trend of the Japanese economy as a whole to become "metropolized," more like the living conditions in the better areas of New York City and Tokyo, where small ground areas of urban land can support very large numbers of people, as in a Fifth Avenue skyscraper, at quite high standards of consumption. Unlike Fifth Avenue, these areas can also exhibit very high industrial productivity.

Comparing Taiwan and the Mainland, Figure 34 shows a similar relation. Taiwan's used area per household is, of course, a fraction of that on the Mainland, but of real interest again is the slope of the graphs. Taiwan's sharply declining area use, an increased household density per used area, indicates a Japan-like pattern of high technology per area development. The most important aspect of the P.R.C. number is that it stagnates. There are no significant improvements in technology being introduced.

The use of urban area per household makes this more clear. Figure 35 shows Taiwan's superior urbanization in area terms. Even though Taiwan's density of households per

urban area is increasing rapidly, leading to more efficient use of urban area, Taiwan's rate of urban development still eclipses that of the P.R.C.

An improved measure of electricity use illustrates why this is not just "crowding" in Tokyo and Taipei. In Table 2, a measure of 1,000 kilowatts of electricity consumption per capita showed the U.S. consumer using 1.7 times the German consumer and 1.5 times the Japanese consumer. In Table 3, a new measure of electricity, 1,000 kilowatt-hours consumed per square kilometer of used area, shows something different. Here, German usage of power is 4.4 times as intense per area as in the United States, and Japanese usage is 13 times more intense.

Thus, the United States higher per capita energy consumption is a form of physical economic waste. Americans consume more only because the land area of the United States has not been subject to the same depth of improvement effected over more than 1,000 years, as in Germany, every inch of which is "gardenized," or in Japan since the Meiji Restoration.

Higher-technology cities permit a higher relative potential population density, because they permit a concentration of per area resources which more than offset any lower per capita supplies (Figure 36). The much higher "per area" measures in Table 3 for Japan and West Germany are a reflection of the level of infrastructure improvement to the land, which permits more people to be supported per unit area, at comparable standards of living, because of the lower costs per physical unit of capital improvement. Anyone who has ever taken a German or Japanese train to work, at a low cost, will appreciate immediately how much more efficient this is for an economy, than having the workforce sit on the Washington or Los Angeles freeways during rush hour.

Again, comparison of Taiwan's energy density per used area with the Mainland shows that the P.R.C. is not even on the map (Figure 37).

Agricultural productivity

The new measure of agricultural productivity in Table 3, tons of food produced per square kilometer of crop area, also shows the superiority of the Japan-Germany population density economic model. With 1.8 times the labor force employed in agriculture compared to the United States (refer back to Table 2), German farmers produce 6.2 times more per unit crop area than American farmers, and Japanese farmers produce 4.3 times the United States per area output. Again, Taiwan approaches Japanese levels of agricultural productivity per crop area.

Figure 38 shows the comparison for Taiwan and the Mainland. Higher yields per unit crop area reflect a higher density of infrastructure in Taiwan, as in Japan and West Germany, which cheapens the economic cost of both food production and distribution. The cost of delivering the manufactured products the farmers need—machinery, fertilizer,

etc.—is less. The farmer is receiving more man-made water supply in irrigation and sanitation per crop area. Farm, transport, and household refrigeration facilities are better. Each farmer can do more; you don't have to go so far from the city to bring the food to market; fresher produce is available to city dwellers.

Examining Taiwan and the Mainland's agriculture in some detail, we get a better understanding of the P.R.C.'s famous agricultural yields. **Figure 39** isolates out only grain and grain-producing areas. Only half of Taiwan's crop area produces grain, while the Mainland produces grain on over 95% of its crop area or more. Still Taiwan's productivity per grain area has been superior on this measure until recently.

The 1979-81 agricultural reforms, returning land to the peasants in the P.R.C., created a spurt in grain production per area as shown on the graph. It is also true that P.R.C. per-area productivity comes from an enormous input of untrained, uneducated, and poorly fed and housed peasant labor per area. Recall too that all Mainland agricultural production figures are believed to be inflated.

On a farm labor basis, however, **Figure 40** shows that the average Taiwan farmer simply has a far higher technological input from infrastructure and living standards generally than the Mainland peasant. There is still no comparison between the per-worker agricultural productivity.

It is only in the enormously labor-intensive rice sector that the Mainland is able to outstrip Taiwan in the sheer number of peasants it can crowd into an area of paddy, producing superior yields (according to official Beijing rice production figures) per paddy area (**Figure 41**).

Once again, however, the productivity from machinery, fertilizer, and infrastructure at the command of each Taiwan rice farmer is one full order of magnitude higher than the productivity per worker of the Mainland rice farmer (**Figure 42**).

In the meat production sector, where nutrition is far higher per ton, Taiwan's modern meat industry far outstrips the Mainland in productivity per farm area. The fact is that the Mainland is still so unsure of its ability to feed the population with grain—reports of child malnutrition in the interior are widespread—that the Mainland Chinese cannot afford to feed many animals or to eat much meat (**Figure 43**).

The productivity of Taiwan's meat industry per agricultural workforce is even higher. The Mainland, again, is barely on the map (**Figure 44**).

While according to Beijing's official figures, meat consumption is rising, the Mainland's per capita figure bears little comparison with Taiwan's meat consumption per capita (**Figure 45**).

Figure 46 shows Taiwan's profile rising to an industrial population's standard for consumption of food. The more expensive, more complex protein of meat is able to be substituted for rice at an accelerating rate. Mainland China does

not reveal any rice consumption figures, but it is safe to say that no such graph as this could possibly be drawn.

Water supply and productivity

One of the major factors of productivity in agriculture and general health and sanitation in Taiwan and the P.R.C. is water use, for crop irrigation (the largest part of it), industrial, and domestic household (municipal) use. The last line of Table 3 shows a comparison of total national water use per household (known technically as "water withdrawals"). As with the initial figures per household and per capita for electricity use, the United States is clearly the highest consumer, for good and also not so good reasons.

Another frequently used measure is water withdrawn (used by man from nature) as a percent of total water available in nature from rainfall (minus evaporation). As the natural availability averaged out over a decade does not change much, this "withdrawn ratio" is a measure of how much man is intervening into nature to harness its resources. In 1970, U.S. and German withdrawals per availability were 31% and 37%, Japan and India were at 21%, Taiwan at 20%, and the P.R.C. at 17%. (Japanese withdrawal as a percent is only apparently low; Japan's rainfall is unusually high per habitable land area, compared to the United States and West Germany).

Figure 47 shows how Taiwan harnessed its water power since 1963, nearly doubling withdrawals of available water to 28%. Comparable figures show the P.R.C. stagnating at the 17% level.²⁶

Regarding the general consumption figure at the bottom of Table 3, American personal home sanitation water withdrawal standards are clearly the highest of the six countries. American 1970 sanitation standards estimated a necessary 60 gallons per person per day in a U.S. private home; below 20 gallons was considered below the sanitary minimum. Actual domestic use per person in 1970 in the United States was 77 gallons, 36 gallons in West Germany, 30 gallons in Japan (including predominantly public baths in 1970), 30 gallons in Taiwan, 20 gallons in Mainland China, and 16 gallons in India.

Over time, **Figure 48** shows, Taiwan's domestic water supply system has increased per-capita domestic use dramatically, from 20 cubic meters per capita to 121.

But in all of these countries, domestic withdrawal of water was a small percent of the total withdrawn, only 7% of the total in the United States. The bulk of withdrawals went for agriculture in most countries, except in the United States, where agricultural use, while major, was outstripped by power use. The United States uses 35% of its water in agriculture, a full 45% in electrical generation cooling, and 13% in industry.

As with electricity, however, the United States has a relatively plentiful supply of water—and uses it very freely

spread out over large areas. Thus, America's water usage per unit of used area development of the American water system is not that impressive.

Measuring water withdrawal usage, as with electricity, now using the more sophisticated measure of water withdrawn per used area, Japan and Taiwan in 1970 used ten times the water per used area than any of the other countries, as with their electricity-per-used-area figures earlier. In part, this was because of major rice proportion of crop, which requires large water volume of irrigation relative to wheat, for example.

It was also due, however, to greatly improved water supply systems per unit area. **Figure 49** demonstrates the development of Taiwan's water withdrawal per general used area of the country.

By contrast with the United States, in 1970, India, Taiwan, and China used 93%, 93%, and 86% of their water for agriculture. For these nations, this meant that there was absolutely no room for expansion without dramatically increasing the ratio between basic water withdrawn by man and that available from nature.

As was seen in **Figure 47**, Taiwan did that; India and China did not. In absolute terms, Taiwan from 1960 to 1990 was able to increase its total water withdrawals from 10 billion cubic meters to 19.5 billion, almost doubling. Within this, withdrawals for agriculture increased from 9.5 billion (almost the total) to 15 billion cubic meters. That also meant a healthy rising margin of water remaining for industrial and domestic use, which margin rose from 0.5 billion to 4.5 billion cubic meters.

Figure 50 shows the sharp rise in Taiwan's improvement of the water used by each square kilometer of agricultural land in particular.

The tremendous productivity of the Taiwanese farmer is here revealed to have a great deal to do with Taiwan's postwar water development, seen in **Figure 51** as the rising water use per agricultural household, and in **Figure 52** per member of the agricultural labor force.

This is why Taiwan exhibits a falling gross overall consumption of water per household in **Table 3** between 1970 and 1990. First, recall that the number of households in Taiwan is booming. More importantly, because the principal use of water in Taiwan, agriculture, is becoming so much more productive per unit area, and more developed in its water use per unit area, the number of households on the island can increase even faster than the also-impressive increase in total gross water supply. Thus, gross usage per household (**Figure 53**) falls because of the sheer intensity with which Taiwan is using its water.

At the same time, Taiwan's domestic water supply to homes has increased in absolute terms, from 200 million cubic meters in 1961, to 2.5 billion cubic meters in 1991. Domestic water provision due to the growing overall water supply system is even growing fast enough to rise in domes-

tic-use-per-household terms (**Figure 54**).

At the same time, industrial use of water rose in absolute terms from 95 million cubic meters in 1961 to 1.5 billion in 1991. It is also rising in per-capita, per-household, and per-urban-area terms (**Figures 55 and 56**).

Industrial production

The final lines of **Table 3** also include preliminary measures for industrial production per se. At the time of this writing, comprehensive data on Mainland China's industrial sector had not been located; these are now being gathered for processing in the near future.

Still, preliminary conclusions may be drawn. Freight tons per household in **Table 3** is the gross amount of freight in tons carried by rail, road, and internal waterways, per every household in the country. This is a gross measurement of how much industrial, agricultural, and useful raw material product each family in the country is able to create for the rest of the country. The biggest "deliverers of the goods" are Japan, with 195 tons per household, and West Germany, with 129 tons. India and the P.R.C. are two orders of magnitude below these figures, because in these agricultural societies, a significant tonnage of food and other goods is consumed by the rural population that produces it. This production does not show in the freight figures here, because we are measuring industrial production proper beyond the need of the producers.

Figure 57 shows that Taiwan by 1988 had already surpassed the U.S. level of 82 tons freight per household and is rising toward Japanese levels.

In **Table 3**, industrial output in tons per worker is derived to make a gross comparison of industrial production in real terms. From the total tons of freight carried by the nation, the weight of total food production in tons and of fuels consumed, and the major industrial raw materials, are subtracted, leaving a figure for gross industrial output. Per manufacturing workforce, the United States, West Germany, and Japan are clearly ahead.

Figure 58 shows that Taiwan's gross industrial output in metric tons has been rising quite sharply.

Figure 59 shows that the productivity of Taiwan's industrial workforce has also been rising sharply.

The few comparative figures available for the Mainland at this writing show roughly the same trend as the comparative agricultural production figures, with some interesting aberrations. We have arrayed the comparative figures by productivity per manufacturing workforce, as the gross production numbers published by Beijing were so rough as to make any other measurement seem almost meaningless.

Figure 60 shows a general low but recently rising productivity in cement production for the P.R.C. which is, typically, barely on the same "map" as Taiwan.

Figure 61 gives an idea of Taiwan's overall population productivity in cement output.

Figure 62, "Steel production per 1,000 manufacturing workforce," causes those who have escaped the Mainland since 1980 a certain painful laughter. These official Beijing figures for crude steel during the 1961-69 period include the binge of peasant backyard steelmaking begun earlier during the Cultural Revolution, which continued through the 1960s. Counted here (and likely also inflated) are the millions of tons of useless steel produced when peasants were forced to melt down their woks, tools, and other iron implements in backyard furnaces. The "steel" output was useless for anything else and lay in heaps rusting all over China, while the peasant "no longer even had a wok to cook in," as one participant put it.

Figure 63 shows Taiwan's production of steel by household. **Figures 64** through **68** show other aspects of industrial production by particular industries.

Since the beginning of 1994, however, China has begun a shift. The crisis in China due to past economic policies has so impressed itself upon Beijing's planners, that they have begun to examine new models.

Chinese Vice Premier Zhu Rongji, who is also head of China's central bank, told a Tokyo audience in March that China will not accept the proposal of U.S. Treasury Secretary Lloyd Bentsen and Federal Reserve Chairman Alan Greenspan for a restructuring of China's central bank on the Federal Reserve model. Nor will China soon make its currency, the yuan, convertible soon, he said, despite demands for this from Morgan Bank, Citibank, and other Anglo-American bankers. "Zhu emphasized that China's government needs more centralization to get the economy under control," a Tokyo diplomat told *EIR*. "The Chinese are well aware of the dangers of the extreme free-market system, and won't be pressured into it."

The significance is that China has begun to seek advice from proponents of the Alexander Hamilton system of national banking and economic "industrial policy" in Japan, Taiwan, and South Korea. Planners from these countries are now advising Beijing with both the reform of its banking system, and with general economic and infrastructure planning.

All three of these nations maintained Hamiltonian national banks which directed credit to infrastructure and new technologies, rather than Federal Reserve-style private central banks, throughout their postwar economic development until the late 1980s. Were China to give up its banking system to the British free-market theorists, there would be no hope of financing such vast infrastructure programs of the magnitude which will be required to electrify and industrialize a country that size, and bring it into the twenty-first century.

Shortly after China rejected the Federal Reserve model, Zhu's economic team announced that Beijing was suspending certain programs in the speculative Special Economic Zones, and began serious negotiations in Europe for a major new national infrastructure program, notably during Prime Minister Li Peng's July trip to Germany.

Notes

- Jonathan Tennenbaum and Lyndon H. LaRouche, Jr., "An Emergency Plan for China for the Next 100 Years," *EIR*, Feb. 11, 1994.
- Lyndon H. LaRouche, Jr., *So, You Wish to Learn All About Economics?* New York: New Benjamin Franklin House, 1984, p. 23.
- Paul Gallagher, "Population Growth Is Caused by Renaissances," *Fidelio, Journal of Poetry, Science and Statecraft*, Winter 1993, p. 13.
- "Two Hundred Years since Hamilton's 'Report on Manufactures,'" *EIR*, Jan. 3, 1992.
- Lyndon H. LaRouche, Jr., "The Truth about Temporal Eternity," *Fidelio, Journal of Poetry, Science and Statecraft*, Summer 1994.
- Christopher White, Marcia Merry, and Anthony Wikrent, "Infrastructure and Economic Development," *EIR*, May 29, 1992.
- Lyndon H. LaRouche, Jr., "Conceptual Problems of Economic Modeling," private paper available through *EIR*.
- Ibid.*
- Kathy Wolfe, "Hamilton's Ghost Haunts Washington from Tokyo," *EIR*, Jan. 3, 1992.
- George W. Barclay, *Colonial Population in Taiwan*, Princeton, New Jersey: Office of Population Research, Princeton University, 1954 p. 146, p. 255.
- Dr. Chen Cheng-siang, *China: Essays on Geography*, Joint Publishing Co., Hongkong 1984, p. 325, and *EIR*-updated data from *Statistical Yearbook of Republic of China*, 1993.
- Op. cit.*, George W. Barclay, p. 26, pp. 133-36, p. 146, p. 255.
- Lin Ch'ing-chiang, "Higher Education," in *Seventy Years of Education in the R.O.C.*, Taipei, 1981; cited in Alan Liu, *The Phoenix and the Lame Lion*, Stanford, California: Hoover Institute, 1987, p. 35.
- Y. Dolly Hwang, *The Rise of a New World Economic Power*, Westport, Conn.: Greenwood Publishing Group, 1991, p. 12.
- Chiang Kai-Shek, *1950 Yearbook of the R.O.C.*, Taipei, 1951, p. 123.
- Collected Works of Chiang Kai-Shek*, Vol. I, Taipei, 1963, p. 181.
- Nicholas Lardy, *Agriculture in China's Modern Economic Development*, Cambridge, U.K.: 1983, p. 159.
- Leo Orleans, "Soviet Perceptions of China's Economic Development," in *Chinese Economy Post-Mao*, Volume I, Joint Economic Committee of the U.S. Congress, Washington: Nov. 9, 1978, p. 126.
- Wang Chueh and Wu Cheng-kun, "Strategic Key Points Are Keys to Realization of Strategic Goals," *Jen-min Jih-pao*, Oct. 8, 1982; cited in Alan Liu, *op. cit.*, p. 15.
- Op. cit.*, Tennenbaum and LaRouche, "An Emergency Plan for China," footnote 1.
- Op. cit.*, Christopher White et al., "Infrastructure and Economic Development," p. 20-21.
- The World Bank, *China: The Energy Sector*, Washington, D.C., 1986, and *Nuclear Power Development in Asia*, "International Atomic Energy Agency Bulletin, Geneva, April 1993, p. 6.
- Op. cit.*, Tennenbaum and LaRouche, "An Emergency Plan for China," footnote 1.
- Statistical Yearbook of the Republic of China 1993*, Table 142: External trade by commodities, p. 242.
- Reitsu Kojima, *Guidance to Modern Chinese Study*, Tokyo: Iwanami Publishing Co., 1990, p. 380, reproduced in *Development Strategies for the 21st Century*, Tokyo: Institute of Developing Economies, 1992, p. 50.
- Dr. Chian-Min Wu, chairman, Water Resources Planning Commission, Ministry of Economic Affairs, R.O.C., *Management of Water Resources in an Island Nation: the Taiwan Experience*, Taipei, 1990. *EIR* is also grateful to Dr. Wu for his help in providing additional statistics for this study.

Korea accord boosts Eurasian industrialization

by Kathy Wolfe

President Clinton's chief negotiator, Assistant Secretary of State Robert Gallucci, and North Korean Deputy Foreign Minister Kang Sok-ju on Aug. 12 signed an historic agreement in Geneva, pledging the United States to help provide Pyongyang with 2,000 megawatts of light water nuclear reactors to upgrade its power grid. A \$4 billion consortium of the United States, South Korea, and Japan will fund it, and Russia and China will contribute technology.

In return, North Korea's new Kim Jong-il regime confirmed a major opening to the West, and has agreed to freeze activity at its plutonium reactors, halting the slide to world war begun when the British-run U.N. International Atomic Energy Agency (IAEA) charged Pyongyang with "building the bomb" earlier this year. North Korea agreed to remain a member of the U.N. Nuclear Non-Proliferation Treaty (NPT) and implement its safeguards, and the United States agreed not to threaten North Korea with the first use of nuclear weapons.

