

# EIR

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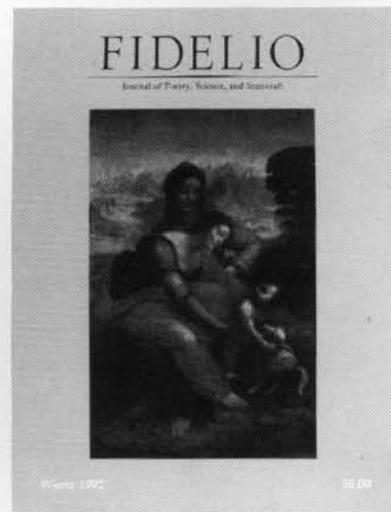
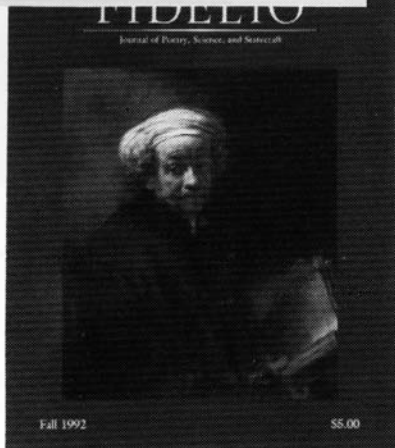
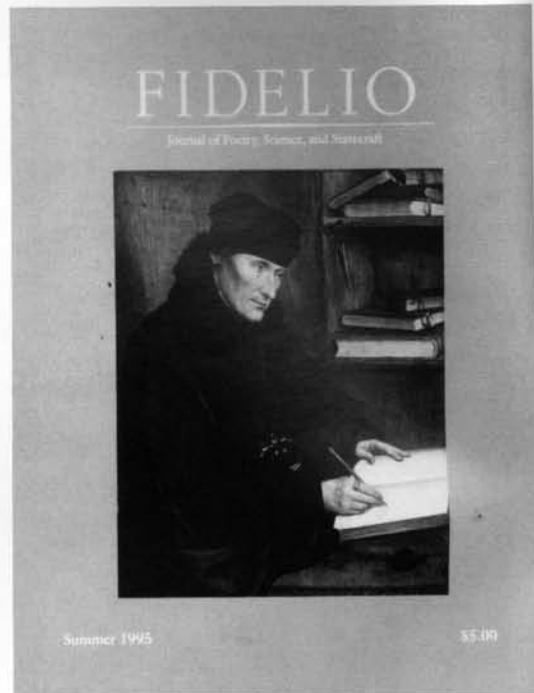
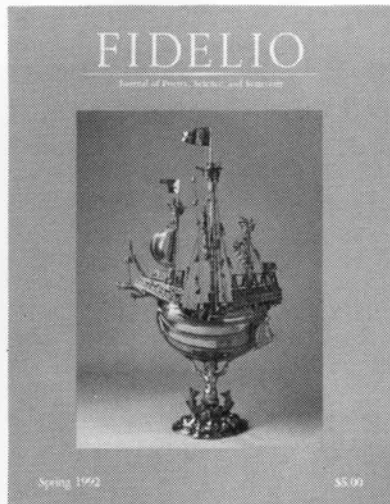
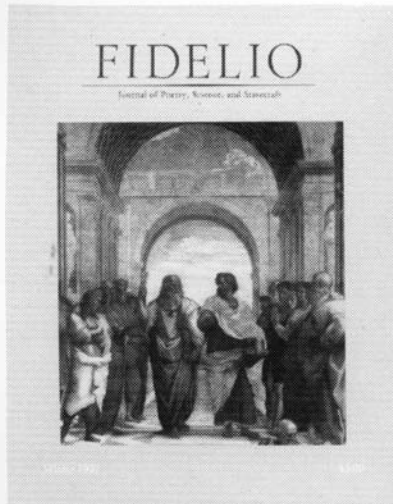
Shift in Bosnia and Croatia: a firsthand view  
China seeks to free science and technology  
Under Caldera, Venezuela will 'set example'

**The long overdue cleanup  
of the Justice Department**



*“I hope to convince you that, in order to solve the political problem in experience, one must take the path through the aesthetical, because it is through Beauty that one proceeds to Freedom.”*

— Friedrich Schiller



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## From the Associate Editor

**H**arley Schlanger, *EIR*'s Houston bureau chief, addressed a commemorative ceremony on April 17, 1994 in Waco, Texas, one year after the siege of the Branch Davidian complex by federal agents there left 86 people dead. In order to understand what happened in Waco, Schlanger said, you have to go back to Oct. 6, 1986, when a 400-person army of government agents carried out a raid against companies associated with Lyndon LaRouche in Leesburg, Virginia. "Many of you here today," Schlanger said, "did not raise your voices on Oct. 6-7, 1986, to protest actions taken against LaRouche and his associates."

Indeed, if a great public outcry had gone up after the events of October 1986, it is very likely that the Waco tragedy would never have occurred.

Many people suspect that a "secret government" is running the United States, behind the backs of our elected officials. In the 32-page *Special Report* which we feature in this expanded issue, you will learn the names of those in this secret government, and you will learn about the British strategy that steers them from the top.

As hearings are set to convene on July 12 in the U.S. House Judiciary Committee on the Waco affair, there has never been a better opportunity to investigate the workings of this secret government. It is essential that the LaRouche case be put on the agenda of those hearings.

On June 22, the Schiller Institute placed an advertisement in the Washington semi-weekly *Roll Call*, calling for the exoneration of LaRouche. The Open Letter was signed by 458 state legislators from 46 states, 28 former U.S. congressmen, the former Presidents of Argentina and Panama, the former prime minister of Algeria, and over 200 members of parliament from 45 nations.

The public outcry is growing, but even more intensive efforts are needed now. LaRouche, out of prison on parole after serving 5 years of a 15-year sentence, still has a Sword of Damocles over his head. Five of his associates are jailed in Virginia for hideously long terms, on false charges of "securities violations": Michael Billington (77 years); Anita Gallagher (39 years); Paul Gallagher (34 years); Laurence Hecht (33 years); and Donald Phau (25 years).

Use the wealth of information in this *Special Report* to win their freedom, and to break the power of the secret government.

*Susan Welsh*

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**Correction:** The caption of the cover picture in the June 23 issue was transposed. Cali cartel druglord Gilberto Rodríguez Orejuela was second from the right in the photo.

**Photo credits:** Cover, pages 5, 26-27, EIRNS/Stuart Lewis. Pages 26-27, EIRNS/Philip Ulanowsky. Page 26, EIRNS/Philip Valenti. Page 37, Courtesy of the Venezuelan Embassy. Page 65, EIRNS/Rachel Douglas.

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## Get the criminals out of the U.S. Justice Department

by Jeffrey Steinberg

On July 12, the House Judiciary Committee is scheduled to begin hearings on the 1993 tragic events at Waco, Texas, in which 86 members of the Branch Davidian sect and four Treasury Department agents were killed in two separate armed confrontations. The initial decision to hold hearings on Waco was driven by a broad-based bipartisan concern over evidence of rampant corruption inside the permanent bureaucracy at the Department of Justice (DOJ). But there is now a danger that those hearings will be hijacked by a group of Republican congressmen out to pillory the President and his Attorney General for purely partisan purposes—even if it means covering up for the real criminal apparatus inside the department.

Increasingly, since the April 19, 1995 bombing of the federal building in Oklahoma City, in which 168 people were killed, the Waco incident has been thrust back into the public view, in an almost unrecognizably distorted form. Wacky spokesmen for President Clinton's most virulent enemies in London, typified by the *Sunday Telegraph's* Ambrose Evans-Pritchard, and the *London Times's* former editor-in-chief, now weekly columnist, Lord William Rees-Mogg, have tried to exploit the post-Oklahoma City shock to escalate their assault on the Presidency and bolster their efforts to manipulate secessionist and anti-federal sentiments among frightened and frustrated Americans.

From within the Republican Party, the machinery of former President George Bush stands to gain the most by distorting the Waco hearings into a show-trial against Clinton and Attorney General Janet Reno that never touches upon the permanent government structures inside the DOJ.

Completely lost under the weight of this latest British propaganda offensive against President Clinton is any concern with getting to the root cause of the Waco tragedy; or the earlier cold-blooded murders of two people by federal government agents at Ruby Creek, Idaho; or the 1986 attempt by government agents to murder political economist Lyndon LaRouche; or the subsequent political frameup prosecution and conviction of LaRouche and many of his associates; or the near-execu-



*Demonstrators in Leesburg, Virginia on May 7, 1992 protest against Sheriff John Isom, a local enforcer for the "Get LaRouche" task force and collaborator of the Anti-Defamation League.*

tion of John Demjanjuk following his extradition to Israel on war crimes charges which the prosecutors knew to be false.

Any remotely serious probe of this pattern of attacks against the American people would turn up a common list of corrupt officials presiding over these crimes of state and their coverup. It is high time that the corrupt bureaucracy inside the DOJ be cleaned out. Contrary to public opinion, neither the President nor the Attorney General presently wields very much power inside the 90,000-person DOJ. The real center of power, as you will discover in the following 32-page *Special Report*, is located within the permanent bureaucracy of career civil servants—led by two senior Criminal Division officials who, between them, have been on the job for 72 years!

Deputy Assistant Attorneys General John Keeney and Mark Richard hold the reins of power over all major criminal cases, as well as all national security matters. They form the liaison with the CIA, the Pentagon, and all foreign law enforcement and intelligence services. They direct all internal security probes, and investigate all charges of corruption by elected political officials.

If you are still puzzled over the failure of a string of congressional committees, special prosecutors, and federal judges to get to the bottom of the scandals of the 1980s—the so-called Iran-Contra affair, the flooding of the United States with trillions of dollars in illegal narcotics, etc.—you need look no further than this DOJ apparatus. This is the Praetorian Guard that has kept the American public, Congress, and even the President in the dark about these scandals.

This is a "Bush-league" apparatus. As *EIR* has documented over the years, the real architect of the myriad of corrupt covert intelligence operations throughout the 1980s was not the late CIA director William Casey. The real head of Reagan-era clandestine operations was Vice President George Bush—Ollie North's immediate boss and the actual head of the "secret parallel government."

None of the guns-for-drugs shenanigans of the Bush-North team would have been possible without the "insured coverup" by the DOJ. As the consummate "permanent bureaucrat," George Bush was intimately familiar with the inner workings of the DOJ. In 1988, Bush made sure that a former top-ranking DOJ official, a member of the "old boy system," Richard Thornburgh, was installed as Attorney General. One of Thornburgh's first acts in that post, in August 1988, was to appoint Mark Richard as his Special Assistant. Thornburgh was driven out when several of his top aides at the DOJ were convicted of trafficking in cocaine. Bush then appointed William Barr, who had previously worked at both the DOJ and CIA, as Thornburgh's successor.

One sure-fire way to guarantee that the upcoming Waco hearings don't turn into the partisan slug-fest that the British, the Bush crowd, and the DOJ permanent apparatus are working for, is to feature prominently the LaRouche case, as well as the other recent documented instances of flagrant DOJ corruption. Only by dissecting the inner workings of the Justice Department in this series of actions can any semblance of truth be unearthed.

# John Keeney, Mark Richard, and the DOJ permanent bureaucracy

by Edward Spannaus

“The FBI will not be pleased,” said Mark Richard, the second-ranking career official in the Justice Department’s Criminal Division, after being told on April 16, 1993, that the new Attorney General—who had only arrived 34 days earlier—had vetoed the FBI’s plan to use gas to end the standoff at the Branch Davidian compound in Waco, Texas. Webster Hubbell, the Associate Attorney General, offered to let Richard speak to the Attorney General. “I have nothing more to say,” Richard responded.

On other occasions, however, Mark Richard had no hesitation about taking the Attorney General of the United States to task. Let us go back to 1987, when Mark Richard is testifying in a deposition being taken for the congressional committee investigating the Iran-Contra Affair. Richard is being questioned about the 1986 indictments of attorney Sam Evans and others in New York for illegal arms shipments to Iran, and he comments that the case “had a particular interest to me because of what I’ll call the Israeli connection.”

On Nov. 14, 1986, Richard goes on to say, he went with Associate Attorney General Stephen Trott to brief Attorney General Edwin Meese about the case of Israeli spy Jonathan Pollard. “We briefed the Attorney General on that matter,” Richard testified, “and—maybe somewhat presumptuously of me—I said, ‘Mr. Attorney General, I want to raise the issue of the Evans case with you because I think there’s a horrendous mistake that’s about to be made.’”

In that same deposition, Richard also was questioned about events which occurred after the public disclosures of the Iran-Contra Affair, and about his discussions with then-head of the Criminal Division William Weld, and with Attorney General Edwin Meese. Richard makes it clear that he thought that Meese was bungling around, and then says: “There was one meeting on December 1st. After a lot of discussion, we are urging—‘we’ meaning Jack Keeney, myself—we are urging Bill Weld to recommend the appointment of a special counsel. . . . There was a meeting on the 1st with the Attorney General . . . at which we expressed our views to that effect to the Attorney General. . . .”

Arrogance? Read on.

During the Iran-Contra investigations, Weld himself was questioned about the highly unusual circumstances under which a briefing was given to the National Security Council about a pending case in Miami which involved gun-running to the Contras. When Weld was asked if the Criminal Division had any policy as to when the NSC should be briefed on a case, Weld simply answered: “I would just be guided by what Mark Richard told me on that.”

These are a few of the rare instances when material has made its way into the public record, which demonstrates the enormous power wielded by Deputy Assistant Attorney General Mark Richard, and by the senior Deputy, John C. Keeney, in the Justice Department’s Criminal Division.

The man-on-the-street suffers under the delusion that the Attorney General of the United States is actually in charge of the 90,000 employees at the Department of Justice (DOJ). In fact, on matters bearing on national security, Mark Richard is probably the most powerful official in the department, and with respect to all matters falling under the purview of the Criminal Division, Keeney and Richard run the show. Their supposed “superiors” are merely temporary place-holders.

Attorneys General come and go, as do the politically appointed Assistant Attorneys General who head the powerful Criminal Division. But John Keeney and Mark Richard just go on and on—Keeney for 44 years, Richard for 28 years so far.

Keeney and Richard are the most senior career officials in the Criminal Division, and thus they carry with them the “institutional memory” and the clout which the permanent bureaucracy holds over the temporary political appointees. Of the five officials who serve as Deputies to the Assistant Attorney General who heads the Criminal Division, three are political appointees, and two—Keeney and Richard—are careerists. And by virtue of the sections which they control, they will have a say in *any* sensitive matter or major case, even if it technically falls under the jurisdiction of another Deputy.

Keeney, the most senior Deputy in the Criminal Division, directly supervises the following sections:



**Organized Crime and Racketeering**, which, among other things, must approve all RICO (racketeering) indictments;

**Public Integrity Section**, which supervises all investigations and prosecutions of elected officials, or of appointed federal officials. PIS conducts all preliminary investigations under the Independent Counsel statute, and makes the recommendation to the Attorney General as to whether she should request a special prosecutor (which has been done four times already against Clinton administration officials);

**Office of Enforcement Operations**, which supervises the use of informants, immunity for witnesses, and runs the corrupt Federal Witness Protection Program (FWPP)—which has been used to target and frame up many elected officials; and

**Office of Professional Development and Training.**

Mark Richard also supervises four sections in the Criminal Division—all of which bear upon national security—which we will describe at more length below.

Thus, for anyone who is concerned about Waco, or Ruby Creek, or prosecutorial abuse more generally, the place to start is not with Janet Reno: The place to start is with Mark Richard and John Keeney. To clean house in the Justice Department, this is the place to begin.

### **The dirty career of Mark Richard**

Mark Richard has been involved in most of the nasty operations conducted by the Justice Department over the past two decades, from suppressing evidence in national security cases in order to protect the Bush intelligence networks, to creating and overseeing the abusive “Nazi-hunting” Office of Special Investigations (OSI), to playing a key role in the more recent Waco and Randy Weaver cases. And, not surprisingly, he shows up in key positions in the frameup of Lyndon LaRouche and associates.

Mark Richard came into the Justice Department’s Criminal Division as soon as he graduated from law school in 1967, and he has been there ever since. He was assigned to the Fraud Section, which he came to head from 1976-79, where he virtually invented the category of “white collar crime.” His own official resumé brags that, as Executive Director of the Attorney General’s White Collar Crime Committee in 1975-76, he was “responsible for developing a Department of Justice comprehensive program for combatting white collar crime.”

When he ran the Fraud Section, Richard boasts: “Under my stewardship, the Fraud Section developed the multinational fraud unit. The Unit played a pivotal role in development procedures for implementing the Foreign Corrupt Practices Act.” What this did, of course, was to put the Justice Department in the middle of conducting foreign policy and overthrowing foreign governments and officials.

In 1979, Richard was made a Deputy Assistant Attorney General, the position he presently holds, and it was in 1979

that he created the Office of Special Investigations (OSI). In 1980, he became the “Deputy Attorney General in charge of General Litigation and International Law Enforcement,” and after 1984 he became the “Deputy Attorney General for Internal Security and International Law Enforcement.”

Beginning in 1980, Richard had particular responsibility for overseeing four sections within the Criminal Division:

**The Internal Security Section**, which has handled espionage and related national security prosecutions, including “trading with the enemy” and arms exports violations.

**The Office of International Affairs**, which handles all liaison arrangements pertaining to mutual assistance in law enforcement, such as joint investigations, extradition matters, and the like. This was the section which was headed from 1979-82 by Michael Abbell, who left the department in 1984 and soon went to work for the Colombian drug cartels.

**The Office of Special Investigations (OSI)**, which Richard personally created in 1979, handles deportations of alleged Nazi war criminals resident in the United States, and is responsible for a vast train of abuses, blackmail, and extortion (see p. 15).

**The General Litigation and Legal Advice Section (GLLAS)**, which handles a broad array of national security and terrorism matters, and which is, along with the Internal Security Section, loaded with personnel from the notorious Internal Security Division, abolished in 1979. (Richard supervised this section up until 1984.) This unit, as we will see, was involved in many operations targeting Lyndon LaRouche during the 1980s.

During the Bush administration, in 1991, a new Terrorism and Violent Crimes Section was created, drawing its new chief, James S. Reynolds, and other personnel from the GLLAS section. The new Terrorism section was added to Richard’s portfolio, and this was the unit directly overseeing the Waco and Ruby Creek/Weaver debacles.

That’s not all. Mark Richard is also the department’s official liaison with the National Security Council, the State Department, and the CIA. According to a DOJ spokesman, Richard has had this responsibility for at least 10 years. Thus it is no accident that Richard shows up in almost every case involving national security or sensitive government operations, particularly when it involves protecting the intelligence community and dirty operations run under George Bush in the 1980s.

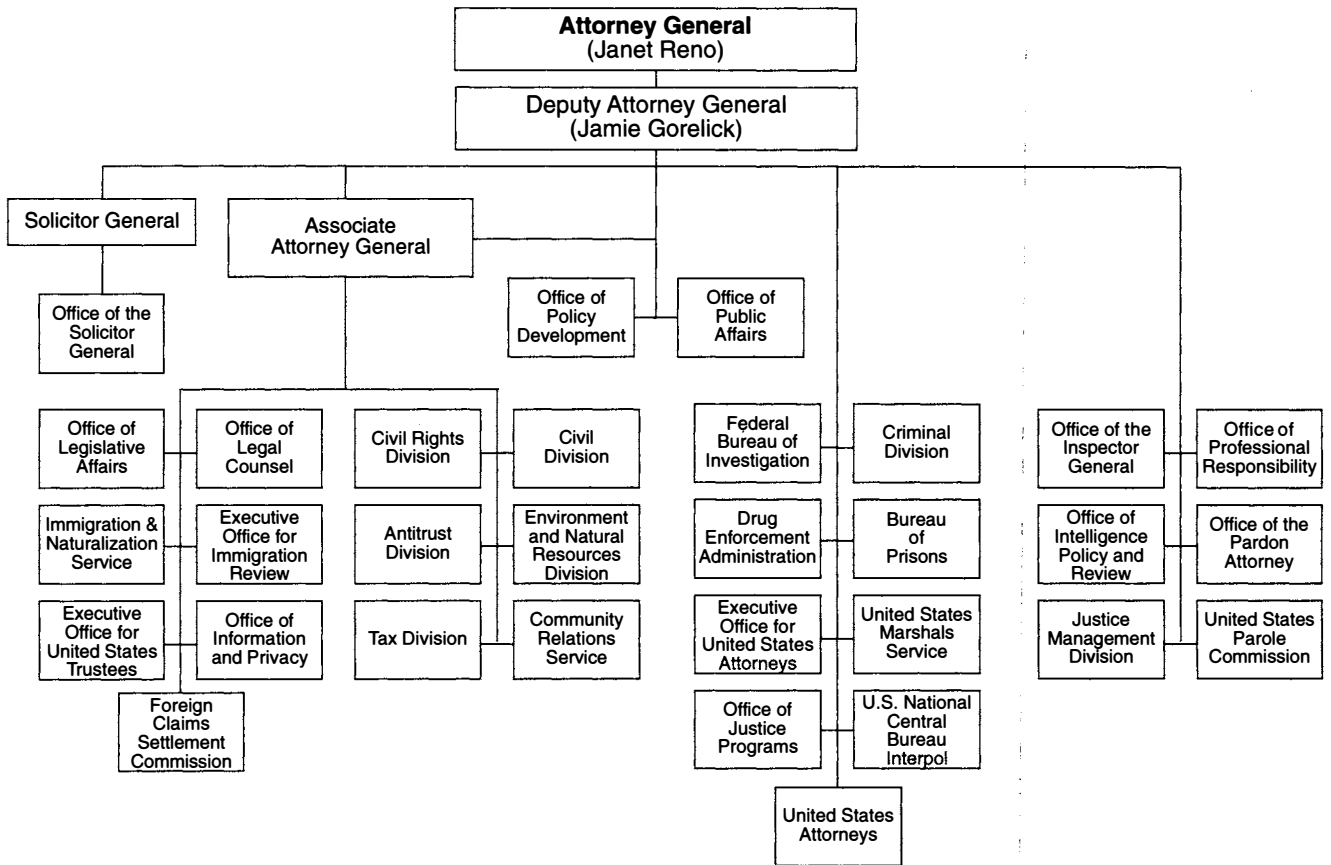
This is not just supposition. Richard’s resumé lists the following honor received in 1986: “*Central Intelligence Award for Protection of National Security During Criminal Prosecutions.*”

We will now see some examples of what Mark Richard did to earn that award.

### **Protecting the secrets**

**The Terpil-Wilson case:** Mark Richard took personal control over all aspects of this case in 1981, when, as he

## Organizational structure of the U.S. Department of Justice



described in in his 1987 deposition, "the papers were carrying daily revelations of massive CIA illegalities, all revolving around Wilson and his associates. . . . Accusations were flying all over the place with respect to government complicity, CIA cover-ups, and what have you." The case involved present and former CIA officers such as Theodore Shackley, Thomas Clines, Richard Secord, as well as Ed Wilson and Frank Terpil. Wilson and Terpil were indicted for selling armaments to Libya; Wilson was convicted, while Terpil fled to Cuba.

Under the excuse that the case was spread out over many jurisdictions and was being mishandled, Richard took personal control over all the separate cases, and created a special "Wilson Task Force." Richard took the case away from prosecutor Lawrence Barcella in the District of Columbia, and assigned it to his crony Ted Greenberg in the Eastern District of Virginia, across the river in Alexandria.

By so doing, Richard saw to it that Terpil and Wilson were thrown to the wolves, while he protected key players in Bush's intelligence network, such as Shackley, Clines, and Secord, who were involved in the EATSCO case. Clines and Secord, of course, went on to play prominent roles in the global, East-West gun-running operation which figured in

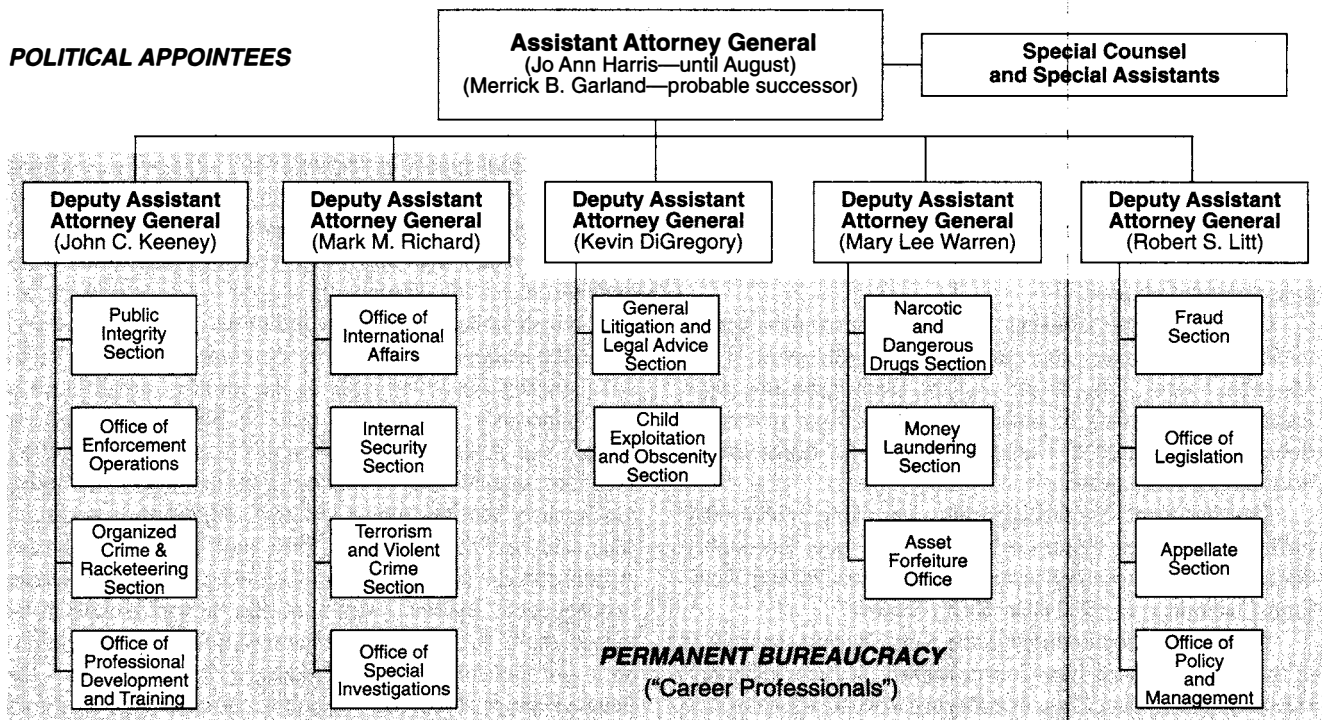
the so-called Iran-Contra Affair.

(Ted Greenberg, who was Richard's counterpart, the "protector of the secrets" in the Alexandria federal court, now heads the Money-Laundering Section of the Criminal Division. He is now on a highly unusual special assignment in Arkansas, working on the staff of Special Prosecutor Donald Smaltz, who is working in tandem with Whitewater Special Prosecutor Kenneth Starr to try and concoct a criminal case against President and Mrs. Clinton.)

**The Steven Bryen case:** Mark Richard personally suppressed a 1978 investigation of Steven Bryen, then a Senate staffer, after Bryen was caught red-handed giving classified information to the Mossad station-chief in Washington. Bryen now leads the Likud-linked Jewish Institute for National Security Affairs (JINSA), whose board has included kidnapper Galen Kelly (see p. 24).

**The John Demjanjuk case:** In 1983, Richard traveled to Israel to persuade a reluctant Israeli government to accept the deportation to Israel of Cleveland autoworker John Demjanjuk, who was accused of being a Nazi concentration camp guard. The Israeli judicial system later acquitted Demjanjuk, and a U.S. appeals court ruled that OSI had committed fraud on the court in handling the case (see p. 15).

## Political appointees and fixtures at the DOJ Criminal Division



• **The Jonathan Pollard case:** In 1985, Richard and John L. Martin (chief of the Internal Security Section) were part of a four-man U.S. delegation sent to Israel on the Jonathan Pollard spy case. Reportedly, the trip ensured that certain aspects of that case would never see the light of day. Pollard had been overseen by Ariel Sharon aide Rafi Eytan, and handled by Ruth Sella, a Mossad agent then employed in the legal department of the ADL. Richard handled all aspects of Pollard's prosecution.

On Dec. 29, 1993, the *Washington Times* reported that Mark Richard was leading the campaign to induce the President to grant clemency to Pollard. One source said, "Mark Richard is beating the drum on this and has lost his objectivity. . . . He's pushing the bogus idea that Pollard should be released."

The paper also reported that Richard was pressing for the dropping of criminal cases now pending against "three unindicted Israeli co-conspirators who fled to Israel after Pollard was arrested. . . . They were identified in court records as Col. Aviem Sella [Ruth's husband], Joseph Yagur and Irit Erb."

**The Bueso-Rosa case:** In 1985, Honduran General José Bueso-Rosa was convicted of conspiring to assassinate the President of Honduras, in a plot funded by a \$40 million cocaine deal—with the drugs to be sold in the United States. But Bueso-Rosa had friends, among them Ollie North, who went to bat for him to try to get the general released. In

self-serving testimony before the Congressional Iran-Contra Committee, Richard claims he strenuously opposed doing anything for Bueso-Rosa on the grounds that he was an international terrorist—yet Richard admitted that he had personally called the head of the U.S. Bureau of Prisons to have Bueso-Rosa transferred to a minimum-security facility.

**The Medellín Cartel indictment:** In 1986, federal prosecutors in Miami undertook their biggest effort to nail the Medellín cocaine cartel. The RICO indictment named Jorge Ochoa, Pablo Escobar, Carlos Lehder, and others as operating a racketeering enterprise. It charged them with producing 58 tons of cocaine between 1978 and 1985.

According to Richard Gregorie, the lead prosecutor on the case, the indictment combined all their work for the previous three years. In Colombia, some people were very anxious to see the indictment issued, believing that it would put so much pressure on the Colombian government that it would be compelled to extradite Ochoa and others to the United States.

The case was being presented to the grand jury on Aug. 16, 1986. According to published accounts, leading television networks and newspapers were notified that something big was coming, and a press conference was scheduled after the grand jury session.

Just as the grand jury was about to vote on the indictment, there was a knock on the door, and the prosecutors were told that "Washington just called," and that Justice Department

headquarters had ordered them to seal the indictment. This was later explained as being in response to a request from the Colombian government, which, fearing great embarrassment from the pending indictment, relayed its request through the State Department to the Justice Department. The indictment remained sealed for three months, dissipating its effect, so that when it was finally announced, the impact was greatly lessened.

In a recent interview with this writer, Gregorie said that it was Mark Richard who took the responsibility for the order to seal the indictment.

**Ollie's Cocaine Contras:** During the same time period in which prosecutors were preparing the indictment of the Medellín Cartel, Ollie North and the Bush apparatus were frantically attempting to suppress or delay other investigations that threatened to expose their guns-for-drugs operations in Central America.

That the North-Secord apparatus was using known drug traffickers for their Contra resupply effort, was thoroughly documented by a report issued by the Senate Foreign Relations Committee in 1988 (the "Kerry Report").

What is also documented in the Kerry Report, as well as in the Congressional Iran-Contra Report, is Justice Department complicity in killing or delaying investigations on behalf of the North-Secord apparatus.

The Congressional Iran-Contra Report states that North and National Security Adviser Adm. John Poindexter were concerned that various investigations "would expose the NSC staff's covert operations." The report continues:

"They sought to monitor investigations and, in some cases, to delay or impede their progress by suggesting that national security was at stake. Confronted with such assertions from White House officials concerned with the nation's security, law enforcement agencies understandably cooperated with the NSC staff by delaying some investigations, arranging to move a convicted former official [i.e., Bueso-Rosa] whom North was afraid would disclose facts about the Contras to a minimum security prison, and giving Poindexter and North information about other investigations."

In a number of these cases, in addition to the Medellín and the Bueso-Rosa cases cited above, Mark Richard was the point man at the Justice Department for relaying these "national security" concerns to prosecutors in the field.

Another case cited in the Iran-Contra Report was a Neutrality Act case in Miami involving one Jesus García; after being convicted, García began providing information on Contra operations and paramilitary plots in Central America, sending off alarm bells in Washington. The U.S. Attorney in Miami, Leon Kellner, says that Mark Richard called him for information. While Richard portrays himself as just following orders from higher-ups in this matter, it should be recalled that it was in connection with this case that Assistant Attorney General William Weld made the statement quoted at the

beginning of this article: that he would follow the advice of Mark Richard as to whether the NSC should be given information about a pending investigation.

**Interference with Congressional investigations:** The Kerry Committee report charges that, while the committee was attempting to investigate allegations that the Contras and the Contra supply operations were engaged in weapons smuggling and narcotics trafficking, there was a long delay in its ability to conduct public hearings, beginning in April 1986. The report says that it received information that "officials in the Justice Department sought to undermine the attempts by Senator Kerry to have hearings on the allegations."

In the evidence presented by the committee, Mark Richard naturally shows up right in the middle—while always self-righteously maintaining that he himself did nothing wrong. An Assistant U.S. Attorney from Miami, Jeffrey Feldman, testified that he had met with the head of the Internal Security Section, John L. Martin, and Martin's assistant, who told him that the DOJ, FBI, and Drug Enforcement Administration (DEA) had met to try to undermine the Senate investigation. Feldman also said that he had reviewed the files of the U.S. Attorney in Miami (a Reagan-Bush appointee), and had found there confidential documents from the Senate Foreign Relations Committee. Mark Richard testified that he had seen a confidential transcript of a closed Executive Session of the Foreign Relations Committee, but that he somehow couldn't recall where or from whom he obtained it.

Information from the prosecutors' files in Miami was also obtained by Justice Department officials, and selectively leaked to Republican senators to attempt to discredit the allegations of Contra drug-running and other illegalities being made by Feldman and other federal prosecutors in Miami. A Justice Department official testified that the confidential document had been passed on to the head of the DOJ's Office of Legislative Affairs by Mark Richard.

**The Branch Davidian/Waco case:** The Waco case is covered in depth in an separate article in this feature. The critical points to be noted here are these:

There were two categories of officials at the top levels of the Justice Department in the spring of 1993: those who had just walked in the door, and the career "professionals."

In the absence of a Senate-confirmed Assistant Attorney General, John Keeney was the acting head of the Criminal Division in February and March of 1993. Jurisdiction over the Waco case lay with the Terrorism and Violent Crimes Section, headed by James S. Reynolds. That section, as we have noted, is supervised by Mark Richard. Richard thus had key responsibility during the Waco crisis, and he was the highest-ranking Justice official to personally travel to Waco, which he did twice.

After both trips, he immediately briefed the brand-spanking-new Attorney General, Janet Reno. He was the first to brief Reno on the FBI's plan to insert gas into the Branch

## The DOJ targets black officials

A growing mountain of evidence indicates that at least since 1977, members of the Justice Department's "permanent bureaucracy" have been behind a concerted effort to mount selective and vindictive prosecutions against black elected officials. This pattern has been most recently documented by Dr. Mary R. Sawyer in her 1987 book, *Harassment of Black Elected Officials: Ten Years Later*, a followup to her initial 1977 report, *The Dilemma of Black Politics: A Report on Harassment of Black Elected Officials*.

This matter has been before the House of Representatives since at least Jan. 27, 1988, when then-Congressman Mervyn Dymally placed before the House a shocking document. It was an affidavit sworn by an FBI agent, Hirsch Friedman, concerning an FBI policy named Operation *Frühmenschen* (German for "primitive man"). According to Friedman's testimony, "The purpose of this policy was the routine investigation without probable cause of prominent elected and appointed black officials in major metropolitan areas throughout the United States. It was explained to me that the basis for this *Frühmenschen* policy was the assumption by the FBI that black officials were intellectually and socially incapable of governing major governmental organizations and institutions."

Dymally insisted that the Judiciary Committees exercise their oversight responsibility by opening investigative hearings into the allegations. Although that demand has been reiterated repeatedly over the last seven years by various members of the Congressional Black Caucus, no such oversight hearings have ever occurred.

In testimony delivered at 1990 public hearings,

Dymally explained, "This is the way the harassment begins: Someone in the Justice Department calls his favorite newspaper and leaks a story. The reporter is assured that the information has come from a reliable source and prints an article citing allegations and charges. After the article is printed, the Justice Department initiates an investigation based upon the article, which more often than not, is based on its own leak."

Mary Sawyer's 1977 report named the following leaders as targets of such campaigns: New York Congressman Adam Clayton Powell; Cleveland Mayor Carl Stokes; Gary, Indiana Mayor Richard Hatcher; California Lt. Governor Mervyn Dymally; Missouri Congressman William Clay; New York Congresswoman Shirley Chisholm; Detroit Mayor Coleman Young; Fayette, Mississippi Mayor Charles Evers; Atlanta Mayor Maynard Jackson; Michigan Congressman Charles Diggs; U.S. Sen. Edward Brooke; and Colorado Lt. Governor George Brown.

More recent cases include that of Congressman Harold Ford of Tennessee, who in 1987 was indicted on 19 counts of mail and bank fraud, stemming from loans he had received from the Butcher family to aid his family funeral home business. The Butchers' banking empire collapsed in 1983, triggering the largest banking collapse in Tennessee history. The 1987 indictments followed four years of personal contention with the U.S. Attorney's office in Memphis, Ford's political base. Two grand jury investigations during that period brought no charges. A first trial, in 1990, resulted in a hung jury, and it was not until April 1993 that Ford was acquitted of all charges.

Another prominent case is that of Washington, D.C. Mayor Marion Barry, who was imprisoned in 1990 following an FBI "sting" operation. Now back in the mayor's seat, he has been targeted by a new task force headed by two Assistant U.S. Attorneys, including a former top aide to former U.S. Attorney Jay Stephens, who ran the 1990 sting.—*Dr. Debra Hanania Freeman*

Davidian compound—a plan which Richard strongly supported. After Reno was finally persuaded to go ahead with the gassing plan, Richard was the DOJ official who handed to Reno the documentation from the FBI justifying the planned attack. For personal reasons, Keeney was scarcely involved during the final days of the crisis; the Justice Department report states: "AG Reno relied a great deal on DAAG Richard during the latter days of the crisis."