Bill Clinton is thus moving to bring down the "second Berlin Wall" in Korea, a stride for world peace comparable to the White House agreement between Israel and the Palestine Liberation Organization last year. Clinton's achievement was greeted by South Korean President Kim Young-sam on Aug. 15 with an offer to form a "Korean commonwealth," in which Seoul is ready to finance and build the new reactors for Pyongyang.

This follows Clinton and Vice President Al Gore's trips to Moscow, after which they criticized the International Monetary Fund (IMF) "shock therapy" for Russia, and the President's July trip to Berlin and Bonn, where he embarked on a new relationship with Germany, opening up the potential for rebuilding the economies of Russia and eastern Europe.

Clinton has also asked Commerce Secretary Ron Brown, during his Aug. 27 trip to China, to convey a new U.S. policy of insurance and other support for American exports of high-

technology capital goods to build up China's infrastructure. Following Chinese Vice Minister Hui Yongzhen's call for a high-speed rail "Eurasian land bridge" from Europe to China in an interview in the May 27 *EIR*, Beijing has placed a new priority on such projects (see "U.S. Policy Toward China," p. 6).

The establishment media say Clinton has no foreign policy, but they appear to be lying, insane, or both. In response to reporters' nitpicking, such as the repeated demand, "How much will buying off the North Korean commies cost the U.S. taxpayers?" one Washington source laughed: "South Korea is leaping to fund the entire project, and the Japanese want in, too."

Shock waves in Moscow, Beijing

"The agreement that we reached this evening we both regard as being a very useful one—one that addresses objectives that we both share," Secretary Gallucci told a joint Geneva press conference with Deputy Foreign Minister Kang on Aug. 12. The accord is only two pages long, Kang noted, but "that little document carries great weight and significance . . . agreed to with hard labor."

The U.S. team also agreed to exchange representatives between Washington and Pyongyang, to reduce barriers to trade and investment, and to move toward full normalized diplomatic relations. Talks will reconvene on Sept. 23.

Russian leaders from President Boris Yeltsin on down, as well as China's elite, European sources stressed, have been looking for signs that President Clinton can make good his promise in Germany in July to create "growth" in Russia and eastern Europe. Clinton's agreement to help North Korea into the 21st century is seen as a very positive act in Moscow and Beijing.

Russia and China both have signed multibillion-dollar trade deals with German Chancellor Helmut Kohl, featuring

the Europe-Asia "land bridge" rail link from Rotterdam to Moscow, to Lianyungang on China's Pacific coast. An American component to that great project is needed.

And if Washington's old adversary in the Korean War deserves nuclear power, how can it be denied to Palestine, China, or any nation? In particular, this is just the missing element in the Middle East peace package, where Israel and Jordan now agree that peace between them requires a vast expansion of water supply for the area, and only nuclear desalination can do the job.

Gallucci's late July trip to Seoul, Tokyo, Beijing, and Moscow cemented a "global deal" on the reconstruction of North Korea, administration sources told *EIR*. Russia and China are expected to send technological experts, and South Korea and Japan to send most of the \$4 billion in financial aid. "It is very important to have all these countries on board for the nuclear agreement to work," one official said. "There is also a lot of technological expertise we need, which is at a very high level, in Russia and in China."

"There is support in Seoul, Tokyo, Beijing, and Moscow for the approach that the United States is following in our bilateral talks," Gallucci told a State Department briefing on Aug. 2.

"The agreement will prove a turning point in shaping a new order. Confrontation will give way to cooperation in Northeast Asia," Yoon Yong-kwan, political science professor at Seoul National University, said on Aug. 14. Yoon said diplomatic ties between Washington and Pyongyang would have a snowball effect, with Japan and the West recognizing North Korea.

A Korean commonwealth

In an emotional televised speech on Aug. 15, Korea's national day of liberation from Japanese rule, South Korean President Kim Young-sam announced that Seoul would gladly provide money and nuclear technology to North Korea under the Clinton accords. "If the North guarantees the transparency of its nuclear activities, we are ready to support their development of the peaceful use of nuclear energy, including light water nuclear reactor construction, by providing them with the necessary capital and technology," he said.

"This could become the very first joint project for national development, leading to establishment of a single community of the Korean people," he said, noting that liberation would be complete only when Korea was reunited.

Explaining how a Korean commonwealth should be created, President Kim was very clear that a "community of interest" in economic development between the two Koreas must precede any haggling over politics. *EIR* Founding Editor Lyndon H. LaRouche, Jr. has pressed in the Middle East and Asia for this conceptual approach—getting economic development in motion before insisting on political formalities—for 20 years.

Assuring Pyongyang he is not seeking reunification by confrontation, Kim said Seoul would first help Pyongyang

build up its economy: "South and North Korea must first promote co-existence and co-prosperity and then join together in a Korean commonwealth to ensure lasting peace. . . . During the commonwealth stage, the two areas of Korea should form a single socio-economic community to lay the groundwork for political integration."

Calls for instant "political reunification" would be seen by the North as a *casus belli*, because many Bush-league maniacs have called for the violent overthrow of the Pyongyang regime.

While expressing great admiration for united Germany, South Korean officials also told *EIR*, "We are doing a number of studies to ensure that the Korean peninsula does not suffer the *economic* tragedy of German-style reunification," as occurred because of IMF shock therapy in eastern Germany. South Korea, he said, would never want the North to suffer the closure of industrial capacity, sale of assets for scrap, and the unemployment which the IMF imposed upon eastern Germany.

South Korea has insisted on this approach since the 1993 conference "Economic Problems of National Unification" in Munich, sponsored by the German Institute for Economic Research and the Seoul Research Institute for National Unification (RINU). "We should not follow in Germany's footsteps," RINU's Kim Young-yoon told the conference, citing instead Friedrich List's *National System of Political Economy* as the South Korean model.

New global credit system needed

"These projects are the only basis for an economic recovery program for the world," LaRouche said in his Aug. 17 radio interview with *EIR Talks*. "But with the current monetary system collapsing, as it's doing now, they cannot be financed, under present arrangements. Therefore, this is not actually an ongoing policy; it is a policy *thrust*, particularly from the President of the United States who's adopted this and sponsored it, as he did during his recent trip to Germany." To actually implement these "great projects," he said, "we will require a *new credit system*, a new monetary system, to replace the presently bankrupt global monetary and financial systems. The IMF system will have to go. *It is bankrupt* . . .

"The second step will be the establishment of new mechanisms of credit to get these projects full-scale under way. I believe that, as the system disintegrates, and therefore the *political power* of the Wall Street crowd, for example, in the United States, is weakened, the public clamor for an economic recovery, to avoid an absolute disaster for our people here as well as abroad, will create the political circumstances under which the President is able to do his part to establish a new credit system.

"I believe that under these conditions, the popular mood for reforms, not only in the United States, but in other countries, will come. These will be sweeping reforms, accompanied by large-scale recovery projects. And *that's* the hope for the future."

Argentine political prisoner Seineldín must be freed

by Cynthia R. Rush

The July 18, 1994 bombing of the Argentine-Israelite Mutual Association (AMIA) in Buenos Aires “was not an isolated terrorist act, but rather an act of war against the Republic of Argentina. This act of war finds the country physically, juridically, and politically defenseless due to the existence over the past ten years of the doctrine of national insecurity which dismantled the Armed Forces, making it legally impossible for them to act inside their own country.”

These words of Capt. Gustavo Breide Obeid, an Argentine Army nationalist who is jailed, together with Malvinas War hero Col. Mohamed Alí Seineldín, at the Magdalena Prison in Buenos Aires, get to the heart of the turmoil unleashed in Argentina following the terrorist bombing, in which close to 100 people were killed. Aside from the Jewish social welfare agency, the building also housed offices of the DAIA, which speaks for the Jewish community.

Breide, like Seineldín unjustly imprisoned on charges of rebellion stemming from the Dec. 3, 1990 nationalist uprising against the Army high command, made these remarks in a mid-August statement to denounce charges by leftist media and other British intelligence assets, that he and the officers jailed with him were involved in the July 18 bombing.

While international analysis of the bombing has focused on the role of “Islamic fundamentalists,” and an Argentine judge has charged four Iranian diplomats with planning it, such local dailies as the leftist *Página 12*, allied politically with the Cuban-led narco-terrorist coalition, the São Paulo Forum, began to publish a series of articles soon after July 18 implicating the military nationalists (or *carapintadas*, as they are called) in the bombing. The articles alleged that at precisely the time the terrorist act occurred, the Magdalena prisoners were permitted to enter and leave the facility whenever they pleased, implying that dangerous “convicted criminals” were on the loose. *Página 12* and others of the same ilk demanded that Seineldín and his collaborators be investigated. *Página 12* targeted Captain Breide by lying that he is related to Hezbollah leader Sheikh Karim Obeid, currently jailed in Israel, and claiming that Breide’s political activities were financed by “a Middle Eastern embassy, not Iran’s.” Several analysts have named the Hezbollah as the likely perpetrator of the bombing.

A foreign plot

As Breide asserts, these lies are the work of the “enemy intelligence services” which stand behind *Página 12*, whose goal is to destroy the institution of the Armed Forces as the core defender of the nation-state. These mouthpieces are railing against the *carapintadas*, not because they are concerned about the nation’s security, but because they know that Colonel Seineldín, even from jail, is still the only visible resistance to the destruction of the Armed Forces and national sovereignty. As Breide notes, it was Seineldín who in 1989 signed an agreement with President Carlos Menem “to reverse the situation of defenselessness he had inherited” as President. But due to “national and international pressures,” Breide adds, Menem failed to keep his side of the agreement.

What really worries both the national and international proponents of United Nations-led one-worldism is the knowledge that Seineldín is highly respected among sectors of the Argentine population, and the possibility that he might go free to rally a moral resistance to these nation-wrecking policies. In fact, the true reason he was jailed was because of his warnings about the international plot to destroy the Armed Forces and the nations of Ibero-America, and his refusal to submit to such designs.

Despite Seineldín’s jailing, there is still significant resistance in Argentina to one-worldist policies, as seen most recently in the congressional and other political opposition which forced Menem to abandon plans to have Argentine troops participate in a multinational invasion of Haiti. If Seineldín were allowed to freely organize in the current environment, the results could be unpredictable.

Thus in an article Aug. 2, *Página 12* lamented that “Seineldín’s support among his ‘bases’ continues to be high,” and in a state of panic reported that “groups of *carapintada* non-commissioned officers had leafletted some Army barracks demanding Seineldín’s freedom.” The leaflet in question was headlined “For a Free Fatherland, Freedom for Mohamed Alí Seineldín.”

Revival of Aristotle

In its panic over Seineldín’s real importance, *Página 12* has tried to portray him as a nut case who “says he speaks

with the Virgin.” Mariano Grondona, a friend of former U.S. Secretary of State Henry Kissinger who shares the latter’s slavish loyalty to the British crown, authored a more sophisticated attack in his weekly column in the Aug. 14 *La Nación*, getting down to the true philosophical issues behind the “act of war” against Argentina referenced by Breide.

Although Grondona didn’t mention the colonel directly, he attacked the principles of Augustinian Christianity to which Seineldín is deeply committed, and argued that St. Augustine himself spawned “fundamentalism” when he wrote *The City of God*, by defining it as the only type of human existence which must prevail over the degradation and pagan hedonism of the Roman emperors. The problem with Augustine’s political followers, Grondona complained, was that they defended the thesis that “only those kingdoms blessed by the church were legitimate. Others, because they resided outside the City of God or Christianity, were illegitimate, lands of infidels.”

Since Seineldín’s attackers identify him as a fanatical Catholic fundamentalist, no knowledgeable reader of Grondona’s column could see in his ranting against “ultraconservative Catholicism . . . which sought a New Middle Age,” anything other than an attack on Seineldín. Grondona is virtually pinning the AMIA bombing on Seineldín; most revealing is the former’s embrace of Samuel Huntington’s geopolitical rantings, reflected in his “clash of civilizations” thesis, in which recalcitrant “Islamic fundamentalism” will supposedly be the crucial element in future conflicts.

Huntington’s thesis is merely a cover for the “splendid little wars” the British seek to unleash in their pursuit of a one world dictatorship. In the end, Grondona’s promotion of British philosophical radicalism as an alternative tells all: “an Aristotelian Thomism which recognized the legitimacy of all regimes which protected the common good, even when they weren’t Christian. The Thomist-Aristotelian conception announced ‘the advent of pluralism.’ ” It is this Aristotelian pluralism, Grondona asserts, that will protect people from “a new Crusade” of Augustinian Christianity.

Intelligence warfare

Grondona may try to convince Argentines that they are experiencing a clash of civilizations. The reality is that since the July 18 bombing, the country has been subject to intense intelligence warfare in which the hand of British intelligence is particularly evident. The March 1994 agreement between Britain’s MI-5 and MI-6 and Argentina’s state intelligence agency SIDE, by which the British will train SIDE agents in “intelligence analysis,” is especially noteworthy. Similarly, the June 6-8 conference co-sponsored in Buenos Aires by Geopol, the British intelligence-linked think tank from Geneva, Switzerland, and its local representative Rosendo Fraga of the Union Center of Studies for a New Majority, should not be overlooked.

What makes Colonel Seineldín’s release from jail abso-

lutely imperative at this time is that the nation and its institutions have been significantly weakened as a result of this warfare and the accompanying campaign of psychological terror. In the aftermath of the July 18 bombing, a gaggle of British intelligence-linked individuals, representing agencies purporting to defend the Jewish community, descended on the country, including World Jewish Congress President Edgar Bronfman, Kent Schiner of B’nai B’rith International, New York Rabbi Avi Weiss—heir apparent to the late Jewish terrorist Meir Kahane—and Rabbi Leon Klenicki of the U.S. Anti-Defamation League (ADL).

Along with local assets of British intelligence such as Guillermo Patricio Kelly and Luis Sobrino Aranda, all delivered virtually the same message designed to cover up the controlling hand of foreign intelligence behind the bombing and its aftermath. Argentina is rampant with anti-Semitism, they said, and President Menem was at fault in failing to provide adequate security. Several international press outlets claimed that Menem was harboring Nazis and anti-Semites within his own government, and constantly repeated that Peronism had protected Nazis who fled Germany after World War II. Weiss called for closing down the Buenos Aires international airport and warned American citizens not to travel to Argentina because “it is not safe.”

The fact that the AMIA building housed declassified government files of former military and government officers who had protected Nazis in Argentina, was also used to blame “local fundamentalists” for involvement in the bombing. From Washington, the director of B’nai B’rith’s international board, Warren Eisenberg, complained to *Página 12* that the investigators of the AMIA bombing were making a mistake in only blaming Iran and discounting the role of “local neo-Nazis.” The Latin American Affairs director of the American Jewish Committee charged that Seineldín was to blame for the bombing.

The deployment of the Israeli intelligence agency Mossad into Argentina immediately following July 18, has been especially ominous. Clearly under intense international pressure, Menem granted Mossad agents and Israeli security forces total control over AMIA rescue efforts, excluding any involvement by Argentine military personnel. Army Gen. Cándido Díaz, head of the Joint Chiefs of Staff, had met with Menem two hours after the bombing to advise him that the Army was prepared to begin relief operations immediately, but Menem rejected the offer, on the grounds that military participation would have required the declaration of a state of siege.

The trampling on sovereignty implied in the Mossad’s participation provoked outrage. When Israeli forces hoisted their flag over the AMIA site, Air Force Brig. Jesús Capellini angrily wrote to *La Nación* that “Argentina is not Israeli soil or occupied territory, it is Argentine soil.” The flag, he said, “represents the state of Israel” and there is no possible context for disregarding “the norms of respect among nations.”

Iran the culprit?

International demands that the Menem government find the perpetrators of the AMIA bombing have resulted in Buenos Aires Judge Juan José Galeano ordering international warrants for the arrest of four Iranian diplomats whom he says planned the bombing, according to the testimony of a single individual, Iranian national and alleged diplomat Manouchehr Motamer. Motamer, who is described as a dissident, was questioned by Galeano in Caracas, where he had taken refuge after reportedly being kidnapped by Iranian government agents in Cuba.

Now under the protection of the U.N.'s High Commissioner for Refugees (UNHCR) and the U.S. government, Motamer provided detailed information to Galeano, but has raised suspicions based on his erratic behavior and strange background. Several sources, including the Iranians, have charged that he is employed by the CIA.

One day after giving testimony to Galeano, he showed up in Ecuador and obtained a two-year work visa. Then two weeks later, he appeared at the Argentine embassy in Quito, Ecuador, claiming that he had more information to give, and

reportedly seeking asylum in Argentina. Even Rubén Beraja, president of the Jewish community's DAIA, commented that Motamer's testimony raised "suspicions," and didn't rule out that his reports could represent "a counterespionage maneuver to confuse us." An unnamed member of the Supreme Court, which is being asked to take up the bombing case, added, "Galeano's findings show he doesn't have much proof, but rather some pretty weak evidence."

Galeano's charges have brought Argentina's relations with Iran, its most important Mideast trading partner, to the point of diplomatic rupture, but have not brought the AMIA case any closer to real resolution. Meanwhile, the campaign of psychological terror has intensified. On Aug. 13, on the basis of warnings from the Mossad, Menem mobilized the population to brace for a repeat terrorist attack. Hospitals and civil defense teams were put on red alert, and security beefed up at all Jewish community buildings. Frightened residents are selling their homes in areas where Jewish schools or other agencies exist, and sports teams are cancelling games held at Jewish schools or other facilities, fearing attacks. All of this has encouraged continuing accusations of anti-Semitism.

'The bombing was an act of war against Argentina'

What follows are excerpts from the statement issued by Capt. Gustavo Breide Obeid from the Magdalena military prison in Buenos Aires.

The July 18, 1994 bombing on Pasteur Street is not an isolated terrorist act but an act of war against the Republic of Argentina. . . . This act of war finds the country physically, juridically, and politically defenseless, due to the existence, for more than ten years, of a doctrine of national insecurity which dismantled the Armed Forces, making it impossible for them to act legally within their own country.

In 1989, President Menem signed an agreement with Colonel Seineldín to reverse this situation of defenselessness he inherited. . . . President Menem could not rebuild the defense system as he had promised due to national and international pressures.

On Dec. 3, 1990, six units of the Argentine Army rose up . . . to seek the reversal of the aforementioned situation. The uprising was bloodily repressed, a fact caused more by the work of sharpshooters unrelated to the Armed Forces than by official forces of repression. . . .

The Federal Court absolved the defendants of all acts of bloodshed and opted for [the charge] of rebellion. . . .

The Court likewise absolved them of charges of coup plotting, determining that "the officers' conduct . . . showed no motives of personal advantage. . . ."

Following the act of war which occurred against Argentina on July 18, the President asked forgiveness for the state of defenselessness, but the *Página 12* daily continued its attack on the Armed Forces. . . .

In the exercise of its powers, the Federal Court authorized leave, under rigorous guard, for some officers [from the Magdalena prison], due to grave humanitarian problems, and *Página 12* used this fact, along with other products of its own invention, to link us to the AMIA bombing, claiming that we were not authorized or guarded. *Página 12*'s campaign continued despite Army denials.

I hope that the country can defend itself from *Página 12*'s lies and from the enemy intelligence services behind it. . . .

A final reflection

With malicious incoherence, *Página 12* ridicules the moral and Christian principles of my family, attempting to prove a family relationship with leaders of another religion. So that the identity of their faith is clear, it should be noted that over 150,000 Christians have been killed in Lebanon alone.

The Argentine nation has a destiny far greater than inserting itself into the market. . . . We hope that it re-assumes its mission and that the Armed Forces can defend it.

France seeks Sudan tie to calm Algeria

The central motive for France in strengthening relations with Sudan is to prevent a full bloody collapse in Algeria, the French daily *Libération* stressed on Aug. 17, writing on the background to the extradition of terrorist "Carlos" (Ilyich Ramirez Sanchez) from Sudan to France. "Carlos" was arrested in Sudan traveling on a false passport. On Aug. 15, French Interior Minister Charles Pasqua announced at a press conference that Carlos will be tried on 83 counts of terrorism.

Libération writes that the "growing cooperation" between France and Sudan is based on "mutual and well-known national interests." The first and foremost French concern is Algeria. "France has no greater foreign policy priority, than to prevent Algeria from falling into bloody chaos, which would precipitate a mass of refugees to French shores, fleeing the civil war and/or a fanatical Islamic regime. This would destabilize the French political map. This priority is all the greater, given that the coming months will be dominated by the presidential campaign."

Hassan al-Turabi, the mentor of the Khartoum regime, has old ties to Abassi Madani, the imprisoned head of the Islamic Salvation Front (FIS) of Algeria. Turabi has mediated meetings of the FIS and French representatives in Khartoum, as well as meetings between French officials and the FIS's spokesman abroad, Rabah Kebir. Turabi has urged the FIS and its armed branch not to "burn the bridges" to Algerian President Liamine Zeroual.

Beyond this, Sudanese security people have proposed to France that it sponsor a "Sudan solution" for Algeria, namely that the Algerian military stay in power, while the Islamists are accorded control over much of society and are officially associated with the power structure, as is the case with Turabi's National Islamic Front in Sudan. French officials are privately "interested" in this solution, but only after France's May 1995 presidential elections. "While waiting, the Sudanese would reportedly have been asked to calm things down, as much as possible, in Algeria."

Sudan has also reportedly reached an agreement with France, to help contain the fanatical "Islamist contagion," in the "field" of French operations in Central Africa, including in Cameroon, the Central African Republic, and especially

Chad. In exchange for the French allowing Sudan to use these territories for military operations against the southern Sudanese rebels, the Sudanese authorities would have agreed to "not carry the religious war into the center of Africa."

The reputedly pro-French Turabi is eager to promote Sudan as a model for an Islamic "Third Way," distanced from both the Sunni Muslim "medieval monarchies" of the Persian Gulf, and the "too rigid, violent and anti-western" Shiite Iran. For all these reasons, France is not following the American line of putting Sudan on the list of "pariahs accused of supporting international terrorism," the Paris daily wrote.

Pasqua, Khartoum, and Algiers

In a background article published Aug. 16, *Libération* reported that Interior Minister Charles Pasqua had been knitting close ties with Khartoum, mediated through a "former" very senior agent of the French DGSE foreign intelligence service, Jean-Claude Martion, who was stationed in Bangui, capital of the Central African Republic, until June 1993. Bangui became a "pivot" for French strategy in parts of Africa, extending into Sudan and the Horn of Africa. After "retiring" from the DGSE, Martion worked for his Sudanese "friends," arranging repeated visits by Sudanese security chiefs to Paris, the most recent visit eight weeks ago. While appearing to be a DGSE operation, this was all coordinated out of the Interior Ministry, *Libération* says.

Pasqua used Sudan to "maintain open channels of communication" with the Algerian FIS; albeit publicly and for electoral reasons in France, Pasqua affects total intransigence toward the FIS. Also, Paris accorded Sudan military "rights of passage" through the Central African Republic, in order to get at the southern Sudanese rebels groups "from the rear." Khartoum was given "satellite photos" on the details of Sudan People's Liberation Army (SPLA) camps. Paris thereby contributed to the Sudanese government's recent gains against the rebels.

Libération sees all this in a broader context. The courting of Khartoum has enabled the French to counter activities coming out of Uganda, which is the staging base for support for the southern Sudanese rebels, and the base of operations of the Rwanda Popular Front. When Rwandan President Habyarimana, who had been close to France, died when his plane was shot down on April 6, France stepped up the diplomacy.

Libération alleges that France is offsetting moves by the United States to use Uganda as a base for sending arms and missiles to the southern Sudanese rebels. The British operations in Uganda, and British activities more generally in these parts of Africa, are curiously never mentioned in the article.

Libération is traditionally close to the French Socialists, and usually portrays the geopolitical conflict in Africa as between France and the United States, omitting the British role. For the record, Interior Minister Pasqua denied all of these reports.

Yemen regains its national unity, looks ahead to a reconstruction program

by Muriel Mirak-Weissbach

The Yemeni civil war ended last month when forces of the central government reasserted control over the entire country and declared an official cease-fire. The most urgent tasks facing the government included humanitarian relief to civilian disaster areas and first steps toward national reconciliation. The gravest threat to civilian lives came from the lack of fresh water.

As Acting Prime Minister Dr. Mohamed Said Al Attar announced to the United Nations, government forces immediately began distributing food and water to citizens in the war-torn city of Aden. Aden's water supply had been cut when secessionist forces, forced out of Abyan, cut off electricity supply lines to that governate, thus cutting power from the water supply stations providing water. The water supply station in Aber Nasser had been destroyed by retreating secessionist forces, and mines were found at the valve of the station, according to the prime minister's office in early July. Teams of technicians were sent into the area to repair pipelines and pumping stations, to ensure continued water supply to Aden. This was done with the cooperation of the Red Cross mission.

During a session of the Ministers Council on July 13-14, measures to ensure security and begin reconstruction were deliberated upon. These included withdrawal of military units from Aden, completion of security apparatus structures there, reopening of normal transport to and from the city, disbanding of militias as well as other armed groups, and restoration of buildings to their lawful owners. The session also established a commission for reconstruction, charged with compiling a statistical overview of the damage and starting a crash program for relief to families of soldiers killed or wounded in the war. A broader program for reconstruction was also discussed, whose realization would require help from other states as well as Arab, Islamic, and international organizations. The most urgent tasks were reestablishing functioning infrastructure (water, energy, food distribution, communications, transport, education, health, and administration).

According to a press release of July 28, Gen. Ali Abdullah Saleh, chairman of the Presidential Council, estimated that the war imposed on Yemen by the secessionists had cost \$3 billion. President Saleh, after expressing his gratitude to the Yemeni people for their having "defended the revolution

and unity," said, "we have also to do the same with our economic and social capabilities to build true and comprehensive development and to reconstruct what was destroyed by the war." He announced that Parliament would be called upon to ratify the "local government and administration bill," which calls for "wider powers" locally, through the "election of governors and directors of districts and the operating of administrative apparatuses in all governates of the Republic." This means that the democratic process introduced in Yemen, a virtual revolutionary development for the Arabian Gulf region, is not being halted by the war, but is being pushed further, in the direction of greater power-sharing. Establishing such governates is also crucial to overcoming the artificial division of the country into "north" and "south." Indeed, during the hostilities, there was no clear-cut north-south divide: Eleven brigades fighting on the side of the legal government, as well as the defense minister, were from the south.

Although reestablishing central control, militarily, was the prerequisite to ending the rebellion, an equally important victory of the Yemen government has been political and moral: A general amnesty has been declared for all those involved in the secessionist rebellion, with the exception of the 16 leading conspirators, and the democratic process is being pushed forward.

Muriel Mirak-Weissbach interviewed His Excellency Mohamed Abdo Othman, ambassador of the Republic of Yemen in Germany, on Aug. 12.

Interview: Mohamed Abdo Othman

EIR: Your Excellency, we are very happy that the secessionist attempt has been defeated and that the unity of Yemen has been restored. How did the crisis affect relations with Saudi Arabia and the Gulf Cooperation Council states, since they reportedly sided with the secessionists?

Othman: We distinguish among these countries. For example, Qatar was with the cause of Yemeni unity. Oman was too; they sent the minister of information to Yemen, and a high-ranking delegation of ours went there. They accepted [the secessionist] Al Beidh in Oman, but made clear to him

that he could stay only if he refrained from political activity. The Omanis did this because they want to maintain good relations with the Republic of Yemen. Our government sent a delegation to the U.A.E. [United Arab Emirates] during and after the crisis.

Although the U.A.E. did not have the same position as the two I have mentioned, we have maintained contact. Even with Saudi Arabia, we are doing our best; we extend our hand, it's up to them to respond. We have no ill feeling toward them; particularly with bordering countries, we want good relations. But from their side, there has been no good response till now.

There are elements of the secessionists who are trying to disturb the relations of Yemen with some neighbors. In fact, the secessionists themselves claimed they were supported by some Gulf countries. They got 30 MiG-29s, of which we captured seven.

The question is: Who paid for these planes, and where did the pilots come from? There are still some weapons that they took to Djibouti and Oman. Oman returned them and Djibouti has begun to return them. There were 5,000 Yemeni soldiers in Oman, who have now been welcomed back. They have been given leave to visit their families, then they will come back to work—in the one army, the army of the state.

EIR: It was noted that Iraq, Sudan, and Jordan, among others, supported the central government throughout. The consolidation of Yemeni unity has therefore been interpreted as a defeat for the forces of the “new world order” who would like to control oil resources worldwide, even at the cost of national sovereignty. Can you comment on the relationship of forces regionally? Has this been a victory for those who supported Iraq in 1990-91?

Othman: It was not only these countries. All Arab nations and most Arab governments were for preserving unity. From Tunisia, Algeria, Morocco—from their parliaments and governments—we saw this. It is only those countries which do not have parliaments, some countries in the Gulf, which were of a different view. In the case of Oman, Jordan, and Iraq, these countries sent delegations to us.

EIR: The U.S. administration kept a low profile during the civil war. Many feared that the United States would be pushed into a dangerous adventure. What is your view of the Clinton administration?

Othman: We admire the Americans' attitude. I think this is normal, natural, because the American population has also sacrificed to defend its unity. According to their tradition and the heritage of their revolution, they should think this way. We consider America one of the democratic countries of the world and, accordingly, we expect their support for unity and democracy in Yemen, because we are the only country in the area which is exercising democracy. We held free elections in April 1993, with observers from all over the

world, who confirmed that they were free and fair. This is the first time such elections have been held, not only in Yemen, but in the entire region.

Those who opposed democracy and unity in Yemen were short-sighted and were acting really not in their own interests. Unity is a factor of stability in the region. Democracy is the demand of the people. In the past it may have been easy to rule without democracy and pluralism, but this cannot be accepted by the peoples.

EIR: Before the Yemeni crisis, France and Germany displayed great interest in economic cooperation with Yemen. How does that look now?

Othman: Our people have special feelings of thanks for the attitude of the European countries during the crisis, especially for Germany and France, because they were very clear in supporting unity. I stress Germany, because during the crisis, former President Richard von Weizsäcker, on the anniversary of Yemen's unity, in May, sent a message to our President, Gen. Ali Abdullah Saleh, expressing sympathy with the Yemeni people and the government. He supported unity and expressed his wish that unity and democracy would be protected.

Our minister of foreign affairs was here in Germany on a private visit, and met with Minister of State for Foreign Affairs Helmut Schäfer on a private visit, when the [German] federal minister of foreign affairs was out of Bonn. [Mr. Schäfer] expressed his sympathy and good wishes for the unity of Yemen.

Foreign Minister Dr. Klaus Kinkel also gave a lecture during the crisis, at the German-Arab Society. Our people will never forget this, nor will we forget the kind support of the German people. Dr. Kinkel said during the lecture: “The cooperation between Germany and the Republic of Yemen achieved continuing success through the similarity of the process of the reunification in both countries in 1990, through the democratic free general elections in Yemen in 1993. We are following with concern the internal military conflict which affects the Yemeni people, and Germany hopes and wishes soon an end for this, and realizing the wish of the Yemeni people for the unity and democracy which was supported by the big majority in Yemen.”

EIR: The central government, following the defeat of the secessionists, took several measures toward guaranteeing national reconciliation. Press reports talked about a number of Yemen Socialist Party members supporting the central government. How is this proceeding? How do you view the next steps in this democratization process?

Othman: The end of the war and the defeat of the secessionists and their conspiracy was a great victory of the people, because it confirms popular support for unity, democracy, and the multi-party system. People who succeed in defeating such a conspiracy—and it was a big conspiracy, supported

by some rich countries—are people who can overcome the problem of destruction and the disaster of the war. It was our wish that such a war would not occur, but it happened.

Following the catastrophe, it is the responsibility of all parties, big and small, to work together. The government should be more representative, to overcome the problems that exist.

According to our Constitution, the President asks someone to form a government, the formation of the government depends on the prime minister-designate, and the Parliament must give its confidence or deny it. In a statement sent to the United Nations, the President confirmed that there will be more democracy, more power sharing, freedom for political parties in accordance with the Constitution and the law governing political parties and organizing.

I read an article yesterday in the *Bonn Generalanzeiger* which reported that women are not free in Yemen. This is not true; women are allowed to vote, to become members of Parliament and so on. If you go to the ministries, the universities, the companies, you will find women exercising their rights and duties without any discrimination.

EIR: What is the role of Islam in Yemeni society?

Othman: All Yemenis are Muslims, but are very open. We were the first to believe in Islam and to support the Prophet Mohamed; only the Yemeni people supported him and defended Islam from within and from outside. They understood Islam as a religion which respects other religions, very open. In our Constitution, the religion of the state is Islam, and this was also the case in what was called South Yemen before unity.

This is also the case in Egypt. But this does not mean supporting any illegal act against the Constitution, which respects the rights of all people and promotes friendly relations with all friendly countries, and with humanity as a whole. As one of the founders of the Arab League and a member of the United Nations, we respect the charters of these organizations.

Regarding unity, something more should be said. Yemen was one country “before” Islam, even before Christianity. At a time when some people were praying to stones, etc., the Yemenis were more advanced; they embraced Judaism, then Christianity when it came, and then Islam. If you go back in history and philosophy, you see this advance. We see Islam as the last of the three monotheistic religions, which profited from the experiences of other religions, but brought new and additional contributions and support for everything that concerned community. The Yemeni people were very strong supporters of Mohamed, but were not closed-minded. At a time when there was no state, the state of Yemen existed. Maybe you have read about the Queen of Sheba, before Christianity.

You see, Yemen’s borders were not drawn by the British or the French, like some countries in Africa and the Middle

East. Our unity goes far back in history. So when some ignored this fact and said we should not impose “unity by force,” this was wrong, because historically, geographically, and legally (through free elections), unity has been natural and has existed.

EIR: If I am not mistaken, Your Excellency, in addition to being a diplomat, you are a poet.

Othman: I think that not only those who write poetry, but every human being, man and woman, who has a heart and a mind, has feelings. The difference is that some insist on writing, expressing themselves through poetry, or through painting and music. The source of all art is human feelings and suffering and inspiration.

As a human being, I was interested in reading Arabic poetry. When I was in Cairo, I also read the work of Schiller and Goethe, perhaps more Goethe than Schiller, because he wrote more dealing with the Arabs, his “East-West Diwan,” for example. We also read “The Sorrows of Young Werther,” by Goethe. I wrote some poems and published a small book with a friend, who has since become the director of a university, Abdulaziz Al-Makalla, and another one by myself.

During the old regime in Yemen, many people suffered, many were outside the country or in prison; these are things I wrote about. I wrote about unity, too, when I was in Cairo, so you see the question of national unity is not new.

EIR Audio Report

Your weekly antidote
for New World Order ‘news’

Exclusive news reports and interviews
Audio statements by Lyndon LaRouche

Updates On:

- The Real Economy
- Science and Technology
- The Fight for Constitutional Law
- The Right to Life
- Food and Agriculture
- The Arts
- The Living History of the American Republic
- Essential Reports from around the Globe

\$500 for 50 Issues

An hour-long audio cassette sent by first-class mail each week. Includes cover letter with contents.

Make checks payable to:

EIR News Service

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

Phone: (703) 777-9451

Fax: (703) 771-9492

The mitosis of Canada: a British-run coup against the United States

by Raynald Rouleau

In the United States, among certain high-level circles, one can see people analyzing the political map, but unfortunately making an “automatic jump” over Canada, as if Canada couldn’t be relevant to what goes on, even though Canadians are to be found everywhere there is chaos: such as in Bosnia, General MacKenzie; in Chiapas, Mexico, Ed Broadbent; in Rwanda, General Dallaire; in Haiti, the Royal Canadian Mounted Police (RCMP) and Broadbent again; or in the U.S. Whitewater affair, Conrad Black. But this “quasi-invisibility” of Canadian foreign operations seems to have been the result of many years of carefully crafted manipulations brewed in London, which allows British foreign intelligence services free play in Washington, using Canada as a cover.

The British are now in a crash effort to restore control over what they call “geopolitics” or “balance of power.” That policy was up-ended in 1989 when the Berlin Wall was brought down. So, the British are, on one side, trying desperately and very foolishly to restore some kind of dictatorship in Russia; and secondly, they’re trying to create chaos in the United States, and split the country apart. Far fetched? Not at all.

The result of the Sept. 12 election in Quebec should be followed very carefully, for if the Parti Québécois wins, alarms should be going off in Washington. As *Maclean’s* magazine puts it: “For the better or for the worse, the coming Quebec election will have a profound effect on Canada.” I would add to that, “And especially on the United States.”

Jacques Parizeau, the leader of Quebec’s separatist Parti Québécois (PQ), said on July 25 that “if everything works well, we are out of Canada within the next year.” This should normally be a cause for celebration in the United States, if the French Canadians decided to create a republic, modeled on the U.S. Constitution, and break from the British monarchy. But this is not what we have here.

A greenie paradise

Parizeau’s Quebec would be good neither for the United States, nor for Canada, nor for Québécois themselves. What is on Parizeau’s mind reflects more the idea of “community control,” some kind of “fiefdom,” than that of a constitutional republic like the United States. But most striking is that it would become a paradise for greenies. As a matter of fact, the Green Party officially joined with the PQ last January.

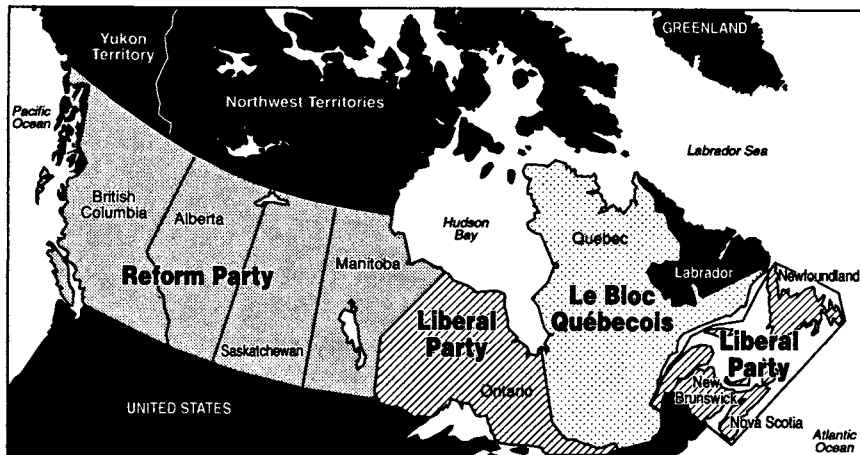
Since the time Maurice Strong and Hollinger Corp.’s puppet, Pierre-Marc Johnson, ran the PQ in 1985, the PQ’s platform has reflected Strong’s green-utopian, global-neighborhood insanity. In its literature, the PQ calls for setting up an “environmental tribunal.” What would this do? It says, “all aggressions of an individual against the environment, all wasting of natural resources, all ecological catastrophe caused by savage economic activities, will be severely punished. . . . All infractions will be considered a criminal act.”