### Michael Abbell, the cartel's contact

On June 5, federal prosecutors in Miami announced the indictment of six lawyers and 56 other individuals in connec-

tion with a multi-count indictment for racketeering, narcotics smuggling, obstruction of justice, and money laundering. Among the indicted attorneys were two former Assistant U.S. Attorneys and a former director of the Office of International Affairs at Justice Department headquarters, Michael Abbell. The prosecutors announced that three of the attorneys, including Abbell's law partner Francisco Laguna, had entered guilty pleas.

Abbell joined the Justice Department in 1965, shortly after receiving his law degree from Harvard. In 1979, he became the director of the newly created Office of International Affairs (OIA), where he handled, among other things,

extradition proceedings for drug traffickers being prosecuted by the United States. In 1982, Abbell was, in effect, demoted, becoming the associate director of the OIA, while a political appointee, Philip T. White, was made director. (According to a former Justice Department official who had worked closely with Abbell, both were actually demoted: White had been a Deputy Assistant Attorney General, while Abbell was regarded as somewhat of a loose cannon who was not very effective at his job.)

It is likely that Abbell began making plans to leave the Department of Justice (DOJ) already at that time. Later, he told Associated Press that he had quit the DOJ because of low pay (he remedied that, for sure), and because a political appointee was “moved down on my shoulders.”

In late 1984, Abbell resigned from the DOJ, and became “of counsel” to the law firm of Kaplan, Russin and Vecchi. One of the partners in that firm later joined Abbell in the new firm of Abbell and Ristau; this was Bruno Ristau, who had worked in the Justice Department’s Internal Security Division and its foreign litigation office in 1958-81.

About six months after leaving the DOJ, Abbell showed up in Madrid, Spain to oppose the United States in extradition proceedings for the Colombian drug kingpins Jorge Ochoa and Gilberto Rodríguez Orejuela.

Before going to Spain, Abbell was cleared by the Justice Department of any conflict of interest. The clearance came in the form of a letter dated May 17, 1985, which reads as follows:

“Re: Representation of Gilbert Rodriguez-Orejuela

“Dear Mr. Abell:

“We have reviewed your request to represent Rodriguez in connection with his proceedings on extradition from Spain for trial on federal indictments in the Central District of California and the Eastern District of New York. It is our view that you did not personally and substantially participate in this matter in connection with Rodriguez nor was it under your official responsibility during your last year of government service.

“Accordingly, you are not disqualified under the Post-Employment Rules for Government lawyers from so representing Gilbert Rodriguez-Orejuela.

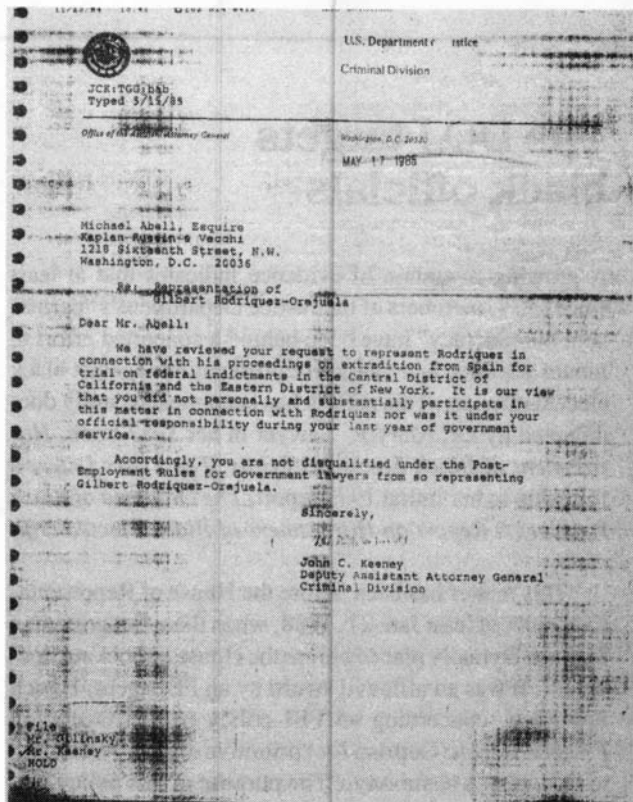
“Sincerely,

“John C. Keeney

“Deputy Assistant Attorney General

“Criminal Division”

Although Abbell claims that he only represents the “non-violent” Cali Cartel, two U.S. officials who were involved in the Ochoa extradition proceedings have told *EIR* that they believed at the time that Abbell was representing Ochoa—one of the chieftains of the Medellín Cartel. In fact, Ochoa and Rodríguez Orejuela had travelled to Spain together and were close companions there.



*John Keeney authorizes Michael Abbell to represent Cali Cartel kingpin Gilberto Rodríguez Orejuela.*

While in Madrid, Abbell provided “expert” testimony concerning U.S. extradition procedures; he attacked the U.S. extradition papers, and submitted an affidavit to the court which described various alleged deficiencies in the U.S. Justice Department’s extradition request. Because he was a former U.S. official who handled these matters, his “expertise” was taken quite seriously by Spanish authorities: One U.S. official who was there, told *EIR* that the Spaniards figured “there must really be a problem with these documents” for Abbell to come to Spain to testify about them.

The upshot of the proceeding was that Ochoa and Rodríguez Orejuela then arranged for the government of Colombia to indict them on precisely the same charges as the U.S. charges, which gave the Spanish court no choice but to extradite them to Colombia—where they were soon freed.

How could this happen? Another U.S. prosecutor who was involved in the Ochoa proceeding, Richard Gregorie, testified before the Kerry Committee in 1988 about the Ochoa case, and complained about the low-level treatment of the Ochoa matter by the State Department; Gregorie also complained that Attorney General Edwin Meese never talked to the prosecutors involved in the case, although Meese did have discussions with Spanish government officials.

Of course, all extradition matters and dealings with for-

eign governments were under the supervision of Mark Richard. Richard was not only Abbell's former boss, but, as we have shown above, Richard was also the Justice Department's official liaison to the State Department. It is thus inconceivable that Meese would have taken—or not taken—any action in the Ochoa case without extensive consultation with Mark Richard.

Abbell went on to become the in-house attorney—"house counsel"—to the Cali Cartel. By 1989, he admitted to having travelled to Cali six times to consult with the leaders of the cartel. The recent indictment shows him travelling to Colombia at least three more times after that, as well as sending his new law partner, Francisco Laguna, to Cali in 1991.

The indictment charges that Abbell obstructed the U.S. government's investigation of the Cali Cartel by obtaining and filing false statements with the courts, obtaining and filing affidavits which falsely exculpated Miguel Rodríguez Orejuela, and using narcotics proceeds to hire lawyers for others charged with narcotics trafficking. Abbell seldom appeared in court; his role—as well as the other lawyers charged—was to protect the leaders of the Cali Cartel by ensuring that other defendants did not cooperate with the government, by obtaining false affidavits to protect the leaders of the cartel, and by hiring hand-picked lawyers for other defendants to protect the cartel kingpins.

The indictment of Abbell and the other lawyers in the Cali case sent shock waves through the legal community, and, according to some reports, through Justice Department headquarters as well. Although some of Abbell's former colleagues are delighted that he was finally indicted, others were not so happy.

"There was terrible tension in the Justice Department over this indictment," a former U.S. congressional investigator told *EIR* recently. He said that the pressure in favor of the indictment came from the law enforcement agents and prosecutors on the scene in Florida, while most officials in the Justice Department in Washington opposed the indictment. "They are reluctant to go after any of their own," he commented.

### **Richard, Keeney, and the LaRouche case**

The story of the LaRouche case and gross misconduct by the Justice Department is told in full in the article on p. 20. What we will summarize here, is what is known about the role of Mark Richard, John Keeney, and the permanent bureaucracy in operations against LaRouche and associates during the 1980s.

John Keeney, who became a Deputy Assistant Attorney General in 1973, shows up in various Justice Department documents concerning FBI surveillance and operations against LaRouche and associates from at least the mid-1970s. Most of the operations against LaRouche were centered in the old Internal Security Division.

When the Internal Security Division was dissolved in 1979, much of the "LaRouche" portfolio seems to have gone into the General Litigation and Legal Advice Section (GLLAS). GLLAS also took over the services of the DOJ's resident "cult expert," Roger Cabbage. Around 1976, when this writer filed a complaint with the Justice Department after associates of Lyndon LaRouche had received a death threat from convicted mass murderer Charles Manson, he was referred to Mr. Cabbage. Cabbage was the Deputy Chief of GLLAS in the 1980s, and James Reynolds was its Principal Deputy Chief.

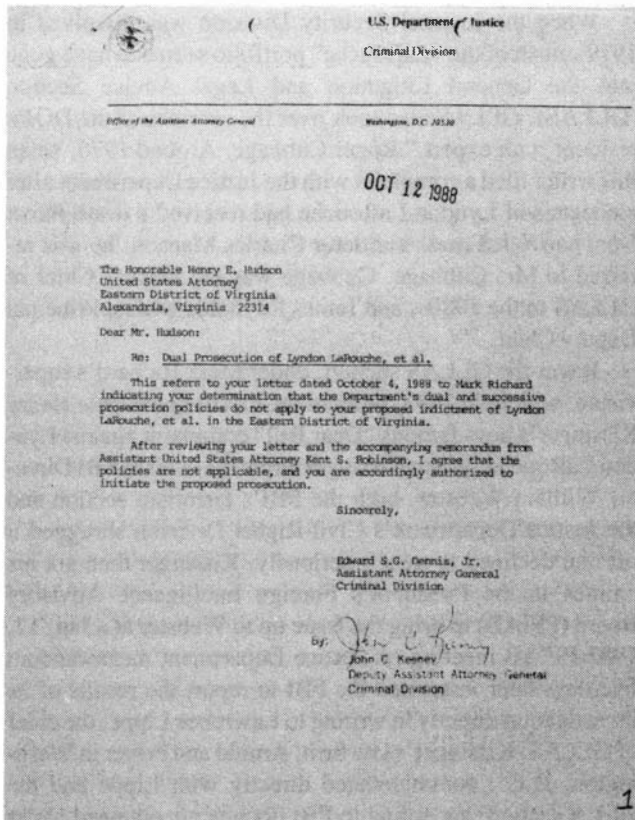
It was the GLLAS section, under Mark Richard's supervision, which, in 1983, ordered the FBI to investigate Henry Kissinger's now-famous "Dear Bill" complaint against Lyndon LaRouche. When Kissinger wrote his letter to FBI Director William Webster, both the FBI's terrorism section and the Justice Department's Civil Rights Division shrugged it off and declined to treat it seriously. Kissinger then got his cronies in the President's Foreign Intelligence Advisory Board (PFIAB) to bring the issue up to Webster at a Jan. 12, 1983 PFIAB meeting. A Justice Department memorandum five days later instructed the FBI to report the results of its investigation directly in writing to Lawrence Lippe, the chief of GLLAS. Kissinger's law firm, Arnold and Porter in Washington, D.C., communicated directly with Lippe and the GLLA section, according to FBI documents obtained under the Freedom of Information Act (FOIA).

In 1984, GLLAS, under Mark Richard, defended the Secret Service's denial of security protection to presidential candidate Lyndon LaRouche. The litigation was handled by GLLAS senior legal advisers Benjamin Flannagan and Victor Stone. Flannagan joined the Justice Department in 1955, and spent his entire career first in the old Internal Security Division, and then handling internal security matters for the Criminal Division in GLLAS.

It was also the GLLAS which in 1986 was assigned by Criminal Division head William Weld (now governor of Massachusetts) to coordinate collection of the Boston contempt fines against organizations identified with LaRouche—which led to the 1987 illegal bankruptcy seizure of three publishing and distributing companies. That bankruptcy shutdown was a crucial step in preparing the prosecution and imprisonment of LaRouche and a number of his associates in 1988-89.

Weld again contacted James Reynolds of GLLAS (now heading the Terrorism Section) in March 1987, to ask them to determine if there would be any problem for prosecutors in the ongoing criminal case against LaRouche's associates, if the government were to initiate an involuntary bankruptcy action.

On March 24, 1987, four senior GLLAS attorneys—Reynolds, Flannagan, Cabbage, and Stone—held a conference call with DOJ bankruptcy specialist David Schiller. Documents released under the FOIA to this writer in 1993



*John Keeney gives U.S. Attorney Henry Hudson the go-ahead to prosecute LaRouche.*

contain handwritten notes made by Reynolds during the call, in which Reynolds wrote: "Benefit is that a trustee is immediately appointed. They are ordered to shut down the business immediately." A marginal note next to this reads: "Trustee's role is to shut down the entities."

Reynolds notes directly contradict the Justice Department's official position, as repeatedly argued by prosecutors in court, that the government intended to keep the three businesses operating. By shutting down the companies, the government prevented them from repaying loans which had been made to the companies by political supporters. The Justice Department then indicted LaRouche and others for allegedly deliberately failing to repay those loans!

In 1988, during the trial of LaRouche and various associates and organizations in Boston, Fraud Section attorney Mark Rasch assisted in the prosecution, aided for a while by a GLLAS attorney, William Braun, who just happened to be in Boston at the time. When the judge in that case ordered an "all-agency search" of federal agencies—including the office of Vice President George Bush—for any exculpatory documents concerning LaRouche, it was Benjamin "internal security" Flannagan of GLLAS who coordinated the search. Needless to say, he didn't find anything.

After the prosecution's failure in the Boston case—it

ended in a mistrial after months of wrangling over classified information and government misconduct—the Justice Department prepared to move the case to the Eastern District of Virginia, where they could be certain of having a rigged judge and jury. However, to bring a second indictment while the first was still pending, was highly questionable, even by Justice Department standards.

During this time, one attorney was told that Mark Richard was one of two officials in the Justice Department fully conversant with the LaRouche case. And it was Mark Richard to whom the prosecutors went for formal approval to bring the second prosecution against Lyndon LaRouche. John Keeney signed the official authorization.

On Oct. 3, 1988, the chief of the DOJ Fraud Section, William Hendricks, sent a lengthy letter and memorandum to Mark Richard, opposing arguments made by attorneys for LaRouche that a second prosecution would be in violation of the Justice Department's own policies regarding dual prosecutions and successive prosecutions of the same individual. (In his Iran-Contra deposition, Weld described Hendricks as someone "who has a lot of experience in CIA matters.") The following day, Henry Hudson, the U.S. Attorney for the Eastern District of Virginia, sent a similar letter to Mark Richard, also requesting approval to proceed.

On Oct. 12, a response was sent to Hudson over the name of the head of the Criminal Division, Edward Dennis, and signed by John Keeney.

The letter begins: "This refers to your letter dated Oct. 4, 1988 to Mark Richard indicating your determination that the Department's dual and successive prosecution policies do not apply to your proposed indictment of Lyndon LaRouche, et al. in the Eastern District of Virginia. After reviewing your letter and the accompanying memorandum from Assistant United States Attorney Kent S. Robinson, I agree that the policies are not applicable, and you are accordingly authorized to initiate the proposed prosecution."

On Oct. 14, LaRouche and the other targets of the Alexandria prosecution—including this writer—brought suit in federal court in Washington, D.C. to attempt to enjoin the pending indictment. Because the action involved a pending grand jury indictment, the courtroom, presided over by Judge Stanley Sporkin (the former CIA general counsel), was closed. Just as the proceeding got under way, two attorneys from GLLAS, Flannagan and Stone, came running breathlessly up to the courtroom and demanded entrance. In an affidavit submitted in a later case, Flannagan stated: "GLLAS attorneys Victor D.L. Stone and I were personally directed by . . . John Keeney to go to Judge Sporkin's courtroom and, as a courtesy, offer to assist United States Attorney Henry Hudson in defense of this injunction action."

Sporkin denied the injunction, and within a few hours, LaRouche and six codefendants were indicted by Hudson, rapidly rushed to trial, and then convicted within a matter of two months.



# DOJ commits fraud upon the court and attempted murder by decree

by Jeffrey Steinberg

On Nov. 17, 1993, a 17-year ordeal ended for John Demjanjuk. The U.S. Sixth Circuit Court of Appeals in Cincinnati, Ohio issued an 83-page decision overturning his denaturalization, and extradition and deportation to Israel on the grounds that the U.S. Justice Department's Office of Special Investigations (OSI), the so-called "Nazi-hunting" unit, had committed prosecutorial misconduct and fraud upon the court. The Sixth Circuit ruling blasted the Anti-Defamation League of B'nai B'rith (ADL) by name for political interference in the functioning of the Department of Justice.

The Ukrainian-American retired autoworker from Cleveland, Ohio and his entire family were drawn for 17 years into a pitched battle against the combined forces of the OSI, the ADL, and the majority of the American mass media.

Had Demjanjuk, his family, and friends not persevered, and had the Israeli Supreme Court and the U.S. Appeals Court for the Sixth Circuit not acted forcefully in the name of justice, Demjanjuk would have been hung in Israel, a country he had never previously visited, for crimes he had never committed. He would have gone down in infamy as the Nazi mass-murderer "Ivan the Terrible," of the Treblinka, Poland concentration camp.

The Demjanjuk case is an appropriate starting point for this probe of systemic corruption inside the U.S. Department of Justice, particularly within the permanent bureaucracy. Over the 17-year period between the initial allegations against Demjanjuk and his eventual exoneration, there have been five U.S. Presidents and eight U.S. Attorneys General. The Justice Department's OSI, which prosecuted Demjanjuk and orchestrated his extradition to Israel, did not yet even exist when the accusations against Demjanjuk were first published in a Soviet propaganda organ. Yet, most of the key players in the Justice Department permanent bureaucracy who would carry out the Demjanjuk travesty—including Deputy Assistant Attorney General Mark Richard and Chief of the Office of International Affairs Michael Abbell—were already long established inside the department, and many of them remain in place to this day.

This is a story of "continuity of corruption" and "govern-

ment by arrogance and brutality," which began before Bill Clinton was elected to his first term as governor of Arkansas. It is also a story that is still awaiting its final chapter. The OSI still exists, continuing its corrupt collusion with the ADL, and it is still targeting some of America's most vulnerable citizens.

## Kissinger launches the 'Nazi hunt'

Although the OSI was established on March 28, 1979 by then-Attorney General Griffin Bell, the impetus for the Nazi-hunt came in the early 1970s from Henry Kissinger. In 1971, Kissinger, Richard Nixon's national security adviser, dispatched a team of lawyers to Moscow to establish liaison with the Office of the Soviet Procurator General. Among the Kissinger representatives in the early Moscow talks was Walter Rockler, one of Kissinger's personal attorneys, and the man who would be appointed the first director of the OSI, eight years later.

Kissinger's efforts were coordinated with both the ADL apparatus and the Communist Party U.S.A. (and came at the same time that the FBI, under Operation Cointelpro, was colluding with the Communist Party leadership in soliciting the murder of Lyndon LaRouche—see article, p. 20). When ADL-backed Elizabeth Holtzman (D-N.Y.) was elected to the U.S. Congress in November 1972, her first move was to put forward a list of 59 alleged Nazi war criminals living in the United States. The list was provided by Dr. Otto Karbach, president of the World Jewish Congress (WJC), but had been prepared by Charles Allen, a Communist Party U.S.A. propagandist who had been spewing out Soviet hate literature about "a Nazi takeover of America," and the building of "secret concentration camps" since the 1950s. Allen's source on the "Nazis in America"? Julius Mader, a propagandist for the the East German State Security Service (the Stasi) and KGB writer Ernst Henry.

Two weeks after Richard Nixon's resignation, Kissinger, by now both the secretary of state and national security adviser to Gerald Ford, obtained permission from the President to open up formal collaboration with the Soviet Procurator to

prosecute Nazi war criminals living in America.

The agreement that Kissinger wrangled out of President Ford set a dangerous precedent. For the first time ever, Soviet "evidence" would be used by the Department of Justice and admitted into American courts, with no questions asked. Kissinger promptly passed on the WJC's list of 59 names to Soviet Foreign Minister Andrei Gromyko, and soon, the DOJ and its Immigration and Naturalization Service (INS) were being flooded with Soviet "documentation" of the "Nazi backgrounds" of the targets.

In October 1975, the Soviets provided U.S. Senators Jacob Javits (R-N.Y.) and Abraham Ribicoff (D-Conn.) with a list of 70 Ukrainians allegedly guilty of war crimes. Ribicoff was, at the time, an honorary vice chairman of the ADL, and Javits was a longtime ADL official. The list was conduited to the senators by Michael Hanusiak, editor of the English-language *Ukrainian Daily News* and a well-known Soviet propagandist who had been recruited by the Russians in 1969. John Demjanjuk's name was included on the Hanusiak list.

Within a month of the issue of the Javits-Ribicoff Made-in-Moscow target list, the INS was in contact with "Jewish organizations" in the Cleveland area, as well as in Israel, seeking evidence and potential witnesses against Demjanjuk. In Israel, the government took out advertisements in newspapers soliciting information about Demjanjuk and a second accused war criminal, Fedor Fedorenko. At this point, Demjanjuk was being accused of having worked at the Nazi concentration camp at Sobibor—not at Treblinka.

On Aug. 26, 1976, the Soviet government turned up the heat, publishing an article in a Ukrainian weekly magazine referencing an identity card from the Trawniki SS training camp, in the name Demjanjuk. The article claimed that testimony had been given by a former guard at Sobibor identifying Demjanjuk; however, the accuser had been tried, convicted, and executed for war crimes back in the 1950s, so Demjanjuk would have no opportunity to confront the man. Later, the so-called ID card would be exposed as a Stasi forgery.

Despite the flimsy nature of the charges against him, Demjanjuk was ordered to appear at the INS office in Cleveland on Oct. 19, 1976 to be interrogated by U.S. Attorneys.

### **A bizarre shift**

On Aug. 25, 1977, in the midst of a propaganda barrage against so-called "Nazis in America," fueled by *New York Times* scribbler Howard Blum's recently released book on the subject, Demjanjuk was formally charged by the U.S. government with lying on his immigration application, by failing to report his alleged Nazi concentration camp duties. The charges against Demjanjuk did not tie him to the camp at Sobibor. He was suddenly accused of being "Ivan the Terrible," the Nazi concentration camp motorman at Treblinka

charged with the extermination of 800,000 prisoners, mostly Jews. In response to the advertisements published in the Israeli newspapers, several Treblinka survivors had come forward claiming, 35 years later, that they recognized Demjanjuk from his postwar photograph as "Ivan."

The decision to proceed with the Demjanjuk case was pure politics. The prospect of bagging a "big fish" like Ivan the Terrible was too much for the ADL and its corrupt henchmen inside the Justice Department to resist. The flimsiness of the evidence became even more obvious in May 1978, when the DOJ's case against Fedor Fedorenko fell apart because the Israeli "victim-witnesses" failed to provide clear testimony. Later in the year, the Special Litigation Unit (SLU), the precursor to OSI which was responsible for the prosecution of the "Nazi" cases, lost another high-visibility denaturalization case against Frank Wallis on the same grounds.

Following the Fedorenko defeat, panic set in among the DOJ Nazi-hunters. A July 28, 1978 memo from SLU attorney Donald Convillon to INS General Counsel David Crossland warned that a repeat of the Fedorenko fiasco could bring an end to the entire Nazi-hunting effort. He added that the

## **Fraud by the OSI: the Arthur Rudolph case**

In 1982, the U.S. Department of Justice's Office of Special Investigations (OSI) told former rocket engineer Arthur Rudolph that it could prove that he was responsible for crimes against humanity while working on the German V-2 rocket program during World War II. Insisting that he was innocent, but acknowledging that he was 77 years of age, in poor health, and without the financial resources to engage legal counsel for a trial, he accepted an "offer" by the Justice Department to leave the United States and surrender the citizenship he had held here since the mid-1950s, to avoid possibly losing his family's only income—his government pension. Rudolph had worked for the U.S. Army for 15 years after coming here in 1946, and then managed the Saturn V rocket program to take astronauts to the Moon, retiring from NASA in 1969.

He arrived in Germany in March 1984, and after surrendering his U.S. citizenship two months later, Rudolph applied for West German citizenship. The Bonn government requested the evidence against Rudolph from the OSI. Evidence was slow in coming. In January 1985, the Attorney General of the Central Office of State Judicial Administration in Ludwigsburg, in a letter to Prof. F.

SLU-INS needed a “big win” to revive the credibility of the eyewitnesses. A few weeks later, SLU head Martin Mendelsohn traveled to Israel to solicit the help of Israeli authorities in going ahead with the Demjanjuk case. After his return, he wrote a memo to Crosland calling the Demjanjuk prosecution “critical.”

### Innocent beyond a doubt

On Oct. 13, 1978, the SLU received copies of 19 interrogations of 11 Soviet citizens that proved in no uncertain terms that Demjanjuk was not “Ivan.” The documents, sent by the Soviet government, had been originally requested for use in the Fedorenko case. For that reason, they came to be known as the “Fedorenko protocols.” Included were interviews with two Treblinka guards, Pavel Leleko and Nicholay Malagon, who were interrogated by the Soviets shortly after World War II. They provided detailed accounts of the internal workings of Treblinka and stated unequivocally that, during the 1942-43 period when the U.S. government claimed Demjanjuk was “Ivan the Terrible,” there were only two motormen at Treblinka, “Marchenko and Nicholay.”

In 1991, following the collapse of the Soviet Union,

investigators for Demjanjuk would get their hands on other Soviet documents that were never transmitted to the United States, including the confession of Nicholay Shalayev, who admitted that he had been one of the two motormen at Treblinka. Shalayev identified Ivan Marchenko as the second motorman. The file included photographs and biographical data on Marchenko making it absolutely clear that he was not John Demjanjuk.

Even without the benefit of the complete Soviet file, however, the “Fedorenko protocols” already constituted sufficient evidence to exonerate Demjanjuk—nearly three years before Demjanjuk’s first denaturalization hearing.

It gets worse. On Aug. 31, 1979, the Justice Department received another series of documents, these from the Polish Main Commission, the Polish government’s war archive, including a list of all the known concentration camp guards at Treblinka. Demjanjuk’s name did not appear on the list—but the name “Ivan Marchenko” did. In short, by no later than August 1979, the DOJ had incontrovertible proof that Demjanjuk was the wrong man.

Despite this, plans accelerated to bring Demjanjuk to trial. In March 1979, the SLU had been upgraded to the

Winterberg at Konstanz University, complained that “the documents which I had requested several months ago from the [OSI] have not yet arrived.” But, he stated, “in the central office there is no incriminating evidence against Mr. Rudolph. I may add, that because of the Nazi crimes at Dora-Mittelbau—in particular, because of the hanging of prisoners in the underground factories—intensive investigations have been conducted. The name *Rudolph* never came up.”

In March 1987, Hamburg District Attorney Harald Duhn told the press that after a more than two-year investigation, Rudolph had been cleared of all charges. UPI quoted Duhn that “none of about 100 witnesses brought in from the United States, Australia, and Israel were able to establish Rudolph’s guilt.” A colleague of Rudolph’s revealed in 1988, when Rudolph was finally granted West German citizenship, that all nine of the witnesses whose names were forwarded by the Justice Department to the German authorities were invalid; most of them did not even know Arthur Rudolph.

It should not have been a surprise to anyone that the OSI’s case was a bluff. When the public first learned that Rudolph had been accused of war crimes, an American who was a member of the U.S. legal staff that participated in war crimes trials concerning the V-2 project wrote a letter to the *Baltimore Sun*. Milton Crook states in his letter, published on Nov. 17, 1984, that in 1947 there

were trials held at Dachau to prosecute defendants for war crimes at the SS-run underground rocket factory at Nordhausen. Investigations began in 1945, after the Dora concentration camp, which supplied slave labor for the underground factory, was liberated. Upon completion of the investigations, “some of the scientists so recruited by us and working in the U.S. installations were formally accused for such crimes and returned to Germany for trial at Dachau. Likewise accused were various camp officials, guards and other personnel.”

“After a long, thorough trial,” Crook continued, “the war crimes court considered the evidence and testimony introduced by the parties and adjudged the scientists not guilty of all charges. The other defendants were all found guilty as charged and duly sentenced.” Arthur Rudolph was not accused in the 1947 trial. “In view of the recent developments in the Rudolph incident,” Crook wrote, “and his earlier association with his fellow scientists, long since tried and acquitted, the allegation of similar charges against him almost 40 years after the fact gives rise to certain questions: In the interim where was the evidence of Rudolph’s complicity? And where were the persons knowledgeable of such evidence? Why did they not speak up during the 1947 trial or since then?”

It is past time that Arthur Rudolph be exonerated and allowed to return to his home of 40 years in the United States.—*Marsha Freeman*

Office of Special Investigations, commanding a \$2.3 million startup budget and a staff of 50. By this date, the original World Jewish Congress-laundered KGB list of alleged "Nazis in America" had swelled to over 200 names. The OSI was placed in the Criminal Division chain of command directly under Mark Richard, the Deputy Assistant Attorney General in charge of international liaison and national security. OSI would also forge close working relations with another senior DOJ careerist, Michael Abbell. By 1980, Abbell was in the Office of International Affairs, responsible for extradition matters.

A lot was riding on the Demjanjuk case. But not everyone inside the OSI was anxious to jump on board. On Feb. 28, 1980, George Parker, an OSI attorney assigned to the Demjanjuk case, wrote a memo to OSI director Alan Ryan, headlined "Demjanjuk: A Reappraisal." The memo raised "ethical" and "evidentiary" concerns about the Demjanjuk case. Parker had read the case file, and was disturbed that there were glaring contradictions between the information contained in the original allegations about Demjanjuk being a guard at Sobibor and the later charges that Demjanjuk had been "Ivan" of Treblinka. Parker pointed out that the Soviet-produced ID card was "dubious" at best, and that the investigation of both the Sobibor and Treblinka charges was "fraught with problems." He concluded: "We have little admissible evidence that defendant was at Sobibor, yet there are serious doubts as to whether he was at Treblinka."

Parker followed up with a meeting in March 1980 with Ryan, Walter Rockler, and Norman Moscowitz to discuss his reservations about proceeding with the Demjanjuk prosecution. When he got no satisfactory response from the OSI hierarchy, he left the OSI altogether.

All of this did little good for Demjanjuk. It would be years before his attorneys would pry loose any information about the internal turmoil at OSI, or the "Fedorenko protocols," or the Polish Main Commission files.

The wheels of injustice rolled forward. On Aug. 11, 1980, OSI head Ryan wrote to Abbell informing him that the OSI would seek to extradite alleged war criminals to their country of origin to stand criminal trial. This was the first formal move by the OSI to have their targets booted out of the country. A year later, on July 10, 1981, OSI attorney Bruce Einhorn, an ADL official from Los Angeles, wrote to the new OSI boss, Neal Sher, urging the extradition of OSI targets to Israel—a country that did not even exist at the time the alleged war crimes took place. Five months later, Sher traveled to Israel to meet with National Police officials and arrange for Israel to "request" the extradition of Demjanjuk to stand trial for war crimes.

In February-March 1981, Demjanjuk had been tried in the District Court in Cleveland before Judge Batisti. It was ostensibly a civil proceeding dealing with his naturalization status. In fact, it was life or death for Demjanjuk, who was

found guilty of lying on his immigration application and on his naturalization papers. Judge Batisti's ruling included gratuitous findings that the Trawniki ID card was authentic (even though the Soviets had only provided a copy of the document), and that all of the witnesses who had placed Demjanjuk at Treblinka through "photo lineup" identification were credible. The Sixth Circuit initially upheld the lower court's ruling, despite protests from Demjanjuk's attorneys that they had been denied access to exculpatory evidence. On Oct. 26, 1983, Demjanjuk's attorneys filed amended papers charging that the government had committed "fraud upon the court." How right they were!

Following the Sixth Circuit's initial findings, the U.S. Supreme Court refused to consider the case.

On Nov. 18, 1983, the U.S. Attorney in Cleveland filed an extradition request for Demjanjuk on behalf of the Israeli government.

On May 23, 1984, an Immigration Court judge ruled that Demjanjuk was deportable.

On Feb. 27, 1986, John Demjanjuk was extradited to Israel to stand trial as "Ivan the Terrible." It was slated to be the biggest show trial in Israel since the prosecution of *genuine* Nazi mass murderer Adolf Eichmann in the early 1960s. A whole new generation of Israelis was to be educated about the Holocaust—and Demjanjuk was to be the human sacrifice.

The Demjanjuk trial began on Feb. 16, 1987 and continued until Feb. 18, 1988. The entire proceeding was broadcast on Israeli national television.

On April 18, 1988, Demjanjuk was found guilty of being "Ivan the Terrible." The judge took ten hours to read the verdict.

One week later, on April 25, Demjanjuk was sentenced to death by hanging. It was the second time in Israel's history that the death penalty had been invoked. The last incident was in 1962: Adolf Eichmann.

### **Fighting for innocence—and winning**

As the Demjanjuk nightmare proceeded, Demjanjuk's son-in-law Ed Nishnic was drawn into the fray, eventually giving up his job and working round-the-clock, with other family members and friends, to prove his father-in-law's innocence. Beginning in 1986, Nishnic received a series of anonymous packages of documents, all internal OSI memos showing that the office was withholding exculpatory evidence from the Demjanjuk defense team, detailing secret collusion between the U.S. and Israeli prosecutors, and spelling out a coverup of that collusion.

Nishnic took advantage of the road-map those documents afforded him, filing a lawsuit under the Freedom of Information Act, and, finally, in September 1987, U.S. District Court Judge for the District of Columbia Oberdorfer ordered the OSI to release copies of the "Fedorenko protocols" to Nish-

nic. Pursuing other leads, he eventually won the backing of Rep. James Traficant (D-Ohio).

In 1990, as the Demjanjuk case was being taken up on appeal by the Israeli Supreme Court, Nishnic, along with the Israeli attorney defending his father-in-law, traveled to Ukraine in pursuit of fresh evidence. Despite desperate efforts by the Israeli prosecutor and some KGB elements to block access to the crucial Soviet files, Nishnic did eventually obtain some evidence about the existence of Ivan Marchenko. It was enough of a wedge to prompt the Israeli Supreme Court to order prosecutor Michael Shaked to turn over the files *he* had squirreled away from the KGB. They included the Nicholay Shalayev debriefing that provided the identity of the real "Ivan the Terrible of Treblinka."

During arguments before the Israeli Supreme Court on Dec. 18, 1991, Demjanjuk's attorney Yoram Sheftel presented testimony from 21 Treblinka guards who identified Ivan Marchenko as "Ivan." He told the court: "You have a complete frameup. The documents speak for themselves."

The perseverance of Demjanjuk's family and friends scored another victory in early 1992. The Demjanjuk revelations at the Israeli Supreme Court had reverberated back to the United States. The *New York Times* published accounts of the "new revelations," suggesting Demjanjuk's innocence (among the major news publications in the United States, for years, only *EIR* had been regularly covering the Demjanjuk case from the standpoint of exposing the systemic OSI and ADL corruption). In response to that publicity, the Chief Judge of the Sixth Circuit Court of Appeals in Cincinnati, Judge Gilbert Merritt, ordered his clerk to write a letter to Robert Mueller, the head of the Criminal Division, requesting all new evidence obtained by the DOJ regarding the Demjanjuk case. The DOJ never even acknowledged receipt of the clerk's letter.

On June 3, 1992, after a second letter from Green to Mueller went unanswered, the Sixth Circuit announced that it was inviting Demjanjuk's lawyers to request a review of the *habeas corpus* petition that authorized Demjanjuk's extradition to Israel. After a hearing in early August, the three-judge Sixth Circuit panel headed by Judge Merritt announced the appointment of a Special Master, Judge Thomas Wiseman, to determine whether OSI and other government attorneys had committed "fraud upon the court."

In June 1993, after extensive depositions of government attorneys and other witnesses, Judge Wiseman completed his investigation and submitted a report to the Sixth Circuit panel. Although the report ultimately concluded that there was no evidence of governmental fraud upon the court, the report amounted to a damning indictment of the OSI's conduct, and included important evidence of ADL political interference.

From there, things moved very quickly. On July 29, 1993, the Israeli Supreme Court, after an agonizing delay

of over one year, issued a 500-page decision overturning the conviction of Demjanjuk and finding that, under the terms of the U.S.-Israeli extradition treaty, Demjanjuk could not be retried—as some ADL assets in Israel and the United States had argued—on any other charges.

On Aug. 3, 1993, the Sixth Circuit lifted the ban on Demjanjuk's return to the United States, providing him with temporary permission to come home, pending a hearing on the Special Master's findings scheduled for Sept. 3, 1993.

## Justice, at last

On Nov. 17, 1993, the Sixth Circuit issued its ruling, finding that "the OSI attorneys acted with reckless disregard for the truth and for the government's obligation to take no steps that prevent an adversary from presenting his case fully and fairly. This was fraud on the court in the circumstances of this case where, by recklessly assuming Demjanjuk's guilt, they failed to observe their obligation to produce exculpatory materials requested by Demjanjuk. . . .

"For the reasons set out herein we vacate the judgment of the district court and the judgment of this court in the extradition proceedings on the ground that the judgments were wrongly procured as a result of prosecutorial misconduct that constituted fraud on the court."

The Sixth Circuit ruling went to great lengths to praise the actions of the Israeli prosecutor and the Israeli Supreme Court, juxtaposing their honorable behavior with that of the OSI and groups like the ADL. "The 'win at any cost' attitude displayed by [OSI] contrasts sharply with the attitude and actions of the Israeli prosecutors, who were under domestic political pressure themselves. But for the actions of the Israeli prosecutors, the death sentence against Demjanjuk probably would have been carried out by now. He would have been executed on a charge for which he has now been acquitted."

The Sixth Circuit ruling singled out ex-OSI chief Alan Ryan's 1986 "lecture tour" of Israel, sponsored by the ADL, as a particularly egregious instance of the "win at any cost" attitude. "It is obvious from the record that the prevailing mindset at OSI was that the office must try to please and maintain very close relationships with various interest groups because their continued existence depended upon it."

But the court's action was targeted at a concert of forces, both inside and outside the Department of Justice. Between the Special Master's report and the final ruling of the Sixth Circuit (which the U.S. Supreme Court refused to revisit), scores of Department of Justice bureaucrats were identified as complicit in the "fraud"—from Mark Richard, the senior DOJ manager who oversaw the office, to every director of OSI from the day it opened its doors up to the day of the ruling, to Criminal Division chief Robert Mueller, whose arrogance sparked the Circuit Court's review of the case in the first place.

# Vendetta against LaRouche shows blatant DOJ corruption

by Bruce Director

In the early morning hours on Oct. 6, 1986, a small army of over 400 agents from the Federal Bureau of Investigation, Internal Revenue Service, Bureau of Alcohol, Tobacco, and Firearms (ATF), the Secret Service, the Virginia State Police, and the Loudoun County, Virginia Sheriff's Office, armed with automatic weapons, helicopters, fixed-wing aircraft, and armored personnel carriers, descended on the small town of Leesburg, Virginia and forcibly entered several offices of companies that published newspapers, magazines, and political literature associated with then-Presidential candidate Lyndon H. LaRouche, Jr. The raiders were accompanied by a bevy of journalists, and Mira Lansky Boland, from the Washington, D.C. fact-finding division of the Anti-Defamation League (ADL) of B'nai B'rith. A separate contingent of armed government agents surrounded the farm on the outskirts of Leesburg where LaRouche and his wife were staying. That contingent was prepared, if ordered, to launch an armed assault on the farm, designed to cover for the assassination of LaRouche. For two days, the government agents packed up and carted off documents which were taken to a secret military installation at the headquarters of the U.S. Marine Corps at Henderson Hall, just outside Washington, D.C.

Such a massive show of force was unnecessary, had no legitimate law enforcement purpose, and was only designed to provoke violence and create a cover for the judicial railroad of LaRouche and his associates. Government documents, released years later, show that the raid planners themselves believed there was little threat of violence on the part of the victims of the raid. However, individual participants in the raid have since admitted that part of the raiders' plan involved a live plot to assassinate LaRouche. The FBI also admitted in its internal documents that its partner in the raid, Virginia Attorney General Mary Sue Terry, was "politically motivated."

That raid, conducted more than seven years prior to the ATF-FBI raid in 1993 against the Branch Davidian religious sect in Waco, Texas which left scores dead, was prepared and executed by a politically corrupt network, which is not limited to, but is centered within elements of both the Department of Justice Criminal Division and the FBI. The relevant circles within the DOJ acted under the influence of political corruption, and in concert with an intertwined network of

private agencies including the ADL and the ADL-allied American Family Foundation (AFF)-sponsored Cult Awareness Network (CAN).

Some of these individuals and organizations have since been investigated and/or convicted for crimes including kidnapping, illegal spying, and perjury. Many of them, such as CAN, ADL, and Deputy Assistant Attorneys General Mark Richard and John Keeney, were involved in the events surrounding the deadly shootouts in Waco and in Ruby Creek, Idaho (involving the Weavers), planned and initiated during the Presidency of George Bush. These same individuals have been responsible for other politically motivated abuses of the judicial system, several of which are the subject of this *Special Report*. An examination of the people and events leading up to and following the raid on LaRouche's associates provides the clearest standpoint from which the U.S. Congress and the Executive branch can dismantle this rogue cabal, which, despite Bush's defeat, is still in positions of power.

## A politically corrupt task force is created

The public-private "Get LaRouche" task force responsible for the events surrounding the raid on LaRouche's associates, was brought into existence no later than August 1982, when former Secretary of State Henry A. Kissinger communicated his desire to attack LaRouche directly to William Webster, then the director of the FBI. Several months later, in January 1983, David Abshire and Edward Bennett Williams, members of the President's Foreign Intelligence Advisory Board (PFIAB), put the imprimatur of national security on Kissinger's anti-LaRouche demands by seeking authorization for an investigation "under the guidelines or otherwise," at a PFIAB meeting. The PFIAB request was communicated directly to Webster that same day. Webster referred the matter to his deputy, Oliver "Buck" Revell, by a memo dated Jan. 12, 1983.

The Kissinger and PFIAB memos set in motion the coalescence of a task force which included the ADL, CAN, various news organizations, agents of the Department of Justice, IRS, ATF, the state attorneys general of Virginia, California, and New York, and others. This "Get LaRouche" task force operated in part under the Reagan-Bush Executive Order 12333, which governed the conduct of U.S. govern-

CROSS-REFERENCE  
August 19, 1982

Dear Bill:

I appreciated your letter forwarding the flyer which has been circulated by Lyndon LaRouche, Jr. Because these people have been getting increasingly obnoxious, I have taken the liberty of asking my lawyer, Bill Rogers, to get in touch with you to ask your advice, especially with respect to security.

It was good to see you at the Grove, and I look forward to the chance to visit again when I am next in Washington.

Warm regards, 16 SEP 23 1982

Henry A. Kissinger

Mr. William H. Webster  
Director  
Federal Bureau of Investigation  
Washington, DC 20535

HENRY A. KISSINGER  
SUITE 400  
1600 K STREET N.W.  
WASHINGTON, D.C. 20006

*Handwritten notes:* 44-4000-X, MR, 141, 66, 141, OK, MR, ddb, qst, etc.

Henry Kissinger solicits FBI Director William Webster to go after LaRouche.

ment covert operations, such as the infamous drug- and gun-running Iran-Contra apparatus supervised by then-Vice President George Bush. A memo found in the safe of Bush's subordinate, Lt. Col. Oliver North, shows that North's apparatus played a part in the "Get LaRouche" task force. The telex communication from retired Air Force Gen. Richard Secord to North states, "Our man here is gathering information against LaRouche."

The use of private organizations by government officials to assist in politically motivated "investigations" came into widespread practice after the FBI's notorious Cointelpro program of the 1960s and 1970s, and the activities of the IRS's Special Service Staff, were halted. Under Cointelpro, the FBI engaged in such actions directly. Exemplary is the 1973 collaboration between the FBI and the Communist Party U.S.A. in a plot to assassinate LaRouche. In a November 1973 memo from the New York FBI office to FBI headquarters in Washington, FBI agents proposed aiding the CPUSA's goal of "ultimately eliminating LaRouche." Dr. Martin Luther King, Malcolm X, and other civil rights leaders were also the targets of similar Cointelpro operations. The exposure of abuses such as Cointelpro and the Special Service Staff led Congress and the Executive branch to place limits on the activity of federal law enforcement agencies.

The targeting of LaRouche and black elected officials continued long after Cointelpro was terminated. LaRouche and his associates remained targets of harassment under the guise of "national security" until the late 1970s. These operations against LaRouche were supervised by Deputy Assistant Attorney General John Keeney, who played a major role in

January 12, 1981

MEMORANDUM TO MR. REVILL  
RE: U.S. LABOR PARTY

*Handwritten:* National Caucus of Labor Committees

At the PFIAS meeting today, David Abshire raised the subject of the activities of the U.S. Labor Party and Lyndon LaRouche. He noted that he and a number of other Americans in public life had been the subject of repeated harassment by LaRouche and wondered whether the FBI had a basis for investigating these activities under the guidelines or otherwise. A number of the members present, including Edward Bennett Williams, raised the question of the sources of funding for these U.S. Labor Party activities. In view of the large amounts obviously being expended worldwide, the question was raised whether the U.S. Labor Party might be funded by hostile intelligence agencies.

Can you give us an update together with any comments or observations on this matter?

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED  
DATE 12-28-74 BY 1042/STW

William H. Webster  
Director

1 - Mr. O'Malley

100-457957-1579

7 MAY 1981

David Abshire and Edward Bennett Williams of the President's Foreign Intelligence Advisory Board call for an investigation of LaRouche.

Transmit the following in \_\_\_\_\_  
Date: 11/23/73

Via AIRTEL \_\_\_\_\_  
(Priority)

TO: DIRECTOR, FBI (100-392623)

FROM: SAC, NEW YORK (100-123674) (P)

SUBJECT: LYNDON HERMYLE LA ROUCHE JR., aka  
Lynn Marcus  
SM-NGLC  
(OO:NY)

ReBulet, 10/29/73.

Interviewing New York case file it is noted that information has been received that the CPUSA is conducting an extensive background investigation on the subject for the purpose of ultimately eliminating him and the threat of the NGLC, on CP operations. Several sources have furnished this information to the New York office, and this information has appeared in the Daily World newspaper several times.

NGLC sources have advised that the subject is the controlling force behind the NGLC and all of its activities. A discussion with the New York NGLC case agent indicates that it is felt if the subject was no longer in control of NGLC operations that the NGLC would fall apart with internal strife and conflict.

New York proposes submitting a blind memorandum to the "Daily World" CP newspaper, in New York City which has been mailed from outside this area to help facilitate CP investigations of the subject. It is felt that this would be appropriate under Bureau's counter intelligence program.

The blind memorandum is provided 100-392623-15

Bureau comments are requested on such a proposal.

2 - Bureau (RM) (Encl. 2)  
1 - New York

EX-110 15 JAN 1981

The New York FBI office proposes to aid the Communist Party U.S.A. in "eliminating LaRouche."

the Waco tragedy.

Seeking to circumvent the new restrictions on the use of law enforcement agencies for political harassment, corrupt officials simply farmed out these activities to private organizations such as the ADL. On Oct. 16, 1993, Oliver "Buck"

Revell, the recipient of the 1983 PFIAB memo mentioned above, told a conference of the Texas State Bar Association that the FBI relied on the ADL to do things the FBI was prohibited from doing.

### **The Train salon**

In its first phase, the "Get LaRouche" task force organized an international propaganda campaign designed to defame and vilify LaRouche, in preparation for the planned judicial railroad. Such a campaign was organized under the auspices of New York investment banker John Train, beginning in the spring of 1983.

Train chaired several meetings at his New York City home to launch this campaign. Attendees at these meetings included: Roy Godson, then a consultant to the National Security Council and PFIAB; John Rees, a longtime FBI informant; Mira Lansky Boland of the ADL; at least one representative of Freedom House, a private research organization headed by PFIAB Chairman Leo Cherne; Richard Mellon Scaife, a wealthy financier of the Conservative Revolution; Pat Lynch of NBC-TV; reporters for *Reader's Digest*, *Business Week*, the *New Republic*, and the *Wall Street Journal*; and pro-drug "free-lance" researchers Chip Berlet and Dennis King. Berlet later told an investigator for LaRouche's defense team that he was introduced to "gentlemen with government connections" at the meetings.

As a direct result of the Train meetings, numerous defamatory stories against LaRouche were planted in various national publications, including *Reader's Digest*, the *Wall Street Journal*, the *Washington Post*, and the *New York Times*, and broadcast by Lynch on NBC News. In response to one of the NBC television broadcasts, LaRouche sued NBC for libel. In the course of that suit, Lynch admitted to receiving non-public information from the IRS, the Federal Election Commission, the FBI, and the CIA. She also claimed that she had collaborated with former CIA counterintelligence chief James Jesus Angleton, who, according to his biographers Tom Mangold and Burton Hirsch, was obsessed with a vendetta against LaRouche.

### **ADL, DOJ worked with the Stasi**

This defamation campaign by government and private agencies also involved collaboration with communist secret intelligence services. On Feb. 28, 1986, Swedish Prime Minister Olof Palme was assassinated in Stockholm. Following the assassination, Irwin Suall, fact-finding director of the ADL, and Pat Lynch broadcast a story on NBC falsely accusing LaRouche of being involved in the killing. Suall traveled to Sweden as a liaison between the FBI and Swedish authorities. In December 1986, NBC revived this defamation with the active participation of Assistant U.S. Attorney John Markham, who was then prosecuting the LaRouche case in Boston.

In August 1992, Herbert Brehmer, a former disinformation specialist for Division X of the East German Stasi, told

the Swedish magazine *Journalisten* that he had originated this lie as part of a KGB-inspired disinformation campaign. The ADL, NBC, Markham, and the FBI thus collaborated with a communist disinformation campaign against LaRouche as part of their in-progress judicial frameup.

### **Tampering with witnesses**

In the LaRouche case, as in the Waco case, the government relied heavily on witnesses who were psychologically impaired as a result of "deprogramming," even though the FBI's own documents show that these "deprogrammed" witnesses were considered unreliable. The government has attempted to conceal to this day its knowing use of these "deprogrammed" witnesses, who by virtue of this psychological tampering, presented perjured testimony to the court.

These "deprogrammed" witnesses were created by the same individuals who participated in the 1983 Train meetings. A June 26, 1986 FBI memo states that "former LaRouche insiders" have been identified by "contacts developed by the U.S. Attorneys office in Boston and the Bureau's OPCA [Office of Public and Congressional Affairs]." The memo says that, based on interviews of these insiders by AUSA John Markham, "Boston feels that it is fair to characterize them as deprogrammed members of a cult."

Markham had been a member of and an attorney for a satanic cult known as the Process Church, which had been identified by author Maury Terry in his book *The Ultimate Evil* as connected to the Son of Sam and Charles Manson killings. Markham's association with the Manson cult resumed after he returned to private practice, becoming the lawyer for Leslie Van Houten, who was sentenced to life imprisonment for her role in the Tate-LaBianca murders.

An April 4, 1986 FBI memo states that the Bureau's OPCA had been exchanging information about prospective witnesses with NBC's Pat Lynch, a Train meeting participant. Lynch's role in creating these "deprogrammed" witnesses was confirmed by Markham in a 1990 court hearing in which Markham testified that he obtained his early witnesses from Lynch.

The FBI's OPCA was also a liaison between the Bureau and the ADL. OPCA Director William Baker testified jointly with the ADL at several congressional hearings.

The extent of the degeneration of these "insiders" was evidenced by a 1986 Halloween party they organized after the Oct. 6, 1986 raid. The invitation to that party featured activities such as "pin the rap on LaRouche." The party was videotaped, but the tape mysteriously disappeared at the point at which the insiders were to become government witnesses. The prosecution tried to conceal its knowledge of the events of the Halloween party from the defense and the court.

### **Black bag jobs, illegal wiretaps**

Throughout the railroading of LaRouche, government agents resorted to old-fashioned Cointelpro operations, in many cases perpetrated by Sheriff's Deputy Donald L.



Moore, who headed up the LaRouche investigation for Loudoun County, Virginia Sheriff John Isom. Moore, a former tent-mate of Oliver North in Vietnam, was also appointed a special deputy U.S. marshal, and was fully integrated into the federal "Get LaRouche" task force.

According to Moore, the FBI's investigation of LaRouche consisted of "one black bag job after another." Moore made this statement to Doug Poppa, an FBI undercover informant who was tape-recording Moore as part of an investigation into a kidnapping ring associated with the Cult Awareness Network. Moore has since pled guilty to a felony and served eight months in prison in connection with one of those kidnappings.

Moore also told Poppa that he illegally entered offices of LaRouche-associated publishing companies, illegally obtained photos of the interior of those offices, illegally removed documents from those offices, illegally obtained the social security numbers of LaRouche and his associates from voter registration lists, and illegally disseminated confidential law enforcement documents to private enemies of LaRouche.

Moore expressed his attitude toward LaRouche: "These [LaRouche] guys, if they were a country, I would f—king own it. But that's because I'd be illegal. I would walk in one night and shoot the appropriate people and say I was the boss and everybody would just say, 'Don's the boss.' "

But Moore didn't want to admit that publicly. He told Poppa, "I have no intention of letting LaRouche stay in that county. And I have every intention of, of, of, uh, you know, you can't come out in public and say, 'I'm going to f—k LaRouche, I'm going to drive his people out of town.' . . . That's against the Constitution. They have a right to be there. But if I say, 'I'm going to pursue every violation of that organization with all the resources that I can command and all the intellect I can provide so that every time a crime is committed by members of that organization, they must know that they will be investigated and prosecuted if possible,' that's a different statement altogether. Now what I—I'm gonna f—k LaRouche and drive him out. You know that and I know that but. . . ."

He also admitted he wanted LaRouche dead, telling Poppa, "I'll tell the words I am now going to tell the FBI: Shoot to kill. . . . When the time comes to arrest LaRouche—and I'm a Special U.S. Marshal right now, and I'm telling you, if one of those guys goes for his pocket, when I pull up to arrest him I am going to start shooting until the screaming stops."

Moore was assisted in his efforts by the ADL. As early as 1985, Mira Lansky Boland came to Loudoun County to coordinate anti-LaRouche activities in the county. The ADL became so close to Moore that he told Poppa, "When I was on the LaRouche case I never used the FBI, I used the f—king ADL." Boland was so intertwined with the government's case that she was the only non-government employee who attended the prosecution's victory party after LaRouche's

conviction in December 1988. When Moore was sentenced to prison after pleading guilty to kidnapping charges, Boland was at his side at the courthouse.

The government also utilized illegal wiretaps in the LaRouche investigation and concealed this fact from defense lawyers. This was confirmed in sworn affidavits by Jerry Morris, the former head of security for C&P Telephone Company of Virginia, and Leonard MacDonald, the former head of the Loudoun County, Virginia Sheriff's Department Criminal Investigations Division.

## Fraud upon the court

Despite this massive covert and overt assault, the political movement associated with LaRouche was not destroyed. The "Get LaRouche" task force then took their fraudulent actions directly to the federal court.

On April 20, 1987, attorneys from Henry Hudson's U.S. Attorney's office for the Eastern District of Virginia filed a fraudulent involuntary bankruptcy petition against two companies, Campaigner Publications and Caucus Distributors, and a non-profit foundation, the Fusion Energy Foundation, which produced and distributed political and educational literature. Over two years later, the court would rule that the government's actions were illegal and committed by a "fraud on the court."

The government's actions effectively shut down these entities, stopping all activity, including the companies' only source of income at that time, the sale and distribution of news and science publications.

At the same time that Hudson's assistants were filing the fraudulent bankruptcy, some of his other assistants were putting together a criminal prosecution against LaRouche and his associates. The focus of the criminal probe was an alleged conspiracy that the bankrupt companies had not repaid loans, something which had been made impossible by the government's own actions. Thus, the government perpetrated a fraud in order to create the appearance of a crime for which it would then prosecute LaRouche and six others. The government then lied in court and to the public in furtherance of its fraudulent actions.

The government's fraud was approved at the highest levels of the Department of Justice. According to handwritten notes of James S. Reynolds, a senior legal advisor in the DOJ General Litigation and Legal Advice Section, the government intended to use the bankruptcy action to "shut down" the companies, thereby preventing all loan repayments. Reynolds recommended approval of this strategy to William Weld. Prosecutor Markham has testified that the government intended that, once the companies were under the control of the bankruptcy trustees, the trustees would enter guilty pleas to criminal charges brought by the government.

Toward the end of 1987, LaRouche, six of his political associates, and five corporations went on trial in federal court in Boston. After nearly six months, the case ended in a mistrial caused by prosecutorial misconduct. In an informal straw

poll reported in the *Boston Herald*, the jury said they would have voted "not guilty" on all charges.

At that point, prosecutors, seeking a more favorable venue for the government, sought to file additional charges in the Eastern District of Virginia, known nationally as "the rocket docket." LaRouche's attorneys argued that these charges were in violation of DOJ guidelines against dual and successive prosecutions of the same individual. Mark Richard and John Keeney approved the second prosecution. Within five weeks, a trial was commenced, and four weeks later, LaRouche and six others were falsely convicted.

### Judges denounce government's actions

After a protracted hearing on the government's bankruptcy action, U.S. Federal Bankruptcy Judge Martin Van Buren Bostetter vacated the government's bankruptcy petition, finding that federal officials had acted in "objective bad faith" and by a "constructive fraud on the court."

Two other judges, having heard evidence of prosecutorial misconduct, strongly rebuked the government for its conduct in the LaRouche case.

In February 1995, New York State Supreme Court Judge Stephen G. Crane, who presided over the New York state court trial of four of LaRouche's associates, held, "All of the foregoing circumstances suggest a studied and calculated effort to use against the defendants enormous amounts of information that the Virginia [federal] prosecutor made available to the New York Attorney General without the onus of revealing any of the exculpatory or other pertinent information that a New York prosecutor has an obligation to locate and produce for defendants. These circumstances raise an inference of a conspiracy to lay low these defendants at any cost both here and in Virginia."

In 1988, U.S. District Judge Robert Keeton of Boston found "institutional and systemic prosecutorial misconduct" during the trial of LaRouche and others in Boston. That case ended in a mistrial.

Speaking to a group of international legal experts who reviewed the evidence in the LaRouche case, former United States Attorney General Ramsey Clark said that the LaRouche case, viewed in context, "represented a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the federal government than any other prosecution by the U.S. government in my time or to my knowledge."

Despite this substantial showing of misconduct by employees and agents of the Department of Justice, no comprehensive review of their actions has been undertaken. On July 20, 1993, attorneys Ramsey Clark and Odin Anderson made a formal request to Attorney General Janet Reno for such a review. In a letter in response, Acting Deputy Assistant Attorney General Laurence Urgenson and John Keeney, then acting head of the Criminal Division, refused the request.

## Who let kidnapper Galen Kelly go free?

by Bruce Director

On Nov. 18, 1994, Galen G. Kelly, having admitted to a violent kidnapping, walked out of the federal courthouse in Alexandria, Virginia after serving only 16 months of a seven-year prison term. Kelly was not some repentant first-time felon who had run afoul of the law and obtained mercy from a federal judge. He was a repeat offender who admitted to committing at least 30-40 kidnappings over the preceding decade. Until 1992, Kelly's kidnappings were ignored, in some cases even condoned, by authorities. Now, after having been caught red-handed, Kelly was allowed to become a free man, his good fortune engineered by corrupt current and former government officials. Behind the extraordinary effort to protect Kelly was a larger goal: Cover up the crimes of the "Get LaRouche" task force.

Kelly was not your ordinary street thug. Since the mid-1970s, Kelly had made a living as a kidnapper for hire. His clientele were primarily family members of people who he claimed belonged to cults; but he would kidnap anyone if the price were right. He operated in the orbit of the Cult Awareness Network and the American Family Foundation, organizations spun off from the psychological warfare apparatus of U.S. and British intelligence services. CAN and AFF coordinate a network of so-called "cult experts," made up primarily of thugs like Kelly and theoreticians in brainwashing and psychological torture like Yale's Dr. Robert J. Lifton, UCLA's L. Jolyon West, and Berkeley's Margaret Singer and Richard Ofshe. These "experts" in turn advise the media and law enforcement officials. Sometimes this advice turns deadly, as in the case of the FBI and Bureau of Alcohol, Tobacco, and Firearms' (ATF) conduct of the raids against the Branch Davidians in Waco, Texas. Kelly also maintained his own connections with the intelligence community, serving for a time on the board of the Jewish Institute for National Security Affairs (JINSA).

Most importantly, CAN and AFF served the function of putting Kelly and other "deprogrammers" in touch with potential clients. Kelly et al. would then recruit muscle-men from the underground of the Jewish Defense League and the Lubavitcher sect. During the early 1990s, Kelly received a \$1,500 per month retainer from CAN for security and other services.

The crime for which Kelly was convicted occurred on the night of May 5, 1992. Along with Ira and Michelle Bruschan-ski and Becky Winstead, Kelly abducted Debra Dobkowski

in Washington, D.C., forced her into a van and drove her to Leesburg, Virginia. Kelly had been hired by Donna Bruckert, the mother of Dobkowski's roommate, Beth Bruckert, to kidnap her daughter and bring her to Leesburg, but Kelly had kidnapped Dobkowski instead. When he realized his mistake, he brought Dobkowski back to Washington and released her, after threatening her with "bloody revenge" if she went to the authorities. She reported the incident to the D.C. police, who in turn reported it to the FBI.

Helping Kelly that night was a fired sheriff's deputy from Leesburg, Donald L. Moore, who had met Kelly through one of Kelly's patrons, E. Newbold Smith, a Philadelphia blueblood whose son, Lewis du Pont Smith, was a political and financial supporter of Lyndon H. LaRouche, Jr. Smith had hired Kelly to kidnap and "deprogram" his son. Moore had been an investigator for both the federal and Virginia state governments in the LaRouche case. Newbold Smith had brought the two thugs together as part of his vendetta against his son and LaRouche. At Newbold's direction, they were planning to kidnap Lewis.

Kelly had teamed up with Moore because this gave him greater access to Moore's law enforcement contacts. Moore had already enlisted some of his friends from the LaRouche investigation to help Kelly, most notably IRS special agent Patrick Lance Lydon, who worked out of the Baileys Crossroads, Virginia office of the Internal Revenue Service. Lydon had been the chief IRS special agent during the LaRouche case and had become assimilated into the CAN-ADL orbit. Through Moore, Kelly fed Lydon information about Dobkowski and her friends. In September 1992, while Moore and Kelly were putting the final plans together for the kidnapping of Lewis du Pont Smith, Lydon began an official investigation of Dobkowski.

Having botched the kidnapping of May 5, Kelly hastily headed for Florida to conduct another kidnapping. Within days, however, Moore approached another fired sheriff's deputy, Doug Poppa, to recruit Poppa to join Kelly's kidnapping ring. Poppa reported the crime to the FBI, starting a four-month investigation in which Poppa secretly recorded more than 60 hours of conversations with the kidnapping conspirators. Those tapes were potentially embarrassing to federal authorities, because they contained admissions by Moore of numerous illegal acts committed by him and others during the LaRouche investigation. The investigation ultimately led to the indictment of Kelly, Moore, Newbold Smith, Kelly's lawyer Robert Point, and Anthony Russo for a conspiracy to kidnap Lewis Smith.

As soon as the charges were announced, a phalanx of former and current government officials, most of whom had been involved in the railroading of LaRouche, coalesced to protect the conspirators and their own illegal prosecution of LaRouche. They were joined by their confederates such as Mira Lansky Boland of the Anti-Defamation League (ADL) and Pat Lynch, formerly of NBC-TV. Former LaRouche

prosecutor John Markham, a CAN collaborator, signed on as Newbold's defense lawyer. Mark Rasch, another former LaRouche prosecutor who was now an attorney with the ADL's law firm Arent Fox, came to the aid of others accused of participating in Kelly's kidnapping ring. Others from within the U.S. Attorney's office, the IRS, the FBI, and the Virginia Attorney General's office quietly set about to sabotage the prosecution from within, ultimately succeeding when, on New Year's Eve 1992, a jury returned a not-guilty verdict.

## **A new indictment**

But having escaped the first noose, Kelly was not out of the woods yet. While investigating the du Pont Smith kidnapping conspiracy, federal prosecutors had amassed substantial evidence to charge Kelly with the kidnapping of Dobkowski, including a taped admission by Kelly and Moore that they were involved in the botched abduction. Prosecutors continued their investigation and in March 1993, Kelly was indicted for kidnapping Dobkowski. His trial was scheduled to begin on May 24, 1993.

Four days before the scheduled start of the trial, IRS agent Lydon launched a raid on Dobkowski's house, alleging violations of IRS reporting laws and banking regulations. Lydon's search warrant affidavit was based in large part on information from individuals who had previously been kidnapped and "deprogrammed" by Kelly. The raid, clearly intended to intimidate Kelly's accuser, was also used by Lydon to seize personal diaries which were unrelated to his investigation but potentially useful to Kelly's defense lawyers. Lydon later told Kelly that he thought the raid on Dobkowski's house should have derailed the prosecution.

Despite Lydon's intervention, Kelly was convicted after a three-day trial, in which the jury heard Kelly's tape-recorded admission. Kelly himself took the witness stand and admitted to 30-40 kidnappings. His absurd defense was that Dobkowski had tricked him into kidnapping her. Upon conviction, Kelly was immediately incarcerated in the Alexandria city jail.

## **Damage control**

The conviction of Kelly was a major blow to what prosecutors called a "cottage industry" of kidnapers for hire associated with CAN. Kelly now faced a lengthy jail sentence, and CAN's "cottage industry" faced the prospect of more prosecutions of Kelly and others. A major operation of politically corrupt officials went into action to undo the damage.

On June 11, 1993, Lydon and IRS agent Patricia Haynes visited Kelly in the Alexandria jail. Lydon stated that he believed Kelly had been framed, and that he was in possession of documents that were withheld by prosecutors from Kelly's defense lawyers. The documents had been in Lydon's possession at all times but were squirreled away prior to

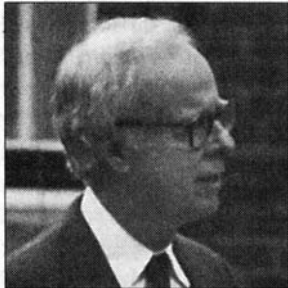
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# A rogues' gallery: from A to Z in the 'Get



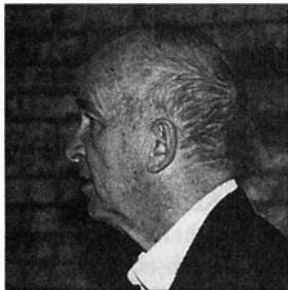
Mira Lansky Boland

**Mira Lansky Boland:** Washington, D.C. fact-finding director for the Anti-Defamation League (ADL). Investigated by San Francisco District Attorney for illegal spying.



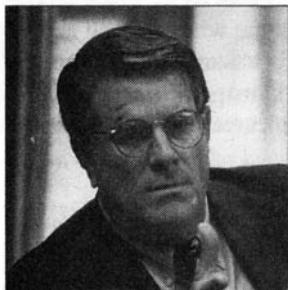
Judge Albert V. Bryan, Jr.

**Judge Albert V. Bryan, Jr.:** U.S. District judge in Alexandria, Virginia. Presided over LaRouche railroad trial. Founder of international gun-running company Interarms.



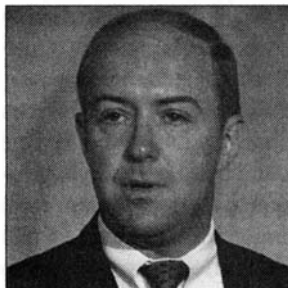
Charles Bryant

**Charles Bryant:** Former Virginia State Police investigator. Former IRS Special Agent. Tampered with witnesses in Virginia LaRouche cases.



J.C. Herbert Bryant

**J.C. Herbert Bryant:** Founder of Armored Response Group US (ARGUS), a paramilitary organization that provided equipment for the Oct. 6, 1986 raid on companies associated with LaRouche in Virginia. Buddy of prosecutor Henry Hudson. Convicted in 1994 for illegally impersonating a federal officer.



Henry Hudson

**Henry Hudson:** U.S. Attorney in Alexandria, Virginia. Prosecuted LaRouche. Committed fraud on the court in bankruptcy proceedings. Headed the U.S. Marshals Service during the shootout at Randy Weaver's cabin in Ruby Creek, Idaho.

**Hubert "Skip" Humphrey III:** Attorney General of Minnesota. Tied to organized crime. His investigators in the LaRouche case were caught collaborating with kidnapers linked to the Cult Awareness Network (CAN), and lying in court.

**John Isom:** Sheriff of Loudoun County, Virginia.

Invited the ADL into the county. Investigated by the FBI for financial corruption.

**Murray Janus:** National commissioner of the ADL. Caught attempting to bribe Judge Clifford Weckstein, presiding judge in the Commonwealth of Virginia's LaRouche cases. Now under indictment for bribery in connection with sexual assault charges against his law partner.

**John Keeney:** Assistant Deputy Attorney General, involved in Cointelpro and national security operations against LaRouche in the 1970s. Approved use of multiple prosecutions against LaRouche. Blocked Justice Department review of prosecutorial misconduct in the LaRouche case.

**Galen Kelly:** Professional kidnapper. Served 16 months in prison for his role in a CAN-linked kidnapping. Participated in the brainwashing of prosecution witnesses in LaRouche case.

**Cynthia Kissner:** Executive director of Cult Awareness Network. CAN associates involved in the LaRouche case have been investigated and/or convicted for kidnapping and conspiracy.

**Henry A. Kissinger:** British agent of influence. Initiated "Get LaRouche" task force.

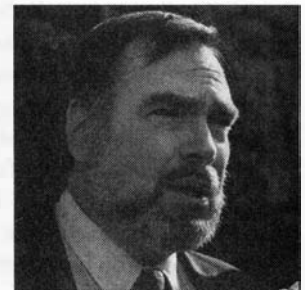
**Patrick Lance Lydon:** Internal Revenue Service special agent in charge of LaRouche case. Obstructed prosecution of violent CAN kidnapper Galen Kelly.



Hubert "Skip" Humphrey III



John Isom



Galen Kelly

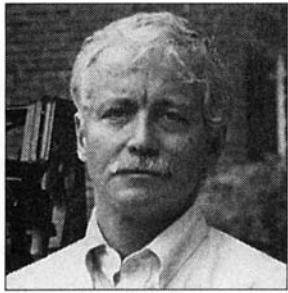


Henry A. Kissinger



John Markham

# LaRouche' task force



Donald L. Moore

**Pat Lynch:** Former NBC-TV reporter. Conduited prosecution slanders to the media. Helped create brainwashed prosecution witnesses.

**Donald L. Moore:** Former sheriff's deputy and Special Deputy U.S. Marshal. Investigator in LaRouche case who conducted illegal break-ins. Pled guilty in connection with a CAN-linked kidnapping. Served eight months in prison.

**John Markham:** Assistant U.S. Attorney in Boston and Alexandria. Prosecuted LaRouche. Former member of satanic cult. Defended CAN-linked kidnapers.

**Oliver North:** Used his illegal gun- and drug-running operation to attack LaRouche.

**Mark Rasch:** Former Justice Department staff attorney in Criminal Division, Fraud Section. Prosecuted LaRouche. Now an attorney with Arent Fox of Washington, D.C. Represents ADL. Defends CAN-linked kidnapers.

**Oliver "Buck" Revell:** Former deputy head of FBI. Used the ADL to circumvent restrictions on FBI operations.

**James S. Reynolds:** Former senior legal adviser in Justice Department's General Litigation and Legal Advice Section (GLLAS), now heads Terrorism and Violent Crimes Section, which oversaw Waco massacre. Approved illegal use of fraudulent bankruptcy proceedings in LaRouche case.

**Mark Richard:** Assistant Deputy Attorney General. Supervised raid in Waco,

Demjanjuk case, LaRouche case.

**Kent Robinson:** Assistant U.S. Attorney in Alexandria. Prosecuted LaRouche. Now AUSA in Portland, Oregon.

**Michael Rokos:** Former president of CAN. Harassed LaRouche financial supporters. Arrested for soliciting undercover police officer for perverted acts.

**John Russell:** Assistant Virginia Attorney General. Prosecuted LaRouche associates in Virginia. Committed perjury at the kidnapping conspiracy trial of his investigator Donald L. Moore. Investigated, but never charged.

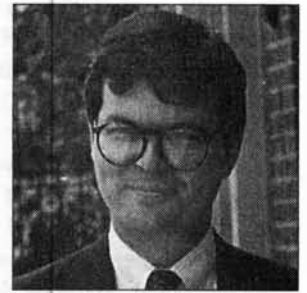
**Mary Sue Terry:** Former Virginia Attorney General. Prosecuted LaRouche associates in Virginia. Even the FBI called her "politically motivated." Lost bid for governorship in a landslide. Currently washed up.

**John Train:** New York investment banker. Presided over planning meetings for international slander campaign against LaRouche.

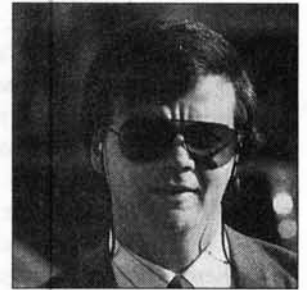
**Judge William Webster:** Former head of FBI. Followed Kissinger's orders.

**Judge Clifford R. Weckstein:** Presided over LaRouche cases in Virginia. Refused to remove himself from the case, despite exposure of his ties to prosecution partner ADL.

**William Weld:** Former U.S. Attorney in Boston and Justice Department Criminal Division head 1986-88. Prosecuted LaRouche. Now governor of Massachusetts. Scion of dope- and slave-running Weld family.



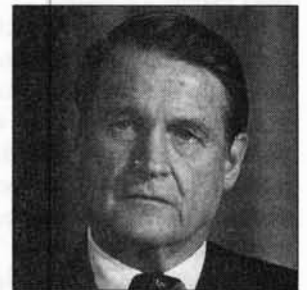
Kent Robinson



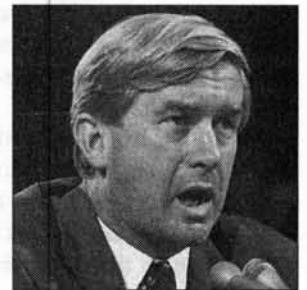
John Russell



Mary Sue Terry



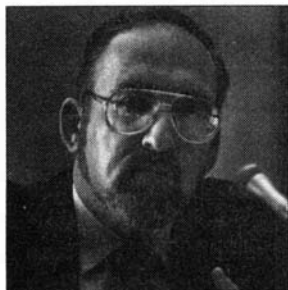
Judge William Webster



William Weld



Oliver "Buck" Revell



Mark Richard

*Continued from page 25*

Kelly's trial. It was only after Kelly's conviction that these documents mysteriously resurfaced.

Several days later, Kelly was visited by his probation officer, Susan Williams, whose husband, Justin Williams, is the head of the Criminal Division for the U.S. Attorney in Alexandria. Kelly told her about his conversation with Lydon; over the next several weeks, she spent hours with Kelly, trying to help him get out of his jam. After her initial meeting with Kelly, she contacted Lydon herself. On July 6, she visited Lydon's office to review the purloined documents. Two days later, she took the documents to Judge Timothy Ellis, who had presided over Kelly's trial and was preparing to sentence Kelly to prison.

The efforts of Lydon and Williams forced a series of hearings delaying Kelly's sentencing. He was able to secure the services of attorneys Frank Dunham and Brian Gettings, a former U.S. Attorney, despite having no visible means with which to pay their fee. Dunham was a friend of Lydon, and Kelly had met Gettings several years earlier, when Gettings adopted CAN's mind control theories for use against his own client, Michael Billington, a co-defendant of LaRouche. Despite the delay, Judge Ellis found no basis to overturn the conviction, and sentenced Kelly to seven and one-third years in prison, with extra time added for lying under oath.

Meanwhile, lawyers for Kelly's accomplices appealed to the highest levels of the Department of Justice for help. Stuart Levey, an attorney representing the Bruschanskys, had contacted Deputy Assistant U.S. Attorneys General Mark Richard and Gerald McDowell, asking them to intervene. Richard had just supervised the raid on the Branch Davidians in Waco, Texas. While neither Richard nor McDowell would officially override a front line prosecution, it was a different story behind the scenes.

With the Kelly conviction under their belt, prosecutors obtained guilty pleas from the Bruschanskys and Donald Moore for their part in the kidnapping. Moore was sentenced to eight months in prison, while the Bruschanskys received probation in exchange for their cooperation with the government. Kelly went unprosecuted for two other kidnappings that the FBI had investigated, and an investigation into CAN itself fizzled.

Dunham and Gettings appealed Kelly's conviction to the U.S. Court of Appeals for the Fourth Circuit, arguing that prosecutors had withheld exculpatory evidence during the trial. The evidence cited was Lydon's search warrant affidavit and the mysterious pages from Dobkowski's diaries which Lydon had seized.