Now, to be included in Parizeau’s Quebec constitution, the Environmental Charter will stipulate that “Quebec, in concert with other nations that want to promote peace, should have as a target, the outlawing of the production of and experimentation with arms. . . . We will prioritize instead, the transfer of resources now being allocated for the arms race toward efforts of environmental prevention and solutions to environmental problems.” Now you have it. Kiss NORAD goodbye and Welcome Woodstock! Plants, bugs, and animals would be more secure in Parizeau’s Quebec than humans.

Parizeau would, of course, keep the queen’s face on the currency, since he says he would keep the Canadian dollar. But when you have large financial institutions such as Merrill Lynch, the Bank of Montreal, or Le Mouvement Desjardin (a \$40 billion Quebec financial institution) coming out openly on the side of the separatists, saying that Quebec’s separation would not cause much of a problem, watch out and hold on to your wallet—something bad is coming. They say there will not be many problems, but for whom? Huge financial institutions are not known to care much about the living standards of human beings. One just has to look at the International Monetary Fund and see the devastation it has brought about in the newly freed countries of the former Soviet Union. That alone should be enough to prompt some serious questions. In fact, the processes of “belt tightening” and “streamlining,” under International Monetary Fund pressure, are now under way. All the social benefits acquired by the workforce over the years, and which have long been a major source of pride by Canadians and Québécois, are now being slowly dismantled.

The coming election

But what makes this upcoming provincial election so special?



Parties in Ottawa represent regional interests, not political constituencies.

It is, first of all, the first time since the British spawned the Confederation of Canada in 1867, that the political parties in Ottawa and their deputies in the House of Commons are representing *geographical areas* of Canada, not a population cross-section of liberals, conservatives, and what not. You have the Reform Party in the west, the Liberal Party in the center, the Bloc Québécois in Quebec, and the Liberals again in the Maritime provinces, all putting stress on the cultural fault lines (see **Map**).

Second, the leader of the opposition in Ottawa's House of Commons, Lucien Bouchard, is a separatist from Quebec. He is the leader of the Bloc Québécois, the Canadian federal version of the PQ. Even though its deputies are only from Quebec, they became the "official opposition" party in Ottawa in the fall of 1993. So, in the federal Parliament, it's Canada versus Quebec. Bouchard, a lawyer, started his federal government career in 1984 when he was appointed by the queen's Privy Council to the board of directors of the Canadian Development and Investment Corp. (CIDC), a crown holding company set up a year before by Maurice Strong.

Third, the "separatist mood" is in the open and has spread across Canada to the Pacific Ocean. For example, a respected member of British Columbia's Parliament, David Mitchell, was recently quoted: "If our confederation is torn apart by Quebec's possible separation, we will need to reconsider our citizenship." Gordon Gibson, author of a new book *Plan B: The Future of the Rest of Canada*, published by Vancouver's neo-conservative Frazer Institute, similarly says: "Quebec will pull the trigger, but from then on B.C. drives the bus." On July 15, the *Washington Post* featured an article by its Toronto-based correspondent Charles Trueheart, entitled "With an Eye on Quebec, Canadian West Rumbles with Threat of Secession": "The resurgent possibility of Quebec's separation has provoked talk here [in Vancouver] about British Columbia's own separatism. . . . The concept of 'Cas-

cadia,' a futuristic Pacific Rim entity composed of Alaska, British Columbia, Washington and Oregon, has become a cliché in this corner of North America. Cascadia even has a flag." Even British Columbia Prime Minister Mike Hatcourt has said that if Quebec goes, British Columbia wouldn't want to be dominated by Ontario. That is to say that if Quebec is "let out" of the confederation, everything will have to be renegotiated. And George Woodcock, editor of the quarterly *Canadian Literature*, commented on the view of people from British Columbia of the possibility of the breakup of Canada: "The link with the U.S. Northwest—Washington, Oregon, and Idaho . . . is only one of the extra-Canadian tendencies. The other is the deep bond of guilt assuaged today by friendship that has developed between B.C. and the Asian Pacific countries. . . . The Bank of British Columbia is now a subsidiary of the Hongkong-Shanghai Bank. . . . Living beyond the mountains, largely self-sufficient, and sustained at least in part by their extra-Canadian relationship, British Columbians are perhaps less anxious than other Canadians about a possible breakup of their country."

In the prairies, Don Braid, columnist for the *Calgary Herald*, wrote, "Westerners are today demanding changes . . . that have a distinctly American flavor. . . . Ironically, for many prairie westerners, adopting some useful U.S. government structural ideas may be the best way to keep from becoming more and more American, *the region's fate if Canada falls apart*" (emphasis added).

The lesson of history

Remember that Montreal, unfortunately, is the place from which the British-steered U.S. Confederate spy apparatus was running dirty operations against Abraham Lincoln's forces, and later killed Lincoln, using John Wilkes Booth and Judah Benjamin. Remember also that the so-called "Jewish" branch of the Scottish Rite of Freemasonry, the B'nai B'rith, was, and still is, an integral part of this Canadian operation.

One of their big money-bags is Edgar Bronfman, headquartered in Montreal. One should also remember this network in the context of the attempts to kill Gen. Charles de Gaulle, and its success in taking John F. Kennedy's life, through Permindex, and the role of Montreal Permindex representative Louis Mortimer Bloomfield, who was Bronfman's lawyer. How much does Edgar Bronfman really know about what happened in Dallas, in November 1963? It is not the first time that the British have used their Canadian assets to go after a U.S. President or the United States itself.

Now, look at the so-called Whitewater scandal: Conrad Black's Hollinger Corp. owns the newspapers that started the Whitewater stories in the first place, and that have kept them going ever since. Hollinger Corp. is an integral part of the British foreign intelligence apparatus.

The gameplan of the British oligarchy

The current political disintegration of Canada is like a cancer gone out of control. In a healthy body, cells divide and grow through the process of mitosis. But what makes cancer so deadly, is that this process goes "out-of-whack," spreads, and infects its surroundings. Cancer and the British oligarchy have the same strategy: Divide and conquer. They also have other similarities, such as the fact that they are deadly to healthy tissue and societies.

When you're talking about a country, the process of mitosis does not take place overnight. So, as expected, some signs of mitosis can already be seen. The largest crown corporations have divided, or are in the process of dividing, like Bell Canada, the telephone crown corporation that had, not long ago, a monopoly on communications. Now, in the province of Quebec, you have Bell Quebec. The two largest railway companies, Canadian National and Canadian Pacific, are in the process of selling assets in Quebec. According to B.C. Scott, a spokesman for CP, it is now negotiating to sell its line linking St. John, New Brunswick to Sherbrooke, Quebec. Also, a line in Quebec's Beauce region is up for grabs. There is a lot of talk about the privatization of sections of the Canadian postal service. Even the monolithic Canadian military has not been spared, as shown by the government's decision to close down the only French-language military academy in Canada—the only one Quebec had on its territory.

For the British, a Sept. 12 PQ victory is necessary, but only as a step in the overall game plan. Then, a referendum will be held with great publicity, negotiations will take place with enormous propaganda spread across the United States and Canada, then *voilà*, the first mitosis of Canada.

What would this all mean for the United States?

First, at the corporate level, especially since the North American Free Trade Agreement, the Carl Icahn, Michael Milken, and Alan Greenspan types would wrongly advise the President to "quietly support" a breakup of Canada. They would say that under the stress of uncertainty, the nominal value of Canadian currency, products, and even companies

would go down, making everything a good buy, or ripe for takeovers. So, they would say that the American companies could profit from a Canadian "fire sale." But reality is a little different, and the British know it more than anyone else. If you turn the boat upside down, the sharks may love it, but the people won't. A little down the road, the situation would become very unstable, because of the economic hardship that will be caused by the upcoming disintegration of the world financial system. The already existing anti-Washington sentiment in the Northwest and the Northeast of the United States (without even mentioning old Dixie) would create under these conditions a very un-United States. The strong bonds built by Lincoln could start to unglue, especially given that the old Confederate networks, such as the Southern Jurisdiction of Scottish Rite Freemasons, would be glad to give a little help to their British masters and kick the legs out from under the United States. What goes on across the U.S. northern and southern borders is likely to become more and more an important foreign policy nightmare for the United States as time goes on. The British oligarchy knows it; one must never forget that old dream so dear to them—the dream of "re-taking America." It has never died. A multiplication of Canada by two, three, or maybe four, will surely cause problems for the White House. In the present state of affairs, with the United Nations' push for more and more globaloney, the United States is just too politically incorrect, too "sovereign," especially because President Clinton has proudly taken a pro-American stand against the British during his last European trip. The Brits are eager to see him go, no matter what it takes, even if it means playing their long-held trump, their "Canada card."

Britain's insurance policy

Parizeau is a pawn of the British oligarchy; about that there is no doubt. But many of his lieutenants believe, rightfully, that one should be able to live in a sovereign nation-state. The bloody Brits have already thought of that, and are ready to deal with it. How? by manipulating the natives. It fits perfectly with their worldwide push for "U.N.-style human rights."

In his latest book *Blood and Belonging*, Michael Ignatieff, heir of a Russian aristocratic family with a long history as British operatives, wrote that Hydro-Quebec, with its huge projects in the North, is the province's economic engine, but that the natives are ready to bring it down if Quebec isn't reasonable. Indeed, Hydro-Quebec's electricity towers are very vulnerable—as we know from the last bombing in March (see *EIR*, April 1, 1994). Ignatieff said that the natives have all the rights in the world to fight Hydro-Quebec's "development projects," and they should. After all, the land is theirs, he says. But isn't it a little odd, that a child of the oligarchy would take the side of the natives? No, not at all. After all, it's a British specialty, to be on all sides of a conflict.

The Poliakov file: history as British propaganda and fraud

by Paul Goldstein

Editor's Note: In the Aug. 12, 1994 issue, p. 57ff., we published "Laurent Murawiec: A Strategic Blunder by British Intelligence," by Jeffrey Steinberg. Murawiec is a former associate of Lyndon LaRouche, based in Europe, who defected to British intelligence in the early 1990s. He has been made a fellow of the International Institute for Strategic Studies in London through the protection of IISS Asia hand Gerald Segal. Murawiec recently turned up in Buenos Aires for a conference which gathered "a collection of people who in the past have been involved in major international arms trafficking, suspected drug-money laundering, and other 'geopolitical' crimes." The article below is a sequel.

The investigative trail of the Laurent Murawiec case shifts from the British geopolitical games in Argentina and China toward their use of the high priests of academia for strategic intelligence and propaganda purposes. *EIR* has begun looking into a group of European and American scholars who were assembled to write *The History of Anti-Semitism in the Post-War Period*, designed as a manual for a new corps of propagandists for furthering British geopolitical strategy, especially in Germany and the United States.

The book, published in February 1994, recites the litany, otherwise familiar in the daily press, that a mass revival of anti-Semitism is exploding in Europe and the United States. The book's publisher and editor, Leon Poliakov, is an internationally known French historian who has served British interests for nearly a half a century.

By comparison to Poliakov's own earlier books on this subject, the 1994 anthology is a shallow and trivial affair. Its chapter on the United States was written by Murawiec and his sidekick Robert Greenberg (another former LaRouche associate). Their claims that anti-Semitism is on the rise generally come out of the Anti-Defamation League's grab-bag of sensationalized "facts" for fundraising from terrorized Jews, focusing, among other targets, on *EIR* founding editor Lyndon LaRouche. Murawiec and Greenberg's witting lie that LaRouche would be "anti-Semitic," exposes them as pawns in an Anglo-Israeli factional game also identified as the "Temple Mount" conspiracy.

Although this centers on the provocative scheme to rebuild Solomon's Third Temple on the site of the al-Aqsa mosque in Jerusalem, which is now a venerated Muslim

shrine, it encompasses more broadly the effort to replace Mosaic Judaism, which is a religion, with Holocaust Judaism, which is a political-intelligence manipulation.

According to sources close to Murawiec and Greenberg, one of the main motivations for writing this piece (apart from the shekels) was the desire to be accepted by the establishment. Whatever their illusions, Poliakov has a major role in the global game that the forces behind Temple Mount are playing. Here's part of the evidence:

- Poliakov has been invited to speak on Jewish mysticism at an upcoming conference in Spain entitled, "The Contribution of Christian and Jewish Mysticism To Inspire The Future of Humanity." It is sponsored by the Institute for the Study of Mythical Traditions, an organization set up by Lord Northampton of the United Grand Lodge of England and Prof. Giuliano Di Bernardo, head of the Regular Grand Lodge of Italy (founded in 1993 as the Italian branch of the Grand Mother Lodge in Britain, after a split in the Italian Freemasonry). The overt aim of the gathering is to restore the Third Temple in Jerusalem. Another invited speaker is ADL executive director Abraham Foxman, better known as a gangster than as a scholar. The coordinating institution for the Temple Mount project is the London-based Quatuor Coronati freemasonic lodge.

- Poliakov's recent book *The History of Racist Ideas in Europe* was sponsored by the leading psychological warfare outfit in Great Britain, the Tavistock Institute's Columbus Center for the Study of Persecution and Extermination at Sussex University. Financing for the book and the forthcoming conference in Spain has been conducted through the foundation of the shady Swiss-based American financier Marc Rich.

Who is Leon Poliakov?

Leon Poliakov was born in St. Petersburg, Russia in 1910 to a family of Odessa Jews. A frequent visitor to his parents's home was Vladimir Jabotinsky, leader of a Revisionist brand of Zionism inspired by the British Empire's radical apostle of violence, Giuseppe Mazzini. Poliakov's father owned daily newspapers in St. Petersburg, Odessa, and Vienna. In 1920, the family escaped Bolshevik Russia and settled in Paris in the exclusive 16th Arrondissement. Leon attended one of the elite Parisian schools, Janson de Saille High School. His

family had moved to Berlin in 1921-24, where he learned to speak German fluently. The family returned to Paris where Leon finished his education, and later graduated from the Sorbonne.

The main intellectual influences on him were Russian emigré intellectuals, as well as the philosopher Maurice de Gandillac, and Alain Besançon, a university professor in Paris and expert on Russian history. Poliakov became fascinated with the Third Rome ideology which justified a world empire for Russia. His book *Moscow and the Third Rome* dates from 1989, and he has written a score of articles on the history of the Jews in Russia. Through his ties with Besançon, Poliakov was brought into the circle of the French neo-conservatives led by Raymond Aron. Aron was periodically financed by the U. S. Central Intelligence Agency and British MI-6. Besançon and Aron helped arrange for Poliakov to write for *Commentaire*, the French version of *Commentary* magazine, the official publication of the American Jewish Committee.

His first article written for *Commentary* in May 1949, "Eichmann: Administrator of Extermination," was based upon the official files of Nazi Germany. Poliakov's work was considered groundbreaking because it documented the role of Adolf Eichmann in the Nazi genocide and reported his escape to Latin America. Because of his command of the German language, Poliakov had been given personal control over these sensitive files courtesy of the British and French occupation authorities in Germany. He had held an official position with the French delegation to the Nuremberg Trials, headed by Edgar Faure.

Using the confiscated Nazi documents in his keeping, mainly on the Schutzstaffel (SS), and with French government financing, Poliakov set up the Documentation Center of Contemporary Jewish Affairs in Paris, where he remains today. Over the last 50 years, he has written 50 books and hundreds of articles, and has provided the international network of official Nazi-hunters some of the clues for tracking down members of the Third Reich. While some actual war criminals have been tracked down, many of these "Nazi-hunting" operations were covers for conducting covert intelligence operations by British, Israeli, and factions of U.S. intelligence—such as violating the sovereignty of rival nations—while often, the alleged "Nazis" were framed up for crimes they did not commit.

Third Temple propaganda organ

Commentary magazine, founded in November 1945, is not only the official publication of the AJC; it has also served as a leading U.S.-based organ of an Anglo-Soviet intelligence project called the Frankfurt School, hosting such luminaries of the Marxio-Freudian intelligentsia as Sidney Hook, Nathan Glazer, Hannah Arendt, and Karl Korsch in its pages, along with British Labor Party officials and intelligence officers ranging from Richard Crossman and George Orwell to



Laurent Murawiec, a pawn in the Anglo-Israeli "Temple Mount" conspiracy. What was he doing in Buenos Aires before the bombs started going off?

Jon Kimche, the older brother of the late Israeli intelligence official David Kimche. Cabalist Martin Buber was also a featured author.

Another *Commentary* writer is the historian Sir Hugh Trevor-Roper, a top level British intelligence officer. It was he who helped get Poliakov international attention. According to Ladislav Farago's book *Aftermath: The Fourth Reich and Martin Bormann*, Poliakov and Trevor-Roper were instrumental in getting the U.S. and British secret services to investigate the whereabouts of Martin Bormann, the number-three man in Hitler's Reich. Farago's book and later, other "Nazi-hunting" stories led the U.S. Department of Justice to set up the Office of Special Investigations. The OSI became infamous for sending people to their deaths as "Nazi war criminals," often on the basis of Soviet KGB-manufactured "evidence."

Commentary was used to build up an intellectual following in the United States for the "neo-conservative" outlook, premised on the British philosophical radicalism of Jeremy Bentham, John Stuart Mill, et al. It was and still is a forum for the "special relationship" between Britain and the United States, to the detriment of healthy relations with Germany and Russia. The crowd behind *Commentary* saw the founding of the State of Israel as a useful tool in the British geopolitical game of permanent conflict for the Middle East.

The recent bombings against Jewish targets in Argentina and England triggered a new round of vitriolic tirades against Islam from this grouping, which generally shares the outlook of a now-famous article in *Foreign Affairs* magazine by neo-conservative pundit Samuel Huntington, "On the Clash of Civilizations," proposing Islam as the new "enemy image" for the West in the wake of communism's fall. Huntington

otherwise earns his keep by making up alliterative watchwords for the oligarchy every decade or so—the last one having been the “death of democracy,” which he baked up for David Rockefeller’s Trilateral Commission.

Nazis, communists and anti-Semitism

During the 1950s, at the height of the Cold War, Poliakov’s work on the Nazis and the Holocaust began to look like he might actually delve into the truth of who and what the Nazis were. After his Eichmann piece, *Commentary* published his article on “Human Morality and Nazi Terror: The Problem of Useless Eaters,” in August 1950, a study on the concentration camps’ slave labor system. Poliakov correctly identified the Nazis’ slave-labor policies, but failed to identify the man the Anglo-Americans had handpicked as Hitler’s economics minister, Hjalmar Schacht, as the executor.