In an unusual decision, the Fourth Circuit overturned Kelly's conviction, saying prosecutors should have made the search warrant available to Kelly's lawyers. The Fourth Circuit's opinion stands in stark contrast to that same court's earlier treatment of the LaRouche case, where substantial allegations of prosecutorial misconduct were completely ignored.

## Clinton's enemies ran the massacres at Waco, Ruby Creek

by Scott Thompson

To hear Rush Limbaugh, Jerry Falwell, and the Conservative Revolutionists in the Congress tell it, the tragic assaults by the FBI and the Bureau of Alcohol, Tobacco, and Firearms (ATF) upon the Branch Davidian compound in Waco, Texas in 1993 were personally ordered by President William Clinton and Attorney General Janet Reno, and they bear the sole responsibility for the actions of the federal agents.

For some of the most hard-core Clinton-haters, the President somehow also bears responsibility for the earlier ambush by FBI agents and U.S. marshals against the family of Randy Weaver in Ruby Creek, Idaho.

This is all absurd, malicious political propaganda stoked from London by the British Club of the Isles crowd, which, as *EIR* has documented, has been out to sink the Clinton Presidency since inauguration day. The line has been picked up in the United States by gullible populists and opportunistic Republicans who hope to exploit the public anger over Waco and the Weaver case and translate it into a Republican presidential election victory in November 1996.

The 11-day siege at Randy Weaver's cabin began on Aug. 21, 1992—on George Bush's watch, three months before Bill Clinton was elected President. Both the Weaver and Waco events were carried out by a government bureaucracy stacked five levels deep with Bush loyalists.

The Waco tragedy began with the ATF raid on the Branch Davidian compound on Feb. 28, 1993, early into the Clinton Presidency. It occurred 48 hours after the World Trade Center bombing in New York City, which preoccupied the White House at the very moment that the Branch Davidian show-down began. Janet Reno had not yet even been nominated as Attorney General. The final FBI assault upon the Branch Davidian compound, on April 19, 1993, took place during the Attorney General's first month on the job.

In both cases, the control over the crucial intelligence, the on-the-scene management, and all of the other factors that went into the decisions to needlessly use deadly force, were squarely in the hands of a corrupt permanent apparatus of powerful bureaucrats. These FBI, Treasury Department, and Justice Department bureaucrats, in turn, were operating in league with, and, at times, under the domineering influ-

ence of a number of even more corrupt outside agencies, led by the Anti-Defamation League of B'nai B'rith (ADL), the American Family Foundation (AFF), and the Cult Awareness Network (CAN), which did everything in their power to provoke the massacres that occurred.

In fact, a detailed review of the facts in the Waco case establishes that:

1) The investigation of the Branch Davidians was initiated in June 1992—during the Bush administration. The Attorney General was William Barr, a Bush intimate; the Treasury Secretary was Nicholas Brady, a Bush ally.

2) The raid on the Branch Davidian compound was first authorized by the Bush administration. Training of the special ATF units to be involved in the raid began months before the Clinton inauguration, at Fort Hood, Texas. By Jan. 11, 1993, a permanent command post for the operation was already functioning on property adjacent to the Mount Carmel compound. By Jan. 13, 1993, authorization had been obtained for the use of National Guard forces, and orders had been cut for the use of military equipment, including seven Bradley Fighting Vehicles, in the words of the Treasury Department's official chronology, "to sustain a siege."

On the day of the fatal shootout between ATF agents and members of the Branch Davidian sect, the head of the Bureau was Stephen Higgins, a Bush appointee. He was removed from that post within days of the Feb. 28 events by President Clinton.

The goal of some of these "Bush-league" bureaucrats and outside agencies was *to create a mess for the Clinton Presidency*, one that could be exploited over and over again on behalf of interests hostile to this administration.

The same concert of forces that tried to instigate a "government-sanctioned" execution-without-trial against Lyndon LaRouche on Oct. 6, 1986 were the real culprits at Waco and Ruby Creek. Some of the evidence against these criminals has already come out publicly. Many more details need to be filled out; serious, probative congressional hearings could play a major, positive role in getting to the bottom of these hideous incidents of government tyranny. But if the congressional hearings are hijacked by partisan politicians out to score points against the President, the whole nation loses.

Such hearings could provide President Clinton, Attorney General Reno, and the appropriate congressional committees with the ammunition needed to carry out the long-overdue house-cleaning at the Department of Justice. They could also bring to an end the ADL's and CAN's corrupting influence on American law enforcement at every level. And that ought to be welcome by honest forces in both major political parties.

### **ADL and CAN target the Branch Davidians**

To this day, it is not completely clear why the Anti-Defamation League and the Cult Awareness Network went on the warpath against the Branch Davidian sect. What is

certain is that the events that transpired in Waco, Texas between Feb. 28 and April 19, 1993 were instigated by the ADL and CAN, well in advance of the initial raid.

The scare stories about a Branch Davidian sect armed to the teeth and about to launch a battle of Armageddon against federal agents, were manufactured by CAN and conduited into the U.S. government by the ADL's worldwide network of corrupt influentials.

Nearly two years before the first Waco showdown, an Australian private investigator named Geoff Hossack was "hired" by former Branch Davidians to "investigate" the group. Many of the ex-Davidians had been "deprogrammed" by CAN's professional kidnapers and mind-benders. Hossack was actually on the payroll of the Australian law firm of Arnold, Bloch, Leibler, the pre-eminent ADL-World Jewish Congress law firm in the country. Isi Leibler is the co-chairman of the WJC, serving as ADL Vice Chairman and WJC President Edgar Bronfman's chief operator for all of Asia. His brother Mark is a senior partner in the firm.

On at least three occasions, Hossack traveled to the United States to "build his case" and consult with local law enforcement officials in Texas. They were unimpressed with his exaggerated and distorted accounts of the group. In fact, in the days leading up to the first ATF assault on the Branch Davidian compound, local Waco sheriffs and district attorneys office officials expressed strong disagreement with the federal government's assessment of the violent potential of the group, while at the same time warning against an open provocation (after an earlier shooting incident at the compound, local sheriffs had arranged to have sect leader David Koresh turn himself in and stand trial. He and others were acquitted). So where did that ATF assessment come from? Hossack and CAN.

Having been rebuffed by Texas officials, Hossack returned to Australia, where, capitalizing on the political clout of the Leiblers, he passed his "dossier" on the Branch Davidians to U.S. consular officer Sandra Stevens. She passed on Hossack's warnings about the Branch Davidians through formal State Department channels back to Washington. Hossack claimed that Branch Davidian leader Koresh was preparing the group for one of three actions: a Jonestown-style mass suicide; an armed confrontation with federal authorities; or some other bizarre action, such as an assassination attempt against a prominent public figure.

The State Department cable was forwarded to the Treasury Department's Bureau of Alcohol, Tobacco and Firearms via the Department of Justice.

Meanwhile, back in Australia, Hossack was telling the press that there was a "very real probability" that a child would be sacrificed at the compound on Yom Kippur, the Jewish Day of Atonement. He told Channel 10 TV in Melbourne that the Mount Carmel compound in Waco contained a "secret cemetery" where victims of human sacrifice were buried.

## Jewel thief and kidnapper

Once the ATF was drawn into the Branch Davidian probe, it was inundated with “friendly advice” from CAN. One CAN kidnapper-deprogrammer put himself forward to Treasury agents long before the Feb. 28, 1993 raid as *the expert* on the Branch Davidians. Rick Ross, whom CAN President Cynthia Kissler described as “among the half-dozen best deprogrammers in the country,” had a dubious past, to say the least. He was arrested in November 1975 for jewel theft. He pled guilty to second degree conspiracy to commit grand theft. Even after the Waco raid, when Ross was in the national spotlight, appearing on radio and television, he couldn’t stay out of trouble. He was arrested on state kidnapping charges in Washington, eventually beating the charges while his two co-defendants were convicted and jailed.

These criminal credentials did not seem to faze some ATF officials, who lapped up Ross’s “corroboration” of Hossack’s warnings about imminent Branch Davidian warfare against the federal government.

(Sections of the Bureau of Alcohol, Tobacco, and Firearms have been contaminated since at least the early 1980s through collusion with the ADL as well as CAN. In 1992, when San Francisco police raided ADL offices in San Francisco and Los Angeles to bust up a nationwide spy ring, they discovered that the ADL and local ATF agents were “sharing” the services of an ex-convict who was infiltrating white supremacist groups and attempting to instigate violence against Jewish organizations.)

According to the Treasury Department’s own September 1993 review of the Waco action of Feb. 28 (*Report of the Department of the Treasury on the Bureau of Alcohol, Tobacco, and Firearms Investigation of Vernon Wayne Howell also known as David Koresh*), Houston ATF agent Davy Aguilera, who became involved as one of the lead investigators in the Branch Davidian probe in June 1992, maintained regular contact with Hossack’s principal “ex-Davidian,” Marc Breault, from December 1992 up through the day of the raid. In January 1993, Aguilera and other ATF agents were ordered to conduct corroborating interviews in California with half a dozen other deprogrammed “ex-members,” several of whom had been body-snatched by CAN.

In short, the ATF probe was contaminated from day one by the Cult Awareness Network and Hossack’s self-serving “information.”

The contamination of ATF was compounded by the fact that CAN and Hossack were simultaneously working closely with a local newspaper reporter, Mark England, whose “CANned” story on Koresh and the Branch Davidians, titled “Sinful Messiah,” began appearing in the *Waco Tribune-Herald* on Sunday, Feb. 27, 1993—the day before the raid. This contributed greatly to the buildup of a climate of paranoia inside the Waco compound. The CAN-influenced local media created additional problems. Nine reporters from the

paper, as well as local TV crews, were tipped off to the pending ATF raid days in advance, and were swarming all about the compound.

## The Quantico behaviorists take over

In the aftermath of the shootout with the ATF on Feb. 28, which left four ATF agents and a larger number of Branch Davidians dead, the FBI was placed in charge of what rapidly devolved into a siege. FBI agents arrived in force with upwards of 400 men, four Bradley tanks, the elite Hostage Rescue Team (HRT), and elements from the FBI’s National Center for the Analysis of Violent Crime at Quantico, Virginia. The NCAVC’s Behavioral Sciences Unit, then headed by FBI Special Agent John E. Douglas, was dispatched, along with a field action team from the Investigative Support Unit. Also on the scene was the FBI’s Special Operations and Research Unit, which became increasingly hostile toward the Branch Davidians in the ensuing 51-day siege, recommending such cheap psy-war operations as round-the-clock blaring rock music, sounds of animals being killed, etc.

The FBI also brought a number of top NCAVC psychiatric “experts” to do an “offender profile” of Koresh. The two most important members of this team, according to FBI Director William Sessions, were Dr. Park Elliot Dietz and Murray Miron.

Dr. Dietz arrived at the command center near the Branch Davidian compound only 24 hours after the FBI, and he remained there for two days to help set up negotiations between the Branch Davidians and personnel from the NCAVC’s Special Operations and Research Unit. San Antonio Special Agent in Charge Jeff Jamar, who had responsibility for the field command center, testified that Dietz particularly pushed the allegation that there was “child abuse” going on in the Branch Davidian compound, although Texas State Child Services investigators had recently closed a two-year probe of CAN-instigated child abuse allegations, concluding there was no evidence of such activities.

According to Jamar, Dietz stressed that with each passing day the risk to the children increased. This allegation, that was also peddled by CAN, was conduited to Attorney General Reno by Deputy Assistant Attorney General Mark Richard, and this was a compelling factor in Reno’s reluctant decision to go along with Richard and the FBI’s push for the tear gas assault of April 19.

An April 25, 1993 *London Sunday Times* article based upon an interview with Dietz and Miron reported:

“FBI chiefs ordered the attack on the cult’s compound after being told by its psychiatric experts that Koresh was not the sort of man who would commit suicide. They were also told that unless the Bureau acted decisively, the siege could last two years and Koresh would starve women and children rather than surrender.

“After weeks of negotiations, the agency decided to commission two of America’s top psychiatrists to build an ‘of-



fender profile' of Koresh. Hours after their conclusions were sent to FBI Headquarters in Washington, the decision was made to use tanks and tear gas."

Over the years of his work as a consultant to NCAVC, Dr. Miron had developed a computer program which he claimed could produce a psychological assessment of a subject by analyzing written and oral speech patterns. On the basis of his computer assessment, Miron told the FBI to disregard Koresh's religious beliefs and instead treat him as a manipulative criminal psychopath.

Miron told an interviewer:

"We are dealing with a barricaded felon who is a psychopath. The rule of law must be enforced. There was a valid search warrant and it had to be executed. The use of force is necessary because the FBI had been reduced to looking silly and mean spirited."

Dr. Alan A. Stone, M.D., disputed Miron's view in his dissenting *Report and Recommendations Concerning the Handling of Incidents Such as the Branch Davidian Standoff in Waco, Texas*, saying:

"Panelists may have been misled, as I was, by FBI officials at the original briefings who conveyed the impression that they considered David Koresh a typical criminal mentality and dealt with him as such. They also conveyed the impression that they believed his followers were dupes and he had 'conned' them. . . .

"My preliminary report of August 3 [1993] emphasized at some length those aspects of David Koresh's clinical history and psychopathology that contradicted the simplistic and misleading impression given at the first briefings. Much more information has been made available about his mental condition, his behavioral abnormalities, his sexual activities, and his responses under stress. All of this evidence is incompatible with the notion that Koresh can be understood and should have been dealt with as a conventional criminal type with an antisocial personality disorder. . . .

"Unfortunately, those responsible for ultimate decision-making at Waco did not listen to those who understood the meaning and psychological significance of David Koresh's 'mania.' Instead they tried to show him who was the 'boss.' What went wrong at Waco . . . [was that] the commander on the ground and others committed to tactical-aggressive, traditional law enforcement practices . . . tried to assert control and demonstrate to Koresh that they were in charge."

### **The decision to use gas**

According to the *Report to the Deputy Attorney General on the Events at Waco, Texas: February 28 to April 19, 1993*, "the principal headquarters responsibility in Washington for planning and decision-making lay with the Terrorism and Violent Crimes Section of the Justice Department's Criminal Division (TVCS/CRM) . . . and Deputy Assistant Attorney General (DAAG) Mark Richard oversaw the activities of TVCS/CRM. AG Reno relied a great deal on DAAG Richard

during the latter days of the crisis."

Richard made two trips to Waco, both of which helped clear the way for giving the FBI a freer hand. On his second trip on April 7, 1993, he determined "that the FBI would maintain jurisdiction over resolution of the standoff. . . . Richard also heard for the first time about the FBI's proposed use of gas to end the standoff."

By April 9, Richard had returned to Washington, where, accompanied by James Reynolds, his subordinate as head of the Terrorism and Violent Crimes Section, he became the first to tell Attorney General Reno about the plan to use gas. According to numerous accounts, Reno was very hesitant to authorize the FBI raid plan, but was arm-twisted by Richard, who was backed up by his bureaucratic underlings.

Thus, DAAG Mark Richard must bare a heavy responsibility for the deaths of the 86 Branch Davidians.

The CS gas that was chosen was highly combustible, when injected into the compound as was done starting at 7:00 a.m. on April 19, 1993, and could have been ignited by a spark from the tanks being used to deliver it. CS gas was so deadly, it was banned from use in Vietnam.

The aforementioned Dr. Alan Stone, who delivered a separate, dissenting report to Deputy Attorney General Philip Heymann, noted that CS gas not only could cause blistering and first-degree burns, but prolonged exposure would cause the lungs to fill with liquid, virtually drowning its victim.

### **Massacre at Ruby Creek**

The massacre at Ruby Creek, Idaho involved both U.S. marshals and the FBI. As would be the case six months later in the siege and government invasion at Waco, career bureaucrats in Washington, D.C. turned to so-called government psychiatric "experts" and to the ADL for guidance. The results were tragic.

According to court documents, in October 1989, Randy Weaver was set up by an FBI undercover "sting" agent on a trumped-up illegal weapons charge, involving the sale of two sawed-off shotguns. A U.S. Army Special Forces veteran, Randy Weaver had moved his family to a hilltop home he built near Ruby Creek, in Boundary County, Idaho. Soon after the sale of the shotguns to the "sting" man, Weaver was confronted by federal agents who tried to blackmail him into becoming a government informant on the Aryan Nation, a white supremacist group headquartered in Idaho.

Weaver rejected the blackmail gambit, which set in motion a sequence of events that led to the massacre of his wife, Vicki, and his 14-year-old son Samuel, and the near-fatal shooting of a house guest.

In December 1990, a federal grand jury in Boise, Idaho indicted Weaver for making and selling the illegal weapons. On Jan. 17, 1991, Weaver and his wife were both arrested.

The following month, Weaver was scheduled to appear in federal court, but at the last minute, the government

changed the date of the hearing, and as the result of confusion over the date, Weaver failed to appear. A warrant was immediately issued for his arrest, but no effort was made to arrest him or sort out the confusion about the hearing date. Instead, U.S. marshals began protracted surveillance of Weaver's cabin, which lasted for the next 18 months.

On Aug. 21, 1992, the marshals staged a provocation by throwing rocks at the Weaver dogs, whose barking brought out Randy Weaver, house guest Kevin Harris, and 14-year-old Samuel Weaver to see if the dogs had scented game. The dogs took off running after the marshals, and the Weaver family took off after them.

At that point, one of the U.S. marshals opened fire on the Weavers' dogs, killing one. He then fired on Samuel Weaver, shooting him twice in the back. The boy died instantly. It was at that point that Kevin Harris fired back in the direction where the shots were coming from, allegedly killing another of the marshals. A grand jury would later, however, acquit Harris on those charges.

The marshals had had no warrant to arrest either Harris or the boy. And in the immediate aftermath of the government-provoked shootout, the U.S. marshals failed to inform Washington or the local media that Samuel Weaver had been killed. They merely reported that there was a fire fight and that a federal agent had been killed.

At the time that the marshals provoked the assault on the Weavers, the U.S. Marshals Service was headed by Henry Hudson, the former U.S. Attorney for the Eastern District of Virginia who ran the railroad prosecution of Lyndon LaRouche. The Bush administration rewarded one of their own for throwing out the Constitution and tossing LaRouche and a half-dozen colleagues into federal prison, after a failed attempt to kill LaRouche in a paramilitary raid. Hudson's tenure at the Marshals Service was marked by an unprecedented push to revive the service's reputation as a "quick on the draw" agency capable of handling sophisticated terrorist situations and fugitive standoffs.

In response to the highly colored marshals' account of the initial Weaver shooting incident, the FBI mobilized their Hostage Rescue Teams from around the country. This was the same crew that would take part in the Waco massacre. Eventually, hundreds of federal agents were dispatched.

The marshals' report prompted an all-too-eager FBI hierarchy to establish rules of engagement that permitted Bureau sharpshooters to fire upon any of the inhabitants of the cabin who were seen moving about. Based on the marshals' accounts, the FBI falsely labeled the Ruby Creek situation an "ongoing fire fight."

As would be the case in Waco six months later, the FBI's Behavioral Sciences Unit at Quantico was ordered to prepare an "offender profile" of the Weavers, based largely on debriefings of the marshals.

The profile that was passed on to the FBI snipers was yet another piece of CAN-fried psycho-babble, loaded with

deadly intent. The profile singled out Vicki Weaver as the *real fanatic*, the "religious zealot" cult-mother figure who might kill her children rather than surrender to federal agents. The FBI study, perhaps drawing on ADL propaganda material that was flooding the Bureau's offices all over the country at that time, also linked the Weavers to the Aryan Nation and another white separatist group, the Order—a bit of disinformation that would shape FBI response throughout the remainder of the 11-day siege.

The FBI would even eventually try to win sympathy from the media by claiming that the Weaver children were being held hostage and being used by their parents as "human shields."

Ironically, Kenneth Lanning, Special Agent in Charge of the FBI's Behavioral Science Unit at Quantico, has earned a nationwide reputation and the undying gratitude of satanists globally for his repeated pronouncements that satanic child abuse doesn't exist.

On Aug. 22, 1992 FBI sniper Lon Horiuchi, relying on these doctored psychological profiles and illegal rules of engagement, shot Vicki Weaver through the head as she was standing in the doorway of the cabin holding her baby. Horiuchi's shot also hit Harris as the bullet passed through Vicki Weaver, inflicting a nearly mortal wound in Harris's lung.

For the remainder of the siege, Vicki Weaver's corpse lay in the Weaver house, while the FBI taunted Randy Weaver over the loudspeaker system with questions like: "We had pancakes for breakfast, what did you have, Mrs. Weaver?" In all likelihood, the siege would have resulted in a total massacre—and a coverup—had it not been for the appearance on the scene of former Special Forces Lt. Col. James "Bo" Gritz, who first managed to talk Kevin Harris into unconditional surrender, and the next day convinced Randy Weaver to surrender.

During the subsequent grand jury probe of the Ruby Creek events, Assistant U.S. Attorney Ron Howen brought in FBI "experts" to try to convince the grand jury that the Weavers were members of the Aryan Nation or the Order. Grand jury proceedings were contaminated for days on end with lurid but irrelevant tales about these two organizations. When the case came to trial, Randy Weaver and Kevin Harris were found not guilty of all charges, except for Randy Weaver's failure to appear in the original sawed-off shotgun entrapment case.

In the spring of 1995, Deputy Attorney General Jamie Gorelick issued a series of censure letters to FBI special agents and to the U.S. Attorney in Idaho, as well as to the current deputy director of the FBI, Larry Potts. Potts was the FBI headquarters official ultimately responsible for approving the Ruby Creek rules of engagement. He was also the Assistant Special Agent in Charge of the Boston office of the FBI when the original LaRouche indictment and prosecution took place. He would later be involved in shaping the FBI's actions at Waco.

# The British dirty game of 'Wacogate'

by Anton Chaitkin

Ever since the Waco tragedy, a steady stream of British and British-instigated propaganda has sought to steer legitimate popular outrage at the criminal excesses of the federal agencies into another simple-minded bout of Clinton-bashing. This exercise in political black propaganda has served to obscure the identities of the *real* culprits that have been identified here in *EIR*'s special investigative report, and has contributed to the ongoing coverup.

Clinton-hating hucksters like the Rev. Jerry Falwell and Indiana lawyer Linda Thompson, who have made money retailing British-authored propaganda against the President to a gullible crowd of American populists, muddied the waters in the Waco tragedy, putting out reams of disinformation. And the wilder their stories got, the more attention they received—from the British press!

Let's start with a typical case.

On May 11, the *London Times*, formerly edited by Clinton-basher Lord William Rees-Mogg, ran an article puffing up the importance of Linda Thompson, who calls herself the "Acting Adjutant General of the Unorganized Militia of the U.S.A." The *Times* quoted Thompson on the 1993 slaughter in Waco, Texas. She spoke of President Clinton as a mass murderer: "We are not talking about Pol Pot, we are talking about Bill Clinton." She vowed to be "armed and waiting" when "civil war" breaks out in the United States.

In the article, Washington, D.C.-based *London Times* reporter Tom Rhodes lent credibility to her tirades, stating that "a recent Gallup Poll revealed that 27% of the American population, approximately 70 million people, are prepared to take up arms against the government."

But a spokesman for the Gallup Organization told *EIR* on June 20 that the *Times* citation of their poll was "a fabrication."

Gallup provided *EIR* with a question that was jointly posed by Gallup, Cable News Network (CNN), and *USA Today* on April 23 and 24, which in Gallup's view most closely resembled the alleged poll question cited by the *Times*. The question was, "Do you think ordinary citizens should be allowed to arm and organize themselves in order to resist the powers of the federal government?" To that question, 78% of respondents answered no, 19% answered yes, and 3% had no opinion.

On June 21, Rhodes told *EIR* that, indeed, no such Gallup Poll result as the *London Times* reported really existed. But he claimed that it was Thompson who fabricated it, not the *London Times*, and that that had not been made clear in his story because of an "editing error."

This is typical of the incestuous relationship between the British Crown's media apparatus and the looniest of Clinton's American enemies.

The British-led crusade against Clinton began in earnest in late 1993. It was just after the President put the brakes on some aspects of U.S. acquiescence to British global strategy, starting when administration officials questioned International Monetary Fund looting schemes against Russia. The Whitewater story and related themes for the attack were launched, and were pressed incessantly, by the British intelligence front Hollinger Corp.'s *London Sunday Telegraph*, Rupert Murdoch's *London Times*, and the *American Spectator*, a U.S. magazine politically controlled by Hollinger.

Washington, D.C.-based *Telegraph* writer Ambrose Evans-Pritchard, scion of a British intelligence service family, has personally arranged much of the dirty work through his own American agents or dupes.

## Evans-Pritchard's handiwork

In a Dec. 4, 1994 article datelined Dallas, Texas, Evans-Pritchard claimed that anger at the previous year's shootout and fire in Waco had prompted the organization of the "Texas Constitutional Militia" and of private militias in other states. Evans-Pritchard asserted, "The enemy is the federal government. . . . The last straw was the Waco assault, the gassing and incineration."

In the article, Evans-Pritchard referred to Jon Roland, who created the cited Texas "militia" on the first anniversary of the Waco massacre; he called Roland a "former civil rights and environmental activist."

Evans-Pritchard blustered: "The militias are the shock troops and enforcement arm of the 1994 American Revolution. If the Republicans betray their promises and fail to restore 'constitutional' government, these people could take matters into their own hands."

But in an April 27, 1995 interview, Roland told *EIR* that his close friend Ambrose Evans-Pritchard himself had arranged Roland's contacts with "intelligence agents around the world." Roland said that he meets periodically with these Evans-Pritchard intelligence community contacts, and they give him his "inside information." It is Evans-Pritchard's own provocations which Roland then circulates to private "militia" meetings, and retails on his media appearances, in which he threatens a civil war in America. (Militia-founder Roland identified himself to *EIR* as a World Federalist and Zen Buddhist.)

Some of this same "inside information" is pumped through Thompson, the lady whom the *Times* now claims fabricated what the paper printed on May 11. Thompson is

an Indiana attorney, former NATO intelligence clerk, and former pro-abortion feminist activist. Her notorious video tapes of the Waco massacre are by now widely discredited even among Clinton's enemies, since the tapes are apparently "edited" to pander to anti-government paranoia.

Thompson circulated the line that President Clinton used the Waco raid to deliberately kill government officers who knew too much about his personal life. These were supposedly only a few, among the dozens of potential witnesses allegedly murdered by Bill Clinton.

Thompson told *EIR* that she talks to Evans-Pritchard frequently, sharing information and enthusiastically participating in his campaign against President Clinton.

On Dec. 11, 1994, a week after his "militia revolution" hype from Texas, Evans-Pritchard unveiled in the *Sunday Telegraph* the claim that Bill Clinton was linked to the murders of several Arkansas officials. His source: Thompson. Thompson admits that the "intelligence" she passes on every week to Evans-Pritchard is all unsubstantiated, and often is little more than crank mail that she receives from her "fans." Yet, her untested claims that President Clinton has ordered the murders of upwards of 24 Arkansas citizens to cover up "his crimes" made it into the pages of the *Sunday Telegraph* in a string of venomous Evans-Pritchard columns, and was subsequently picked up by the London *Economist!*

### Rees-Mogg's provocations

Another example: In early March 1995, a wildly provocative rumor was published by the *Strategic Investment* newsletter, put out by London *Times* columnist Lord Rees-Mogg and his U.S. business partner. This false report, circulated among populists in the western U.S.A., was as follows:

"The slaughter . . . in Waco by government stormtroopers . . . may pale in comparison to what has been planned for late March: a nationwide BATF [Bureau of Alcohol, Tobacco, and Firearms]/FBI assault on private militias as the prelude to a possible declaration of martial law throughout the United States. All leaves have been canceled for BATF/FBI personnel. . . . Government agents provocateurs are set to plant fully automatic and heavy weapons, like rocket launchers, on the property of militia leaders. Every militia in the country . . . many of which are well-armed . . . is on a state of Red Alert. Should [Attorney General Janet] Reno be stupid enough to actually attack them militarily, there is going to be a lot of blood."

This concocted Armageddon was supposed to occur on March 25, 1995. The alarm was flashed across America.

In response, the pathetic "Texas Constitutional Militia"—founded the previous year by Evans-Pritchard's man Jon Roland—turned out that day to a rally in Cuero, Texas, to see if they would be arrested or slaughtered. They weren't. But television news reporters had a field day hyping the militia bogeyman.

James L. Pate, a writer for *Soldier of Fortune* and the

British-controlled *American Spectator*, told *EIR* that he originated the impending-bloodbath story that Rees-Mogg's newsletter then circulated. Pate had earlier penned a classic agent-provocateur piece in the August 1993 *American Spectator*: He eulogized David Koresh and his followers for "getting to" the ATF, and identified the ATF as bullies who were finally challenged with guns.

Pate has written a stream of articles on Waco for *Soldier of Fortune*, egging on his readers toward paranoid armed action against their government. His slogan is, "No Peace without Justice." Pate's articles have often appeared alongside advertisements for Thompson's imaginative videotapes on the same subject.

In the June 1995 issue is a particularly revealing Pate article entitled "Wacogate." Pate writes that "the only meaningful forum" that has so far been "held publicly to air griev-

## Waco 'defenders' helped cover up JFK assassination

The role of *Soldier of Fortune* publisher Robert K. Brown and career government agent provocateur Gordon Novel in the 1963 assassination of President John F. Kennedy and the coverup of that murder, should give pause to those who would tend to get snared in the British "Wacogate" trap. Both men have been leading the charge against President Clinton, exploiting the tragic events at Waco to further the assault on the Presidency.

Brown, who created *Soldier of Fortune* in 1975, started off his international spook career in 1958-60. As an Army Reserve counterintelligence agent, a representative of arms dealers, and a freelance writer, Brown was an activist aiding Fidel Castro's takeover of Cuba.

Brown then allegedly changed his mind, and after the failed invasion of Cuba in the Bay of Pigs, he trained anti-Castro Cuban exiles in camps in Florida. He wrote articles (such as in the June 3, 1962 *Denver Post*) whipping up the Cubans against the alleged treachery of President Kennedy.

Brown wrote in 1962 that he had infiltrated the pro-Castro "Fair Play for Cuba Committee" for the "Chicago anti-subversive squad."

After the JFK assassination, New Orleans District Attorney Jim Garrison charged that Lee Harvey Oswald and Jack Ruby were both associated with the infiltration of the "Fair Play for Cuba Committee." Garrison shocked the world with his 1967 indictment of Clay Shaw, the U.S.

ances and probe the . . . implications of the Waco massacre” was an inquest held by British authorities in January 1995 “in Manchester, England. Twenty-three of the dead Davidians were British citizens.”

Pate wrote that even “one such case of law-enforcement overkill, much less a national trend, would never be tolerated by the public in Great Britain.” Pate quoted British Detective Superintendent Albert Yates: “We [British police] take responsibility for the lives of suspects, regardless of what they have done.”

*EIR* has learned from British government sources that Superintendent Yates was present with Pate throughout the Waco siege as an official representative of the British national police authority.

With the article, Pate ran an illustrative drawing depicting the Branch Davidians’ house supposedly being burned by

“incendiary grenades, rockets, and lasers.”

This provocative graphic was prepared by Force One, Ltd., the private investigation firm of Gordon Novel. Novel organized a lawsuit by relatives of some of the deceased Branch Davidians against the federal government, and, as a result, was invited to speak at a second anniversary commemorative rally held on the site of the Waco massacre.

Novel’s surfacing as an organizer of the defense of the Waco survivors surprised observers with an historical memory. Ever since the assassination of President John F. Kennedy 30 years before Waco, Novel has been a *government agent provocateur*, working for the Department of Justice, the National Security Council, and, on at least one occasion, for the CIA’s counterintelligence chief, James Jesus Angleton. In 1984, he played a pivotal role in the frameup of Lyndon LaRouche (see box).

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representative of the British-run Permindex assassin group—an organization overlapping with today’s Canada-London Hollinger Corp.—on charges that he had conspired to assassinate the President.

A former *Life* magazine executive told *EIR* that *Life* hired Brown as part of a three-man unit which joined Garrison’s prosecution team. The *Life* team then publicly smeared Garrison as a stooge for the Mafia, helping to destroy the Shaw prosecution. The Brown-*Life* smear was later converted into the congressional fairy tale that attributed Kennedy’s murder to the Mafia, rather than to the British intelligence operatives Garrison was prosecuting.

During the investigation, Garrison named Gordon Novel as a material witness. Garrison charged that Novel had participated in the transfer of weapons and other preparations for the hit on JFK.

While Brown was working for *Life*, Novel was brought onto the payroll of NBC-TV News. Pretending to investigate the Kennedy assassination after the Warren Commission report had been discredited, NBC instead broadcast a one-hour “White Paper” attacking Garrison. The NBC producers and researchers, under the pretext of doing research and interviews for the broadcast, had coerced a number of Garrison’s key witnesses, and bribed several to alter their testimony to weaken the Garrison case.

The smear campaign was steered by Walter Sheridan, a onetime FBI counterintelligence agent who became a powerful figure within the Justice Department in the Kennedy administration. Sheridan helped create the permanent Justice Department apparatus that to this day is at the center of much governmental corruption. In 1967, Sheridan was revealed in New Orleans as the “producer” of the NBC broadcast on Garrison. Sheridan hired Novel

to work as his “mole” inside the Garrison investigation.

When Garrison discovered Novel’s actual mission and subpoenaed him to appear before the grand jury, and contemplated charging him with obstruction of justice, Novel fled to Ohio, where Sheridan convinced the governor to quash Garrison’s extradition request against his agent.

Novel later showed up again in the middle of another NBC-Justice Department outrage: the frameup of Lyndon LaRouche. In March 1984, Novel appeared on the NBC News magazine “First Camera,” to deliver outlandish lies that LaRouche and his colleagues had plotted the assassination of Jimmy Carter, Zbigniew Brzezinski, Walter Mondale, and the secretary general of NATO, Joseph Luns. Novel’s preposterous charges were used by the same Justice Department and FBI apparatus that later carried out the Ruby Creek and Waco atrocities, to launch a phony “national security” probe of LaRouche that would spawn the criminal frameup.

At the point that Novel appeared on the “First Camera” slander in the attack on LaRouche, he was living in Hollywood working as the self-described “Minister of Everything” for pornography publisher Larry Flynt.

In recent *EIR* interviews, Novel fully corroborated his role as a one-man wrecking crew against the Garrison probe, boasted about his role in the LaRouche railroad, and waxed eloquent about his views on government:

“I believe in world government. . . . You don’t need representative democracy,” he said. He delivered a diatribe against President Clinton, urging that he be “hanged” for his role in Waco. He said that the entire structure of the U.S. government needed to be brought down, through a process of “devolution” (a term coined by the Mont Pelerin Society, the leading institution of the postwar Conservative Revolution).—*Anton Chaitkin*

## Venezuela becomes a model in the fight for sovereignty

by Carlos Méndez

Facing a violent political offensive from both inside the nation and from abroad, Venezuela President Rafael Caldera is nonetheless continuing to seek development agreements with Brazil that are coherent with what is required to achieve the genuine economic integration of Ibero-America. Until now, Caldera has been defending his country through exchange controls and by refusing to sign a Letter of Intent demanded by the International Monetary Fund. Caldera has also said that he is not a follower of any economic orthodoxy, and that the problem of the foreign debt burden must be viewed from the standpoint of the eternal principles of law, which establish that when circumstances change, contracts need to be changed as well.

However, the situation cannot be sustained if Venezuela does not initiate more development agreements like the one it is seeking with Brazil, and against which Henry Kissinger, among others, is unalterably opposed, as he himself declared during his several-nation tour in Ibero-America in early May.

What Venezuela is experiencing is in essence no different from what the other countries of Ibero-America are going through. The difference is that Caldera is fighting back (see *Documentation*).

Although Venezuela does not have the political and economic weight of Brazil, Mexico, or Argentina, Caldera is aware that in the current crisis, a country like Venezuela can play a strategic role as a model of resistance of how to successfully confront the enemy, precisely as Peru under President Alberto Fujimori has been doing. It is therefore no accident that the enemy—headed by the British—is at war with Caldera.

### The British enemy and their pirates

The British offensive against Caldera, through various agencies and fronts, is explicit. As the anti-Caldera daily *El*

*Nacional* reported on May 21, World Bank officials carried out an inspection tour on March 27-31 of the various economic measures taken by the Caldera government. The World Bank report on that colonial-style inspection, of which *El Nacional* published excerpts, says that the measures “do not constitute a complete stabilization package,” for which reason “we insisted to the government officials that fuel prices must be raised to international levels, that the dollar/bolívar exchange be raised to competitive levels, and that exchange controls be eliminated together with [Venezuela’s] policies of monetary and fiscal stabilization.”

According to a May 8 EFE news story published by *El Diario de Caracas*, the quarterly report of the *Economist Intelligence Unit* (connected to the London-based magazine the *Economist*) described foreign investment in Venezuela as “risky,” placing it in category “D,” at 75 points. (The risk point system goes from 0 to 100.)

On March 31, at the close of a roundtable discussion organized by the *Economist* in Caracas, in which several Venezuelan government ministers participated, Caldera rejected the demands of the World Bank and company:

a) Gasoline prices, he said, would not be raised: “We don’t accept the dogma that if we do not take this measure we will be condemned to suffer the scorn and ostracism of the international economic agencies.”

b) “I can assure you that the prospect of a coup d’état or of a violent intervention into the constitutional system in Venezuela is absolutely impossible. I am fully on top of things because I maintain perfect and constant communication with the Armed Forces and with the active forces of the country.”

c) “We need to instill confidence so that foreign capital prepared to collaborate in the welfare of the nation will return to the country. We do not want to see speculative invest-



President Rafael Caldera's challenge to the International Monetary Fund, on behalf of the sovereignty of his nation, has triggered a British offensive against him.

ments, since when there are problems, they evaporate, aggravating the problems of the market and harming the country."

d) "Thirty-four percent of the national budget this year is allocated to payment of the foreign debt, which is preventing these resources from being channeled to works of public interest. . . . Venezuela has honored and will continue to honor its international commitments. . . . Those international agencies interested in the reduction of inflation levels and in Venezuela's economic equity should help us to alleviate this heavy burden of the foreign debt."

e) Exchange controls "continue to be, in the view of the government, temporary. We set no limits. . . . In the final analysis, one cannot abandon those measures which have been used in other countries and which are indispensable to prevent flight capital."

### The Chávez card

The British response to Caldera's defiance was immediate. In its April 8 issue, the *Economist* published an article entitled "The Cockroach King," referring contemptuously to President Caldera. Not only did the London magazine openly insult the Venezuelan head of state, but it threatened him with destabilization and even a coup d'état by saying that Caldera has suspended constitutional rights under the pretext of forestalling "anti-democratic activities." In inimitable

British style, the *Economist* added that "The country has in fact faced two attempted coups in recent years. Yet, Hugo Chávez, the army officer behind them, is out of jail—thanks to an amnesty granted by Mr. Caldera—and busy fomenting more trouble. Perhaps the pen really is more to be feared than the submachine gun."

A few days earlier, on March 29, Chávez had given a press conference in Buenos Aires in which he stressed that "the British embassy, for example, invited us to visit England in the coming months, but when the Venezuelan government learned of this official conversation that we were having with the British, it decided to sabotage the invitation."

On May 25, the Caracas daily *Economía Hoy* reproduced an analysis published by the U.S. newspaper the *Christian Science Monitor*, entitled, "Another Mexico? Venezuela On the Brink." It said that the government's incompetence has driven the economy to disaster, and that this has caused a vacuum of power that can only be filled by either the mayor of Chacao (former Miss Universe Irene Saénz) or by former Commander Hugo Chávez.

On June 18, the editor of the Caracas daily *El Nuevo País*, Rafael Poleo, wrote that Chávez was "in Paris meeting with Ignacio Quintana, the same individual who days before the [presidential] elections, brought the then-minister of defense to Washington to propose to the U.S. State Department a coup d'état that would prevent the elections from being held, and thus the victory of an enemy of capitalism called Rafael Caldera. The Americans treated Quintana like a nut."

### 'Defending oneself produces enemies, but . . .'

Speaking on June 1 to a colloquium on "The 21st Century, the Future of Communications," President Caldera declared: "We face a highly interesting situation, and I believe that Venezuela is taking a stand. A stand that means defending its own realities and its own interests. This will produce enemies who will unleash ill-intentioned campaigns against us and who will falsify facts to try to present a completely negative image of our country," but "we are calm. Without exaggerations, without boasting, we will defend our right to make our own decisions."

And on June 3, speaking to the Second National Assembly of Convergence, the non-partisan movement which supported his campaign for the Presidency, Caldera stated that "we are not going to submit on our knees to dictates from abroad. And perhaps those who would like to keep all the developing countries, and especially those in Latin America, on their knees begging for blessings, following orders, and turning over our capacities to the voracity of the big economic organizations overseas, don't like this. This is all known to the people, and the people feel that we are fighting to save Venezuela's dignity."

### Integration and the deals with Brazil

"Latin America is realizing that to the degree the world is becoming more interdependent, it becomes more necessary

for us to take on our own personality, our own way," Caldera said on June 8, on the 25th anniversary of the founding of the Andean Development Corp.

For months, Caldera has been working on an agreement with Brazil that would include the creation of PetroAmérica, a huge binational company in which Venezuela would provide the oil and Brazil its sophisticated technology. The agreement also includes Venezuela's providing electricity to Brazil's impoverished northeast, and its participation in the construction of highways and other infrastructure works in this area of Brazil.

Last May, Brazil and Venezuela held a seminar on economic integration between the two countries in São Paulo. Participating in the seminar, which was conceived of within the context of Mercosur (the Southern Cone trade alliance), were the foreign ministers of both countries. It is said that on July 5, when Brazilian President Fernando Henrique Cardoso visits Venezuela, the launching of the electricity interconnection between the countries will be announced.

On May 22, under the title "Venezuela Presents Itself As the Integrating Leader of South America," *El Diario de Caracas* published the statements of Venezuelan Foreign Minister Miguel Angel Burelli Rivas, to the effect that "our priority is centered around the advances of regional integration, and we will take advantage of the meeting [of the Rio Group foreign ministers, held in Quito] to exchange information and review the progress of the Andean Pact and of Mercosur."

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## Documentation

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### 'We are not going to submit on our knees'

*On June 3, Venezuelan President Rafael Caldera addressed the assembly of the Convergence, the nonpartisan movement which supported his campaign for President. Excerpts follow:*

The doors of Venezuela are open for anyone who comes to bring his intelligence, his money, and his technology in order to develop the potentials of the country, which, thank God, are very, very great. Our doors are open, our laws are broad and generous, our controls recognize the investors' right to take their profits and even their capital back home. We are willing to open ourselves up to the world and we have been taking decisive steps in the integration process, but this is ours, we run it ourselves because we are Venezuelans, we know Venezuela, we know what its realities are, and we are not going to submit on our knees to dictates given to us from abroad. And maybe those who would like to keep all the

developing countries and especially those in Latin America on their knees asking for blessings and following orders and turning over our capacities to the voracity of the big economic organizations overseas, don't like this. This is all known to the people, and the people feel that we are fighting to save Venezuela's dignity, to rescue Venezuela's chances to occupy the position it deserves in the concert of nations.

We often receive visits from foreign dignitaries and we are intensifying our ties, our interchanges with powers, with real powers in this hemisphere itself, and beyond it, but always within the idea that those who have to decide are ourselves. . . . and with something that is fundamental: We desire and support economic development, but the economy and wealth are not justified if they do not have as their final purpose and aim the well-being of the people, the human being, the Venezuelan family, which is our great treasure and is the basic objective which we must preserve and defend. . . .

This style of talking seems to be prohibited in international circles. Just as it seems that talking about social justice, for many who are giving the orders in the world at present, is a kind of heresy. Since we said that the economy, as indicated by the Preamble of the 1961 Constitution, must be placed at the service of mankind, there are those who consider us as a "phenomenon" and call us "backward-looking." Backward-looking because we defend social justice; backward-looking because we defend the workers; backward-looking because we say that it is not acceptable that in some countries the macroeconomic indices are improving and at the same time the percentages of poverty and extreme poverty are increasing. We are against this and we speak with clarity, without passion, without excess, but firmly; this is why we are giving an example. Venezuela is seeking a path. A path which is broad, combined with all the countries of the world, but conscious of its own role, its own personality, and its own sovereignty. . . .

And, as we said previously . . . great faith. The situation in which the Liberator, Simón Bolívar, found himself when he was asked by Mosquera in Patilica, "What are you thinking of doing, general?" And he answered, "Winning!" We have to win! We are going to win! And we will win!

### Systemic crisis was not foreseen

*On June 8, President Caldera spoke at the commemoration of the 25th anniversary of the founding of the Andean Development Corporation (linked to the Andean Pact). The following is from the text provided by the Information Office of the Presidency of the Republic of Venezuela:*

We are not experts in any economic orthodoxy. We think that the exaggeration of the theories applied in various countries, in various places, has always been incompatible with the realities. Their consequences have been disastrous. We believe in the integration of countries. We believe in the globalization of the economy as an inevitable fact. We believe in the market as an indispensable force in economic



life, but we also believe that every country has its own circumstances, its own realities, and that it has the right and duty to deal with them in order to save its true situation and to be able to put itself out of danger from more serious circumstances. . . .

We are willing to deal with the fiscal deficit, for which we have little maneuvering room, of course, since the weight of the debt amounts to meaning 34% of the present budget exercise, which is a very heavy burden.

Venezuela is willing to honor its promises, but it has the right to have the international financial organizations, which have made large-scale donations to save other brother countries—which we applaud—at times when they were going through very critical circumstances, be willing to find a way for us to alleviate this burden. . . .

We do believe that the duty of governments is to think about their peoples, and that the human being is not a secondary element in the policies that have to be followed. We know that we cannot obtain social benefits without restoring the economy to health, but we also know that the mere raising of macroeconomic indicators is not enough to guarantee a better distribution of wealth. On the contrary, the market, in and of itself, tends more to concentrate than to spread around, and policies must be applied that are able, without discouraging, but quite the contrary, stimulating the production process, giving the population the courage to become competitive, to participate in the globalization process, but that at the same time establishing the necessary conditions to assure that the benefit of economic activity contributes fundamentally to greater social well-being.

We know that the world is going through a difficult dilemma. Since the fall of the Berlin Wall, it has seemed that the dogma of international socialism has to be replaced by some other dogma, the dogma of the market taken to such extremes that human beings are relegated to second place.

We can be aware of what circumstances the country is going through—and just to cite one example—let us be aware that the recent elections in the French Republic, one of the world's most developed countries, were won by President Chirac by offering to fight against unemployment, against joblessness, seeking ways to keep this evil from becoming more accentuated. . . . This presumes a reconsideration of the dogmas which people have tried to impose on us at the same time and against which we do not wish to counterpose other dogmas, we do not wish to contrast one theory with another theory. We want the realities to be considered, but to have the social aspect and the human aspect taken into account in these realities. . . .

We in line for an economic opening, a recognition of the processes of integration, in which we have made many efforts and to which we have committed our continuous and constant concern. We believe that Latin America is realizing that to the degree that the world is becoming more interdependent, it becomes more necessary for us to take on our own personality, our own way. That we must defend our own interests,

and that we must not be at the mercies of some fly-by-night investors who may fill out the statistics at one given moment, in order to enjoy the profits, and withdraw them when political circumstances get painful, unpleasant, and then create problems which don't matter to them, because the only thing they care about is their profits and they have no knowledge of the human and social reality of the countries in which they are operating.

We want foreign investments, healthy investments, not speculative ones. Investments which come to contribute to economic and social development and to the sustainable development of our peoples. We know that there are many honorable investors who are on this line and in this sense we giving them all the best guarantees. . . .

. . . One of the heaviest burdens, the most difficult obstacles we have to overcome, is precisely the burden of the foreign debt, which is going to get considerably worse in 1996, '97, and '98, because the refinancing of the debt which was done a few years ago . . . expecting different circumstances. It was not done having in mind, having in view the systemic crisis of the financial system, which Venezuela was going to go through and did go through in 1994.

It is necessary to take into account the eternal principles of law, by which, when conditions change substantially, efforts and contracts have to be revised. We invoke this condition and we are seeking the friendship, the support, and the understanding of those from the international organizations who understand their duty as working to save countries from the grave crisis, to try to orient and reconcile the economic life of the nations.

## **We must uphold the institutions**

*Excerpts of President Caldera's speech to the Venezuelan Confederation of Workers (CTV), as reported in El Nacional and El Universal, on May 18, 1995;*

We are waging a fight to transform our institutions and make them capable of achieving the conquests which a new millennium of Christianity raises before us, making an effort to maintain, to respect, and to preserve the institutions achieved through so many sacrifices. . . .

We know that in the institutions themselves, within the Congress and the Supreme Court of Justice, there are some persons who would like to end this situation which we are upholding, this balance which we are guaranteeing as fundamental to achieving the country's transformation. Fortunately, common sense, patriotism, and the knowledge of history, the result of the evils which Venezuela suffered for several centuries, have imposed themselves.

## **CTV: Invest in physical economy**

*Because of their importance, we are including here some parts of the program which the CTV labor confederation proposed to President Caldera, "Responses of the Venezuela Workers in the Face of the Economic and Social Breakdown*

*of the Country," during their Eleventh National Congress, held on May 15-17.*

The State, as a debtor, has had to negotiate with external creditors in conditions and terms which have meant an intensification in the underutilization of the productive potential, via the application of the formulas imposed by the multilateral organizations of international financing, which has translated into unemployment, devaluation, inflation, and destruction of the buying power of the working majorities. These macroeconomic policies, which have still not been rectified, have resulted in a magnification of the foreign profits of the owners of the capital placed abroad, who are now in the best positions to concentrate in their hands national properties which have been devalued in terms of international currency, due to the devaluations, economic stagnation, and social and institutional instability. Part of this capital, later converted into national currency, has been placed in speculative investments, at real rates which sometimes have exceeded more than sixfold, the rates obtained in the principal financial centers of the world.

The monetary authorities have remained the captives of this speculative capital and of its consequences on the financial system. . . .

The harmful consequences did not wait [to appear]. As a result of the contraction and the exorbitant interest rates, private investment and employment in the productive sectors were drastically reduced. The capacity of companies to pay their obligations to the financial institutions was destroyed, and the liquidity and value of the collateral for these loans deteriorated drastically. This created the basis for the banking crisis, which broke out at the beginning of the present constitutional period. . . .

By the end of 1993, these speculative investments were more than 40% of the available operating reserves. . . . The crisis of the banking system . . . produced a run of depositors out of financial institutions presumed insolvent, into apparently more solid institutions. What was proposed for this opportunity, given the vulnerability or fragility of the banking system and the imminent danger of a massive capital flight, was to simultaneously adopt, in early 1994, a preventive intervention into the financial system and strict exchange controls. . . . What the authorities decided, sticking to the reign of the laws of the market . . . was to flood the banking system with liquidity to the tune of a billion bolivars, which subsidized and financed a massive exit of the accumulated speculative capital, of some US\$4 billion, in other words, more than half the available operating reserves of the monetary authorities.

If these reserves had been used to pay the imported component of productive investments, which generate jobs and income, a sustained process of economic reactivation would have been induced. . . .

This economic recovery opportunity is being squan-

dered, and the authorities have assigned top priority in the use of this increase in the reserves to pay debt service on the external obligations of the private and public sectors.

The government's fear of starting an investment program is the supposed excessive money supply, which in the opinion of the conservative elements, is the primary cause of inflation. What has caused the present inflation is the massive devaluation of the currency, which via the high import component of our production, consumption, and investment process, automatically gets incorporated into prices. . . .

The economic measures which keep being adopted . . . are the issuance and placement on the market of new securities by the government and the monetary authorities at high interest rates in order to "drain off liquidity," liquidity which to a substantial degree the same authorities are creating when they pay the high interest rates on these same obligations. These interest payments are inflating the deficit of the consolidated public sector, which also includes the monetary authorities. . . .

A great deal of the collective patrimony in the hands of the State, represented in the strategic industries, may also be sacrificed through a process of privatization which would transfer to international capital assets which, properly managed and operated, could be a permanent source of internal and external public revenues, and could become elements of an economic reactivation. . . .

Therefore, a public program must be set into motion of socially and economically productive investments into the goods-producing activities and activities to provide services essential for economic and social development. These direct public investments into oil, mining, electricity, highways, educational and health-care infrastructure, housing, transportation, and communications, etc., have to be accompanied by financial contributions and credit and tax incentives for private investment, into the most important activities of production of goods adapted for export and for the efficient substitution of imports. . . .

Instead of dedicating the \$2 billion increase in the reserves since exchange controls were imposed, to preferential payment of the public and private foreign debt, and to the spending of Venezuelan tourists abroad, these currency resources should be earmarked to pay the required external component to initiate and sustain the process of economic reactivation. . . .

What this means is that if we really want to contribute to a lasting solution of the job and income problems which the great majority of workers complain about, then we are forced to commit ourselves explicitly to a policy in this field, which, among other things, means breaking with the ideological presuppositions which have oriented the Venezuelan State's economic policy since 1989. In fact, captured by the dogma of the "magic of the marketplace," the formulators of the 1989-93 economic policy believe that the State must flee from all obligations favoring a proactive management of the labor market and favoring the lessening of the inequalities of distribution.

# Italian party debates LaRouchean economics

by Andrew Spannaus and EIR Staff

The debate among leaders of Italy's Popular Party (formerly the Christian Democracy) over the economic reconstruction policies proposed by Lyndon LaRouche sharpened with an article published on July 15 in the party newspaper *Il Popolo*, endorsing LaRouche's ninth economic forecast and calling for a financial reorganization to begin large-scale infrastructure projects. The article was written by a priest, Father Gino Oliosi.

Father Oliosi took on the international financial interests which, through the use of speculation in financial derivatives, "move massive amounts of capital from one continent to another, turning on and off the financial spigots, without regard for the multiple human realities that are affected and involved."

Oliosi took note that Siro Lombardini, a well-known Italian economist and former Minister of State Holdings, sees the possibility of a grave worldwide financial crisis and agrees with Lyndon LaRouche's analysis that the current depression, "significantly worse than that of the '30s," according to Lombardini, "is the result of an anti-industrial, monetarist, and malthusian policy combined with uncontrolled financial speculation."

Lombardini's comments are taken from an interview in the May 19 issue of *EIR*, where he seconded LaRouche's forecast of an early disintegration of the international financial markets as a result of the huge speculation in derivatives, which is sucking the lifeblood out of the world economy. He also backed LaRouche's proposal for a financial reorganization and for new lines of credit earmarked for modern infrastructure and industrial production.

According to Oliosi, the priority for Italy is energy independence, which could be reached by building 30 nuclear power plants by the year 2000. Then come high-speed trains, which must provide new trans-alpine connections with Central Europe. In addition, "new maritime transport to develop waterways and an effective port network; the bridge over the Straits of Messina and the new airport at Malpensa (Milan); a modern system of communications; a modern water system," and advanced technology for industry and agriculture.

## National Bank is key

To finance this, wrote Oliosi, "It is necessary to transform

the Bank of Italy into a National Bank, under the control of the government and the Parliament, to stop the monetization of the debt and to create at least 200 trillion liras (\$130 billion) of low-interest credit per year for a plan of full employment." The national bank concept, going back to the first U.S. Treasury Secretary Alexander Hamilton, is a key aspect of LaRouche's policy for economic recovery.

Raising the national banking issue reflects the level of policy discussion among circles of the former Christian Democratic Party, now splintered into the Popular Party (which itself is splitting in two) and the Christian Democratic Center. The Christian Democracy was the country's dominant political party from the founding of the Italian Republic after World War II until the unleashing of the "Clean Hands" corruption scandal in 1992-93.

Just ten days before Father Oliosi's article appeared, Rocco Buttiglione, the secretary of the Popular Party, had echoed Lyndon LaRouche's proposals for economic reconstruction by calling for major investment in infrastructure projects in order to catalyze massive growth in the private economy, but minus the National Bank:

Buttiglione, writing in the Catholic daily *Avvenire* on June 5, had rejected the Keynesian idea that the State can directly provide work for the large numbers of unemployed (mostly youth) in Italy. This would bankrupt not only the State, but also private industry, he said. What is needed, according to Buttiglione, is to attack the country's 53 trillion liras (\$33 billion) infrastructure deficit. By thus providing the country with an adequate infrastructure network, Italy's industries could begin to create hundreds of thousands, or even millions, of new jobs.

The areas of infrastructure which are lacking, in Buttiglione's view, are Italy's highway network; ports and airports; water and energy distribution; the railway network, which should be furnished with high-speed, high-capacity trains. "All of these things are productive investments that pay for themselves and increase both the efficiency of our economic system and the quality of life of our citizens," wrote Buttiglione.

Gerardo Bianco, the leader of the other half of the Popular Party, made a similar proposal for infrastructure development on Italy's most popular television talk show a couple of weeks before Buttiglione's *Avvenire* article.

The opposite faction weighed in on June 16, when the official Jesuit magazine, *Civiltà Cattolica*, published an article in support of the central bank's independence from national control. Author Gabriele De Rosa, a senior commentator, wrote that for the good of the country it is necessary to defend "freedom and independence" of the Banca d'Italia. De Rosa praised the recent yearly report by Banca d'Italia Governor Antonio Fazio, who insisted that reducing public debt is the first priority and had the nerve to accuse the industrial sector of "feeding inflation" through a policy of high prices.

# LaRouches address forum in Warsaw

by Frank Hahn

Lyndon H. LaRouche, Jr., the American political economist and presidential candidate, recently visited Poland with his wife Helga Zepp-LaRouche. Mr. LaRouche spoke at a public symposium on June 10 in Warsaw, sponsored by the Christian Social Union of Poland (PZKS).

Lyndon LaRouche addressed the danger stemming from the imminent financial collapse, but stressed that knowing Poland's history, he was optimistic that the crisis could be overcome successfully, by the "stubborn courage" of the Polish people. A second presentation by LaRouche centered on the *Evangelium Vitae* encyclical issued in May by Pope John Paul II.

Helga Zepp-LaRouche began her remarks with a chronology of her husband's accomplishments and interventions since 1975. During the historic opportunity of 1989, LaRouche proposed his "Productive Triangle," an economic program to build Europe as the locomotive of a world economic recovery. In 1990, Mrs. Zepp-LaRouche had made her first trip to Poland and spoke in Gdansk, the birthplace of Solidarity, warning of the International Monetary Fund's shock therapy. She then criticized the thinking of the present monetarist "elites" expressed by British intelligence agents such as Peregrine Worsthorne of the *Daily Telegraph* or Ralf Dahrendorf of the International Institute for Strategic Studies, who openly demand the establishment of authoritarian dictatorships. She warned that there is a "culture of death," whose forces are ready to wipe out whole civilizations with the stroke of the pen. The only alternative, she elaborated at length, is the realization of a comprehensive economic development program for the whole of Eurasia.

The conference was attended by 120 people in all, including high-level representatives of politics, industry, the scientific community, and the Catholic Church.

## Political shift in the making

The warm reception accorded to the LaRouches in Poland came amid an agitated political climate. It is generally expected that next fall, the political scene will undergo a phase-shift. This correlates with the world financial crisis: Some forces inside Poland are starting preparations to finally defeat the policies of the International Monetary Fund (IMF). But it is also connected to Poland's upcoming presidential elections, which may also be followed by general elections.

Throughout May, there were strikes and demonstrations

in Warsaw, mainly organized by the workers from the Ursus tractor factory, demanding that the social budget cuts be halted, and cheap credit be offered to farmers and industry to increase production. In some circles of the Solidarity trade union, the idea of a national bank is being discussed. Ursus sold 10,000 tractors last year on the domestic and international markets combined, whereas the real demand on the Polish market alone is for 700,000 tractors—which farmers simply lack the money to buy.

Some members of parliament are trying to form new kinds of cooperation across party lines around a "Christian concept of economy," which includes the fight against privatization of State-owned major industry.

The June 10 symposium was opened by a bishop from Warsaw, who said: "I am very pleased, that I can sit beside Mr. LaRouche, who is a well-known fighter for the realization of the social teachings of the Church—indeed I must admit, that his book is one of the most fascinating elaborations of this subject today." A second bishop, who could not be present himself, sent greetings, praising LaRouche as the most important fighter for human rights today and also as the most serious economic scientist, whose ideas are based on Christian teachings.

Mr. Gwizdz, the symposium's organizer, opened by invoking a recent appeal of Pope John Paul II, that it is "our duty to serve the people and wake the conscience of our countrymen, and that is the goal of this symposium." He said that "neither Marx nor Adam Smith" is needed, and quoted at length from the late Polish Cardinal Wyszynski, who warned back in the 1950s against the return of "savage capitalism" to Poland.

LaRouche focused especially on education, recalling how during the Renaissance, the Brotherhood of Common Life organized children to become geniuses and compared that to the history of Poland, in which the ordinary farmers' *agapē*, the Christian notion of love, became the basis for educating generation after generation of a national elite: "Poland only exists because of the stubborn courage of its freedom fighters—it was never a stubbornness of rage or a flight forward of fear, but that stubborn courage came from tears of joy and love, as expressed in the 13th chapter of the Letter to the Corinthians by St. Paul."

In the strategic-political discussion, LaRouche stressed two important concepts for the Polish people to grasp: first, that the key to changing the situation is President Clinton, who unfortunately "is not enough encouraged to do something now because of political resistance around him." Second, he indicated that it would be destabilizing to station NATO troops on the Polish-Russian border, which would make Poland a pawn again in Britain's geopolitical game. He put forth an alternative concept, enthusiastically received by the audience: to have security guarantees for Poland by the United States and Germany backed up by the economic development program of the "Productive Triangle."

## 'Vision' shortsighted on agriculture

by Carl Osgood

The headquarters of the National Geographic Society in Washington, D.C. was the site of a three-day "2020 Vision" conference co-hosted by the NGS and the International Food Policy Research Institute (IFPRI) on June 13-15. The title refers to IFPRI's "vision" of "a world where every person has economic and physical access to sufficient food to sustain a healthy and productive life, where malnutrition is absent and where food originates from efficient, effective, and low-cost food and agricultural systems that are compatible with sustainable use and management of natural resources."

However, if the policies advocated at the conference were implemented, widespread starvation would be ensured.

The major themes of the conference included the alleged unsustainability of modern agricultural methods and the need to reduce population growth. The president of the NGS, Gilbert Grosvenor, opened the conference in a true pagan spirit, complaining that "as the world becomes more advanced, we detach ourselves more and more from the Earth. The more we withdraw from the Earth, the less we see a need to conserve our natural resources."

Grosvenor was followed by a slickly produced slide show on how the green revolution of the 1960s and 1970s solved the hunger problems of that time, only to bring on new environmental problems that make the green revolution unsustainable. This was followed by speeches by Per Pinstrup-Anderson, the director general of IFPRI, and Brian Atwood, administrator of the U.S. Agency for International Development, both of whom presented their visions of what sustainable development should look like and their dire predictions of doom and gloom if those policies are not carried out.

### Hoe and axe agriculture

The "vision" was probably best outlined by Ugandan Vice President Speciosa Wandira Kazibwe, who followed with a speech on behalf of Ugandan President Yoweri Museveni, the chairman of the 2020 Vision's international advisory committee. Kazibwe bragged about how agriculture in Uganda is worked with three tools—the hoe, the machete, and the ax—with human muscle being the primary source of energy. She described the system of farming in Uganda that depends on these implements as "very resilient," and boasted that "we have not lacked food in spite of all of our other

problems," including during the time of Idi Amin.

Kazibwe called for more research to improve the productivity of the small-holder farmers. "We need simple technology," she said, "like micro-dams in villages to trap rainwater, and wind power to pump it into the fields." Much of her speech was a feminist diatribe against men, because women make up most of the agricultural workforce, and therefore must participate in the making of agricultural policy.

On the second day of the conference, Lester Brown, president of the Worldwatch Institute, on a panel on "Improving Natural Resources to Feed the World: Prerequisites for Sustainable Agriculture," focused on the decline of ocean fisheries, the loss of topsoil to erosion, and the "threat" of the rapidly growing demand for imported grain in China. He specifically ruled out capital-intensive solutions to problems in any of these areas. Ultimately, he concluded, "the responsibility for maintaining the population depends more on family planning than it does on food production."

Development of water resources was treated the same way. Sara Scherr, a research fellow with IFPRI, called for

The International Food Policy Research Institute and the Worldwatch Institute were set up in the aftermath of the U.N. World Food Conference in November 1974. The U.S. delegate to that conference was then-Secretary of State Henry Kissinger, who had forced then-Secretary of Agriculture Earl Butz out of the delegation. Kissinger had already commissioned U.S. National Security Study Memorandum 200 (NSSM 200) which, among other things, made population control and the use of food as a weapon key aspects of U.S. national security policy.

The "2020 Vision" boasts an advisory committee that includes many leading propagandists for the special interests of the financial and oligarchical circles of the "Club of the Isles," headed by Prince Philip Mountbatten. The chairman of the advisory committee is Ugandan President Yoweri Museveni. Museveni's commitment to International Monetary Fund policies has meant a drop, since 1986, in the average life expectancy in Uganda to 42.6 years, among the lowest in Africa.

IFPRI funds research papers for the low-input, labor-intensive agricultural policies reflected in NSSM 200. Worldwatch carries out the same functions but in a more sensationalist way, for mass circulation. IFPRI gets funding from 18 governments, the World Bank, four U.N. agencies, and the Rockefeller and Ford foundations. Worldwatch was founded with money from the Rockefeller Brothers Fund in 1974, and now brings in a reported \$2 million a year from literature sales.—*Carl Osgood*

market pricing schemes for water resources claiming that "such market pricing of water can help the spread to non-agricultural uses as well and help reduce waterlogging of soils." Brown added that "water tables are falling in all major food producing regions of the world because human demand is exceeding the recharge rates of aquifers." He suggested that "we ought to invest in water efficiency in the 1990s in the same way we invested in energy efficiency in the 1970s."

On the third day, Anders Wijkman, assistant administrator of the U.N. Development Program, talked about making small farmers in underdeveloped countries a part of the policymaking process. He worried that introducing new technology into agricultural systems may not really address the problems perceived by the small farmer. "In this context," he said, "it is important to take into account the experiences of traditional systems which are most often well adapted to local conditions." He criticized approaches that look upon soils as being "part of an industrial system, being able to deliver higher yields year after year." He claimed there is evidence that "this very mechanistic view is no longer possible. . . . The management of living systems is different from manufacturing. There are limits to growth and there are certain eco-principles that have to be followed."

Pinstrup-Andersen presented a six-point program for achieving the 2020 Vision of a sustainable world by 2020:

- Developing country governments must be strengthened to undertake activities best done by governments, such as law and order and market regulation functions. At the same time, they must "let go of activities best done by other groups of society, such as private enterprises and non-governmental organizations."

- Developing countries must invest in poor people by providing access to employment, productive resources, and credit, basic health care (primarily meaning family planning), and education.

- Developing countries must increase agricultural growth by sharply expanding investment in agricultural research (into questions premised on unavailability of high-technology farm methods and infrastructure).

- Agriculture must be made more productive in ways that are sustainable to include better fertilizer management, reduction in pesticide use, and more efficient use of water resources. The program rules out development of new water resources because it is "expensive and may have harmful environmental consequences."

- Expenses of moving food from farmer to consumer must be reduced.

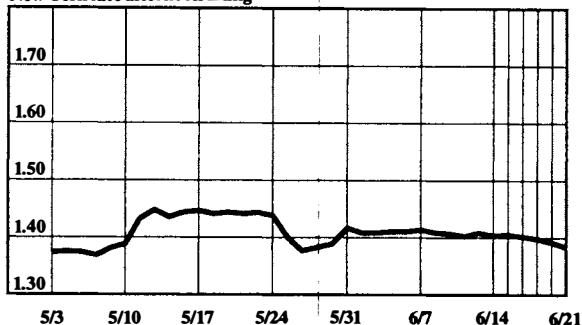
- Foreign assistance should be made available to countries that have demonstrated a commitment to reducing poverty, hunger, and malnutrition and to protecting the environmental goals in the 2020 Vision.

These policies will only serve to further concentrate the control of agricultural commodities in the hands of cartel companies, as happened with oil in the 1970s.

## Currency Rates

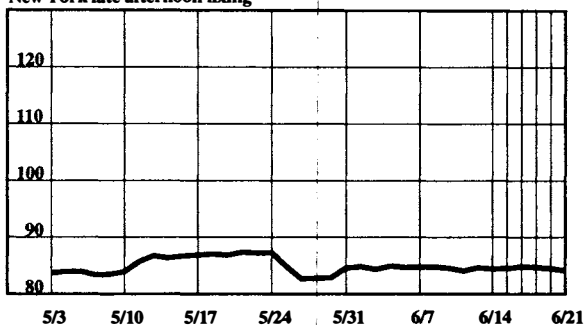
### The dollar in deutschemarks

New York late afternoon fixing



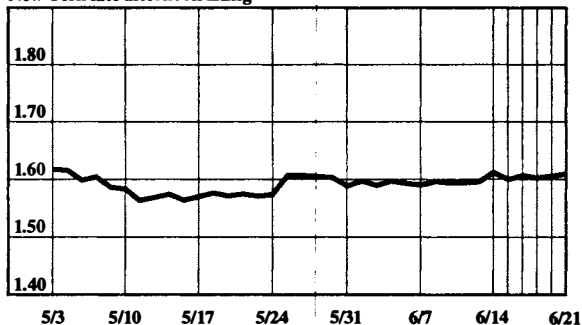
### The dollar in yen

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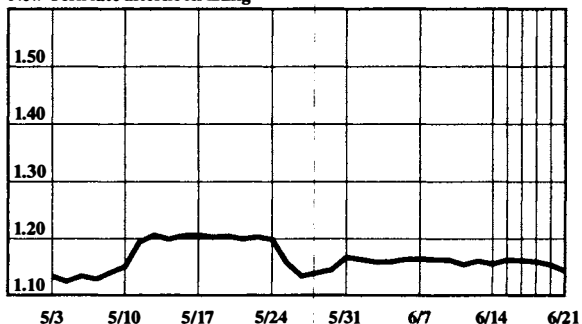
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# 'Ozone hole' hoaxsters exposed at AGU science conference

by Rogelio A. Maduro and Jim Olson

Real scientific research in the earth sciences seems to be perking up after a decade of near-total control by so-called "environmental science." This change was clear during the spring meeting of the American Geophysical Union (AGU) that took place on May 30-June 2 in Baltimore, Maryland. The AGU, with some 33,000 members worldwide, is the world's premier organization of geophysics professionals and includes within its purview many scientific disciplines, including geology, volcanology, seismology, atmospheric sciences, plasma physics, and space science. Nearly 2,600 people attended the conference.

While the opening press conference emphasized the panels where so-called environmental science was featured, the conference itself had dozens of panels where real scientific research was presented. During the four days, there were many good presentations, including on new satellite data and images showing the complex interplay between the solar wind and Earth's magnetosphere. There was also a presentation of the first global map of water vapor concentrations, and the change in concentration over the years and as a result of the El Niño phenomena. A Russian scientist presented intriguing evidence of close correlation and anti-correlation between the thickness of the ozone layer and gravitational and geomagnetic anomalies.

The change in the climate against environmentalist hoaxes was perhaps best evidenced by an open revolt by a large number of scientists against one of the leading promoters of the fraud behind "environmental science."

On the third day, Dr. Robert Watson, associate director for the environment for the White House Office of Science and Technology Policy, currently Vice President Al Gore's science adviser, and former head of NASA's Ozone Trends Panel, warned in an hour-long presentation about the increasing "attacks on environmental science." Watson, one of the leading promoters of the ozone depletion fraud, said that Congress is severely cutting funding for crucial research programs.

Watson's presentation was part of a series he is giving at scientific conferences on this theme. Apparently, he is being deployed by the White House on some sort of errand to save science from the budget-cutters. If that's the case, President Clinton could not possibly have chosen a worse messenger.

In addition to his well-known role in promoting the ozone depletion and global warming frauds, Watson is also a leading member of the Global Biodiversity Assessment, the body in charge of writing and implementing the Biodiversity Treaty, a malthusian one-worldist program to destroy Judeo-Christian civilization and to raise all other species to a higher level of importance than human beings.

## Research versus fraud

The fundamental issue raised by Watson's presentation is one of scientific research versus scientific fraud. Watson's told the 300 scientists that there is a conspiracy against environmental science. A major element of this attack, he said, are plans by Congress to heavily cut funding for science research. Watson focused on how the cuts now planned would severely cripple "good science," and defined "good science" as the research that led to the ban on chlorofluorocarbons (CFCs) because of the "ozone depletion problem"; the "science" that led to the banning of DDT, which has condemned millions to die of mosquito-borne malaria; and the "science" behind the global warming scare.

Watson repeatedly praised Rachel Carson and her book *Silent Spring*, which fraudulently claimed there was a collapse in pelican populations as a result of the use of DDT. Watson went as far as citing her as a role model. In addition, Watson emphasized the need for funding research to develop so-called renewable energy resources such as biomass, wind-mills, and solar power.

Incredibly, Watson claimed that science should not be "political," while he himself has played a major role in promoting fraudulent science for political ends. After stating that Congress should not play politics with science, Watson told his listeners to "get political" and save his favorite programs.

To Watson's surprise, his appeal backfired. A number of scientists, as well as two representatives from *21st Century Science & Technology* magazine, denounced his promotion of environmental science.

One scientist agreed with Watson that some crucial programs in basic scientific research were being savagely cut by Congress. At the same time, he differentiated between the cuts against basic research, which would cripple real science,

versus the cuts against junk science. The scientist pointed out that the Superfund (toxic waste cleanup) program had been a disaster and had not accomplished its goals. Such programs, he noted, had to be reformed.

### **Falsified data**

Rogelio A. Maduro, associate editor of *21st Century Science & Technology* and co-author of the book *The Holes in the Ozone Scare: The Scientific Evidence That the Sky Is Not Falling*, brought up the issue of funding for scientific research as opposed to funding for fraudulent science. Maduro mentioned the fact that leading Belgian scientists had publicly accused Watson and the Ozone Trends Panel of falsifying crucial ozone data. Maduro pointed out that these falsified data were then used to claim that CFCs had caused ozone depletion. Maduro asked if that were "good science." It was an awkward moment for Watson, who sheepishly acknowledged that there were "problems" with the data, claiming that, nevertheless, the conclusions were still correct.

During his presentation, Watson asserted that the one real success story of environmental efforts over the last 25 years has been the improvement of water quality in the United States. That statement was taken on by Jim Olson, also from *21st Century Science & Technology*, who pointed out that the reality of the situation was that urban water and sewer systems were in states of disrepair and were collapsing all across the United States.

Olson pointed out that, about two and a half years ago, a special panel of the American Society of Civil Engineers calculated that the cost to repair New York City infrastructure at \$1 trillion. "And here we're hearing these stories about the dangers of an ozone hole which may or may not exist, while our cities are collapsing from 25 years of post-industrial lunacy," he said.

Olson attacked Watson's choice of Rachel Carson as a role model, pointing out documentation that her book is "full of lies, half-truths, and speciousness."

Olson stated, "I agree with you wholeheartedly that we should develop renewable energy. That's why we should quit wasting money and scientific minds on such foolishness as biomass, solar power, and windmills, and develop truly renewable resources like plutonium, breeder reactors, and nuclear power. Let's restore real science and make America number one again."

### **The case of DDT**

The attacks on Watson's "good science" continued. Mack Ross, from the U.S. Geological Survey, pointed out that one of Watson's prime examples of "good science," the banning of DDT, is actually a good example of bad science. Ross continued that the scientific evidence simply didn't exist to ban DDT and, as a result of the ban, yellow fever and malaria have spread out of control and led to the

unnecessary deaths of tens of millions of human beings. Ross also scored Watson on the issues of radon and asbestos, which posed little, if any danger, according to the scientific evidence.

The scientists present also ignored Watson's warning about the dire effects of congressional funding cuts for the Global Environmental Facility, which funds the operations of thousands of United Nations-franchised non-governmental organizations. There was also little interest in defending the Endangered Species Act and the National Biological Survey.

By the end of the talk, not a single scientist had risen to defend Watson's presentation, despite the fact that many congressional budget cuts will indeed severely affect basic scientific research. Following the talk, hundreds of scientists picked up copies of *21st Century Science & Technology*.

### **Ozone depletion theory suffers setback**

Two days before Watson's talk, his pet ozone depletion theory suffered a serious blow. A series of scientific papers presented at a full-day panel, "Production and Fate of Organic Halogens in the Marine Environment," demonstrated the falsehood behind one of the pillars of the theory, which asserts that there are few, if any, "natural" sources of halogenated compounds (compounds containing chlorine, fluorine, bromine, and iodine), which supposedly are damaging the ozone layer. By asserting that there are no natural sources, the promoters of the theory can then claim that the only source is man-made CFCs.