His next article began to reveal what his British gamemasters were really up to. At Trevor-Roper’s suggestion, Poliakov wrote in the November 1950 *Commentary* on “The Vatican and The Jewish Question: The Record of the Hitler Period and After.” This was the first rather sophisticated public attack on the policies of Pope Pius XII during the Nazi period. It came at a time when debate had broken out within Anglo-American intelligence circles on whether to support the growing and successful Christian Democratic movements sponsored by the Vatican in the fight against communism, or the so-called anti-communist left centering on the Frankfurt School and related socialist networks. Which organizations were going to be financed to meet the communist threat in western Europe, was one of the major topics of debate.

Poliakov’s piece was a nasty attack not only on Pius XII, but the Catholic Church as a whole. He started off very carefully so as not to alienate his audience: “Catholicism is regarded by many as the strongest nucleus of resistance against the influence of the communist myth.” Even though there was significant “help to the Jews by the Catholic resistance against the Nazis, . . . there is a question mark.” He proceeded, “Behind the principle of resistance there is the question of the Catholic church’s attitude toward Judaism. . . . What led the present pope, Pius XII, to adopt a less forthright policy than Pius XI? Is it the temperament of the pope who is more diplomatic succeeding a more militant pope. Or was it because Hitler might defeat Moscow? Or yet is it because he was a Germanophile as early as 1917?”

“During Hitler’s lifetime this pope never clearly condemned the criminal policy of the Third Reich.” Relations between Berlin and the Vatican, Poliakov described, were “cold but correct and only on June 2, 1945 did the pope denounce the ‘satanic specter’ of national socialism.” Poliakov then condemned the entire history of the church’s relations with European Jewry and basically established the basis for the continual attacks on the Catholic Church’s alleged role in supporting the Nazis even up until today. Poliakov did his British masters’ bidding quite well when he ended the

article with the Freudian idea that the church has perpetuated an “unconscious anti-Semitism.”

Now, if Poliakov were truly committed to the truth, he would have known that the church had undergone a significant change during Pius XII’s lifetime concerning world Jewry. A more careful investigation would have found that a certain faction of the church did in fact support the Nazis centered around a German Benedictine bishop named Alois Hudal—with full approval of the British Crown and the pro-Vichy French aristocracy. In effect, the church was caught in a trap of supporting the British geopolitical game of playing Germany off against Russia and secretly supporting Hitler to revive a kind of “Nazi Holy Roman Empire.” Many forces within the church opposed this policy and later went on to collaborate with U.S. intelligence in defeating the British geopolitical schemes and the Nazis. But to categorically condemn the entire Catholic Church—what hypocrisy! Without situating the context of the church’s position and the historic struggle against Nazism and Communism, Poliakov opened the door for the subsequent attacks on the church. As a result of his work, other writers investigating the Catholic Church’s relations to Nazi Germany used Poliakov’s approach to keep this myth alive and perpetuate a profound hostility among many Jews toward the Catholic Church and vice versa.

But is this all past history? Obviously not! The real purpose of the British freemasonic-Temple Mount crowd is not only to destroy Catholicism but Mosaic Judaism as well, and the ecumenical basis upon which these two and Islam, described by the late Pope Paul VI as the three “Abrahamic” religions, can unite against such evil. Over the last 30 years Poliakov contributed to perpetuating a divisive approach to these issues. Emulating Sir Arnold Toynbee’s approach to history, Poliakov, in his four-volume *History of Anti-Semitism*, only sees the Jews as the “ultimate victim” of history. He perpetuates the vicious myth that Jewish assimilation into civil society can only lead to the Jews being persecuted, and that only messianic Zionism offers a solution.

His colleagues at *Commentary* continue the same policies on the issues of Middle East peace, Vatican-Jewish relations, Islam and Russia, and, most importantly, Germany. It was Poliakov who in May 1951 launched the idea that Germany was a threat to become a new “Fourth Reich.” His article was entitled “Launching The New Fascist International: Hitler’s Beaten Minions Rally Their Forces.” Then he wrote a book with a Josef Wulf, a German, on the *Third Reich and the Jews* in 1956, which “was an attempt to educate Germans on the issue of anti-Semitism.” This book was reviewed by the Frankfurt School’s Hannah Arendt in *Commentary* as part of the “occupation authorities’ re-education of Germany.”

Today, with the British being routed from their efforts to control continental politics through manipulation of the U.S. giant in the fading “special relationship,” Poliakov has revived this lying refrain—this time with the help of the sycophants Murawiec and Greenberg.

Geopolitical games with plutonium

Phony plutonium scandals are causing tension and sabotaging cooperation between Russia and Germany.

We are observing the fact that German authorities are increasingly dancing to the tune of those people that intend to escalate rumors about Russian nuclear materials," declared Kyril Sidorov, of Russia's counter-espionage agency FSK in charge of protecting military industries, in an interview in the Aug. 1 German weekly *Der Spiegel*.

"The public is led to believe," Sidorov said, "that Russia is no longer able to control the production, storage, and transport of nuclear arms, which would imply a violation of the Non-Proliferation Treaty. On the one hand, they're pushing for supranational control of the Russian nuclear complex, and on the other hand, the demand [for nuclear substances] is being created in the criminal environment."

Ironically, Sidorov's remarks, coming a few days after yet another seizure of plutonium in Germany, proved prophetic. On Aug. 12, police at the Munich airport seized illegally transported plutonium from three passengers on a Lufthansa flight arriving from Moscow.

The incident, which involved three non-Russians, led to a new media shrillness about the need to put Russian nuclear facilities under tight control, and triggered new speculation about left or right terrorists, or Islamic states, trying to build a nuclear bomb. The incident compelled Chancellor Helmut Kohl to call the affair "a threat not only for us but also for the rest of the world," and to order Bernd Schmidbauer, his chief secret intelligence coordinator, on a special mission to Moscow. This has caused

diplomatic tensions, because expert cooperation in the field of nuclear safety has already been established, and it came just as joint civilian projects in nuclear technology are being negotiated between Bonn and Moscow.

Two such cooperation agreements were to be signed in Munich by the deputy Russian minister of nuclear power, Valentin Sidorenko, who happened to be on the same flight that brought the three plutonium smugglers to Munich airport—a strange coincidence, indeed.

The question arises as to whose benefit all these scandals work, especially when certain politicians claim that the seized plutonium comes from military breeder reactors. This implies that there is western espionage into Russian military Russian nuclear facilities.

There is another, related question, namely, who benefits from Germany's being defamed as an international hub for illegal nuclear transfers from the East? This question has been posed in public by Russians, not Germans.

In Germany, there was a "nuclear" affair preceding the recent illegal plutonium seizures: The U.S. Department of State protested a few weeks earlier against plans for a new "neutron source" research reactor in Garching, near Munich, that is to replace a 37-year-old research facility. The note to the German Foreign Ministry voiced U.S. concern about the project allegedly "violating vital Non-Proliferation Treaty clauses."

While there are groups in the U.S.

government who still follow the old British-inspired policy of keeping the reunited and nominally sovereign German state and its high-tech sector under political control, other tendencies have come to the fore. On Aug. 17, the Clinton administration changed course, downplaying the scare stories, and asserting that the United States has no evidence that the smuggled nuclear materials even came from Russia, and no evidence of a black market for such materials. U.S. officials in the State and Energy departments took pains to declare that the Russians are very serious about controlling nuclear materials, and that the United States is cooperating closely with Russia and with Germany on these matters.

These coordinated Aug. 17 policy statements were conspicuously at odds with the calls for international policing and the scare stories against Russia and Germany coming from the British press.

There are also influential people in Moscow who oppose better German-Russian relations. Recently, reminiscences about the "Great Patriotic War" against the Nazis, and previews of the way next year's 50th anniversary of the German capitulation in 1945 will be celebrated by "victorious Russia," signal that somebody wants to create tension with Germany. It comes as no surprise that these are the Moscow circles who work with British-centered interests in the field of "free market" policies.

Such circles may be involved in shipping the illegal plutonium. Their underground activity is also sabotaging talks on cooperation in new nuclear technologies, such as the high-temperature reactor that has been developed by Germany, and which should, because of its raw materials processing potentials, be attractive for Russian industry.

Communist senator is assassinated

In Colombia, only narco-terrorists and narco-Presidents have their human and civil rights defended.

In Colombia's irregular war, it appears that there are two kinds of murder victims: the top-ranking victims among the narco-terrorists, and the bottom-ranking victims—the military and defenseless, law-abiding citizens.

The Aug. 9 assassination of the only senator who is a member of the Colombian Communist Party (PCC), Manuel Cepeda Vargas, has unleashed a witchhunt on the part of every self-proclaimed human rights organization and the greater part of the political elite of Colombia, against the Armed Forces, which has been accused, without a shred of evidence, of committing the crime.

Cepeda was a member of the PCC national leadership, and was its only senatorial candidate to be elected, by scarcely 50,000 votes that came from the party's own membership. But despite its meager electoral support, the party runs a small army of 10-15,000 armed men who have sown the countryside with terror, who blackmail mayors and governors, who collect—by means of kidnappings and forced contributions—a degree of taxation parallel to that of the state, and who impose recruitment for life to their ranks in the zones of the country they dominate. This group, known as the Revolutionary Armed Forces of Colombia (FARC), also takes in enormous sums through their production of and trafficking in cocaine, opium poppy, and other drugs.

The leaders of the Communist Party have always denied that they maintain close relations with, or that they control, the FARC. But at the

same time they constantly praise the FARC's "glorious battles."

Manuel Cepeda himself was jailed in 1959 after having published an interview for the Communist Party's *Voz Proletaria* newspaper with Manuel Marulanda Vélez and Ciro Trujillo Castaño, the FARC's military chieftains, when its forces were surrounded in the region of Marquetalia, Tolima, by the Colombian Army. For crossing Army lines, interviewing the FARC chieftains, and returning through Army lines, the Army accused Cepeda of collaborating with subversion.

At that time, the Communist Party assigned various of its leaders to "politically orient" the FARC, but the only Communist leader who officially remained with the FARC was Jacobo Arenas, who became its "ideological leader." Ever since the death of Arenas from a supposed heart attack, according to an official FARC release, Cepeda has served as "ideological chief" of the FARC, even while maintaining his leadership posts in the Communist Party and retaining his seat in Congress. How many assassinations, kidnappings, and armed assaults were ordered by the "ideological" heads of the FARC?

On July 15, FARC terrorists assassinated Gen. Carlos Julio Gil Colorado, commander of the Army's Fourth Division based in Villavicencio, Meta. General Gil Colorado was one of the few top officers who had continued to combat terrorism effectively, despite the intense pressures of the so-called human rights lobby and the judicial persecution aimed at intimidating officers so that

they would acquiesce to a "negotiated peace." A few days after the Gil assassination, Cepeda wrote a July 21 column for the PCC newspaper *Voz*, which asked, "When will the generals learn that armed confrontation can only be resolved by a negotiated bilateral accord?" The commentary didn't mention Gil Colorado by name, but it was clearly a taunting reference to his murder.

The assassination of Gil Colorado drew no statements of denunciation from the Unified Workers Confederation (CUT), nor from the government, nor from the Congress. Nor did it produce cries of outrage from the political parties, the "human rights" organizations, or the international non-governmental organizations; yet all of these waxed indignant over the death of Cepeda.

Newly inaugurated President Ernesto Samper Pizano announced "a major investigation" of the murder, and condemned Cepeda's assassins, neither of which did he do when General Gil Colorado was assassinated. Amnesty International, an organization created by the British intelligence service, pulled its hair out and demanded that "the impunity with which the military has been permitted to act be eradicated." The fact is that in Colombia, there is impunity for drug traffickers, narco-Presidents, narco-senators, narco-guerrillas, money launderers, genocidalists, terrorists, narco-journalists, and for those who daily steal from the national budget. The only ones in jail are those who cannot afford to pay for a defense lawyer, and a handful of terrorists who await their imminent release, because no judge will schedule a trial against those who have been captured.

The only truly appropriate epitaph for Sen. Manuel Cepeda is the biblical injunction that he who lives by the sword, dies by the sword.

The smoke of Satan

Fans of Brazil's liberation theology cardinal are attacking the papacy with claims that John Paul II has cancer.

The expression "their perversity is greater than their intelligence," coined by a wise bishop, is a perfect description of Cardinal Aloisio Lorscheider, the archbishop of Fortaleza, in the wake of the "slip" he made on July 11 in an interview with the major radio station in the northwest state of Ceara. He stated, "Pope John Paul II has what they are calling bone cancer. It is probably bone cancer, which I imagine is making him suffer a lot."

By this shocking statement, Lorscheider became possibly the highest official of the Catholic Church internationally to publicly put his weight behind the insidious campaign to force the pope to resign due, ostensibly, to failing health, as part of a broader offensive to destroy John Paul II's papacy just at the moment that he has put the entire Catholic Church on "red alert" to derail the anti-population conference scheduled in Cairo for Sept. 5-13.

Almost as soon as he had said it, Lorscheider, a populist who is normally quite attuned to public opinion, realized he was isolated, and tried to lie his way out of the firestorm his remark had ignited. Barely a few hours after his interview, he denied the very story he had asserted on the radio earlier that day.

But the damage was done. Making clear the outrage within the top levels of the Vatican hierarchy, Vatican spokesman Joaquín Navarro-Valls responded immediately, flatly denying the veracity of the report. Within Bra-

zil, the scandal created was such that popular evening television newscaster Boris Casoy of network TVS, after playing the recording of Lorscheider making his assertion on radio, declared: "Cardinal, to lie is a sin."

The only figures to rally to Lorscheider's defense were his buddies in the Brazilian "theology of liberation" movement, Cardinal Paulo Evaristo Arns and former priest Leonardo Boff—no surprise, since their joint project for years has been to dismantle the centralized church, eliminate the Vatican, and create "autochthonous churches" based on New Age paganism, and a theist "democracy." Despite Lorscheider's own "retraction," Cardinal Arns came out immediately saying that "if the information came from Don Aloisio, then it must be respected."

Arns's attempt to give Lorscheider's rumor credibility came less than a month after their sidekick Boff gave the game away with a broadside attack on the pope. In an interview in *Tribuna da Imprensa*, Boff wrote that the College of Cardinals "must act now, before everything falls hopelessly apart, and remove the pope, with his consent, and choose a true representative of the people, rather than an envoy of the top levels of the Curia." Practically the only thing Boff didn't specify in his diatribe was the date for new papal elections.

Clearly, Lorscheider's deliberate slip was part and parcel of this effort to force the pope's removal.

The background of these three

leaders of the liberation theology movement clarifies their motives for seeking to eliminate John Paul II, and the role of the Vatican in general. Years ago, while still a priest, Boff brought down the justified anger of the Vatican for his heretical teachings. The Congregation for the Doctrine of Faith imposed the "punishment of silence" on Boff, meaning that he could no longer openly preach his views. Arns and Lorscheider sought to neutralize this ban, right up until Boff decided to resign from the priesthood altogether, to better permit him to organize the movement.

Indicative of Boff's heresy, his adoption of the pagan ideology of the "New Age," best represented in his book *The New Age: Planetary Consciousness*, is his effort to become the high priest and theologian of that movement, displacing the witches and "magicians" otherwise aspiring to lead it. His thesis is so outrageous that the self-proclaimed Brazilian "magician," Pablo Coelho, concerned about Boff's appeal to Coelho's pagan followers, stated, "I am more Catholic than Boff."

As for Lorscheider, not only was his statement egregious, but it came immediately upon his return from the historic Extraordinary Consistorium of 114 cardinals to deal with the theme of the new evangelization, at which John Paul II took the opportunity to personally mobilize the church hierarchy against the Cairo depopulation conference on the basis that it represents a threat to the principles of life and family.

The insidious role of Lorscheider and Arns brings to mind Pope Paul VI's remark about the growth of liberal currents in the church following Vatican II: "Some smoke appears to be entering the church through a crack. It is the enemy, and that enemy has a name: the Devil."

International Intelligence

LaRouche lectures at seminar in Slovakia

Lyndon LaRouche gave a series of lectures on the science of physical economy during the week of Aug. 7-14, to some 120 persons who gathered at Smolenice Castle outside Bratislava, the capital of Slovakia. The seminar was co-sponsored by the Schiller Institute and the Nadacia Spolupatricnost ("We Belong Together") from Bratislava, whose chairman is Dr. Jozef Miklosko, former deputy premier of post-communist Czechoslovakia, before the countries separated. The participants were mostly young people from 17 nations.

LaRouche's five three-hour classes were followed by other classes and workshops. Two Classical music concerts were held, and one evening of barbecue and Slovak folk music. An astronomy class was held atop the tower of the castle in the late evening hours.

On Aug. 10, Dr. Miklosko invited political, scientific, and cultural leaders of his country to participate in a reception with Lyndon and Helga LaRouche. Among the participants were the mayor of Bratislava, members of the Academy of Sciences, former ministers, ambassadors, parliamentarians, church leaders, opera singers, music teachers, journalists, and one delegate from each of the 17 nations represented at the Smolenice seminar.

Germany stresses ties with continental Europe

German Foreign Minister Klaus Kinkel, in an interview with the Italian daily *La Repubblica* published on Aug. 9, described officially for the first time the consultative committee of four continental European powers—Germany, France, Italy, and Spain—that was formed at the end of July, to improve consultations within the European Union (EU). The committee, nicknamed the "Quadrige," specifically excluded Great Britain from membership, citing its obstructionist policies.

Answering a question on the German

presidency of the EU, a six-month term, Kinkel said: "We are promoting solutions to great challenges, such as occupation, peace and stability, [and] internal security. The German presidency is not the first one to face these tasks, and cannot solve them [alone]. That is one of the main reasons why we want to coordinate our semester with the next ones of France, Spain, and Italy."

Answering a provocative question about "German nationalism," Kinkel replied: "We must not see in our greater political weight a call for national unilateral ways. Nationalism is today the greatest danger in Europe, but it is not realistic to consider the nation, or a fair patriotism, as obsolete. Those who suffocate healthy national consciousness are feeding nationalism."

WCC backs malthusians on Cairo '94 agenda

The World Council of Churches has endorsed the U.N.'s malthusian document for the Sept. 5-13 International Conference on Population and Development, otherwise known as Cairo '94.

According to an *International Herald Tribune* dispatch from Geneva on Aug. 16, WCC General Secretary Dr. Konrad Raiser criticized an assertion by Pope John Paul II that the Cairo document favored promiscuity, abortion, and homosexual relationships. In a statement distributed by the Ecumenical Press Service, Raiser questioned the "wisdom" of what he termed the Vatican's "obstructionist" campaign. Raiser, a leading German Protestant scholar, said he wondered "if this was the best way for the Vatican to defend its outspoken position. . . . More recognition for the diversity of responses and convictions on population matters would have done a greater service to Christian witness."

Raiser further stressed: "Protestant churches are essentially democratic and synodal, arising from the belief in the priesthood of all believers. Therefore, we cannot accept a ruling by a bishop as the final word. But the Holy See will participate as a government delegation in the conference, play-

ing a political role and using pressure to make others accept a certain line."