Refuting such claims, over a dozen top scientists concentrated on emissions and sinks of bromine and methyl bromide, the next halogenated chemical on the list to be banned by the Montreal Protocol. Methyl bromide is alleged to be a super-ozone-depleting gas. It is used widely in agriculture as a fumigant to kill pests and molds. All food shipments arriving in the United States and Europe must be fumigated with methyl bromide. Banning it would have devastating consequences for world agriculture, and would lead to the worldwide spread of deadly pests and diseases.

Jim Butler, from the U.S. National Oceanic and Atmospheric Administration, who presided over the panel, stated that the signatories of the Montreal Protocol must not act to ban methyl bromide, because there is ample evidence that natural sources of that chemical are as important as, and perhaps more important in stratospheric chemistry than man-made methyl bromide molecules.

The scientists presented detailed evidence showing the role of kelp, algae, phytoplankton, and other marine organisms in producing methyl bromide and other brominated compounds. Their estimates showed that these natural sources far outclass the production and use of methyl bromide by man. The evidence presented vindicated the arguments in *21st Century's* book *The Holes in the Ozone Scare* (available from 21st Century Associates, P.O. Box 16285, Washington, D.C. 20041, for \$15).



# China declares science to be 'the top productive force'

by Mary Burdman

The government of China in May convened the National Science and Technology Conference, the largest, highest-level national conference on science, technology, and education that China has held since 1978. This five-day conference followed a decision made by the Chinese Communist Party Central Committee and the State Council, China's Cabinet, on May 6. The 40-article document on this decision, released to the public on May 21, called for carrying out the theory that "science and technology [are] the top productive force" in all fields. This conference, which was repeatedly termed "historic" in the Chinese press, was completely ignored in the western media.

On May 26, China's government called together in Beijing almost all top national leaders, State Council ministers, military commanders, presidents of national corporations, leading scientists, and leaders of the provinces, regions, municipalities, and some major cities, filling the Great Hall of the People in Beijing for the opening session. Both President Jiang Zemin and Prime Minister Li Peng addressed the conference. Jiang said that the meeting would have a crucial impact on China's overall economic and social development, and called on "the whole nation to join the drive of 'invigorating China through science and education,' symbolizing the country's decisive shift toward a science-oriented course of development," the official *China Daily* reported. Quoting the aged paramount leader Deng Xiaoping, the President called science and technology the "number one productive force," which must be further liberated, and said that China's CP and government leadership had recently decided to accelerate scientific and technological progress.

Prime Minister Li Peng in his speech emphasized the urgent problem of quickly translating technological achievement into agricultural and industrial productivity. Both announced that China will triple its investment in R&D, from 0.5% of Gross Domestic Product in 1994, to 1.5% by 1999.

A commentary in *China Daily* on the opening day of the conference, said that it will "chart the path of China's science and technology into the next century." This conference will be "another milestone," and its paramount task is to determine how science and technology can "fully play the role of being a primary productive force, so as to make the greatest possible contribution to scientific development." To ensure that China's scientific capacity will grow, not only will funds

dedicated to research and development be tripled, but regional leaders will also be made responsible to "personally administer" science and technology. "With a new century less than five years away, vision is needed in making strategic scientific decisions in the future," it stated.

"Science and technology are the most important productive forces behind economic and social development, and are decisive factors of achieving prosperity in China," the May 6 Party and State Council Decision on Accelerating Scientific and Technological Progress states. It calls for promoting progress in agriculture and industrial growth, developing high-technology industry, strengthening basic research, "improving the overall scientific and cultural qualities of the nation," increasing international relations around science and technology, and strengthening leadership on this front.

China has laid "a solid foundation for speeding up . . . progress in the whole society," the Decision states. However, "the ratio of turning scientific and technological findings into productive forces and the ratio of contributions by science and technology to economic growth are relatively low," it reads. China still has an "irrational structure" of overlapping institutes and dispersed research forces left over from the old system; this must be changed.

The period leading into the mid-21st century will be crucial for China. "During this period, the rapid development of science and technology will certainly play an enormous role in pushing forward economic and social development, and will bring revolutionary changes to the production modes and lifestyles of mankind," the Decision states.

## Precedents

China is at a crossroads, and the decision to hold this conference demonstrates that its leaders are aware of the critical situation. The government is well aware that the world economy is hovering on the brink of collapse, and that China itself must urgently expand its food and energy production, and develop national infrastructure, if the nation is to survive.

Chinese press coverage of the conference has emphasized two precedents: the science conference convened by Mao Zedong in 1956, and that called by Deng Xiaoping in 1978. These were both at turning points in modern Chinese history.

The years 1954-56 were a watershed in China. There

were broad-ranging debates about the role of scientists and intellectuals in the First Five-Year Plan, begun in 1953, in which Mao at least declared his support for science. Soviet assistance was then having a big impact, especially in industrializing the north. At the same time, there were efforts by other leaders of the CP, including Liu Shaoqui and Deng Xiaoping, to introduce a State Constitution and to curb Mao's enormous power. At the Eighth Party Congress held in October, a group of CP leaders asserted the need for collective leadership, and omitted any discussion of the *Thoughts* of Chairman Mao. Mao later took his revenge: He re-took control, and, after the disaster of the Great Leap Forward, launched the Cultural Revolution to purge his opponents. Yet, 1956 had been a time of great potential for China.

The story of Deng Xiaoping's initiative is even more interesting. In 1975, as the radical-led, decade-long Cultural Revolution was still going on, Deng, who was just returning to political life after being purged by Mao, set up a group to work on a document planning reorganization of the entire economy, of education and culture, and especially of science. This program, though never published, was violently attacked by the radical Maoist "Gang of Four." In April 1976, they published excerpts from the program, denouncing it for quoting from Mao in such a way as to give the impression that science and technology must be promoted.

This program, especially for the reform of science institutes, was drawn up by Hu Yaobang, who had been leader of the Academy of Science in 1973. Hu Yaobang, who had been the designated successor to Deng until he was purged in 1987, was opposed to the cheap-labor "Special Economic Zone" policy implemented by his rival Zhao Ziyang with the support of the same "New Age monetarists" who have plunged the world economy into its current disaster.

The current government of China is making clear, whatever has occurred in intervening years, what it is designating as the precedents for its policies. A signed editorial in the June 26-July 2 *Beijing Review*, the official Foreign Ministry publication, states that after 1978, with the end of the decade-long Cultural Revolution, Deng put forward the theory that "science and technology were the first productive forces," placing priority on science and technology in the development of the national economy. The editorial lists China's breakthroughs in atomic energy, bio-technology, agriculture, high-energy physics, computer technology, rockets, and satellite communications.

But China still lags far behind western nations. "The decision to press ahead . . . was designed to mobilize a powerful army of people ready to push the strategy forward, thereby enabling China to catch up with the world in the shortest possible time. . . . Currently, China's investment in this field is, on the whole, insufficient." Even as GDP rose, the proportion invested in R&D "hovered around 0.5-0.7% for many years," at a low level even for developing countries. Education must be the foundation for this "strategy essential

to [China's] future," the editorial states. "Talented scientists and technicians serve as the principal catalysts in the development of first productive forces. On the basis of raising the scientific and educational levels of the whole nation, the aim of the education program should be to train a huge body of trans-century young scientists and technologists recognized internationally for their outstanding abilities."

### Call for creativity

At the conference closing session, Vice Premier Li Lanqing said that ministries and local governments must set specific goals and take concrete measures to help the national economy develop through science and technology.

State Council member Song Jian, chairman of the Science and Technology Commission, called on Chinese scientists to become more creative, because this is the "fundamental support for China's modernization drive." China's policy is to strengthen international cooperation in science, but it can only have equal exchanges and cooperation on the basis of strong creativity. "China's modernization must mainly rely on our own efforts," Song said.

Technological progress is the only way that will work, because "overconsumption of natural resources and sacrificing the biological environment can only trade temporary success," Song said. Development should focus on renovating traditional industries, developing high-technology products and upgrading agricultural technologies; heightened awareness of science and technology, especially among decision-makers, is decisive for modernizing China, Song said. Reforms should focus on establishing an "open, flexible, competitive and cooperative" research environment.

Very serious problems remain. An article in the May 18 issue of *Outlook* reported on the nation's dearth of skilled labor, and the huge loss to the economy. Among China's 120 million workers, 70% have not gone beyond middle school-level. Of the 80 million workers under 35, 80% have basic qualifications, but only 1% advanced qualifications. While in developed countries, technical personnel generally account for 30% of the workforce, in China they are only 3%. As a result, even advanced machinery is being used to produce second- or third-rate goods. Productivity in the engineering industry is only 8.25% of that of the United States and 9.1% of Japan.

A deeper problem is reflected in the views of the president of the Chinese Academy of Science, Prof. Zhou Guangzhao. Professor Zhou's statements, published in *China Daily* on May 31, reflect how pragmatism and even anti-science, imported from tainted western circles, have crippled China's great potential for scientific progress in this century. Much of this non-scientific fraud has been imposed on China and other nations over decades by such British oligarchs as Lord Bertrand Russell—the greatest modern enemy of the true western scientific tradition based in the Golden Renaissance. Thus, Professor Zhou states that China must "preserve re-

sources, control population growth, and hold back the increasing income gap between rich and poor." His views reflect the conditions in China—such as the effects of the use of primitive technology in a poor nation of 1.2 billion persons and the need for powerful government leadership and a strong national industry—in contrast to the insanity emerging from most “advanced”-sector nations’ universities and academies these days which champions primitive technology.

But his view that “science and technology can only gain insight and ideas from practice and by pushing forward economic development,” will not be enough for China to win the battle it has before it. For that, China’s scientists must enter into a dialogue with the western tradition based in the Golden Renaissance, the basis of all great modern scientific discoveries, which also means rediscovering true western history, even if most westerners have forgotten it. Then, the full promise of the National Science and Technology Conference in Beijing could be realized.

## Who are the British, to complain of a hungry China?

by Mary McCourt Burdman

Those of us who, in defense of humanity, have had to examine the working of the British imperial “mind” over many years, have come to learn something about this phenomenon: It is extremely nasty, and it never forgets slights. People of other nations, not as willing to be quite so nasty as they are, have lost, time and again in recent centuries, to those who run the British Empire. But there are times when nations do learn, and, in learning, determine not only to protect themselves from these nasty British policies, but to even reject them. Then, the British become *very* angry. So, now, with China.

Graham Hutchings, of London’s Hollinger Corp.-owned *Daily Telegraph*, has been writing a series of articles on China. One exemplary headline on the Chinese, in the June 2 *Telegraph*, was: “Why They Could Devour the World.” He wrote: “There is a potential monster in our midst.” It is not Brussels, the Bosnian Serbs, or Muslim Central Asia, he assures us. No, “the real challenge to the international order comes . . . from the rise of China.” Citing the current reincarnation of the British East India Company’s long-discredited Parson Malthus, the Worldwatch Institute’s Lester Brown, Hutchings claims that China could soon be gobbling up the world’s food and energy.

“The 20th century offers unhappy testimony of the prob-

lems involved in accommodating the rise of a new power,” Hutchings notes. “The search for natural resources, when conducted by expanding, industrializing, fiercely nationalistic powers [meaning, in Brit-speak, Germany and Japan], has often been the cause of war.” But China, Hutchings tells us, is a problem beyond all this. “‘China’ is a great, yet flawed civilization, trying to become a modern state.”

Those British buggers (to use their intimate term of affection among friends, male, of course) are clearly upset. The Chinese—and there are 1.2 billion of them, something which the British cannot for one moment forget—have, for one reason or another, gotten wise to Britain’s plans. The Chinese are not going to go through London’s proposed post-Deng Xiaoping breakup. They do not like this proposal, they do not want it: They have rejected it.

The British are in a sulk, and complaining. The breakup of China, their pet policy for such a long time, might have been somewhat unpleasant, but, they say, that they could have managed. This is far worse, because, now, all those hungry Chinese, with all their problems and all their needs, united in one nation, are going to constitute a strategic threat to the world, on the issues of food, energy, and so forth. Their ilk have been spouting about this for some time now.

But this is by no means all that really upsets the British imperial mind. There is something more. On May 26, the government of China had the nerve to say that the basis for economic growth and profitability, or what Marx and Marxists call surplus value, is generated as the result of science and scientific and technological progress. The government of China gathered the entire leadership of the nation together in Beijing for five full days, and announced that it is going to place the emphasis on science and technology, as the way to increase the productive powers of labor of the Chinese people. They announced that this was their policy for the coming century, and made very clear, in their Chinese style, that this was going to be a turning point in the history of modern China.

Now, this is a policy that goes *directly* against everything that one learns at Cambridge University. It is completely against Cambridge University’s systems analysis, as taught by the late Lord Caldor, who is, undoubtedly, with his same ghastly aspect, still teaching his doctrines there.

It is this, that is really insulting, because it goes to the core of British religious beliefs, called empiricism. How can the British, who have never forgotten how Chinese Emperor Qianlong contemptuously dismissed the Britain monarchy’s envoy Lord Macartney 200 years ago—it slips out every now and again, in their contemporary commentaries—possibly overlook this present insult, this challenge to their religion, empiricism? We cannot wonder they are in such a snit.

Hutchings let loose with the worst of insults. He called the leaders of China: “Unclubbable men . . . generally unwelcome in the chanceries of the West.” Unclubbable, indeed. China’s leaders are *not* part of the Club. China’s leaders

are uncouth: They are not buggers; they cannot talk, as British oligarchs do, for hours through stiff upper (and lower) lips. The British know what is, and is not, done. Prince Philip does not talk of science and technology; he talks of "the ecological pragmatism of so-called paganism"; the need to "cull" "surplus populations." Was it not Prince Philip who, the guest of the Chinese government, stood at China's Great Wall and sniggered to some British students about "slitty eyes"? *He* is what the British call a "clubbable man."

### British-run famines

Look at this matter, of how terrible famines are. If there is potential famine in China today, is that an indictment of that system of government; does it make that system of government a menace? Let us look at Britain. Look at the writings of James Mill of the British East India Company, and at the British government which took over India in the 19th century. India, when the British came, had been far richer in food and many manufactures than Britain ever was. Just how many famines did the British East India Company and the British Empire run in Britian's imperial colony of India, as a matter of political, social, and population control during the 19th century and later? So many that not a single decade was free of terrible famine during the 18th and 19th centuries in British India. And what caused these famines? There were no *natural* causes. There was never a national crop failure in India; never a year in which the national food supply was not sufficient to meet people's needs. But millions starved because, under the heel of the British, those in one region would be far too poor even to buy food from a neighboring province.

The rule of the East India Company was so rapacious, that after even a few years, the British government had to intervene to prevent the total wasting of the land and people. Under British rule, the famines never stopped. In 1943, during World War II, 1.5 million people starved to death in Bengal alone; yet during the war, British battle dead amounted to only 295,000.

In fact, we would think that one reason for British irritation at the Chinese, among other nations, is the lack of *permanence* of modern-day famines. Despite the devastating famine which killed millions in the Great Leap Forward, the Chinese population has as good as doubled since. This was not what happened after British-run famines. Ireland today has never recovered from the potato famine 150 years ago, during which the nation was robbed of its other rich food produce in the name of British free trade. Ireland's population today is *half* that of 1845. In India, in the last 25 years of the 19th century, many provinces suffered famines unparalleled in contemporary times—while Indian food exports continued. So brutal was the famine and the rent collection, that during these decades the British succeeded in *stopping* the growth of the population altogether. Should, therefore, the fact that the British were spreading famine as a matter of

policy, of mass murder and genocide, have been the cause for the prompt collapse of the British system?

### The Venetian system

Let us look more broadly. In point of fact, the British system is a clone of the Venetian system. The English and other people are really like peasants, who are ruled by an overlordship, a bunch of international oligarchs, gathered around the monarchy. They have the social character of a specific type—they are a financier nobility oligarchy. This financier nobility oligarchy, together with its feudalistic competitor, has ruled most of this planet for all of human existence, up until 15th century, the time of the Golden Renaissance. Under this rule, most of humanity was reduced to the most brutish condition, in which over 95% of the people lived as serfs and slaves, like the unfortunate, cannibalized subjects of the Aztecs.

Before the British criticize China—which has its own oligarchical system, which is problematic, but that is not a British affair—they should rather look at their own system. They should realize that if there is famine in the world today, the problem is not the result of the Chinese government, but the result of the world's foolish toleration of the British oligarchical system, and its precedents. The danger to civilization comes not from China, but from those masters, whose lackeys, those scribblers at the *Daily Telegraph*, are.

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## Creating jobs through great projects

*There is new momentum in Germany for projects for the development of infrastructure.*

**I**t may be the shock at the prospect of a "red-green" (Social Democrat-Green party) coalition government in North Rhine-Westphalia after the May 14 elections, which would mean deindustrialization on an unprecedented scale, that prompted industrial leaders to begin a campaign for great infrastructure projects.

The point that only great infrastructure projects have the potential to create enough new jobs to avoid a collapse of industry, was addressed in Berlin in mid-June at the annual convention of the German construction industry association.

A resolution addressed to the 15 European Union transport ministers that convened in Luxembourg on June 20, stated that having only one of the 14 priority infrastructure projects of the European Union (the Trans-European Nets program, or TEN) in eastern Germany, fails to take into account the need to develop the economies of the former East. The one project is the future international airport in Berlin. More such projects for eastern Europe are needed, it said. It called on the EU to include the "rail route between Berlin and Moscow" in the TEN priority list without further delay.

The convention also welcomed the call in the keynote address on June 15 by Thomas Rogge, president of the FIEC, the European federation of the national associations of the construction industry, for an acceleration of the TEN program, which includes 34 projects altogether, of which only 14 have been approved officially by the EU to date. The FIEC already a year

ago drew EU-wide attention when it gave its full support to the Delors Plan (the TEN) as a "crucial incentive" for the creation of new, long-term construction jobs in EU member states. The FIEC explicitly endorsed a "substantial state role to bridge at least the period from the initial investment and construction phase to the later remunerative phases."

Rogge said that the TEN program, one of the prime incentives of the European economies with its investment volume of ECU 100 billion, needs to be realized quickly to keep its catalytic role. Without this program, which is creating up to 200,000 construction jobs directly, plus 400,000 in supplier industries, the capacities of the construction sector, which are now idle, would collapse in the overall economic depression, he warned.

The FIEC message was heeded at the EU transport ministers meeting. On June 20, German Transportation Minister Matthias Wissmann said that the meeting had been very productive in removing numerous bureaucratic obstacles from the TEN program. Most important for the Germans, Wissmann said, was that the ministers for the first time agreed to list the "technology of the future, the magnetic-levitated train," Germany's Transrapid, in the official TEN guidelines for the realization of the "Trans-European Rail Grid." After months of struggle inside the EU bureaucracy, the first Transrapid project, which will connect the two biggest cities in Germany, Berlin, and Hamburg, has been included in the list of priority projects.

The Berlin-Hamburg project opens the door for a future grid of maglev lines across Europe; the great potential of this new technology, which allows travel at speeds of 500 km per hour, lies in eastern Europe. The eastern states have invested little in their rail grids in the last years, which, ironically, now gives them the opportunity to bypass investment in outmoded high-speed trains on rails, and to jump ahead to the more advanced maglev technology.

This point has been addressed by Albrecht Braemer, chief manager of the economic development agency of the (eastern German) state of Brandenburg. In a commentary in the daily *Die Welt* on June 21, headlined "The Transrapid Shall Also Run to Eastern Europe," he wrote that "the Transrapid maglev train is a prime pillar in a future-oriented concept of transportation. In my view, this means that the planned service on the route Berlin-Hamburg can only be the prelude to a European-wide system which has its central point in the Berlin-Brandenburg region."

"Thus, I could imagine," he wrote, "a Transrapid route along the Baltic coast from Berlin to the big industrial zones of Szczecin and Gdansk in Poland, to the Russian industrial centers of Kaliningrad and St. Petersburg. In the context of a broader integration of the neighboring eastern states into all-European cooperation, such a Baltic line could form the basis for the development of the transportation grid of the future growth regions on the southern coastline of the Baltic Sea."

Braemer added that maglev could also be used for the transport of commodities, which would be stored in special containers. This would make the Transrapid attractive for grand-scale continental transport of goods between the West and the East.

# Business Briefs

## Labor

### Virginia education poor, German employers say

Walter Kunerth, executive vice president of the Siemens automotive systems division, complained to Virginia Gov. George Allen during Allen's trade mission to England, Sweden, and Germany in early June, that Virginia's education is so lousy that German employers have to retrain workers to bring them up to the level required for basic industrial work, the June 14 *Richmond Times-Dispatch* reported.

The complaint reflects the insanity of the Conservative Revolution's cheap-labor policy. Allen, whose first stop was a private meeting with former British Prime Minister Margaret Thatcher, is in Europe to tempt European firms to re-locate to Virginia from such skill centers as New England, offering low wages and no unions as incentives. The fact that a low-wage workforce is also an unskilled workforce is apparently beginning to sink in with German employers, who pointed out to Allen that German workers typically get six weeks of vacation and earn one-third higher wages than their American counterparts.

## Fusion Energy

### Omega lights up at over 50 terawatts

The University of Rochester Laboratory for Laser Energetics successfully initiated operation on schedule in early June of their Omega glass laser, by shooting upwards of 15 laser shots. The Omega is now the world's most powerful system for research on laser pellet fusion.

The 60-beam laser produced 37,000 joules of ultraviolet light energy in less than a billionth of second. This was well beyond the projected design energy of 30,000 joules. The system was completed under contract to the U.S. Department of Energy and is designed to explore scientific issues involved in "direct drive" laser pellet fusion targets.

Net energy-generating laser fusion sys-

tems, or what are termed officially National Ignition Facilities, are now being planned for both the United States and France. These systems will utilize lasers in the million-joule range. A 100-kilojoule laser is being designed at the United Kingdom's Aldermaston Laboratory. Among the types of laser pellet targets to be tested with the Omega laser are cryogenic spin polarized fuel pellets first proposed by the Fusion Energy Foundation in the early 1980s.

## Economic Policy

### Free trade is destroying France, says Allais

Nobel Prize winner for economics Maurice Allais said that "protectionist" policies are urgently needed to deal with the priority problems of "unemployment and public order," in a commentary in the June 13 Paris daily *Le Figaro*.

The adoption by the European Community over the past 20 years of a "globalist free-trade policy," coupled to "floating exchange rates and the deregulation of the capital markets," has engendered "instability and unemployment. It has disaggregated our industrial fabric, in a continued and persistent manner, and it has considerably reduced the rate of growth of our living standards," he said.

Allais commented, "The perversions of socialism have brought about the collapse of the societies of the East. But the *laissez-fairiste* perversions of the professed liberalism of the last 20 years, have led us to the brink of the collapse of French society."

Allais attacked the "globalists" (who seek out the cheapest labor markets) as "*chienlit mondaliste laissez-fairiste*," which, in approximate English, would be, "one-worldist shit-head who believes in absolute non-intervention into the economy."

"It is said every day, that there is nothing to do, in the face of the extraordinary strength of the global monetary markets. But these markets are only manipulated by the 'golden boys' who, within the large banks, have as their mission the realization of profits, by speculating on currencies, by means of payment created *ex nihilo*, and by unleashing, by their action, massive variations in the rates of exchange. It

is completely wrong to insist that we can do nothing against the irresistible movements of capital that they unleash. In reality, it would suffice that the big powers adopt legislation forbidding banks to speculate on their own account, which is perfectly possible, so that massive and destabilizing speculation becomes impossible."

## Germany

### Truck traffic could double in 15 years

The number of trucks from eastern and central Europe crossing Germany has leaped tenfold since reunification in 1990, causing massive traffic jams which the Germans call "stau" [jam], a harsh word that has come to have political as well as economic connotations," according to the June 9 *Journal of Commerce*. The German Transport Ministry reports that trucks carried 14 billion metric ton-kilometers on German roads in 1993, three times the number of 1980. The ministry expects the 1993 figure to double in the next 15 years.

The ministry plans to triple the motorway toll on trucks, from the present \$1,180 a year, to about \$5,000 a year. The new toll will bring in an estimated \$1.4 billion, which the ministry would like to use to improve intermodal terminals, especially those providing links to inland waterways, and to help develop more coastal shipping.

## Middle East

### Iran, Jordan expand economic cooperation

Iran and Jordan signed a number of agreements on trade and transport during the visit of Iranian Trade and Industry Minister Mohamed Riza Nematzadeh to Amman, Jordan in the second week in June, the Iranian daily *Ettelaat* reported on June 13. The minister was in Jordan to head the Jordan-Iran joint committee meetings on the expansion of mutual economic cooperation.

Jordan's King Hussein commented that

## Briefly

the first joint economic commission would help expand, especially, scientific, technological, and economic ties. Reports indicated that the two nations hoped to double their current volume of trade.

An informed source in Jordan told *EIR* that committee participants signed agreements on land and naval transport, increasing the volume of trade, and exchange of expertise in infrastructure construction. The source quoted the chairman of the Jordanian Chamber of Industry, Khaldoun Abu Husam, saying that "Iran wants to improve its relations with the countries of the region, especially Iraq, Jordan, 'Palestine,' and certain Gulf states." He added that "Iran's approach toward the political reality in the region is changed."

Jordanian Trade Minister Ali Abu Ra-gheb, who met with Nematzadeh on June 10, said that "there were areas of cooperation between Teheran and Amman such as power, telecommunications, and other strategic fields," *Ettelaat* reported on June 13. Nematzadeh underlined Iran's potential to carry out industrial projects, and proposed Iran-Jordan cooperation in this area.

### Pakistan

#### Bhutto defies budget dictated by the IMF

Pakistan's Prime Minister Benazir Bhutto said her government had debated whether to go for a tough budget, as demanded by the International Monetary Fund (IMF), or ease the burden on ordinary people. "It was decided that this year is a year to breathe," she said, Reuters reported on June 17.

Bhutto responded to the IMF's criticism that the Pakistani budget was not in line with the agreement reached in March for the release of a structural adjustment loan. "We believe in slow reforms so that there is not much burden on our people." She said that reducing the deficit to 4% would have involved levying another \$709 million in taxes. "There is no question of a collapse of the agreement," but Pakistan wanted to move slowly, she said. An unidentified "opposition spokesman" said Bhutto's government had virtually abandoned the IMF's stabilization strategy.

Pakistan's 1995-96 budget is not compati-

ble with an accord reached earlier this year with the IMF, an official from the Fund said on June 15. The IMF negotiated an agreement with Pakistan in March for the release of a structural adjustment loan under a three-year, \$1.5 billion program begun in February 1994. The second year's lending had been delayed because Pakistan failed to meet earlier targets. The IMF had been waiting for the budget released on June 14 before deciding whether to release the loan.

"Macro-economic stability and structural reforms remain our goal but the pace of adjustment has been modified to suit our own conditions," said V. A. Jafarey, Bhutto's adviser on economics. "Inflation would have gone up to 30% [from 13%] had we implemented the two IMF conditionalities," said Bhutto after the bill was presented to parliament.

### Italy

#### Five high-speed rail projects outlined

An outline agreement for five national high-speed railway projects in Italy was signed in Milan on June 12 between Italian Transport Minister Giovanni Caravale and the chairman of the state railways, Lorenzo Necci. The total investment required will be 70,000 billion liras (about \$45 billion), the German economic daily *Handelsblatt* reported on June 14.

The five railway lines will be Rome-Naples (already under construction), Milan-Florence, Turin-Lyons, Turin-Milan, and Milan-Genoa. The projects will be built by a private investors group, TAV (Treno Alta Velocita), in which Germany's Deutsche Bank is involved. Unlike the French TGV railway grid, Italy's grid is not only designed for passengers but also for the transport of goods inside the country as well as for trans-alpine transfer into the rest of Europe.

TAV will shoulder 60% of the investment, and the Italian state railways 40%. The state is also giving guarantees for the loans which the private investors will take out from banks for the projects.

● **SOUTH KOREA** has agreed to provide 150,000 tons of rice to North Korea free of charge, Reuters reported on June 17. Chun Kum-chol, a vice ministerial official from the North, agreed in principle that Pyongyang would accept Seoul's aid.

● **FRENCH** President Jacques Chirac urged an acceleration of the 14 grand infrastructure projects in the Delors Plan, saying they are vital for the reduction of jobless rates. The plan must not be allowed to share the fate of the Loch Ness monster, which is often talked about, but has never materialized, Chirac said on June 9.

● **MOLDOVA** has suffered drastic cuts in consumption in the past five years, according to a report by the Economic Ministry, *Agra-Europe* reported on June 12. Consumption of meat per capita dropped from 58 kg to 30 kg per year, milk from 303 kg to 118 kg, and fish from 12 kg to 1 kg. More than half a million people are undernourished.

● **SLOVAKIA** will get help from Russia in building a nuclear power plant in Mohovce, Russian Atomic Energy Minister Viktor Mikhailov said in London on June 12, the German press agency DPA reported. Mikhailov signed an agreement with the European Union for ECU 76 million for Russia to modernize three nuclear plants.

● **RUSSIA** is experiencing drastic price hikes, *Agra-Europe* reported on June 12. In May, food prices went up 8.8% and prices for industrial goods 5.6%, according to the State Committee for Statistics. From January to May, consumer prices rose 67%.

● **ISRAELI** Foreign Minister Shimon Peres told Israeli radio on June 15 that he was working on three projects to boost the economy of the Palestinian self-ruled areas, including building 100,000 housing units, training for high-level technical jobs in Israel, and constructing industrial parks on the border to provide employment for Palestinians.

## The strategic shift in Bosnia and Croatia

by Michael Liebig

The situation in Bosnia and Croatia is marked by a strategic shift. It had become obvious, at the very latest by the beginning of May, that the Serbian forces in Bosnia and Croatia had been put on the defensive strategically. Last November, the Serbian attempt to inflict a decisive defeat upon the Bosnian Army in and around Bihac had run aground. That played out the last possibility for them to consolidate the Serbian conquests of 1992-93. The Bosnian people and their leadership have—amid unimaginable sacrifices and with unbelievable courage—built up an Army which has now grabbed the military initiative away from the Serbians. All along the nearly 2,000-kilometer front line in Bosnia, the Bosnian Army is undertaking more and more offensive operations against segments of the front, and with ever-increasing frequency. For the most part there have been no spectacular conquests of terrain, but cumulatively, more and more of the Serbian-occupied zones are being won back.

### The military situation

The Serbian units are numerically too weak to stand up against the plethora of often simultaneously mounted Bosnian attacks. The Serbian infantry units are laboring under serious problems in their fighting morale. Only the continuing, massive artillery superiority of the Serbians has prevented deeper breaks in the front, long since. Here it is once again very clear that the United Nations weapons embargo imposed by Great Britain was from the outset a deliberate measure taken in support of the Serbian aggression against Bosnia and Croatia, after those nations declared their independence from the former Yugoslav confederation. Meanwhile, in the liberated zones of central and northeast Bosnia, a significant production of infantry armaments and grenade-launchers has been built up, which supplies the more than 200,000 Bosnian soldiers

to some extent. Some matériel also succeeds in getting into Bosnia from outside, despite the weapons embargo, but no heavy equipment. Since grenade-launchers only have a short range, the long-range Serbia artillery has continued to inflict heavy losses on the Bosnian soldiers—and civilians as well.

Since early May, the Bosnian Army in the area around Tuzla, in central Bosnia, and in the Sarajevo region, has won back important Serbian positions. In the Sarajevo region it is primarily a matter of a slowly progressing “encirclement” of the Serbian besiegers, and only secondarily a “blowing up” of the siege ring from the inside. In this, an important role is being played by the collaboration between the Bosnian Army and the Bosnian-Croatian HVO formations. The HVO has significant artillery forces at its disposal, which are also already being deployed in the “Battle of Sarajevo.” The Bosnian Army is striking against the Serbian besiegers from the southwest and north, while the center of gravity of the attack lies outward from the encircled battlefield in a southerly direction—toward Gorazde. The Battle of Sarajevo may well last for months, but the Bosnian leadership is determined not to allow a fourth winter under siege for Sarajevo’s war-weary population.

The most dangerous situation is that of the Serbian offensive formations in the far northeast of Bosnia. The author has just had the opportunity to get a personal overview of that situation. In Possavina, the Serbian supply corridor from Serbia to the Serbian-occupied regions of western and central Bosnia, as well as those in Croatia, is only a few kilometers across. Between Orasje and Gradacac the corridor could be cut through, but it is not certain whether the blockade could hold up long against massive Serbian artillery bombardment. The Possavina corridor is so important for Serbia, because the occupied territory under the rule of “Bosnian Serb” chief-



tain Radovan Karadzic is not economically viable. Hence the Serbian forces in Bosnia and Croatia are dependent on deliveries of weapons, munitions, fuel, and food from the Serbian regime in Belgrade. Despite contrary assertions from Belgrade, this supply line runs on full steam and has never been interrupted.

The main problem of the liberation strategy of the Bosnian leadership is the Bosnian "enclaves" in southeastern Bosnia, namely Gorazde, Sepa, and especially Srebrenica. In the besieged area of Srebrenica there are some 60,000 people. While it is conceivable that Gorazde and Sepa could be liberated by the Bosnian Army, the Serbians, if their military situation were to further worsen to the extent expected, could take Srebrenica by storm.

In that case it would be practically certain that the population which is trapped in there, would be massively slaughtered. It is difficult to conceive how, without external military support, a mass murder in the worst Nazi style could be prevented. It was precisely with the situation in Srebrenica and the other Serbian-encircled cities in mind, that the appeal which Lyndon LaRouche directed to President Clinton on June 14, 1995 should be understood, in which he proposed immediate American precision air attacks to destroy the heavy Serbian weapons in Bosnia (see *EIR*'s June 24 issue, p. 39).

### **The character of the Serbian soldiery**

In the observation of the Serbian units in Bosnia and in the occupied zones of Croatia, it becomes very clear that this is not an "army" in the normal sense of the word. The Serbians depend on good weapons, especially artillery, but most of the units in the infantry division are a very low level of fighting force. It of course looks different when they are marching against weaker soldiers who have been largely beaten down by artillery, and especially against Bosnian civilians. The author recently had the opportunity to see former Serbian military barracks in Stara Gradiska. The barracks were abandoned when the occupants fled during the Croatian military actions to free West Slavonia at the beginning of May. The conditions we encountered are barely conceivable for former members of the armies of either NATO or the Warsaw Pact. The hygienic conditions, the state of the sleeping quarters, and the residues of alcohol and drug consumption defy all description. It was immediately clear that the Serbian military units in Bosnia and Croatia resembled much more the soldiery of the Thirty Years' War than any European army of the 20th century.

That was also manifest during a visit to the liberated villages in West Slavonia, which had been occupied by the Serbians for four years. These villages were totally "ethnically cleansed" in 1991, i.e., the Croatian population was killed or expelled. Since the Serbs lacked the human potential to resettle them, most of the villages were turned into almost depopulated, plundered and wasted "ghost towns." There

was no reconstruction of any kind to be observed in the last four years of Serbian occupation.

### **The psychological state of the population**

Despite the long-lasting, unspeakable sufferings of the Bosnian population, a grim determination may be perceived there, to hold out and to drive the Serbs bit by bit out of the country. There is a feeling in the Bosnian population that the low point for Bosnia has been crossed. Despair is slowly giving way to a certainty of triumphing in the end. In this, people are only trusting to their own forces, because the disgust for the attitude of especially Great Britain, but also of Russia and France, can scarcely be described. Toward the United States and Germany, alongside gratitude for their help, an enormous disappointment and bitterness has become widespread. The U.N. leadership and the Anglo-French Unprofor "peacekeeping" troops are viewed as factional allies of the Serbian aggressors. Above all, the stationing of the Anglo-French "Rapid Reaction Force" in central Bosnia, between the Bosnian and Bosnian-Croatian alliance lines and the military production sites, is deemed an attempt to hinder the Bosnian military operations. On the other hand, there is high respect for individual Unprofor soldiers and United Nations High Commission on Refugees spokesmen, who, in contrast to their political and military higher-ups, often take great risks in order to help the people with food and medical supplies. In Bosnia and Croatia the dominant impression is that the Unprofor strike forces will have left the Balkan countries by the onset of winter. It is often doubted whether the Unprofor evacuation will be carried out in as orderly a fashion as is generally presumed. In fact it cannot be ruled out that for Great Britain, the way is being paved in Bosnia for a "second Suez disaster." In 1956 the Anglo-French attempt to violently seize the Suez Canal, was forced to a most humiliating halt.

### **The situation in Croatia**

Also in Croatia, the mood has changed. Certainly the key factor has been the operation at the beginning of May to retake West Slavonia, which was carried out with the maximum military efficiency. There can be no doubt that Serbian dictator Slobodan Milosevic held back, and that he had signaled to Croatian President Franjo Tudjman that he could put up with the loss of these areas—in contrast to the other occupied territories. The Tudjman government and the ruling HDZ party can only be understood as "institutionalized coexistence" of completely contrary objectives. For the moment, therefore, we will set aside domestic and especially, economic, policy issues. These contradictions, bordering on schizophrenia, are particularly evident in the case of Tudjman himself. The so-called Hercegovina Group in the government and HDZ around Defense Minister Susac, has all along been angling for a deal with Milosevic to carve up Bosnia, even though this is publicly denied. But the majority of the HDZ

party, led by Tudjman, is for the strategic alliance with Bosnia and the serious realization of the "Washington Accord" for a Croatian-Bosnian alliance. This position has been consistently represented by the Croatian opposition. The opposition includes the HND party of the former chairman of Parliament, Stipe Mesic, the former HDZ leader Josip Maolic, and the former Defense Minister Martin Spegelj; the regionally influential Liberal Party; the Christian Democrats under Marco Veselica; as well as a number of well-known, strong personalities from Croatian intelligence, who do not have party affiliations. Also the leadership of the Catholic Church under Cardinal Franjo Kuharic, along with Cardinal Pulic in Sarajevo, are unanimously for the Croatian-Bosnian alliance.