Responding to what he alleged to be a Vatican criticism of the U.N. document as being "inspired by American feminists," Raiser said that he felt women were rightfully "skeptical of a top-down approach which is characteristically masculine." He praised the U.N. Preparatory Committee document for showing "increasing awareness" of women's views.

The WCC comprises 324 Orthodox and Protestant churches, and claims to speak for the vast majority of the world's non-Roman Catholic Christians.

Serbian Orthodox Church backs Karadzic war drive

The Serbian Orthodox Church openly endorsed the Serbian war in Bosnia led by Radovan Karadzic, with an official visit to Pale, the headquarters of the Serb minority in Bosnia, by Patriarch Pavle, early in August. Pavle supported Karadzic's rejection of the "51-49%" formula of the U.N. mediators and the five-power contact group, according to Belgrade media.

Already on July 5, the Serbian Orthodox Church had published an "Appeal to the Serbian Nation and the World Public," which called on all Serbs to "rise up and defend the rights and liberties that are several hundred years old."

Any return of Serbian-occupied territories along the "51-49%" formula was categorically rejected in the church statement, and the Serbian aggression against the other nations was proclaimed a "holy war."

Russian coup plotters ruled not guilty

Those who carried out the August 1991 Russian coup attempt were acquitted of charges of high treason by a Moscow court on Aug. 11. The ruling closes the book on the special case of Gen. Valentin Varennikov, the former commander in chief of the Soviet Army's ground forces, the only one of the 12 prominent members of the coup cabal who

had been put on trial. The other 11 were acquitted by a vote of the Russian Parliament earlier this year, but Varennikov insisted that his trial be carried through, with the aim of achieving rehabilitation by a full acquittal.

The court ruling recognizes that "an emergency situation" prevailed in August 1991, leading the coup cabal to launch their action "out of just motives to prevent even greater chaos." The wording of that ruling has bearing on the current situation, in which chaos is certainly deepening.

Japanese panel calls for theater missile defense

A Japanese government panel reviewing defense policy proposed on Aug. 12 that Japan's military be "freed of Cold War restraints," and that, given North Korean missile development, Japan should cooperate with the United States in deploying anti-ballistic-missile systems. Washington has proposed that Japan join a several billion dollar plan to develop this system, called Theater Missile Defense (TMD).

Japan's previous 1976 plan set a target of 400 fighter planes, 70 warships, and 10 Army divisions to repel a Soviet invasion. Scaling this down, the new proposed plan calls for a lower cap on military personnel, down to 240,000 from 270,000.

The panel also recommends that Japan's Self-Defense Forces take part in all U.N. peacekeeping operations, even those involving fighting, which Japanese law currently forbids. It also says that Japan should acquire long-haul transport capacity for peacekeeping and relief operations, along with in-flight refuelling tankers.

"Our aim was to recommend that the Self-Defense Forces acquire more flexibility to perform new roles, such as U.N. peacekeeping, and to meet unpredictable threats," said Hirotaro Higuchi, chairman of Asahi Beer Co., head of the nine-member panel of industrialists, academicians, and bureaucrats formed by ex-Prime Minister Morihiro Hosokawa last February.

The panel also recommended that the 1960 U.S.-Japan Security Treaty be

strengthened and that Japan take more responsibility, such as in research and production of military hardware.

Haiti's bishops reject U.N. resolution on Haiti

The Roman Catholic Bishops Conference of Haiti on Aug. 6 issued a 14-point statement, denouncing the July 29 U.N. resolution that authorized an invasion of the Caribbean island-nation. Such an invasion, the bishops charged, would reimpose servitude and "annihilate" Haiti as a nation.

"This decision in favor of armed intervention makes us tremble with indignation as we think of the horrors of the American occupation of 1915, told by our fathers, related in writings and maintained in the collective memory: humiliations of every type, massacres of innocents, forced labor, beatings, torture, repression, rape, ill-treatment of all sorts," the bishops' statement read.

"Such was the suffering, the trials, borne by our people, of which we carry the heavy heritage and which explains certain reprehensible behaviors and practices which serve as a pretext to justify the armed intervention and the occupation of the country.

"The process which led to this resolution is stained with illegality because Haiti does not constitute a menace to peace and security in the region. Haiti is not at war with anyone. What is unique and exceptional is not the situation inside Haiti, but the fact that so many nations of the world have formed a league to annihilate a defenseless country and people."

The bishops charged that "what is at stake is not any interest of the Haitian people, nor the defense of democracy, but particular interests, and not those of the Haitian people."

The Bishops Conference called on their fellow Haitians to "be watchful and pray! . . . They will seek to divide us, to raise brother against brother, child against parents, as the Gospel says. We must not fall into the trap of those who are trying to divide the Haitian people. Let us work in the direction of unity."

● **VENEZUELAN** Foreign Minister Miguel Angel Burelli Rivas, in a television interview on Aug. 9, rejected an invasion of Haiti, and said that Ibero-American diplomatic efforts to find a peaceful solution to the crisis are very much alive. He reported that he had discussed the matter with several other foreign ministers. No invasion can solve the problems of a country where there has been no democracy for 200 years, he said.

● **POPE JOHN PAUL II** plans a brief visit to the Bosnian capital of Sarajevo on Sept. 8, before his scheduled visit to Croatia. Vatican spokesman Joaquín Navarro-Valls said that United Nations forces have assured Vatican envoys that they could guarantee security for the trip.

● **RUSSIA'S** Buran space shuttle, which only made one, unmanned flight into space, in 1988, has been moved from storage next to Gorky Park in Moscow to a new amusement park. The shuttle's cargo bay is being turned into a small theater for children, who can pretend they are taking a journey into space.

● **EIR RELEASED** on Aug. 17 a new multi-client Special Report titled "Russia's Future: Dictatorship, Chaos, or Reconstruction?" The 142-page report, priced at \$250, is the fifth extended analysis of economic, social, and military developments in the former Soviet Union to be released by the international weekly since the fall of the Berlin Wall in November 1989.

● **GENERAL XU HUIZI**, deputy chief of staff of China's People's Liberation Army, visited the United States beginning on Aug. 12, at the invitation of the U.S. Department of Defense. He was scheduled to meet with Defense Secretary William Perry and Joint Chiefs Chairman John Shalikashvili.

President Clinton rejects the 'clash of civilizations'

by Jeffrey Steinberg

The Clinton administration has made public its disagreement with Trilateral Commission ideologue Samuel Huntington's apocalyptic vision of a future "clash of civilizations" and counterposed its own efforts at securing a lasting Middle East peace as the alternative.

Rejecting Huntington's widely circulated thesis that the post-Cold War era will be dominated by decades of confrontation between the West and an emerging Asian "Confucian-Islamic" monolith, the White House leadership has attempted in recent weeks to chart a course of foreign policy action that has many leading figures in the Chatham House-New York Council on Foreign Relations axis in a dither. The reason for the consternation is that Clinton foreign policy, even where misguided, seems to have broken free from the axioms of British-devised geopolitics.

During the week of Aug. 15, Henry Kissinger, a self-confessed agent of the British Royal Institute for International Affairs (Chatham House) and the British Foreign Office, assailed Clinton for his July trip to Europe, during which the President announced a new strategic partnership with Germany to build a Eurasian alliance on the basis of economic development. Kissinger, whom Lyndon LaRouche assessed as "on the way down" if not "on the way out" as an influential voice in public affairs, whined that Clinton's new focus on Russia and Germany would "wound" France (which Henry does not care about) and Great Britain (which owns him). For the past century, British geopoliticians have treated the kind of Eurasian development plan augured by the new Clinton policy-thrust, as a "casus belli."

Huntington's geopolitical fantasy

In the Summer 1993 issue of the CFR's *Foreign Affairs* magazine, Harvard professor Samuel Huntington penned a

long-winded essay entitled "Clash of Civilizations?" In Huntington's version of post-Cold War geopolitics, he forecast inevitable violent conflict between the United States and Europe on the one side (perhaps including Russia), and an Asian-Middle Eastern bloc rallying beneath the banner of a hybrid "Confucian-Islamic" fundamentalism.

Huntington argued that "differences among civilizations are not only real; they are basic. . . . These differences are the product of centuries. They will not soon disappear. . . . The interactions among peoples of different civilizations enhance the civilization-consciousness of people that, in turn, invigorates differences and animosities stretching or thought to stretch back deep in history."

Since the publication of the Huntington article, an international debate has been sparked over his thesis of future "holy warfare" against the West. But a new dimension was added to that debate on July 31, when the *Washington Post* published a commentary by President Clinton's National Security Adviser Anthony Lake, debunking the "clash" theory.

Islam not the enemy image

Lake's piece was particularly significant because it was published one day before Jordan's King Hussein and Israel's Prime Minister Yitzhak Rabin met with President Clinton at the White House to formalize the inclusion of Jordan in the Middle East peace process, set in motion one year ago with the Israel-PLO accord.

Lake minced no words in his critique of Huntington's latest theory, writing:

"It's important not to view our involvement either as a struggle for mastery over the Middle East or a 'clash of civilizations' pitting western values against Islamic and other religious traditions. Indeed, the Clinton administration

strongly disagrees with the view that there is no common ground for understanding between 'the West and the rest,' that the United States, as the sole remaining superpower, must be drawn to a new crusade against Islam.

"In the Middle East as throughout the world, there is indeed a basic divide. But the fault line runs not between 'civilizations' or religions. It lies instead between oppression and responsive government, between isolation and openness, moderation and extremism. It knows no distinction by race, creed or geography. . . . And the dramatic global events of the past four years have shown that this language can transcend the past and transform the future."

Lake then addressed the issue of Islam. Even before the collapse of the Iron Curtain, a number of Cold War ideologues, Huntington included, had been arguing that the United States needed a new "enemy image." Many argued that Islam should be viewed the new "enemy."

Lake's commentary rejected this feature of the Huntington thesis most explicitly: "Nor must a renewed emphasis on traditional values in the Islamic world inevitably lead to conflict with the West or with democratic principles. These values—of devotion to family and society, to faith and good works—are not alien to our own experience. That so many people in the Middle East look to religion, to Islam, is neither unusual nor unique. This is a universal quest. Islam is not the issue."

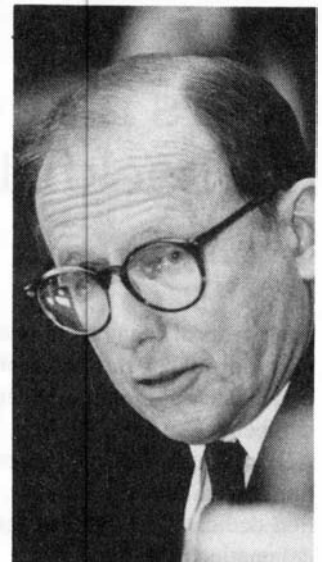
Citing the Serbian genocide against the predominantly Muslim population of Bosnia, Lake reiterated: "Today, the real conflicts that offend the conscience of the world are manifestly not 'conflicts of civilization.'"

Trying to match words with deeds

Sources close to the Clinton White House have told *EIR* that the Lake article was an accurate reflection of the policy being pursued by the administration, which extends beyond the Middle East peace negotiations. The U.S. efforts to develop working ties to the moderate faction within the Algerian Islamic Salvation Front (FIS), while at the same time keeping up pressure on the Iranian regime, are cited as examples of how the administration is moving to isolate violent Islamists from more rational elements, and to avoid any efforts to draw the United States into a broad attack on "fundamentalist Islam."

President Clinton is personally aware of the pitfalls of the Huntington "clash with Islam" doctrine and is anxious to avoid falling into that trap, according to several sources interviewed for this article.

The administration's approach to resolving the Korea crisis is another relevant case. Huntington speaks for a large group of would-be geopolitical strategists, led by Gerald Segal of the London International Institute for Strategic Studies, who wanted to see the North Korean nuclear weapons controversy turned into a huge foreign policy crisis for Clinton. Segal, who writes for *Foreign Affairs* magazine on Asia



National Security Adviser Anthony Lake (left) has taken exception to the "Clash of Civilizations" thesis of the Trilateral Commission's Samuel Huntington.

policy, has assailed President Clinton for his failure to provoke a "clash" with North Korea in order to accelerate the destabilization of mainland China (presumably the "Confucian" side of Huntington's anti-western monolith).

Follies

To be sure, there are weaknesses and follies in the Clinton foreign policy agenda. The administration has failed to adequately counter some of the attacks that have been leveled over its support for the draft program of the upcoming United Nations Cairo conference. Although an understanding has been reached between the institutions of the U.S. presidency and the papacy over a range of pressing policy issues, the Clinton stand on Cairo has opened the door to a potential isolation of Washington from the promising progress toward a Christian-Islamic dialogue at precisely the moment that the Clinton White House is trying to steer a tricky path toward some policy agreements with Islamist factions.

Between Aug. 8 and Aug. 11, the Vatican press office, and then the Islamic Studies Center of Al-Azhar University in Egypt, one of the most venerated centers of Sunni Muslim orthodoxy in the Islamic world, came out with convergent denunciations of aspects of the genocidal draft program of action for the U.N. International Conference on Population and Development, on Sept. 5-13 in Cairo.

The administration's failure to respond to this emerging alliance against the enemies of humanity is a particularly dangerous irony. Given the President's strong antipathy to British-inspired geopolitical dogmas like Huntington's "clash of civilizations," he is going to need a firm alliance with the Vatican and with reasonable forces within Islam if he is to succeed in his goal.

ADL's hate crimes are backfiring

by Harley Schlanger

After years of engaging in smear tactics and dirty tricks while operating under the cover of being a "Jewish civil rights organization," the Anti-Defamation League's days may be numbered. An ad in the Aug. 2 *New York Times* accused the ADL of employing such "discreditable techniques as insinuation and guilt by association. . . . It ill behooves an organization dedicated to fighting against defamation to engage in defamation of its own."

The ad's concluding paragraph challenged the ADL's claim to speak on behalf of all Jews. "As a people whose history so vividly illustrates the bitter results of bigotry, we have a special obligation to guard against it, and all the more so when, as in the case of the ADL attack on our Christian fellow citizens, it emanates from within our own community."

The ad, signed by 72 Jewish leaders, was a response to the ADL's book-length report, "The Religious Right: Assault on Tolerance and Pluralism in America," which was released in June 1994.

On Aug. 10, two ADL leaders in Houston, Texas, resigned. Both Phillip Aronoff and Gary Polland were members of the ADL's Southwest Regional Board, with Polland serving as chairman. Responding to pressure from ADL National Director Abe Foxman for signing the ad, Aronoff and Polland characterized the ADL's charges of "anti-Semitism" against the "Christian right" as engaging in "the discredited McCarthyite method," with "no desire to check the underlying facts."

In his letter of resignation, Polland wrote, "I have always believed that the ADL was an organization that grew and prospered through the vigorous debate of ideas. That apparently is no longer the case." He described the report as "inaccurate and poorly researched," filled with "extensive mistakes" and "poor scholarship."

The Christian Coalition also responded to the ADL's attack, accusing the ADL of making "reckless charges of anti-Semitism," of being "intellectually dishonest" and "twisting words out of context," while employing "fabrications, half-truths and innuendo."

The signers of the ad, the former board members in Houston, and the Christian Coalition were merely reporting what targets of previous vituperative and illegal ADL attacks, and readers of the *EIR*, already know: that the ADL, which from its inception has been an arm of organized crime, is guilty of fomenting hate crimes against its opponents.

The phony 'left turn'

As the ADL's new-found critics are Republicans (many are Bush-linked neo-conservatives), they claim that the ADL's attack on them is partisan, a kind of "left turn" for the ADL. In reality, the ADL is attempting to reposition itself with the Democrats, and as supporters of the Mideast peace process, for precisely the same reason the British decided to join the European Common Market—to sabotage it from within.

In 1981, the ADL, on behalf of Israel's Likud regime, made overtures to fundamentalist Christians. The alliance was based on the following cynical equation: The Christians would support Likud claims to the land of Greater Israel—which both Jewish and Christian fundamentalists believe is a precondition for the coming (or second coming) of the Messiah; this would provide political support (through their influence on Reagan and Bush) and financial support for Israeli settlers, the Gush Emunim and Kahane fanatics; the fanatics would drive the Palestinians out of the West Bank, thus fulfilling the prophecies of both Jewish and Christian fundamentalists.

This gambit is a continuation of the "Zionist card" designed by chief British imperial strategist Lord Palmerston in the mid-19th century, who used the issue of a "Jewish homeland" to assure constant bloody conflict, and a continuous British presence, in the Middle East, with Europe's Jews the cannon fodder for the Empire.

Thus, the intransigent Shamir, would-be dictator Sharon, Kahane, and the "Temple Mount Faithful" became favorites among misguided Christians, who contributed heavily to Jewish terrorists, who tried on several occasions to ignite regional warfare by blowing up the Al-Aqsa mosque in Jerusalem, one of the most holy sites of Islam.

The election of the Rabin-Peres Labor government in Israel and Clinton in the United States scuttled this game. With full support from President Clinton, Prime Minister Yitzhak Rabin successfully has pursued a bold course, trading land for peace. The ADL, together with the neo-cons of the American Jewish Committee, opposed him from the outset. Rabin has blasted Foxman and other U.S. Jewish leaders for obstructing the peace process.

Unable to stop the momentum toward peace, this crowd aimed against the heads. Press outlets controlled by the British intelligence-linked Hollinger Corp., the *Jerusalem Post* and the *Daily Telegraph* of London, launched vicious attacks against Rabin and Clinton.

At the same time, these networks, seeing the hand of Lyndon LaRouche in the outline of the economic development plan for Mideast peace, and Clinton's recent moves to break the U.S. "special relationship" with Britain, have renewed their efforts against LaRouche, releasing two new attacks against him in the last eight weeks. These desperate measures by the ADL are backfiring, as its treachery is becoming increasingly obvious.

NAACP and black officials targeted

by Mel Klenetsky

The appointment of a special independent counsel to investigate Agriculture Secretary Mike Espy, a former congressman and former member of the Congressional Black Caucus (CBC), together with an indictment against Rep. Walter Tucker III (D-Calif.), a member of the CBC, has caused many in the African-American community to once again ask whether black elected officials are being subjected to a systematic pattern of political targeting.

Add to this the attempts to get National Association for the Advancement of Colored People (NAACP) Director Ben Chavis to step down, and it appears that the African-American community, from its political leaders to its representative organizations, is under a full-scale assault.

Secretary Espy is under investigation for allegedly accepting gifts of football tickets and a corporate jet ride from the nation's largest poultry producer, Tyson's Food, Inc. Espy becomes the second black member of Clinton's cabinet to come under this kind of scrutiny. The first was Commerce Secretary Ron Brown, who was eventually cleared of charges that he had illegally accepted \$700,000 to influence a business deal between an American company and a foreigner.

Dr. Mary Sawyer, author of the "The Dilemma of Black Politics: A Report on the Harassment of Black Elected Officials," told *EIR* that the Espy investigation is typical of the cases that she reviewed in her 1977 report. In that report, which was updated in 1987, Sawyer observed that top black elected officials are especially vulnerable to political harassment. The cases of Clinton cabinet members Espy and Brown certainly hew to that pattern.

She wrote: "It is significant, for example, that the black official considered to be the most powerful or influential in a particular state has in many instances been the target of harassment. . . . Of the hundred persons identified by *Ebony* magazine in 1976 as the 'most influential black Americans,' at least 30 are elected officials. Of those, over 60% have been subjected to some degree of harassment."