### **The winning back of West Slavonia**

The military operation for the reconquest of West Slavonia, carried out with the highest precision, proved the sharply increased fighting strength of the Croatian Army. Also the quantity and quality of weaponry has clearly improved. As for the Croatian population, one senses, that after nearly four years of helplessly standing still while the Serbian invaders marched in and seemed to consolidate more and more regions of the nation under their control, now confidence has returned. This mood among the Croats, it goes without saying, is also affecting the Tudjman government. I hold that further Croatian military operations against the Serbian occupiers are probable. One has to consider that the Serbian lines reach into Croatia as close as to 40-50 kilometers from Zagreb, the capital. From this region in central Croatia, south of the Sisak-Karlovac Line, Serbian short-range rockets have even been fired on Zagreb. Important for the further development of the situation in Croatia and Bosnia is the advance of the Bosnian-Croatian HVO units toward the "capital" of the occupied region of Croatia, Knin. The HVO has pushed so far in the direction of Knin that the strategically important road linking Knin to Banja Luka, the center of Serbian-occupied Bosnia, could be broken at any time.

The "shift" in Bosnia and Croatia sketched here, should in no wise lead anyone to jump to flippant conclusions. The almost incomprehensible sacrifices, for those outside, which have been brought upon the Bosnian people and also those of Croatia, are by no means at an end: quite the contrary. But the victims of the aggression are no longer unarmed victims, who must practically await their own annihilation helplessly. Already the Serbian aggression in Bosnia and Croatia has been "rolled back." A decisive military action by the United States from the air, and the lifting of the arms embargo against Bosnia, could bring the war to a rapid end. The political result of that would be that London would be forced to look reality in the eye: British geopolitical warfare in the Balkans, which first was waged against Germany and then against the United States, has failed. Belgrade would be forced to see that the "Greater Serbia" war of annexation has failed, and then, finally, it could agree to real peace talks.

## **Vatican hits 'imbalance' in Beijing draft**

*On June 20, Joaquín Navarro-Valls, the Holy See Press Office Director, held the first briefing on the U.N.-sponsored 4th World Conference on Women to be held in Beijing on Sept. 4-15. He spoke on the Draft Platform for Action and outlined the themes that will be discussed. Following are excerpts from the briefing, as provided by the Vatican Information Service:*

This 4th conference will deal with topics such as dignity, the rights and the roles of women in every aspect of social life, equality and human development. The point of departure for every other consideration for the Holy See is the human dignity of women, which is the foundation for the concept of universal human rights recognized by the United Nations Charter.

The document that will be discussed in Beijing—"Proposals for Consideration in the Preparation of a Draft Declaration and the Draft Platform for Action"—favors the operative aspects of the diverse topics. The Holy See shares this definition: The dignity of women in too many social and geographical contexts is far from being fully recognized.

At the same time, the Holy See sees in this document pressure of an ideological character which seems to want to impose on women all over the world a particular social philosophy belonging to some sectors of western countries.

If, on the one hand, the document wishes to liberate women from certain cultural conditioning, on the other hand it seems to wish to impose a western model of female advancement which does not take into account the values of women in the majority of countries of the world.

**The Dignity of Women and Universal Human Rights.** One has the right to think that the unanimous goal in Beijing will be to attain a common operative effort for the defense of the dignity of women and the promotion of their universal human rights. Incidentally, it becomes paradoxical and incomprehensible that the word "dignity"—referring to women—appears systematically within brackets throughout the document. In the same way the term "universal" is placed in parentheses when referring to the human rights of women.

One reason among many for which the Holy See has insisted that the Platform for Action include some reference to the universality of human rights is that women in many countries do not enjoy the human rights recognized by the International Declarations. We think that it is not possible to promote and defend that which has not been defined. If

every country limits itself to promoting generic rights of women not defined on an international level, then this conference will not represent any progress in the area of human rights for the majority of the world's women.

**Lack of Continuity with Respect to Previous International Documents.** In many places the Document does not respect continuity with precedents and often with United Nations Declarations. For example, paragraph 12, whose inclusion was proposed by the Holy See Delegation, appears in parentheses, even though its contents come from the World Conference on Human Rights (Vienna 1993). We retain that when one speaks of Human Rights there should be a general consensus on their content and, possibly, reference to international documents.

A similar reservation should be expressed on paragraph 107 j which, as it is formulated, intends to suppress the affirmation "In no case will abortion be promoted as a method of family planning," an affirmation adopted by consensus at the International Conferences in Mexico City (1984) and Cairo (1994).

**Ideological Unbalance.** The recurrence of some concepts illustrates in some way the tacit social philosophy of the Draft Document. One can cite as an example that the term "gender" appears around 300 times; "mother/motherhood" appear fewer than 10 times, while the terms "sex/sexual/sexuality" appear about 100 times. From this point of view the document appears to be extraordinarily unbalanced.

This ideological unbalance is more evident, for example, in the section that proposes the defense of women's right to health. While the document talks 40 times of health problems related to sexual life (AIDS, reproductive health, sexually transmitted diseases, fertility control, etc.), only in two cases are tropical diseases mentioned. Still, the World Health Organization estimates, for example, 4 million cases of HIV infection in 1994, while the same World Health Organization estimates the cases of tropical diseases during the same period as hovering between 650 and 850 million.

**Linguistic Ambiguity.** . . . The ambiguities of international language are often a way to avoid a concrete will to carry out what is expressed.

Some terms in the document are often vaguely defined: "sexual orientation" and "lifestyle" lack a precise definition, and moreover, no juridical recognition in an international document exists for either one. This semantic and conceptual ambiguity could lead one to consider, for example, pedophilia as simply a mode of "sexual orientation," thus easily acceptable as a "right." The term "sexual orientation," proposed by some western countries, was not accepted by developing countries.

**Some Aspects of Particular Interest. Violence against Women.** The Holy See shares the emphasis that the Platform for Action places on physical, sexual, psychological, and moral violence against women. For the Holy See this topic is a priority.

The Holy See would like, however, a more decisive and radical condemnation of every kind of violence, also psychological, perpetrated against women, including forced sterilization, forced use of birth control or inducement to abortion. The Holy See has always expressed its deep worry regarding the number of women made objects of systematic sterilization plans which take place especially in developing countries.

The Holy See Delegation proposed that these practices be included in paragraph 115 among the violations of the rights of women. Some delegations have wanted to put this proposal in brackets.

In paragraph 40, the Holy See Delegation would like to have added to the list of attacks against young girls—limits to access to food, to education and to health care—also the denial of the very access to life ("and even life itself").

**Family.** Surprisingly the theme of family and motherhood receives scarce attention and little space in a document of nearly 120 pages on women. Already in Chapter II the concept of the family as "the fundamental unit of society. . ." is placed within brackets, in contrast with the Universal Declaration of Human Rights, art. 16,3. In fact, all of paragraph 30 goes to Beijing in brackets.

On the topic of the advancement of women, the Holy See certainly shares the emphasis on the importance of their full participation in all the activities of social life. Nevertheless, it goes against all evidence to think that this emphasis should cancel the unique role of women in the family: a role that does not exhaust all the personal resources of femininity but that however is specific to women. Obviously this point of view is shared by the immense majority of women all over the world and by the societies to which they belong.

Juridical regulations on the family should guarantee to women also the fundamental right to be mothers. Indeed laws should create conditions—environmental, legal, economic, etc.—favorable to the practice of motherhood. Perhaps the moment has come to affirm that the struggle for equal dignity between men and women implies also recognizing for women their being different and their being treated in a different way.

It is the conviction of the Holy See, as has been recognized already in Copenhagen, that the work of women, today not remunerated, should be recognized adequately; work that nevertheless holds a particular social value. None of this is mentioned in the Beijing document.

**Emigration.** The Holy See attributes great importance to the rights of emigrant women. . . . This topic has already gathered ample consensus at the Conference in Cairo.

The Document addresses this theme in various places. It is nevertheless the opinion of the Holy See that the attention is insufficient, as are also insufficient the proposals suggested, which seem to represent a step backward with respect to Cairo.

# The ashes of Chechnya and the jewels of the British Crown

by Roman Bessonov

*The title of the article is the author's allusion to the title of Andrzej Wajda's film, "Ashes and Diamonds."*

It is becoming a rule that any visit of the British royal family to Russia coincides with a catastrophe. The queen's visit in October 1994 fell in between the banking crisis masterminded by Vladimir Gusinsky's Most Bank, and the beginning of the massacre in Chechnya. Princess Diana arrived at the Russian capital shortly after the capture on June 14 of hostages by a Chechen force in Budyonnovsk, Stavropol Territory, shook the country.

The Russian liberal mass media chatter that the princess was eager to visit Russia for a long time, but Buckingham Palace would not let her go before the queen herself (whose visit took place last winter). In any case, the British Crown chose a very specific time for her voyage, coinciding also with the opening of the Halifax summit and new war preparations in former Yugoslavia.

The princess, accompanied by Vice Premier Yuri Yarov hovering around her as an obedient servant, visited the Bolshoy theater and the Tushino pediatric clinic that is under her patronage. I wonder if she was aware, talking with the children, that some other children in the same Russia, were waiting for death at the hands of Chechen commandos, in the hospital at Budyonnovsk. Reporting the princess's arrival, Gusinsky's NTV program sighed with sincere regret that "Lady Di," as they called her gently, was left unnoticed by the Russians whose attention is drawn to the events in the Stavropol region. Poor thing!

The British connection of the tragedy in Budyonnovsk was really left unnoticed. Not a single analyst attempted to link the terrorists' actions with events in the world arena. The blood spilled in the Caucasus during the 1990s has a strong smell of oil. The events in Budyonnovsk are no exception.

## **A new sacrifice to the idol of oil**

A week before the tragedy in Budyonnovsk, the Russian and international media reported on a new oil-extraction consortium for exploiting Caspian Sea shelf deposits. A new oilfield called Karabakh (same as the war-torn Armenian province) and discovered later than the Guneshly, Chirag, Azeri, and Shakh-Deniz that are controlled by the British Petroleum-led consortium, is to be shared by the Russian

firm Lukoil (32%), Italy's Agip, Pennzoil of the United States, and the GNKAR State Co. from Azerbaijan.

Even more important, the new consortium announced plans to ship oil from Azerbaijan through Chechnya and Stavropol Territory, to the port of Novorossiysk on the Black Sea, according to Interfax. Of course, the Russian transit route could not satisfy the organizers of the older project, which plans transshipment through Turkey.

Thirdly, Turkey was most annoyed by another Russia-originated project, discussed at the same time, for a Bulgarian-Greek oil pipeline from Burgas to Alexandropolis, which would deliver Baku (Caspian Sea, Azerbaijani) and Kazakhstan oil to the Adriatic Sea, bypassing Turkish territory. This project appeared after Turkey increased the tax for passing through the Bosphorus. At the same time, this project could compete with the Odessa-Brody-Novopolotsk-Ventspils version, an oil route from the Black Sea to the Baltic, which seems to have been designed rather for creating an Arc of Crisis than for transporting oil (see *EIR*, April 28, p. 60; May 5, p. 35).

Then, in a recent interview, President of Lukoil Vahid Alekperov mentioned that "his" oil was to be transported to "Germany, Bosnia, and other countries." British strategists had to be annoyed at being listed as just an "other country," especially after Germany and Bosnia.

The easiest way to disrupt Lukoil's plans was to create such tension in the Chechen-Stavropol direction, that any business there became impossible. And the best person for fulfilling the terrorist assault was Chechen leader Dzhokhar Dudayev's most trained commando, Shamil Basayev.

## **Basayev's record**

Shamil Basayev is well known in the Caucasus. He is particularly infamous in Georgia, as leader of the Abkhazian riots that swept the Georgian troops from Sukhumi in 1992, reducing the wonderful health resort into ruins. He is a fanatic who is able to fight for any side under an Islamic banner. Like much of the Chechen elite, he studied in Moscow, enjoying the equality in access to education that existed for national minorities in the Soviet Union.

Basayev had come to Abkhazia as a representative of the Confederation of the Caucasian Peoples. At the time, Abkhazia was dominated not by its President, Vladislav Ard-

zinba, but by the underground Tesiyev clan, a mafia family based in the part of Cyprus occupied by Turkey.

Since late 1994, anti-Georgian attitudes have again been provoked in Abkhazia. The so-called "national intelligentsia" issued papers and leaflets from which one could easily guess the background of the events: Some British professors, as well as United Nations authorities, suddenly started supporting Abkhazia against Georgia. In May, a Congress of the "Abkhaz-Abazin people" was held in Turkey. So-called "anti-fascists" from Moscow tried to provoke the opposite side, organizing the Armenian, Kurdish, Bulgarian, and Greek diaspora in Moscow against Turkey.

So, Russian sources are right when they note that the tragedy in Budyonnovsk was well prepared. It's been in preparation for a long time, since the very first projects of Black Sea oil transportation were discussed and calculated. And this is not the last tragic episode in the region, irrespective of the outcome of the talks between the Russian officials and Chechen militants.

### **Chechnya: wastebasket of careers**

Unfortunately, the violently anti-American and pro-Serbian, often misled activists of the Russian opposition are right, when they say that the Chechnya question is widely used against Russia in the West. But inside Russia it is also used, against politicians who formerly had some connections with Dudayev's regime.

The Chechnya disaster not only contributed to a mood of hopeless despair and left thousands of families homeless, led to a mass rejection of military service, and fed the rage of orphans who can make up a new generation of terrorists, thieves, and beggars. It has also greatly boosted Prime Minister Viktor Chernomyrdin's political career.

We know how much the Russian oil trading elite was interested in the war in Chechnya. But that is evident for specialists, not the common people. They never saw the prime minister either appealing to combat Dudayev's troops, nor defending the Chechen people from the cruelty of the Russian Army. He managed somehow to say almost nothing on the subject of the war.

Some other politicians, lacking "apparatus experience," appeared to be too self-assured to use the Chechnya disaster for their personal needs openly. It was clear that Gen. Pavel Grachov, minister of defense, would gain no popularity as an unsuccessful warrior, also sharing responsibility for the equipping of Dudayev's forces with Russian arms. But Yegor Gaidar and Grigori Yavlinsky also gained nothing from opposing the "intervention" of the Russian troops. After the tragedy in Budyonnovsk, the public attitude toward backers of Dudayev, on both the right and the left, is likely to worsen. Kovalyov and Yushenkov, human rights advocates for the Dudayevites and members of Gaidar's parliamentary faction, could try to save the authority of the liberal leaders if they went to Budyonnovsk and succeeded in negotiations with the

terrorists. But this risky business is not for them. Probably they prefer to wait till the Russian hostages are murdered, and then accuse the Russian leadership through Radio Liberty.

Gen. Aleksandr Lebed's resignation was officially announced only after Basayev's commandos captured the civilians in Budyonnovsk. No doubt Grachov wanted to remind Russians of Lebed's anti-war rhetoric in November 1994, when the ambitious commander of the 14th Army was running for minister of defense.

Two other generals, also ambitious and evidently eager

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to run for the Presidency, Yevgeni Shaposhnikov and Boris Gromov, can obviously "thank" Dudayev for their personal political failures. Gromov demonstrated his preference for his career over the national interest, when he opposed Grachov in November 1994; he was also exposed as an instrument of the Most Bank group, which was promoting him as an alternative to Grachov. Shaposhnikov, who became the liberals' candidate for the Presidency thanks to the efforts of Aleksandr Yakovlev and Galina Starovoitova, was accused of selling arms to Dudayev, together with former Prime Minister Gaidar. These accusations were put forward by Sergei Shakhrai, a person no less responsible for the crisis in the Caucasus, but smart enough to shift his support to Chernomyrdin just in time.

Yuri Luzhkov, mayor of Moscow, was obliged by Dudayev's threats of terrorism in the Russian capital to turn anti-Chechen. He ordered measures to be taken for reinforcing security in Moscow. But General Kulikov, commander-in-chief for the Chechen operation, repeats again and again that Dudayev is still getting financial support from Gusinsky's Most Bank, and the Gusinsky-Luzhkov relationship is familiar even to a Muscovite who does not read papers. The banking group's headquarters are in the building of the Moscow mayoralty!

Yakovlev, the "perestroika architect" in Gorbachov's Politburo, and his close associate, ex-State Secretary Gennadi Burbulis, can say goodbye to their political prospects. Burbulis was one of those who brought Dudayev to power, which he confessed himself last November; Yakovlev, as chief of the Ostankino TV Company, was too critical of the President

during the autumn 1994 government crisis, and he was exposed by *Rossiyskaya* as participating in Luzhkov's conspiracy against Yeltsin. Not quite believing in his failure, he invited recently fired (also for backing Luzhkov) Federal Counterintelligence Service Gen. Yevgeni Savostianov to the congress of his newborn Party of Social Democracy. After this, even the advocacy of presidential chief of staff Sergei Filatov could not help him. In icy tones, the President "advised" him to choose between a political and an administrative career. It was already clear he would lose both, and he did.

The career of another major TV official perished in early June. Bella Kurkova, the most prominent liberal mouthpiece of the early 1990s, head of the St. Petersburg TV Company, successfully hid her corruption under violent anti-fascist demagoguery until recent weeks. But after Chernomyrdin became leader of the "party of power," with the creation of his "Russia Is Our Home" political block this spring, she was first deprived of the state property which she got accustomed to use as her own, and then fired. Her weeping in Chernomyrdin's office was in vain. Her last attempt to avoid dismissal was a visit to General Korzhakov, head of the President's Security Service. This didn't help her, but it made clear for everybody that for many years she got unofficial support from the state structure she attacked most of all—from the former KGB.

Analysts attribute her long-awaited removal to overly overt sympathy for Gaidar and to Chernomyrdin's plans to use the St. Petersburg TV channel for his own party purposes during the election campaign. This does not, however, explain President Boris Yeltsin's indifference to the only TV company chief who has always been loyal to him. Again, the Chechen trace is the only possible explanation. In the early 1990s, Kurkova, too, actively promoted the first leadership of independent Lithuania, who now support Dudayev; and last autumn, the St. Petersburg TV journalists admired too much Sergei Kovalyov, and whined about human rights violations by the Russian Army. Aleksandr Nevzorov, the famous TV reporter and Orthodox patriot fired by Kurkova in late 1993 for supporting the Supreme Soviet of Russia, now issues his weekly program on the Ostankino channel, encouraging the Russian Army in Chechnya. Kurkova was not clever enough to call Nevzorov back to her company, which might have saved her better than weeping before Chernomyrdin and Korzhakov.

So, Chechnya has become a sort of banana peel on which a vast group of Russian politicians stumbled, carrying their political parties into the mud as they were falling themselves. Except for Chernomyrdin and State Duma leader Ivan Rybkin, only a small group of prominent politicians, including Shakhrai, Nizhny Novgorod Gov. Boris Nemtsov, and Federation Council Chairman Vladimir Shumeiko, appear able to maintain their balance. But Shakhrai's Party of Unity and Accord has collapsed, torn by the ambitions of Aleksandr

Shokhin, Konstantin Zatulin, and Vyacheslav Nikonov, and discredited by the corruption of Sergei Stankevich, and the two other mentioned politicians are not party leaders.

The only party not likely to lose popularity because of the Chechen situation, aside from Chernomyrdin's "Russia Is Our Home," is the Communist Party of the Russian Federation. The Communists chose a complex and delicate approach to the Chechen events, never supporting Grachov but neither promoting Dudayev. They succeeded in gaining influence in the new Chechen administration, demonstrating their concern for the Chechen civilian population. Communist leader Gennadi Zyuganov had an advantage in this respect, in his informal relations with former Communist Party of the Soviet Union officials, including former first secretary of the Chechen-Ingush CPSU Committee, Doku Zavgayev, and his comrade from Karachay-Circassia, now its President, Valeri Kokov. The last CPRF Congress was attended also by a prominent ballet dancer of Chechen origin, Makhmud Esambayev.

The tragedy in Budyonnovsk promises successes for the Communist Party in upcoming parliamentary elections, in the rest of the country as well. Even before the tragedy, in early June, the elections of the district heads of the administration in the Lipetsk region revealed a typical tendency for the Russian provinces. Eight newly elected officials out of 18 were CPRF members, five more were supported by both CPRF and Communist Workers' Party (RKRK) district committees, and five more officials claimed their support for the Chernomyrdin's "Russia Is Our Home." It is remarkable that not only liberals but also Aleksandr Rutskoy's Orthodox patriots, and Agrarians (in the rural districts!), totally failed in these local elections. One can expect that the failure of the Stavropol authorities to prevent the militants' penetration into the region would change the balance in favor of the "party of common people" against the "party of power."

The likely outcome of the December 1995 elections is becoming clearer and clearer. The obvious success of the Communists is a natural result of the "shock therapy" and "shock national policy" of the Russian leadership, due to the efforts of the International Monetary Fund, British-manipulated liberal idiots who had promoted Dudayev, and geopolitical interests that made the Caucasus a battlefield. Still, the mass media will blame not the British Crown, but rather the U.S. President for the victory of the left forces in Russia. And the British Crown, gaining profit from every Russian tragedy, will try to make more jewels of the Chechen ashes.

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# Uproar over pedophilia charges in Australia

by Bruce Jacobs

Liberal Party Member of Parliament Ken Aldred on June 5 made a series of allegations involving drugs and pedophilia which rocked the country, and put a spotlight on Australia's Department of Foreign Affairs and Trade (DFAT) and on Melbourne tax lawyer and former longtime Zionist Federation of Australia boss Mark Leibler.

Aldred charged that the DFAT harbored a 20-person pedophile ring, comprised of senior members of the department posted to various countries in Asia; that the ring was being covered up by the DFAT's top official, Michael J. Costello; and that leading members of it were being promoted by Costello. Aldred named one alleged pedophile, and precisely described four more.

Aldred also tabled a letter from an official of the Dutch embassy of the South American country of Surinam, showing a secret payment of \$640,000 to Costello, apparently involving Leibler, drugs, and the Israeli Mossad.

Costello denied everything Aldred had presented as "outrageous allegations," while Costello's boss, Minister for Foreign Affairs Gareth Evans, said he was "appalled" by the allegations and that he accepted "absolutely Mr. Costello's statement to me that there is not a shred of truth to the allegations." Evans also claimed that Australian Federal Police had earlier investigated the pedophilia charges and found them to be baseless.

Unfortunately for Evans, official police sources stated the following day that no such investigation had taken place. Moreover, one of the numerous teams of journalists from Australian newspapers dispatched throughout Asia in the wake of Aldred's charges, reported that a raid on an American pedophile in the Philippines turned up the name of an Australian diplomat and his relations with an 11-year-old boy, while still another DFAT senior diplomat had resigned the department in the late 1980s after being confronted as a pedophile.

And, according to the *Sydney Herald Sun* newspaper of June 11, a Philippines government-appointed social worker, Dr. Sonia Zaide, had told Australian Justice Minister Duncan Kerr in 1993 about the involvement of two Australian diplomats and two other prominent Australians in pedophilia in the Philippines. Zaide said that the Australian government had "swept it under the carpet."

While the charges of pedophilia caused an uproar, perhaps an even bigger explosion greeted the letter of the Surina-

mese diplomat in the Hague, Second Secretary D. Toemin. The letter was addressed to Costello:

"Excellency!

"We hereby convey a security case containing six hundred and forty thousand United States Dollars (US \$640,000) as agreed with agent Mark Leibler.

"The above mentioned funds should be distributed according to the schedules held by your Excellency. Please sign the second letterhead copy and hand this personally to one of the two authorised Mossad agents."

## Leibler, drugs, and the Mossad

Leibler, perhaps the country's leading specialist in tax evasion, had to resign his government tax advisory board position several years ago when his shady dealings emerged in parliamentary hearings.

As background to the letter, Aldred explained Surinam's role over the last decade in the world's drug trade, and then asked the following question:

"First, why is Mr. Mark Leibler . . . acting as an agent in a major financial transaction involving the Israeli intelligence service, the Mossad, and the Secretary to the Department of Foreign Affairs and Trade, Mr. Michael Costello?"

Though Costello and Leibler have shrieked their innocence, this is not the first time that Leibler's name has surfaced in connection with drugs. In 1991, one Alexander Gajic was named in the Legislative Assembly of Canberra as a boss of Australia's drugs and pornographic video operations. Gajic's lawyer, Leon Zwier, traveled to the United States "to negotiate with various organized crime groups to set up a deal to import and franchise X-rated videos," charged Independent Member Dennis Stevenson. Furthermore, noted Stevenson, Zwier "was recently made a partner of Arnold Block, Leibler, and Associates," whose principal was Mark Leibler.

Even earlier, on March 6, 1985, the drug-sniffing dogs of the customs unit at Jackson Airport in Port Moresby, Papua New Guinea went wild while inspecting an executive jet, though political pressure stopped a full search of the plane. On the jet were three individuals: 1) John Aston, one of Sydney's leading lawyers, who had been found by the Stewart Royal Commission on Australian drug trafficking to be a conduit between the notorious Mr. Asia drug syndicate and the drug-money-laundering Nugan Hand Bank; 2) John Johnson, owner of the chartered jet company Pelair, which had been under investigation for suspected drug running, and which was tied to the Australian giant transport TNT. TNT chairman Sir Peter Abeles was often referred to in Australia as "the White Knight" for his suspected role in narcotics trafficking; Leibler was TNT's tax adviser; and 3) Sonnie Lipshut, an arms dealer. Lipshut was an associate of Leibler, and his wife worked for Leibler at the Zionist Federation of Australia. Lipshut and his wife were board members of the Israeli Aircraft Industries. In 1980, Leibler incorporated a Melbourne firm, Intercorp, to handle the sales of IAI in the South Pacific.

# Fight over Algeria policy is on the international agenda

by Dean Andromidas and Hussein al-Nadeem

The June 17 issue of the leading Arabic daily *Al-Hayat* quoted an unnamed U.S. State Department official saying that "the administration sees no problem in the election of an Islamic government by the Algerian people." Although largely unreported in the western press, the statement is the strongest yet demonstrating the Clinton administration's commitment to supporting a peaceful solution to ending the civil war conditions that have engulfed Algeria for the last three years. For the past year, the Clinton administration has been in a dialogue with the Algerian Islamic Salvation Front (FIS) and other opposition groups in an effort to end the violence which began when the Army-backed Algerian regime cancelled planned elections and banned the FIS after the opposition party demonstrated that it could win the national elections.

For the past year, the Clinton administration's efforts were opposed by Algeria's former colonial master, France. The French government led by Prime Minister Edouard Balladur and Interior Minister Charles Pasqua had been the leading sponsors of the Algerian regime, in conformity with the Paris government's pro-British policy aimed at sabotaging Clinton's foreign policy initiative and maintaining a controlling interest in its former colony. The recent election of Jacques Chirac to the French Presidency has led to speculation that a breakthrough could be made to end the civil war in Algeria. Chirac's appointment of Alain Juppé as prime minister was seen as a hopeful sign, since Juppé, the foreign minister in the Balladur government, had been much closer to the U.S. position.

Nonetheless, informed Algerian opposition sources caution against expecting a dramatic shift on the part of France and the hard-liners in the Algerian regime. These sources told *EIR* that it would take several months for Chirac and Juppé to shift French policy in the face of the strongly entrenched forces within the security services and business and political communities in France.

This assessment has been supported by the recent decision of the International Monetary Fund (IMF) and its satellites to extend huge loans to the Algerian regime, which is presently involved in a country-wide mass killing campaign against its own population. On April 7, the Algerian Central Bank and the creditor banks of the so-called Paris Club agreed in London to reschedule \$4.5 billion of Algerian commercial debt. The agreement came at the same time that Algerian

Foreign Minister Salih Dembri was invited to Chatham House (the Royal Institute for International Affairs). While in London, Dembri announced that his government would sign another deal with the IMF, which would enable it to reschedule its \$26 billion in foreign debt and reform its civil war-torn economy.

Saudi Arabia, which has had tense diplomatic relations with Algeria because of the latter's neutrality during the Gulf war in 1991, rescheduled \$500 million in Algerian debt to Saudi banks on April 17. And on May 12, the London Club signed an agreement with the Algerian Central Bank rescheduling another \$4.5 billion in commercial debt. The agreement gives the Algerian government 15 years' breathing room to pay its debt, which was due in 1994-97. (The London Club consists of Chase Manhattan Bank, the Arab Banking Foundation, Sakura Bank, the French-Arab Banking Association, and the Long Term Bank of Japan.) The group is currently headed by the French Société Générale. The European Union has also extended a \$200 million credit. France has been seen as the leading sponsor of these moves. IMF Managing Director Michel Camdessus, a Frenchman who publicly praised Algeria as a "model" for the Third World, has been criticized by the Clinton administration for his lack of impartiality in his support for an Algeria debt bailout.

More ominous is the fact that Algeria just concluded the purchase of 700 "Scorpion" light tanks from Turkey. The Scorpion is a British-designed tank manufactured under license in Turkey and is ideal for counterinsurgency operations. Despite Algeria's disastrous financial situation, the IMF apparently voiced no criticism of this deal which cost several hundred million dollars.

## A new Clinton initiative

In an apparent attempt to distance Washington from these developments, the U.S. ambassador in Algiers told a group of editors of leading opposition newspapers, including that of the FIS, that it supports a policy of dialogue among all the parties who denounce violence, and that "those who understand the latest support by the International Monetary Fund to Algeria as U.S. support, are misguided." The ambassador elaborated that "democracy is not a slogan, but a practice, and without the participation of all the parties in finding a political solution for the struggle in the country, the U.S.



policy will remain unchanged and will continue to call for a peaceful solution for the crisis." The ambassador said that "political unrest in the Maghreb region affects American interests in the Middle East the same way as it does to neighboring countries."

One week later, *Al-Hayat* quoted an unnamed State Department official saying that the Clinton administration "is encouraging the Algerian government to engage in a dialogue with the opposition parties, and that the Sant'Egidio would be a good starting point for the dialogue." Also known as the "National Pact," Sant'Egidio is the agreement of the eight leading opposition parties, including the FIS, drafted in Rome last January, which calls on the government to form a transition government with all leading parties for the purpose of organizing fresh elections. This official said that the "administration sees no problem in the election of an Islamic government by the Algerian people." He revealed that Hussein Ayet Ahmed, secretary general of the Front of Socialist Forces, a member of Sant'Egidio, in a recent visit to Washington, met with State Department and White House officials and was asked to urge the FIS to make an official statement denouncing terrorism and violence as a condition for opening official relations with Washington. He said that although the "administration makes a clear distinction between religious fanaticism and Islam," the FIS has given contradictory and unclear signals. The FIS problem "is that there are many factions inside the front that the leadership cannot control, but this does not mean that it is not responsible for violence in the country," he said.

This drew an immediate response from Rabah Kebir, the senior FIS spokesman based in Germany. He confirmed that discussions with Washington have been ongoing, and stated that "on many occasions we expressed our rejection and denunciation of any act that targets civilians, Algerians and non-Algerians, and we declared our rejection of any act that goes against Islamic law." Kebir distanced the FIS from the Armed Islamic Group (GIA), which has taken responsibility for numerous terrorist acts and is believed to be deeply penetrated, if not controlled by the Algerian secret services. "We have called on the leaders of the GIA, and still do, to denounce the crimes attributed to them or committed under their name. We also ask them to withdraw all the declarations and decrees they issued against us, which contain clear violations of Islamic *Shari'a*, otherwise it will be held responsible for these acts before Allah and before the nation and history."

### Shifts inside Algeria

The coming to power of Chirac in France and increased U.S. pressure have led the Algerian regime to begin secret negotiations with FIS leaders including Abassi Madani and Ali Belhadj, who have been held in prison since the FIS was banned in 1995, as well as Ali Djeddi and Abdel Boukhamkem, who were released from prison last year. The government also allowed the National Pact to hold a public meeting

in Algiers, which drew 10,000 people, mostly FIS supporters. But the government refused to allow FIS leaders Djeddi and Boukhamkem to attend that meeting.

While fighting between militants and government forces continues, with up to 1,000 casualties a week, the government is seeking to hold presidential elections in a desperate attempt to gain international legitimacy. The National Pact refuses to support these elections and continues to demand the formation of a transitional government comprising all the leading opposition parties for the purpose of organizing new national elections.

In this context, President Liaman Zeroual recently proposed that Dr. Ahmed Talik Al-Ibrahimi, foreign minister in 1982-86, become the presidential candidate. Al-Ibrahimi is a highly respected member of the National Liberation Front which led the struggle for liberation from France in the 1960s and ruled the country until 1992. His leadership would be acceptable to the National Pact, including the FIS, and important factions in the military. But, one leading opposition figure and former colleague of Ibrahimi said, he would be acceptable only as leading a transitional government, not as a presidential candidate. This source pointed out that it is still not clear whether the regime is "maneuvering" under international pressure or is interested in serious negotiations.

Nonetheless, the government is expected to announce on July 5, Algeria's national day, whether it will proceed with elections despite the opposition of the National Pact, or release FIS leaders Madani and Belhadj.

### Faction fight in France

On June 20, over 400 French police and secret service officers arrested 25 people in Paris, Marseilles, and other locations, who authorities claim are members of FIS, GIA, and the Tunisian Islamic Front. The operation was conducted under the order of two anti-terrorist judges and was a continuation of an investigation begun by the Balladur government under the direction of Pasqua. The move delighted the Algerian government but, according to some sources, reflects the ongoing faction fight over Algerian policy.

"Pasqua still controls considerable influence in the security services," one source told *EIR*. A powerful figure in the French secret services over the last 30 years, Pasqua is fundamentally extremely anti-American, although he is believed to have links to the Iran-Contra circles of George Bush. This source pointed out that the Islamic policy in the French bureaucracy, particularly the secret services, is strongly influenced by elements of the Secret Army Organization's cadres. The later was the colonialist faction that opposed giving independence to Algeria and organized several assassination attempts against President Charles de Gaulle. "These are the people who tried to crush the Algerian liberation movement; now they are heads of leading departments in the security services and bureaucracy," the source said.

# A strategy for solving Russia's current political and economic crisis

by Lyndon H. LaRouche, Jr.

*In last week's issue, EIR published a report on the June 5-9 visit to Moscow by Lyndon and Helga LaRouche, including the text of a speech by Mr. LaRouche at the Institute of Economics of the Russian Academy of Sciences. Speaking on June 8 at Moscow State University, he went into greater detail about the situation in Russia and the future of Russian-American relations. We publish here excerpts from that speech, with bracketed summaries of topics which were also covered in the Institute of Economics speech. The full text of the speech below was published in the weekly New Federalist of June 26, along with the full question period.*

We are in probably the most important years in the history of this planet in the past 500 years. Though most people do not yet appreciate it, the present international financial and monetary system, dominated by a group of private banks, and by the central banks which they control, and the International Monetary Fund, which is a property or joint-stock company of these central banks—that entire system—will be swept away in a short period of time. This will occur either during the remainder of this year, most probably before the end of next year, and it could not possibly exist beyond 1997.

Because of developments which have occurred during the past 30 years, the relationship of the former system of finance capital with agro-industrial development, which dominated the world for a long time, was changed from a symbiotic-parasitical relationship to the economy, to a *purely* parasitical relationship. In former times, industrial banking would invest in the expansion of production and in trade related to production. About 1964 to 1972, this changed.

Now, to understand the change that occurred then, and what is about to occur, one has to understand modern European and world history of the past 500-odd years, and one has to understand the role of modern European history, or shall we say extended modern European history, as a planetary system today in history as a whole. And the question of what are the underlying conceptions which determine the course of history, comes into question.

I'll refer you to two concepts which are complementary in this connection. At the end of the 18th century, the poet, historian, and playwright Friedrich Schiller was inaugurated

as professor of universal history at the University of Jena. In the course of being inaugurated as the professor of this department at Jena, he gave a series of public lectures, and, quite naturally, one on the subject of universal history itself.

[Schiller said], first of all, that to understand any present event and its importance, one must see the significance of that event in terms of the process of history as a whole. The complementary feature of that is: We can apply that principle to our own lives and our own role, and to the role of institutions with which we are associated, in the sense that we can find the significance of our own acts, by seeing how significant are our choices of actions, or the choices of actions of institutions that we influence, from the standpoint of the process of history in the large.

So, let's look at ourselves in this state. First, what is modern history, the thing that is about to come to a certain phase-change?

[Mr. LaRouche proceeded to analyze human history, and particularly the past 500 years of European history, in this context. If man were merely a higher ape, the human population could not exceed 3 million or so; yet we now number about 5.3 billion. If we used the technology which we had in 1969-70, on a global scale, we could sustain a population of some 25 billion today, at a standard of living comparable to that of the United States at that time.

Prior to the 15th century, at least 95% of every culture lived in slavery, serfdom, or worse. It was the advent of the modern nation-state, with France's King Louis XI in 1461, that created the potential for this miserable existence to be overcome.

But the rise of the nation-state created a mortal threat to the oligarchical rulers. From about 1610 to the present time, there has been a kind of balance between the financial oligarchy, and the social and political forces that represent the nation-state.]

## Post-industrial utopianism

In 1962, there was a famous event called the Cuba Missile Crisis. Some of you are old enough to remember. And during that period, Bertrand Russell in London negotiated between the Khrushchov government and the United States govern-

ment. The result of that, was an agreement which is called detente, which is also known as "mutual and assured thermo-nuclear destruction."

Under those conditions of detente, certain forces in the Soviet government, and also in the United States and British government, believed that there was no danger of general war between the superpowers, that only limited wars or surrogate wars were possible. The Vietnam War was the first such surrogate war of that period. It was a war conducted not for winning a war, but for diplomatic negotiation purposes; and the population of Indochina, and the population of the United States, were the victims of that diplomacy. It's what military scientists sometimes call "cabinet warfare," where the diplomats run the war and turn it off and on for diplomatic purposes, which is why many soldiers despise diplomats.

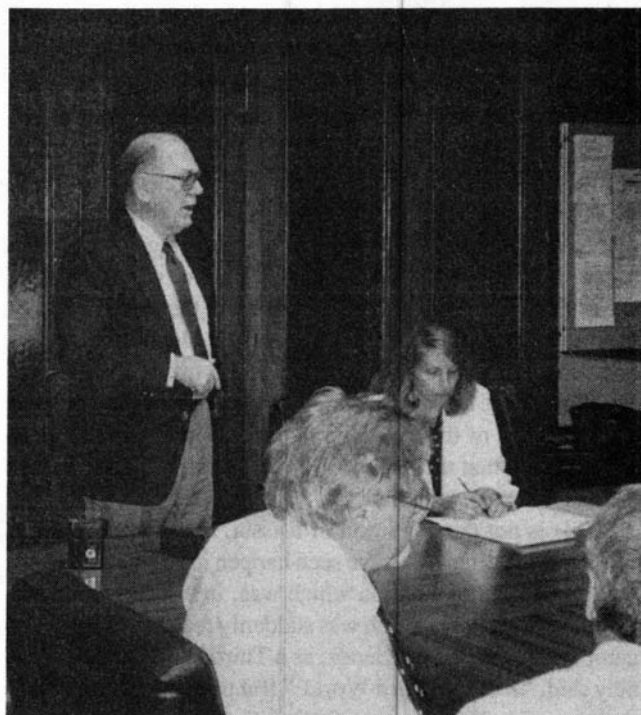
On the basis of that belief, a group in Britain and the United States, became called the "military utopians." This is typified by Robert McNamara and McGeorge Bundy. The policies were those of Bertrand Russell, the man who believed in using detente or similar policies as a way of destroying the nation-state to create world government.