Just days after Espy came under investigation, Representative Tucker was indicted on bribery and tax evasion charges stemming from a two-year FBI investigation into Compton, California politics, where Tucker served as mayor during 1991-92. Some believe Tucker was targeted because of his opposition to card casino gambling salons. Tucker himself says: "It's obviously political. It's an election year and I'm up for reelection." He also sees himself as the latest victim

in a "pattern of attacks on African-American politicians."

Perhaps the most telling case is the attacks against Chavis. Chavis has come under criticism because of a job discrimination lawsuit that he settled with a former aide, Mary Stansel, when he became NAACP director. Chavis's critics are calling a special board meeting of the NAACP, where they will push for his resignation, on the grounds that Chavis allegedly mishandled the Stansel case.

Chavis is accused of never reporting the settlement to the NAACP board and mishandling funds. The NAACP has a \$3 million deficit in its \$18 million budget. As this article went to press, the NAACP executive board was scheduled to meet to decide whether Chavis stays on.

Outside forces at work

Chavis insists he will not resign, and is charging that forces outside the African-American community, along with a handful of people inside the NAACP, are behind the campaign to oust him. The "outside forces" prominently include the Anti-Defamation League (ADL), which went into a frenzy earlier this year when the CBC mooted opening a dialogue with the Nation of Islam. The ADL frenzy intensified in June, when Chavis hosted a black unity meeting, under the aegis of the NAACP, in which Nation of Islam leader Minister Louis Farrakhan participated, along with CBC leader Rep. Kweisi Mfume (D-Md.), Jesse Jackson, and many other African-American leaders.

The ADL, which issued a report in 1991 charging that black intellectuals posed the greatest danger to Jews, immediately began a stream of public denunciations of Chavis for daring to invite Farrakhan to the meeting, and demands for Chavis's resignation soon began to be heard. The *Wall Street Journal* editorially called for Chavis to step down and threatened withdrawal of corporate support. In mid-August, the Ford Foundation, one of the NAACP's biggest donors, held up a \$250,000 grant to the NAACP, feeding the environment for Chavis's ouster.

The media onslaught against Chavis, led by syndicated columnist Carl Rowan and the *Washington Post*, among others, has tried to argue that it is the Stansel incident and not Chavis's defiance of the ADL and Wall Street, with his overtures to youth and black separatist groups, which lies at the bottom of the efforts to oust him.

Clarence Mitchell III, head of the Center for the Study of Harassment of African-Americans, sees the efforts to oust Chavis as part of the broader pattern of targeting of black elected officials. "I don't believe that the NAACP would remove Chavis," Mitchell told *EIR*. "That would be fatal, at least not now. They will move toward restrictions on spending without board approval, but guidelines should have been in place long before. I fully support Chavis. He is mobilizing people against this outside pressure and, in this context, I believe whatever internal modifications may be made can be positive."

Debt relief for Jordan gets Senate okay

The Senate approved by a vote of 88-12 and sent to President Clinton on Aug. 10, a \$13.8 billion Foreign Operations bill providing up to \$220 million in debt relief for Jordan and \$50 million in emergency aid for Rwandan refugees.

The House approved the bill the week before by a vote of 341-85. The bill earmarks \$99 million this year, and allows up to \$220 million overall in debt relief for Jordan—proposed by the Clinton administration following King Hussein's July 25 agreement with Israel at the White House to end the 46-year-old state of war between the two nations.

The Clinton administration promised to forgive Jordan's \$700 million debt to the United States in return for the peace move, but Congress is unlikely to approve more of the package without progress on a Jordan-Israel peace accord.

Sen. Jesse Helms (R-N.C.) called the debt relief a "payoff," and said that the U.S. public will eventually ask, "Can we afford peace in the Middle East?" Sen. Patrick Leahy (D-Vt.) the bill's floor manager, responded, "I feel we do have a stake in bringing about a lasting peace in the Middle East."

Starr appointment 'political,' Dems charge

Democrats in Congress reacted angrily on Aug. 8 to the surprise appointment of former Bush Solicitor General Kenneth Starr to be the special counsel investigating alleged wrongdoing by the Clintons in the Whitewater affair.

Sen. Howard Metzenbaum (D-Ohio) called on Starr to decline the appointment, "on behalf of your own credibility." He listed the Republican

credentials of presiding judge David Sentelle, one of the three judges who appointed Starr to replace Robert Fiske, including that Sentelle was the "judicial protector of Oliver North." Metzenbaum accused Sentelle of acting on the advice of neo-conservative Floyd Brown, "the man who gave us the Willie Horton ad." "This move screams politics," Metzenbaum said. "How can Mr. Starr take this job and expect to appear impartial with all this background noise?"

Rep. Frank McCloskey (D-Ind.) said it is "bizarre, if not downright partisan, for a U.S. Court of Appeals panel, including two Republican judges, to abruptly anoint former Bush administration Solicitor General Kenneth Starr to reinvestigate the Whitewater matter. . . . It is a reasonable conclusion, that the appointment of Judge Starr as new special prosecutor has the appearance of a calculated move to create controversy, to harass the President, to draw this matter out forever, and to wring every conceivable drop of partisan gain out of the Whitewater affair."

Lift arms embargo on Bosnia, Senate affirms

On Aug. 11, the Senate approved two amendments to the Defense Appropriations bill which provide for lifting the U.N.-imposed arms embargo against Bosnia-Herzegovina. The first, offered by Minority Leader Bob Dole (R-Kan.), requires the President to terminate the arms embargo by Nov. 15, 1994 "so that the government [of Bosnia-Herzegovina] may exercise its right to self-defense under Article 51 of the United Nations."

Unlike previous proposals offered by Dole, this one contains no provision for providing arms to Bosnia from existing U.S. military stocks.

Dole said that the deadline was added in order to give the U.N. forces in Bosnia time to withdraw.

A second amendment, co-sponsored by Sam Nunn (D-Ga.) and George Mitchell (D-Me.), calls on the President to go to the U.N. Security Council by Oct. 15 with a resolution to lift the arms embargo against Bosnia if the Bosnian Serbs do not agree to the partition plan worked out on July 6 and already agreed to by the Bosnian government. The resolution provides that if the Security Council does not vote to lift the embargo, then no U.S. funds may be used to enforce it and the President may consult with the Congress to unilaterally lift it and provide arms and training to the government of Bosnia. Mitchell explained that this was the substance of the agreement worked out in conference committee on the Defense Authorization bill passed in June.

The House version of the bill contains language similar to the Dole amendment, except the Senate provides for a multilateral termination of the embargo. The White House has expressed support for the Mitchell amendment, and President Clinton told Congress in a letter that he intends to introduce a U.N. resolution by the end of October to lift the arms embargo if the Serbs do not accept the peace plan by Oct. 15. The Nunn-Mitchell amendment was approved by a vote of 54-44, and the Dole amendment was approved by a slightly larger majority of 58-42.

Health care proposal hit by GOP, business

The Senate Democrats' health care reform bill is coming under fire from business groups as Republicans press their attack against the bill and proposed tax increases.

The Senate began debate on health care reform on Aug. 9 with a Republican onslaught designed to undermine public support for the measure. Dan Coats (R-Ind.) objected that the bill, sponsored by Senate Majority Leader George Mitchell (D-Me.), had 18 new taxes, 50 new bureaucracies, and 175 new requirements for state governments.

Several business groups, including those that have supported Clinton's call for employer-paid health benefits, are upset with provisions they say will increase their costs of providing insurance to workers. "The decision has already been made that the Mitchell bill is unacceptable and the plug on it in its current form should be pulled," said Jim Klein of the Association of Private Pension and Welfare Plans.

MFN for China backed by House

On Aug. 9, the House approved H.R. 4590, the United States-China Act of 1994, which backed the Clinton administration's extension of Most Favored Nation (MFN) trading status for China. The bill contained some additional items aimed at promoting human rights in China. Earlier, the House rejected by a vote of 75-356 a joint resolution disapproving the renewal of MFN for China.

The bill that was finally approved was a substitute offered by House Foreign Affairs Committee Chairman Lee Hamilton (D-Ind.). The original amendment, sponsored by Nancy Pelosi (D-Calif.), called for revoking MFN status on goods produced by Chinese state-owned enterprises and the People's Liberation Army, and prohibiting in the future the extension of non-discriminatory treatment for such goods.

The Hamilton measure effectively decouples the annual renewal of MFN

from human rights policy. Hamilton told the House that "passage of the Pelosi bill would bring heavy costs but few benefits." Hamilton also argued that "China could undermine our policy in North Korea, block sanctions resolutions, and increase tensions with Taiwan." On the economic side, he said, "if we denied MFN treatment for half of its exports to the United States, China would surely retaliate against United States exporters. Our exports would plummet. Our trade deficit would soar."

Phil Crane (R-Ill.) supported the Hamilton approach. He said that "conditioning the annual renewal of MFN on human rights objectives is a foreign policy stick that failed to produce the progress which we all seek from the Communist Chinese government. This approach, debated in the House every year since 1990, is counterproductive to our goals of fostering the growth of freedom and democracy in that nation."

The Hamilton substitute was approved by a vote of 280-152, and an attempt by Pelosi to resubstitute her original bill was defeated by an almost identical vote of 158-270.

Tokamak shortchanged in conference decision

A Senate and House conference on appropriations for the Department of Energy settled on \$42 million for the Tokamak Physics Experiment (TPX) program for fiscal year 1995, far less than the \$67 million requested by the Clinton administration.

The TPX is the next major U.S. magnetic fusion facility being planned at Princeton University. It is intended to address issues in plasma physics and tokamak operations which may lead to more compact and efficient fusion reactors.

The House had approved the full \$67 million and construction authorization for the project. However, the Senate had reduced funding to \$28 million, limiting TPX to continuation of preliminary design. The \$42 million compromise limits TPX to design work, but allows for industry participation.

Intelligence reform to enhance FBI authority

The Senate on Aug. 12 added an amendment on counterintelligence reform sponsored by Dennis DeConcini (D-Ariz.) and John Warner (R-Va.), to the 1995 Intelligence Authorization bill.

The amendment would make the FBI the sole agency responsible for counterintelligence investigations that lead to criminal prosecutions. It requires the CIA and other relevant agencies to cooperate fully with the FBI. Other provisions include setting standards for access to classified information, and giving the FBI access to credit and travel records of targets of investigation.

Another provision requires that physical searches for intelligence purposes can only be carried out with a court order. Currently, searches are carried out with the approval of the Attorney General. DeConcini said that the committee "does not believe this arrangement provides adequate protection for the constitutional rights of U.S. citizens."

"The Ames interview further convinced me that we can do a better job in the counterintelligence area. We need to have one agency clearly in charge of investigations, an agency with trained investigators," DeConcini said. The legislation "is going to place the best criminal investigators that we have available to the federal government into this process at the very earliest point."

National News

Wirth pushing politics of global 'chaos theory'

Some members of President Clinton's administration, typified by Undersecretary of State for Global Affairs Timothy Wirth, who spoke on the subject in July, believe that "chaos" is the greatest threat to national security, according to a commentary by Jeremy Rosner in the Aug. 14 *Washington Post*. "A new view argues that the overriding threat is global 'chaos'—a virus of disorder fed by environmental damage, overpopulation, poverty, refugee flows, ethnic conflict, and failed states. The argument goes this way: With the Soviet empire gone, the new systemic threat to all U.S. security stems from the global rash of small-scale conflicts," wrote Rosner. "Wars and humanitarian disasters in Africa, Haiti, Bosnia, the Mideast, and elsewhere may seem to spring from local tensions, but the larger-scale forces of chaos are at work," according to this theory.

"These forces deepen scarcity, spawn extremism, and raise tensions. . . . Thus, programs aimed at sustainable development, population control and environmental protection should be moved to the fore of our national security priorities."

The theory "undervalues moral accountability," Rosner continued. "To be sure, the Clinton administration generally has not embraced the chaos thesis. . . . National Security Adviser Anthony Lake and other key officials" have dismissed the idea.

OSI victims sue to overturn Holtzman law

On July 1, several individuals, assisted by the American-Ukrainian Political Action Council of the United States (Aupacus), filed suit in federal court in Washington, D.C. to enjoin the Department of Justice, the DOJ's Office of Special Investigation (OSI), the Immigration and Naturalization Service, and Attorney General Janet Reno from further denaturalization or deportation proceedings under the Holtzman Amendment.

According to the weekly *New Federalist* of Aug. 22, the lawsuit challenges the constitutionality of the Holtzman Amendment, which established the OSI as the official "Nazi-hunting" organ in the DOJ, and the "OSI's manipulation of Soviet-produced evidence in its zeal to prove that its targets were Nazi 'war criminals,' and OSI's direction of a campaign to bring such 'war crimes' prosecutions in a selective and improper fashion against eastern Europeans."

Aupacus issued a release, according to which the plaintiffs also assert that the OSI's actions "violate numerous provisions of political, civil, and human rights provisions under international law." This is the first time such arguments have been raised.

The plaintiffs are relatives of individuals who have been persecuted by the OSI, including some who have been unconstitutionally deported and sent to their deaths. Heinz Bartsch, Anu Linnas, and Wolfgang Schiffer are children of OSI victims. Katharina Tittung and Anna Schiffer are the wives of two of OSI's targets. Shirley Waterman's fiancé, Hans Breyer, is currently facing deportation. Three of Breyer's children are also suing, as is Marianne Rudolph, daughter of NASA rocket engineer Arthur Rudolph, and Konstanty Z. Hanff, who was unsuccessfully targeted by OSI after he had exposed a Soviet spy operation.

De facto, parole no longer exists in Virginia

The draft legislation for Gov. George Allen's plan to end parole in Virginia, called Proposal X, was presented on Aug. 16 to the Commission on Parole Abolition and Sentencing Reform, whose members include George Bush's former Attorney General William Barr and LaRouche prosecutor Henry Hudson. The proposal would eliminate parole and call for nonviolent offenders to serve sentences in as many as 10 new work camps to be built, according to the *Richmond Times-Dispatch*. However, terms for such offenders will not be cut to make room for violent criminals.

Parole has de facto already been ended, with the new parole board having cut parole grants to 5% of those eligible, down from

over 40% just last year. The result is that the prisons and jails are crammed to bursting, with officials citing a real threat of riots. "We can't keep stuffing bodies into buildings . . . we're afraid we're going to have a riot or deputies will be injured," said John Jones, executive director of the Virginia Sheriffs' Association.

Wilder continues to attack North

Independent senatorial candidate and former Virginia Gov. Doug Wilder (D), has continued his attacks on Republican senatorial candidate Oliver North for his role in Contra drug-trafficking. Wilder is the only one of the four candidates for the seat held by Sen. Chuck Robb (D) to take on North on this fundamental issue. In the Aug. 13 *Richmond Times-Dispatch*, Wilder is reported to have "attacked his Republican opponent for allowing pilots carrying arms to the Contras in Nicaragua to smuggle drugs." Wilder was speaking at a Veterans Care Center in Salem. On Aug. 14, the daily reported that Wilder invoked North's Iran-Contra convictions during an appearance on the steps of the Fredericksburg City Hall on Aug. 13.

Meantime, the Virginia Fraternal Order of Police gave their endorsement to North after a debate between him and independent Marshall Coleman, the former GOP state attorney general. The endorsement was not surprising: The FOP buys its bullet-proof vests from the Virginia company North formed after retiring from the Marines.

Finally, neo-con William F. Buckley called on conservatives who find North distasteful to swallow their pride and support him, because the GOP needs to stack the Senate.

Conservative questions Starr appointment

The first slight break in Republican and "conservative" glee at the appointment of Kenneth Starr to replace Whitewater inde-

pendent counsel Robert Fiske, came from Bruce Fein, a Heritage Foundation-aligned columnist for the *Washington Times* on Aug. 16.

Fein listed six reasons that Democrats use to attack the Starr appointment. Five of these—that Starr lacks prosecutorial experience, that he is an active Republican, that he intended to write an *amicus curiae* brief in the Paula Jones lawsuit against President Clinton, that no replacement of Fiske was necessary, and that the appointing judges were “Republican party shills”—Fein called unpersuasive. But the sixth, that Judge David Sentelle lunched with Sen. Lauch Faircloth (R-N.C.), while the appointment was pending, is “unanswerable,” writes Fein, and the appearance of partisanship should have prompted Sentelle’s recusal. Nonetheless, Fein concluded with the following convoluted solution: “Mr. Starr might consider resigning to create an independent counsel vacancy, and concurrently petition for reappointment by the two uncompromised judicial panelists.”

Fein’s column ran side-by-side with a commentary by one of the news media’s kept “liberals,” Harvard lawyer Alan Dershowitz, who charged that Judge Sentelle has contributed to making the U.S. Court of Appeals in D.C. “a hotbed of partisan politics,” and that Starr, who sat on that court, was “one of Judge Sentelle’s right-wing soulmates on that court.”

Immigration panel wants worker registry

A Commission on Immigration Reform, headed by former Texas Rep. Barbara Jordan (D), has urged President Clinton to take immediate action in testing a program that would require all job applicants to prove their identities, according to the Aug. 4 *Washington Post*.

The commission, created by Congress in 1990, recommended the creation of a national computer registry of all persons, U.S.- and foreign-born, who are eligible to work. Employers would then be required to check the identities of job applicants against the registry by using either a new, more

secure Social Security card, a counterfeit-resistant driver’s license, or telephone verification system.

The proposal called for an immediate start to a pilot program of worker identity checks in the five states with the highest levels of immigration: California, New York, Texas, Florida, and Illinois. Immigration and Naturalization Service statistics show that of the estimated 4 million immigrants, 80% live in these states. Jordan said the commission was undecided about the best way to perform an identity check. The pilot program would be expanded nationwide after about three years.

The American Civil Liberties Union, Hispanic organizations, Chinese-American groups, Jewish groups, and immigration lawyers immediately expressed concern, saying the registry’s use could increase job discrimination against members of ethnic and racial minorities, and encourage invasions of privacy and system misuse for government surveillance.

Cardinal O’Connor urges no abortion coverage

New York’s Cardinal John O’Connor wrote an open letter to President Clinton that appeared in the *Washington Times* on Aug. 9, urging him to drop abortion coverage from his universal health care plan. The Catholic bishops, said the letter, “have supported universal health care coverage since 1919.”

“But not a single one of the proposals . . . provides full health care coverage for unborn babies, the letter added. “All the semantic jargon in the world can’t turn abortion into ‘health care’ for the baby aborted. Death is the ultimate opposite of health. So to be universal, a health care plan must provide health care for the unborn, as well as for their mothers, not death for either.”

The bishop concluded, after encouraging Clinton not to “believe those who will blame the bishops” if the bill fails: “To demand that anyone pay for abortion who believes abortion is morally wrong is itself morally wrong, no matter who makes the demand. And . . . it’s the road to ruin for a meaningful health care bill. The people will not accept it, and they should not accept it . . .”

Briefly

● **DEMOCRATIC** Party chairman David Wilhelm resigned in August, effective after the November elections. Wilhelm had been effectively side-lined already by White House Chief of Staff Leon Panetta, who brought in Tony Coelho to run the Democratic National Committee. Wilhelm had displayed strident opposition to popular LaRouche Democratic candidates last spring.

● **RIVERBOAT GAMBLING** in the nation’s capital was sunk after the gambling lobby unsuccessfully threw \$62,000 to place an initiative on the Nov. 8 Washington ballot. Of 45,000 signatures, only one-third were from registered voters, and petitioners had been paid up to \$1.75 per signature.

● **FIFTY MILLION** boxes of Cheerios are being dumped under orders of the Food and Drug Administration, because they may have tiny traces of an unapproved but completely safe pesticide that was sprayed on the oats while in storage. The FDA determined that there was no health hazard, but issued the dumping order anyway, because “we didn’t want to send a signal . . . that it’s okay to violate the law as long as it doesn’t hurt anybody.”

● **MOSQUITOES** carrying eastern equine encephalitis, a rare but deadly disease, have been found in the Long Island, New York, community of Manorville, according to the *New York Times*. Suffolk County officials are spraying the area. The disease has a mortality rate of up to 70%. Environmentalist campaigns against pesticide spraying and for preserving swamps (known as wetlands) have created more breeding areas.

● **BALTIMORE’S** needle exchange program got off to a rocky start on Aug. 12, being run out of a converted mobile home which cruises the city’s drug-infested neighborhoods. The first two days, few people showed up to exchange their IV drug needles. The program, pushed by pro-legalization Mayor Kurt Schmoke operates under cover of fighting AIDS.

Editorial

We need nation-state economics

The Bretton Woods monetary system is dead; indeed, the whole thing was really gone 23 years ago, when Richard Nixon decoupled the dollar from gold. The problem is that no one is willing to bury the damned thing.

It's funny that so much is made of the inconsequential Watergate break-in, while Nixon's really decisive blunder occurred on Aug. 15, 1971. The decoupling of the dollar from gold on that date was quickly followed by the Phase I, Phase II, and Phase III domestic austerity measures. These certainly did nothing to help Nixon's waning popularity, but more important, they ushered in the next two decades in which the physical economy of the United States and the rest of the world was mercilessly looted.

As early as 1959, the postwar economic system was already doomed, dominated as it was by the International Monetary Fund and the World Bank. This was duly reported by Lyndon LaRouche in a series of articles at that time, and thereafter. Today, only economic development initiatives such as LaRouche's Productive Triangle plan for the Paris-Berlin-Vienna heartland of Europe—in other words, a major investment into the world's physical economy with a package for large-scale infrastructure development—can prevent the most devastating economic collapse imaginable.

LaRouche's program is the opposite of the measures now being taken under the aegis of Alan Greenspan's Federal Reserve System, such as the latest interest rate hike. Admittedly, the monetary system is teetering at the brink and the dollar threatens to go through the floor; but monetary manipulations cannot save the day, and in fact, more expensive credit will only worsen the rate of collapse of the U.S. domestic economy, by strangling growth in sectors such as housing.

There are important moves under way against the monetarist current, such as the acceptance in principle by the European Union of a program to build major railway links within Europe and from Europe to Asia, through what used to be known as the East bloc. The White Paper by former European Commission Presi-

dent Jacques Delors has been the organizing document for this program, which broadly parallels LaRouche's early concepts of the Productive Triangle.

Yet such a crucially necessary turn away from speculative investment cannot succeed in itself, because the financial system is like a cancer which is progressively devouring the world's economy. What is needed now is something like heavy chemotherapy; the cure will not be pleasant or easy, because the disease has been allowed to progress so far. We must bury the Bretton Woods system (and the myth of free-market economics) by putting into effect formal, involuntary bankruptcy proceedings for all existing major financial and monetary institutions. Then, and only then, they can be reorganized. This is the only way to avoid chaos.

A model for this is the kind of measures recently taken in Venezuela to regulate financial flows. What is needed are international financial and trade regulations—border regulations, customs regulations, and so on—and the formation of a Customs Union among sovereign nations. Unfortunately, this is not likely to occur under the present political exigencies, as they are perceived.

In the United States, for example, the Clinton administration represents a number of different tendencies, including Bush administration holdovers who are committed to maintaining a bankers' dictatorship over world finance. They are fully in accord with the lunatic free-market ideology of Margaret Thatcher and John Major. Increasingly, even some members of powerful financial groupings such as the Morgans and the Rockefellers are beginning to recognize that their whole system is teetering, and that there is a need for something new. A few of these may be willing to break from their past in the face of the enormity of the impending crisis.

Short of decisive political intervention by the kind of forces now coming to understand LaRouche's program—statesmen such as Delors—we face a cruel period ahead, a veritable apocalypse. But the future can also usher in a great period of national and international regeneration and recovery.

SEE LAROUCHE ON CABLE TV

All programs are *The LaRouche Connection* unless otherwise noted.

ALASKA

- ANCHORAGE—ACTV Ch. 40
Wednesdays—9 p.m.

ARKANSAS

- FAYETTEVILLE—Ch. 8
Wednesdays—12 Midnight

ARIZONA

- PHOENIX—Dimension Ch. 22
Wednesdays—1 p.m.

CALIFORNIA

- DOWNEY—Conti. Ch. 51
Thursdays—9:30 p.m.
- E. LA to SANTA MONICA—
Century Cable Ch. 3
Fridays—6 p.m.
- E. SAN FDO. VALLEY—Ch. 25
Thursdays—4 p.m.
- GLENDALE/BURBANK—Ch. 6
Fridays—8 p.m.
- HOLLYWOOD—Conti. Ch. 37
Mondays—8 p.m.
- LANC./PALMDALE—Ch. 3
Sundays—1:30 p.m.
- MARIN COUNTY—Ch. 31
Mondays—5:30 p.m.
- MODESTO—Access Ch. 5
Fridays—3 p.m.
- MOUNTAIN VIEW—Ch. 30
Tuesdays—11 p.m.
- ORANGE COUNTY—Ch. 3
Fridays—10 p.m.
- PASADENA—Ch. 56
Tuesdays—2 & 6 p.m.
- SACRAMENTO—Ch. 18
2nd & 4th Weds.—10 p.m.
- SAN DIEGO—
Cox Cable Ch. 24
Saturdays—12 Noon
Southwest Cable Ch. 16
Mondays—8:30 p.m.
- SAN FRANCISCO—Ch. 53
Fridays—6:30 p.m.
- SANTA ANA—Ch. 53
Tuesdays—6:30 p.m.
- W. SANFDO. VALLEY—Ch. 27
Fridays—8 p.m.

COLORADO

- DENVER—DCTV Ch. 57
Wednesdays—11 p.m.
Fridays—7 p.m.

DISTRICT OF COLUMBIA

- WASHINGTON—DCTV Ch. 25
Sundays—12 Noon

FLORIDA

- PASCO COUNTY—Ch. 3f
Tuesdays—8:30 p.m. à

GEORGIA

- ATLANTA—Ch. 12
Fridays—1:30 p.m.

IDAHO

- MOSCOW—Ch. 37
(Check Readerboard)

ILLINOIS

- CHICAGO—CATN Ch. 21
Thurs., Sept. 8—10 p.m.
Fri., Sept. 16 & 23—10 p.m.
Tues., Sept. 27—8:30 p.m.

INDIANA

- SOUTH BEND—Ch. 31
Thursdays—10 p.m.

LOUISIANA

- MONROE—Ch. 38
Mon.—7 pm; Fri.—6 pm

MARYLAND

- BALTIMORE—BCAC Ch. 42
Mondays—9 p.m.
- MONTGOMERY—MCTV Ch. 49
Tue.—11 pm, Thu.—2:30 pm
- WESTMINSTER—CCTV Ch. 19
Tuesdays—3 p.m.

MASSACHUSETTS

- BOSTON—BNN Ch. 3
Saturdays—12 Noon

MICHIGAN

- CENTERLINE—Ch. 34
Tuesdays—7:30 p.m.
- TRENTON—TCI Ch. 44
Wednesdays—2:30 p.m.

MINNESOTA

- EDEN PRAIRIE—Ch. 33
Wed.—5:30 pm, Sun.—3:30 pm
- MINNEAPOLIS—Ch. 32
EIR World News
Saturdays—9:30 p.m.
- MINNEAPOLIS (NW Suburbs)
Northwest Comm. TV—Ch. 33
Mondays—7 pm
Tuesdays—7 am & 2 pm

- ST. LOUIS PARK—Ch. 33
EIR World News
Friday through Monday
3 p.m., 11 p.m., 7 a.m.

- ST. PAUL—Ch. 33
EIR World News
Mondays—8 p.m.

MISSOURI

- ST. LOUIS—Ch. 22; Wed.—5 p.m.

NEW JERSEY

- STATEWIDE—CTN
Mondays—2 a.m.

NEW YORK

- BRONX—BronxNet Ch. 67
Saturdays—6 pm
- BROOKHAVEN—(E. Suffolk)
TCI 1 Flash or Ch. 99
Wednesdays—5 p.m.
- BUFFALO—BCAM Ch. 18
Wednesdays—11 p.m.
- CATSKILL—Mid-Hudson
Community Channel—Ch. 10
Thursdays—6 p.m.
- HUDSON VALLEY—Ch. 6
2nd Sunday monthly—2 p.m.
- ITHACA—Pegasys Ch. 57
Tue. & Fri.—8 pm; Wed.—5 pm
- MANHATTAN—MNN Ch. 34
Stop the UN's Genocide Conf.!
Sun., Aug. 28—8:30 p.m.
Weds., Sept. 7—11 p.m.
- OSSINING—Continental
Southern Westchester Ch. 19
Rockland County Ch. 26
1st & 3rd Sundays—4 p.m.
- POUGHKEEPSIE—Ch. 3
1st & 2nd Fridays—4 p.m.
- QUEENS—QPTV Ch. 56
Saturdays—3 p.m.
- ROCHESTER—GRC Ch. 15
Fri.—10:30 pm, Mon.—7 pm
- SCHENECTADY—P.A. Ch. 11
Fridays—5:30 p.m.
- STATEN ISL.—CTV Ch. 24
Weds.—11 p.m., Sat.—8 a.m.
- SUFFOLK, L.I.—Ch. 25
2nd & 4th Mondays—10 p.m.
- SYRACUSE—Adelphia Ch. 3
Fridays—4 p.m.
- SYRACUSE (Suburbs)
NewChannels Cable—Ch. 13
4th Sat. each month—4 p.m.

- UTICA—Harron Ch. 3
Thursdays—6:30 p.m.

- WEBSTER—GRC Ch. 12
Wednesdays—9:30 p.m.
- YONKERS—Ch. 37
Fridays—4 p.m.

OREGON

- PORTLAND—Access
Tuesdays—6 p.m. (Ch. 27)
Thursdays—3 p.m. (Ch. 33)

PENNSYLVANIA

- PITTSBURGH—PCTV Ch. 21
Mondays—7 p.m.

TEXAS

- AUSTIN—ACTV Ch. 10 & 16
(call station for times)
- DALLAS—Access Ch. 23-B
Mon.—2 pm; Fri.—11:30 am
- EL PASO—Paragon Ch. 15
Thursdays—10:30 p.m.
- HOUSTON—PAC
The LaRouche Connection
Mon., Aug. 29—6 p.m.
Mon., Sept. 5 & 12—5 p.m.
The UN's Killer Conference
Tues., Aug. 30—5 p.m.
Tues., Sept. 6—5 p.m.

VIRGINIA

- ARLINGTON—ACT Ch. 33
Sun.—1 pm, Mon.—6:30 pm
Tuesdays—12 Midnight
Wednesdays—12 Noon
- BLACKSBURG—WTOB Ch. 2
Mondays—7 p.m.
- FAIRFAX—FCAC Ch. 10
Tuesdays—12 Noon
Thurs.—7 pm, Sat.—10 am
- LOUDOUN COUNTY—Ch. 3
Mondays—6 p.m.
- MANASSAS—Ch. 64
Tuesdays—8 p.m.

WASHINGTON

- SEATTLE—Access Ch. 29
Mondays—11:30 am
- SPOKANE—Cox Ch. 25
Saturdays—7:30 p.m.
- TRI-CITIES—TCI Ch. 13
Mondays—11:30 a.m.
Tue.—6:30 pm; Thu.—8:30 pm

If you are interested in getting these programs on your local cable TV station, please call Charles Notley at (703) 777-9451.

Executive Intelligence Review

U.S., Canada and Mexico only

1 year	\$396
6 months	\$225
3 months	\$125

Foreign Rates

1 year	\$490
6 months	\$265
3 months	\$145

I would like to subscribe to
Executive Intelligence Review for

1 year 6 months 3 months

I enclose \$ _____ check or money order

Please charge my MasterCard Visa

Card No. _____ Exp. date _____

Signature _____

Name _____

Company _____

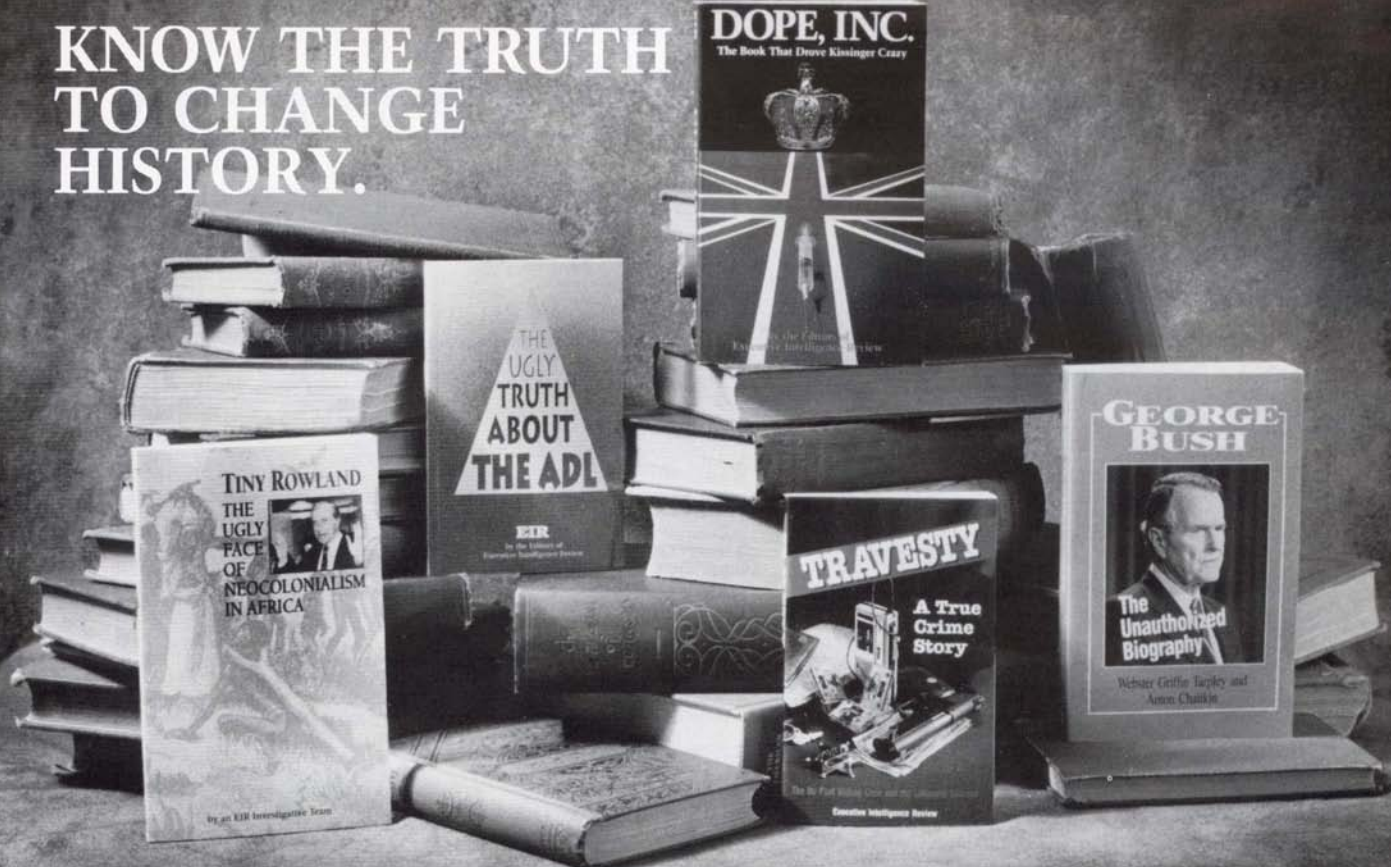
Phone () _____

Address _____

City _____ State _____ Zip _____

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

KNOW THE TRUTH TO CHANGE HISTORY.



Recent titles by EIR editors

Dope, Inc.: The Book that Drove Kissinger Crazy, by an EIR Investigative Team (1992). Third edition of the book commissioned by Lyndon LaRouche in 1978 that dared to name the names of the people "above suspicion" who use the world drug traffic to keep their hold on political power. The cash revenues of the narcotics cartel have doubled every five years and now exceed \$1 trillion annually—while the legitimate economy plunges into depression. 667 pages, illustrated, index. \$16.

George Bush: The Unauthorized Biography, by Webster G. Tarpley and Anton Chaitkin (1992). Bush was voted out, but his policies, and even his top aides, seem to persist in power. Why? This detailed biography of the ex-President by two distinguished historians, tells the inside story of power in the United States in this century. 633 pages, illustrated, index. \$20.

The Ugly Truth About the Anti-Defamation League, by the Editors of EIR (1992). How a freemasonic front group for organized crime, masquerading as a Jewish civil rights organization, became the leading dirty-tricks arm of the liberal Anglo-American establishment in the U.S. government, Congress, and judicial system. 142 pages, index. \$7.

Travesty, A True Crime Story: The Du Pont Kidnap case and the LaRouche Railroad, by an EIR Investigative Team (1993). A millionaire socialite is put on trial, along with thugs-for-hire from the Cult Awareness Network, for conspiring to kidnap his 36-year-old son, an heir to the Du Pont fortune—just to stop him from practicing his political beliefs. This riveting story of the trial and the shocking acquittal is based on court records. 248 pages, illustrated, index. \$12.

The Civil War and the American System by Allen Salisbury. The "Civil War" which was in fact a battle between the American System of economics and the British System of free trade. Today that battle continues, over the British-inspired NAFTA and GATT agreements, whose purpose is to drive down American living standards and loot the nations of the Third World on behalf of Anglo-American financial institutions. 440 pages. \$15.

Call (703) 777-3661 or
Toll-Free (800) 453-4108.

Ben Franklin Booksellers, Inc.
107 South King Street
Leesburg, Virginia 22075

Please send me:	No. copies	Total
Dope, Inc. \$16.	_____	_____
George Bush \$20	_____	_____
Ugly Truth About ADL \$7	_____	_____
Travesty \$12	_____	_____
Civil War \$15	_____	_____
Set of Five Books \$58.50	_____	_____
Subtotal	_____	_____
Sales Tax (Va. residents add 4.5%)	_____	_____
Shipping (\$3.50 for 1 book, \$.50 each additional book)	_____	_____
TOTAL	_____	_____

Enclosed is my check or money order,
payable to Ben Franklin Booksellers, Inc.

Charge my Mastercard Visa

No. _____

Expir. Date _____

Signature _____