As a result of that, there was a move to destroy technological progress, in the name of what was called "post-industrial utopianism," or "post-industrial society." As a result of that, there was a great cultural paradigm change in Western civilization, during the period 1964 through 1972. First, there was post-industrial society, sometimes called the "Triple Revolution," back in the early days. It was called by Zbigniew Brzezinski in 1967, the "technetronic revolution." In 1969 and 1970, it was called the "ecology movement." It was called "information society." It was called "systems analysis." In the Soviet economy, you got a good dose of the poison of systems analysis from Cambridge by way of Laxenberg, Austria, through a son-in-law of the President here, Kosygin, Dzhermen Gvishiani, and this came from people of this sort. As a result, we had also spread into the Comecon and Soviet system from these sources, the same kind of utopian antitechnology dogma.

The result has been that there was a gradual decline in the rate of investment in scientific and technological progress generally. There was a decline in capital-intensive investment, there was a decline in energy-intensive investment, especially over the course of the 1970s.

As of 1970, as a result of these trends, the United States has been operating at a macroeconomic loss. You can think of it as the surplus value of society as a whole.

If you take the following measurement, you get a much more stark picture of what's happened. First of all, measure all consumption and production in the following units: per capita of labor force, per family household, and per square kilometer of occupied land. Measure consumption of industries, farms, infrastructure, and so forth, in the following units: in terms of essential consumption of physical goods, plus three categories of services, which affect the productivi-



*Lyndon LaRouche speaks at the State Duma (Parliament) in Moscow, June 6, 1995. Russia's crisis is part of the systemic crisis of the world financial system, he told his Russian audiences.*

ty and the demographic characteristics of the population:

Number one, education. Education is the prime driver of progress in modern society. Universal education, high-quality education, as well as quantity of education, is essential.

Second, health care. The demographic characteristics and longevity and health conditions of the population, are crucial to its productivity and its reproductive power.

And third, the development of science and technology as such.

In those terms of measurement, the average income and productivity of the U.S. labor force since 1967-69, has declined by at least *half*, just as in Russia today, the destruction which has occurred over recent years in the economy since 1989, is greater than the physical losses in wealth which occurred during the Second World War. This is the condition all over the world, greater or lesser. This is the reality of what people describe to me in Russia today. It's the reality of the world. This wealth is not based on real production. It is based on stealing and imagination, and gambling.

So, what kind of system do you have? Now, this has become worse since 1992. What happened, is that the rate of development of speculation in secondary and tertiary casino-type gambling, occurred just like this. The number of bankruptcies, and the amount of derivatives have increased at the same rate. So what we've seen in the past year, is collapse.

Then, think of the biological situation that is comparable

to this: death by cancer. Here's the healthy tissue, the organs of the body. Here's the parasite, sucking the blood from the organ, or from the body. The parasite depends upon profit, on "income streams," they call it. The income stream is ultimately taken out of the society, which takes away flesh and bone from a society which is already shrinking. The more this creature, the parasite, lives, the bigger it gets, *the bigger its appetite for income stream becomes.*

For example, you see this reflected in the prices you pay in Russia for food, or anything else. The bloodsucker sucks here, takes it out of rent, commodities, taxes, everything. You don't have domestic food, you import food at an inflated price because of this financial monster. Thus, you're reaching the point that the patient will die from the cancer, unless the cancer is removed.

This is not the condition of Russia, *this is the condition of the world.* What you have seen happen in Russia, is simply the subjugation of a nation which was, in a sense, militarily defeated by default, which was suddenly reclassified by Margaret Thatcher and her friends, as a Third World nation. And they said, "Join the Third World." But this is not Russia, this is the world. You are just feeling the *effect* of something that's happening on a world scale. You are downgraded from a nation of a world power, to a nation which is feeling the effect of loss of power.

But remember, this is the world, this is the *IMF system* worldwide. What happens when the patient can no longer provide income stream, because he's dying? The cancer, the parasite, will then die.

[There are two phases to the collapse, Mr. LaRouche continued. First is the collapse phase, which we are now in. The second phase will be even worse, comparable to a thermonuclear implosion.

What will governments do? The politicians tell us they can't act, because it is politically impossible to do so. The continued existence of the human race depends upon summoning the political will to solve the problems posed by this crisis.]

### **Russia's world-historic role**

You must see the problem in its true dimensions and implications. To the south and to the east of Russia, are the greatest concentrations of population of the planet: the subcontinent and China. What happens if these countries are left in the ditch of a total collapse, which is already being done to Africa? What is the condition of this world, this planet, if that happens? From a world standpoint, what is the role of Russia geographically and historically, in respect to these two problems?

For 100 years, it has been the natural destiny of the world that Russia should play a key role with nations of Western Europe in developing what were called then *land-bridges* based on railway and other infrastructural development, to

the east and to the south, and to the Pacific Ocean, and to the Indian Ocean, to be the conveyor belt of technological progress and security to these regions of the world.

Russia has a natural, easily determined, historically and geographically determined history. So obviously, what Russia faces is the *hope* that the United States, which is the key government in terms of power in the world today, will act in the proper direction, will act in time, and that Russia as a nation will participate in shaping the decisions which must be made to get the world out of the most dangerous crisis in 500 years. And that is history, real history.

From the previous 550 years, we have to say that this European civilization, from 1461 to 1963, with all its failures and its evils, has been the greatest epic of progress in the entire existence of mankind. We do not junk it. Rather, we look at the *duality* of the system—that the system of universal education, the system of the nation-states and of the individual citizen *participating* in self-government, the responsibility of the state for the development of the opportunities of the individual, the state's responsibility for public health, the promotion of scientific and technological progress, the promotion of opportunities for the individual, that all these were good things, which must be preserved from the ashes of the collapse of this system.

What we merely have to do, is to take the best of what we have had before, and eliminate the parasite, and go back to a system that we had in the United States at the founding of our Federal republic, a system which was once called the "American System of political economy," under which we had a national currency according to our Constitution, created by the Congress, which it was the duty of the government to defend against speculation and waste. This money, once created, should be loaned through low-interest rates, for public infrastructure, and for the promotion of cheap credit to those industries which are most necessary in the national interest.

For example, in the building of a Trans-Siberian development corridor, which would be based on the four-track high-speed railway, or a similar system—which would have associated with it such things as power lines, gas lines, water systems—100 kilometers, 50 kilometers on each side of the artery, you would have a rich economic development zone, in which the highest efficiencies could be achieved. And the same thing with arteries down to the Indian Ocean. Then you have the Silk Road, the northern one, coming up from China, through Kazakhstan, to the Trans-Siberian route; one of the great development zones of the entire planet.

These projects, their success, are of *fundamental international interest.* There must be international cooperation in financing the construction and development of such projects, not only there, but other, similar kinds of projects in other parts of the world. In that way, we can activate the potential of labor force, technology and industry, and revive this plan-

et, and put this mess behind us, and create a condition in which we do *not* have, as I was told today, last year, one million more deaths than births in Russia, because people will then have something to promise their children. Who wants to have children today? What can they promise them?

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## Questions and answers

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*The following are excerpts from the discussion period that followed Mr. LaRouche's speech.*

**Q:** Tell us, please, what is the worst-case scenario for this collapse?

**LaRouche:** The worst-case scenario is it happens soon, within a few weeks. Our greatest problem is a political one.

**Q:** We may die before others. Tell us concretely, what does this mean for the collapse of the population in Russia?

**LaRouche:** What this means, as I warned, and had my friends warn, the presidency of the United States in the summer and September of 1993, of a breakdown crisis about to develop in Russia, and that the United States government must change its policy toward Russia, to avert the kind of crisis that I was told and believed was coming.

Those of us who warned of that then, especially my friends, on my behalf, were told "no, most of the experts disagree with you. Everything is fine in Russia. There will be no crisis. The reform and democracy are working perfectly." The U.S. Embassy in Moscow said everything is fine.

Then, after October 1993, they said to me, "You were right, and we were wrong." *I hope this time they listen. I think they will.*

The United States government controls the circumstances, politically and otherwise, under which the Russian government lives. I would hope, at this point, that I would be able to persuade the relevant people in government what must be done. We must provide something which prevents a crisis which I see building up in Russia at an uncalculable rate, but a high rate.

The United States has the power to ameliorate the conditions under which Russia functions. You can never predict what governments will do, exactly, because they always compromise. But if you can get them to move in a certain direction, I know this situation here can be improved, in terms of tempo. All it takes is the right word from the United States, and conditions can be improved here. Not by the United States, but by Russians. Russians have to have some leg-room to do some things.

The point is, to buy time so that Russia and nations in kindred conditions, *survive* until the point that we make a change in the monetary system. And all it would take would

be adjustments, to give Russia time to survive. I don't see any other alternative, except violent ones.

**Q:** I have the following impression, that Russia does not just need imported goods, in fact, in many areas, our science and technology was the more advanced. How could this system be done in such a way that the investments could go into the *Russian* scientific and technological development, not just hauling in Western technology?

**LaRouche:** If I were the President of the United States or his representative, I would say the following to Russia, on that question. I would say: We must stop the bleeding of Russia's military-scientific industrial sectors.

You do not take down the old state military sector. Don't take it down. If you don't need military goods, we'll go to space work. We'll even create a joint company to keep the space work going. We say: "All right, instead of taking your system down, take teams of scientists and engineers who are attached to the system, to create separate companies."

For example, you have two choices in addition to high-speed rails for the long stretches across Siberia. One is magnetic levitation systems, as a conveyor for goods, at speeds up to 500 kilometers an hour. If I were going to move only a few vehicles a month across that area, I would say we might also use a ground-effects vehicle, which could also be very efficient. But if I'm going to create a *conveyor belt* to develop the economy of the whole region, now you have rails going through eastern Europe and Russia and east. You have long stretches where there is nothing except forest, or something similar.

I say this to illustrate the technological problems we face, in developing a project of this type. These problems involve many challenges which are the most advanced engineering and some scientific discovery work, which represent the same degree of technological challenge as the former Soviet military development, and the space development.

We must build up in Russia a very much larger machine-tool capability than you had under the Soviet Union, because the Soviet system never had the machine-tool penetration of the civilian sector, that it had of the military sector. So we want to create, in this vast area, the most modern technological industries, which means that, in this area, Russia would be producing, as a byproduct of the development project, some of the most modern high-technology industries of the world, which would have an export potential. That's what I mean by a *rational* approach to this problem.

**Q:** Doesn't it seem to you, and this opinion is quite widespread here, that the world government actually desires the extinction of the population of Russia, in order the better to pump out its raw-material resources, and in that case, wouldn't you see the desire of foreign governments and so forth to invest in these kinds of projects, as motivated by a

desire to loot, to get more of the natural resources out?

**LaRouche:** No, not exactly. The answer is this. Before 1988, many of us knew that the Soviet system was going to collapse. We had two policies on this. My policy and the policy of some other people was the following. On Oct. 12, 1988, I made a speech in Berlin, which was then broadcast on U.S. TV nationally. In that, I said: yes, the industries of the Comecon sector are obsolete generally. But they must not be shut down. They must be used for infrastructure projects. Let's use up the old machine tools and introduce new machine tools which we pay for out of the use of the old.

Margaret Thatcher said: "No!" She raised the geopolitical argument, in which she was supported by George Bush. They said, "We are now going to destroy Russia for once and for all. We will do it with reform." And that's what has happened. That's not the interests of governments, that's the interests of certain international financier circles. We still have some of those scoundrels in the United States. I think we'll send them into retirement in the next election next year.

The success of Russia in the way I indicated, *is in the vital historic interest of the United States*. Anyone who tries to prevent that development, I will treat as an enemy of the vital interests of the United States.

**Q:** What's your personal view: if the left forces come to power here, who all maintain that they're for a diverse economy, not for a return to the communist system, do you think there could be an intervention by force in response from the West?

**LaRouche:** If George Bush were President of the United States, and people like Margaret Thatcher were in power in Britain, I would not exclude that possibility; and I do not doubt that there are certain people in high places in Russia, who thought the same thing, who have the same estimation as I.

**Q:** It's really a matter of indifference whether the United States or Russia would go out of existence as a state first. Insofar as the anti-ballistic missile system of Russia is more developed than that of the United States, it would prevent forcible interference by the United States anyway.

**LaRouche:** On the question of defense systems, I happen to be an expert in that area.

Let me say that the conflict between the Soviet Union and the United States in the postwar period, was a British creation. *There is no fundamental national conflict of interest between America and Russia*.

However, these systems are still useful, because there are dangers in the world still.

**Q:** I've been a student and a graduate student here, and I'm now a philosophy teacher, and I would like to say that this is the best lecture I have ever heard, including the speech of your President here.

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## Book Reviews

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# Satan's children declare war on the nation-state

by Mark Burdman

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### **Saturn's Children: How the State Devours Liberty, Prosperity and Virtue**

by Alan Duncan and Dominic Hobson  
Sinclair-Stevenson, London, 1995  
448 pages, hardbound, £16.99

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In a case of great art being coopted for purely evil purposes, this book takes its title from the famous painting by Francisco Goya, "Saturn Devouring One of His Children." A reproduction of that painting appears on the book's cover. Whatever Goya might have been seeking to convey with this powerful visual metaphor, and this remains an enigma to the present day, the great Spanish painter must be turning in his grave to see his genius so abused. The image is utilized, by authors Duncan and Hobson, to convey the image of "the State" as "Saturn," voraciously devouring everything in sight.

On reading this book, one is tempted to pray that some deity would come along and swallow up our two authors, before they have their next chance to inflict their writings on the public.

*Saturn's Children* is an eruption from that pit in Hell which is reserved for what has come to be known as "Thatcherism," or, more properly, the Conservative Revolution. Duncan and Hobson are the self-avowed followers of the British philosophical-radical evil of David Hume and John Stuart Mill, as well as of American pseudo-Catholic gnostic Michael Novak, and of the late Friedrich von Hayek of Austria. The last was the founder and guru of the chief organ of the Conservative Revolution, the Mont Pelerin Society. The book is now being touted by spokesmen for the Mont Pelerin Society in Britain, and is billed in such circles, in conjunction with the ramblings of Speaker of the U.S. House of Representatives Newt Gingrich (R-Ga.) and his ilk, as a significant contribution to the Mont Pelerin Society's ideological offensive for the mid-1990s. Duncan is himself a Conservative Party member of the British Parliament, and is known in

certain London circles as a "cheerleader of the New Right."

The book is a mindless diatribe against the state, albeit dressed up in much pseudo-academic mumbo-jumbo and professedly moralistic and religious (for example, the word "virtue" in the title) sophistries. The polemic of Duncan and Hobson is identical, in substance, to the arguments of Lord William Rees-Mogg, a commentator for, and former editor of, the London *Times*. Like his lordship, they want the "welfare state" to be dismantled. They denounce "old-age pensions, school meals, education, and unemployment and health insurance," wanting these to be phased out, supposedly in the name of "the individual" and "liberty."

They undoubtedly share his lordship's hidden agenda, which they are wary of announcing too explicitly, but which is now openly discussed by the British friends of Rees-Mogg and by leading Mont Pelerin spokesmen: The welfare state cannot be dismantled in a democracy, but only with a dictatorship. The authors' repeated attacks on democracy should be seen in this light. As the London *Guardian* put it, in a May 20 feature on the book, "the libertarian remedy suddenly turns out to have an authoritarian logic."

In tone, the book often reads like an anarchist tract of the type that one might expect from the 19th century's Mikhail Bakunin. This is not surprising. Anarchism and "liberalism" were both promoted by the British Empire, as a means of undermining the institution of the sovereign nation-state, which was seen, understandably, as an impediment to the achievement of imperial aims. It was a British-run anarchist network, recall, which assassinated nationalist U.S. President William McKinley, and which brought imperialist Teddy Roosevelt to power.

Duncan and Hobson are very much fans of the British Empire, to the point of concluding their book with a ghoulish defense of British imperial drug-trafficking policies. Truly, the authors are Satan's children.

### **A disease called Hume**

One caution must be exercised in reading *Saturn's Children*. Much of what they attack is worth attacking, including Fabian social-engineering and "collectivism." They are hoping, after all, to appeal to many more or less honest average individuals, particularly in Britain, who are completely fed up with the ongoing process of disintegration of society, and who have been subjected to Fabian social-engineering policies that are, indeed, heinous.

But to denounce every evil as resulting from "the State," is worse than absurd, especially in Britain. Britain is, indeed, disintegrating, economically, politically, and morally. But the immediate cause is the rampant destruction caused by the authors' beloved "Thatcherism." The deeper cause is that Britain is controlled by a rotten oligarchical system of more than three centuries duration, headed by a monarchy which thinks of human beings as apes, and by oligarchs who see "the United Kingdom" as their playground. And that system

itself is disintegrating, as the historical era exemplified by the power of the House of Windsor, draws to a conclusion.

Even were one to take the main strand of their ostensible argument at face value, it leads to entirely different conclusions than they intend. In trying to document the massive rise of state functions and power in the past 100 years, they repeatedly affirm that this was a consequence of the two world wars in this century. These wars: 1) self-evidently, led to a massive increase in state functions to conduct the war; 2) required urgent postwar measures of reconstruction of destroyed physical infrastructure; and 3) caused such widespread cultural pessimism and demoralization, that people turned to the state for dependency. But if they are angry about world wars, Duncan and Hobson should have written a different book, one in which they should advise Great Britain's geopoliticians to stop unleashing world wars.

"The State" is their scapegoat, much as "the Jews" were for Adolf Hitler.

Beyond this, their counterposition of "individualism" and "liberty" to "collectivism" is absurd. In Britain, both come out of the same oligarchical brew. They praise David Hume, for having "rightly observed" that "a nation is nothing but a collection of individuals," and that "the rules of morality are not the conclusions of our reason." Hume was one of the more lunatic exponents of the disease known as British radical liberalism, a belief-structure correctly classifiable as pagan. At the same time, they attack Jeremy Bentham, because his "utilitarianism" and "pleasure-pain principle" has been used by Fabian social engineers. But Bentham was used just as often by radical "individualists," as he was an advocate of the most perverse forms of hedonistic "self-expression," typified by his *In Defense of Pederasty* tract. Humean "liberals" and Benthamite "utilitarians" would assuredly congregate, for various orgiastic purposes, in the British elites' Hell-Fire Clubs of the 18th and 19th centuries.

If there are a few words which might describe what the great figures of American statecraft would have found philosophically repugnant in Great Britain, it is the cited paranoid-schizophrenic statement by Hume that "a nation is nothing but a collection of individuals." Whether it be the American Declaration of Independence, or the Constitution with its general welfare clause, or Abraham Lincoln's notion of "government of the people, by the people, and for the people," American statesmen saw in the nation-state, the main promoter of individual dignity and welfare, and thereby overcame, in statecraft, Plato's problem of "the one and the many."

### **Abusing Christianity**

The most obscene fraud, is that Duncan and Hobson, admirers of Hume, von Hayek, and other pagans, repeatedly cloak themselves in the mantle of "Christianity," glibly throwing out phrases about "man being made in the image of God" and the like. It reaches its high point, when they portray Jesus Christ Himself as the hero of Mont Pelerinite "individu-

alism.” They write: “It is not surprising that He died alone, on a Cross, at the hand of a State.”

For all their posturing about Christian doctrine, they never once refer to the current pope, nor to any of his encyclicals, nor to any of the earlier encyclicals such as *Rerum Novarum*, which certainly saw the state as playing a role in protecting the citizen against what Pope John Paul II denounces as “savage capitalism.” Well, what can one expect from savages?

In fact, the development of the modern nation-state, and the highest forms of Christian humanism, developed during

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the Golden Renaissance, are one and the same. The first nation-state was the France of Louis XI, who based his conceptions, in significant part, on those of Cardinal Nicolaus of Cusa. In this conjuncture, Christian culture, through the nation-state, fostered science, technology, and the development of reason. But like every true Conservative Revolutionary, of the sort that helped bring Adolf Hitler into power in Germany, Duncan and Hobson repeatedly attack “science and reason,” as instruments or bastions of “Saturn.”

### **Propagandists for Dope, Inc.**

Whatever their demagogic invocation of Christ dying on the Cross “at the hand of a State,” Duncan and Hobson are, in fact, very much apologists for Imperial Rome, in its modern incarnation as the British Empire.

They write that “it was once the chief glory of the English political genius” to have figured out a way to combine “security and freedom. . . . During the two centuries which separate the Glorious Revolution [of 1688] and the Third Reform Act [of 1884-85], it delivered unparalleled prosperity and, through its example, inspired most of the states of modern Europe and America.”

What drive! The “unparalleled prosperity” was that gained by the worst forms of imperial looting known in history. The period they glorify, is the heyday of the British Empire, which really began to take off with the Glorious

Revolution and its aftermath, and which was achieved through endless wars, primarily against France. That “unparalleled prosperity” was never experienced by the populations of India, Ireland, or any other people under its yoke, and only came to the shores of America when a Revolution was fought and won against that empire. That “unparalleled prosperity” was, certainly, never experienced by the vast majority of wretched, oppressed Britons.

For Duncan and Hobson, the “State” suddenly becomes quite fine, when it is the *imperial state*, carrying out imperial functions. The 1982 “Falklands War,” as they call the British seizure of Argentina’s Malvinas Islands, “was a victory for great principles and a just cause.”

But the real giveaway is a section, toward the end, entitled “The Legalization of Drugs”—a measure which our authors, of course, support. In the name of “freedom from the State” to take narcotics, they are perfectly happy, when the imperial state acts to defend drug-traffickers against attempts by sovereign nations to stop such trafficking! To quote:

“Draconian laws against drug-trafficking and consumption are anyway of relatively recent origin. Thomas de Quincey published his *Confessions of an English Opium Eater* in London in 1821, after consuming the drug for nearly twenty years, without interference from the State. In the 1830s, and again in the 1850s, *the Royal Navy effectively supported opium traders against the efforts of the Chinese authorities to stamp out an illicit trade in the drug*” (emphasis added).

Duncan and Hobson go on, later in the same passage: “The Opium Department of the Indian Civil Service . . . supervised a state monopoly of opium production for export to China, a trade which at one time accounted for a sixth of the total government revenues of British India. There was no legislation against the consumption of the drug in England until the passage of the Dangerous Drugs Act in 1920. Legislation against the opium trade was not introduced in South East Asia until after the Second World War.”

### **A fugitive fraudster’s faithful servant**

Duncan’s pedigree says it all. The book-jacket identifies him as a Tory parliamentarian, Oxford graduate, and so forth. What it *doesn’t* say, is that during 1982-88, he made significant amounts of money as an oil trader with the Marc Rich and Co. commodities trading group.

Marc Rich is a chief figure in the present-day international “underworld” of predators, swindlers, and fraudsters, who make millions by looting resources from sovereign nations. And Rich has a *particular* vested interest in destroying nation-states. For more than a decade, he has been a fugitive from American justice, living in Zug, Switzerland. He was indicted in 1983 for violating the oil embargo against Iran and for tax fraud. Almost the entire period of Duncan’s employment, would have coincided with Rich’s fugitive status. With *Saturn’s Children*, Duncan shows that he learned a lot from his former boss.



## Dead-end 'dialogue' with the EZLN

*The third phase of negotiations with the government ended exactly as EIR had projected: in a big fat zero.*

On June 9, the correspondents of *El Herald de México* listened to "Comandante Tacho's" voice clearly issuing orders from the telephone: "Do not make any deal on any point, contest everything, demand explanations over and over. We must buy time." Commanders "Tacho" and "David" were the heads of the Zapatista National Liberation Army (EZLN) delegation in the peace dialogues of Larrainzar, Chiapas, with the government's Commission of Concord and Pacification (Cocopa).

Marco Antonio Bernal, the Cocopa leader, ended the third episode of the frustrated dialogue by recognizing what had been obvious from the outset: "Two months were lost . . . the attitude of the rebels opens doubts on their willingness to negotiate." Despite everything, Bernal, who was a terrorist back in the 1970s, went so far as to say that these talks had led to a "change in tone" from the Zapatistas.

Cocopa's peace proposal was turned down flat by the leaders of the Defense Commissions of the Senate and the Chamber of Deputies, Generals Esquinca and Garcías respectively. It called for moving military units into delimited zones, and the EZLN to fixed "corridors" or "détente routes." In the face of the Army's tough stance, the Zapatistas mounted yet another provocation: They demanded the handing over of the symbolic village of Guadalupe Tepeyac, an EZLN bastion retaken by the Mexican Army last Feb. 9. Rebuffed in this, the "indigenous" commanders announced that they would build their own Guadalupe Tepeyac in the jungle, with international aid. And "Subcom-

mander Marcos" sent out a recorded message calling for an international dialogue on the EZLN's future.

Cocopa accepted suspending the talks because the Zapatistas' mentor Samuel Ruiz, bishop of San Cristóbal de Las Casas, announced a trip to Germany. His strategy is to give a wide berth to the peace talks until October, when he hopes to box in the Mexican government by returning to the negotiating table with the Nobel Peace Prize in hand. Adolfo Pérez Esquivel, an Argentine-born British agent of influence, showed up in Chiapas to announce that he will head up the committee to campaign for Samuel Ruiz to win this year's prize.

Since Feb. 8, when President Ernesto Zedillo decided to yank the EZLN out of the territory it occupied and push it back into the Lacanondo Jungle, as he ordered their leaders' arrest, the EZLN and its international backers have been hoping to gain time. Their game is to wait for popular unrest over the economy to shift the correlation of forces against Mexico. Steering this are the São Paulo Forum terrorist international, through its Mexican arm, the Democratic Revolutionary Party (PRD) of ex-presidential candidate Cuauhtémoc Cárdenas and their ally inside the ruling PRI: Manuel Camacho Solís, the former regent of the Federal District, named in various media reports as the protector of the EZLN and the former urban bus drivers union, Route 100, a terrorist hotbed.

On June 8, in the middle of the Larrainzar Dialogue, a communiqué of the Indigenous-Command Center Committee of the EZLN proclaimed:

"We need a nationwide initiative to unify and give cohesion to all the organizational forces which have been scattered up to now." Rafael Sebastián Guillén Vicente, a.k.a. "Subcommander Marcos," called for the building of a "new left," according to an AFP wire report of June 10. That same day, the pro-Zapatista daily *La Jor-dana* transcribed "Marcos's" full message, including a diatribe against the "legal left," supposedly split between Marcos and Manuel Camacho since the crushing defeat suffered in the Aug. 21, 1994 presidential vote. Camacho is trying to build up his own image as a centrist and negotiator, while Marcos calls on the "illegal left" to close ranks with the EZLN, in alliance with Cárdenas.

President Zedillo's flight forward into peace talks with the EZLN plays into Camacho's game. After the Larrainzar fiasco, the President voiced "confidence and hope" in his strategy of peace negotiations. In a recent meeting with Mexican press he denied rumors that he is thinking of giving Camacho a cabinet post, though he admitted meeting with him: "Mr. Camacho paid me two or three courtesy visits, in this sense there is this relationship. We had a few coffees together." While the President is gambling on his powers of conciliation, Camacho is betting on a blowup of the institutions by around August, and is building his own party to move into the power vacuum.

Before ending the peace dialogue, "Marcos" described the national conjuncture ahead: "The economic crisis has gone beyond the stock markets, the big financial centers. . . . The crisis is already alive on the Mexican people's tables. The crisis is achieving what any opposition front would dream of: It is unifying sectors and social classes which plenty kept separated and often at loggerheads."

# International Intelligence

## ***Kashmiri shrine plot: 'Made in Hamburg'?***

The plot to destroy the Charar-e-Sharief shrine in Kashmir in May was hatched in a meeting in Hamburg, Germany, of organizations owing their allegiance to Kashmiri terrorist Maqbool Butt, according to information reaching an Indian intelligence agency and reported on June 7 in *Asian Age* in New Delhi. "These organizations owing allegiance to Butt are scattered all over Europe, and in London alone there are at least 11 Mahaz-e-Azadi groups named after him," the sources said. Maqbool Butt was hanged in New Delhi's Tihar jail a few years ago.

The main strategist at the meeting was allegedly a former Afghan intelligence chief and six others (three of them of Pakistani origin). They also discussed plans to target industrialists and politicians. "Indian agencies have now woken up to the fact that strategy sessions are often held in safe havens of Europe which ensure anonymity and influential expatriates provide finance and other basic inputs," *Asian Age's* sources added.

## ***Schiller Institute concerned about Armenia***

In a June 14 statement, the German-based Schiller Institute, a think-tank for republican policy, expressed concern about the denial of registration to a political bloc in Armenia known as the National Union, or Dashnaksutiun, by the Central Electoral Board on June 9. parliamentary elections and a referendum on the Constitution are set for July 9.

The statement says in part, "There is believed to have taken place, on or around June 7, a session of the Armenian Security Council, during which it was decided that the National Union should be prevented from taking part in the election campaign. Seven thousand of their representatives are to be expelled from the 150 regional and 1,600 local electoral commissions. These

apparently mere administrative measures are, in fact, intended to pave the way toward tampering with the electoral process.

"The National Union, led by Deputies to the Armenian Supreme Council Hrant Khachatryan and Igor Muradian, has campaigned on a platform which has attracted favorable attention in other nations of the former Soviet bloc, opposed as it is to shock therapy and to the privatization program presently imposed by the International Monetary Fund. The National Union has stated that it intends to restore Armenian national sovereignty, and to promote heavy industry and mechanized agriculture. . . .

"A number of leaders of the National Union have made public their support for the economic and monetary policies of the American economist Lyndon LaRouche, and during his imprisonment, signed advertisements in leading western newspapers, calling for his release."

Although the Schiller Institute does not normally intervene in internal matters of the other countries, the statement nonetheless called for the Armenian government to nullify the decision and allow free and fair elections, because strategic issues may be at stake.

## ***German paper spotlights power of Milosevic clan***

A spotlight on the well-positioned Milosevic clan in Belgrade has been shed by Boris Kalnoky, in the German *Die Welt* daily, June 12. Kalnoky, a journalist who also exposed a key role of Serbian intelligence head Jovica Stanisic in the Bosnian Serbs' seizure of blue helmet hostages, portrayed Slobodan Milosevic's wife Mirjana as the likely real power behind her husband, through her control of the Alliance of the Communists/Movement for Yugoslavia, which happens to reside in the former communist party central committee building in Belgrade.

Mirjana Milosevic, who belongs to the Markovic clan and personally helped her husband to grab power in Belgrade years ago, has close contact to key figures of the Serbian war economy, like Zlatan Perucic,

chairman of Beobanka, or Neonad Djordjevic of the BTC company. Many leading managers of the Serbian industry and finances keep offices in her Alliance building. She is using the magazine *Duga* as a mouthpiece for "Yugoslav" ideology and propaganda.

Slobodan Milosevic's daughter Marija is editor-in-chief of the Belgrade radio station "Kosova," also located in the Alliance building. Slobodan's son Marko seems to be a mirror image of Margaret Thatcher's son—he is a racing-car driver and windbag.

## ***Radical Israelis, Brit attack Giulio Andreotti***

In an interview with *Corriere della Sera* on June 17, former Israeli diplomat Yitzhak Minerbi, who represents the Italo-Israeli community in Jerusalem, declared that former Italian Prime Minister Giulio Andreotti "proves more and more to be a sort of Vatican shadow foreign minister . . . pursuing that policy of negotiation-at-all-costs with terrorists and dictatorships, shared by a large number of European governments." Minerbi cites three episodes that would show "the sickness of Catholic policies toward Mideast extremism": Andreotti's conduct during the *Achille Lauro* hijacking; Formigoni's ("a fellow party member") visit to Baghdad; the Sant'Egidio Community-led "mediation between the Algerian government and Islamic extremists." "However, Andreotti does not act by himself, but rather as a major representative of a school of thought which goes back to the Vatican."

According to *Corriere*, Minerbi's opinion "is shared by David Cassuto . . . current vice-mayor of Jerusalem: 'Andreotti nowadays works for the Holy See. The church has chosen the line of dialogue at all costs with Islam and he is an active interpreter of it.'"

Andreotti was also criticized in the column in the June 15 London *Times* by British intelligence mouthpiece Lord William Rees-Mogg as representing "the more left-wing principles of the continental Christian Democrats" in contrast to Margaret Thatch-

er, whose political downfall Andreotti is accused of having set up.

These attacks are the political background to the trial Senator Andreotti faces in September, under charges of being the political head of the Mafia. He returned from a highly successful visit to Teheran on June 16 after having visited, in one month, Israel, Palestine, Libya, Syria, and Iran, in his capacity as a member of the Foreign Relations Committee of the Italian Senate.

### **'Human rights' furor over Peruvian amnesty**

After a marathon cabinet meeting that lasted until the wee hours of June 16, Peruvian President Alberto Fujimori signed into law a bill providing a general amnesty for all military, police and civilian personnel who are either charged or convicted of crimes "derived from or as a consequence of the fight against terrorism," involvement in the coup attempt of November 1992, or charged or convicted of the crimes of disloyalty or insult to nation and Armed Forces with regard to the recent Peru-Ecuador conflict.

The amnesty law, promoted by the government as an instrument to achieve "national reconciliation," is a means to defang the would-be demilitarizers so active in Peru and across the continent. In addition to amnestying the military personnel recently convicted in the human rights NGOs' *cause célèbre*, the so-called Cantuta Massacre, the law also releases from jail or exile several anti-government military figures who had attempted—unsuccessfully—to rally the Peruvian Armed Forces against the popular Fujimori.

One of these amnestied "dissidents" is the just-convicted General Mauricio, who had been "adopted" days earlier by London's Amnesty International as a favorite "prisoner of conscience." Amnesty International had demanded his "immediate and unconditional release" from prison. Now that Mauricio and his fellow anti-government conspirators are released, the human rights crowd are foaming at the mouth over Mauricio's being "lumped together" with

so-called assassins and human rights violators with the Amnesty Law.

U.K. Ambassador to Lima John Illman challenged the law by saying one could not equate real crimes with so-called "crimes of opinion."

### **Club of Isles elite to gather in London**

More than 1,300 members of the international oligarchy are about to descend upon London, as a Club of the Isles "war council" convenes, under the cover of the wedding of Greek Crown Prince Pavlos to the American billionaire Marie Chantal Miller. The several-day affair, which began the last week in June and culminates in the July 1 wedding, is hosted by Her Majesty Queen Elizabeth and Prince Philip, who participated in its preparations along with his cousin, exiled Greek King Constantine, according to an article by Bob Colacello, in the July issue of *Vanity Fair*.

"The Swedens are coming. The Norways. Naturally all the Danes. The Dutch, the Belgians, the Luxembourgs and the Liechtensteins. Some of the family of the Count of Paris—not too many. The Italian royal family. Of course the Spaniards. And the entire British royal family. There haven't been this many royals together in London at one time since the wedding of Elizabeth to Philip in 1947." That was the way one of Colacello's society sources gushed over the event, which is being funded by the bride's "American" father and mother, Mr. and Mrs. Robert Miller, who are described as based in Hongkong and the "reigning king and queen of a multibillion-dollar empire of duty free shops in Asia and the Pacific."

Also in attendance will be the invited royals' financial and political retainers from Europe, Asia, Ibero-America, and North America. Among those listed by Colacello's sources as attending from the "States" are billionaire media moguls Rupert Murdoch (a close friend and asset of Prince Philip and King Constantine) and the Virginia-based John Kluge; also flying in are the four Forbes brothers and Carroll Petrie.

## Briefly

● **THE GERMAN POLICE** magazine, *Magazin für die Polizei*, in its June issue, features *EIR* writer George Gregory in an analysis of the control of Gary Lauck and other neo-Nazi satanists by intelligence services linked to British geopolitics.

● **THE ISRAELI** settlers' movement is starting a new campaign to sabotage the peace process, spokesman Yechiel Leiter told a journalist on June 15. "Our aim is to retard the peace process until the next elections so we can make this the issue," he said.

● **FELIPE GONZALEZ**, the prime minister of Spain, has been implicated in a huge wiretapping scandal, according to the newspaper *El Mundo* of June 13 and 14. Over the past decade, the military intelligence agency CESID has been taping just about anybody who is anybody, from the king himself, to Socialist Party dissidents, industrialists, and sect members.

● **BARTHOLOMEW I**, the Patriarch of Constantinople, is expected in Rome on June 29. He will participate in the solemn mass which Pope John Paul II will celebrate for the occasion of Sts. Peter and Paul, the feast of the papacy.

● **MEXICO CITY's** new archbishop was named by Pope John Paul II: Norberto Rivera Carrera, the bishop of Tehuacán, Puebla. Carrera, known as a foe of Liberation Theology, shut down the Seminary of the Southeast, a center for forces attempting to create an "indigenous church."

● **GERARD CARREYROU**, the information director of French TV network TF1, might soon be looking for a new job, according to the *Événement du Jeudi* issue of June 8-14. Carreyrou, a supporter of former Premier Edouard Balladur, had savagely attacked candidate Jacques Chirac, one of Balladur's rivals in the recent presidential campaign.

# Militia hearings become a dog and pony show

by Leo F. Scanlon

On June 15, a Senate Judiciary Committee subcommittee held hearings which purported to be an investigation into the nature of the so-called "militia" movement in the United States, and an effort to determine what threat this movement might represent. The proceedings shed little light on those questions, but did illustrate how the militia issue has served to divert attention from any useful effort to identify the perpetrators of the terrorist bombing in Oklahoma City. The important questions untouched by the committee were: Whose political ideas are circulating in this populist milieu, and who benefits from the existence of this formation?

The hearing was convened by presidential candidate Arlen Specter (R-Pa.), the chairman of the Subcommittee on Terrorism, Technology, and Government Information, and followed related hearings on the terrorist threat and the counter-terrorist legislation proposed to deal with it. Specter promises to investigate the events in Waco, Texas and Ruby Creek, Idaho as well—subjects which will be the focus of House hearings in early July.

The House hearings have the potential, if they are serious, to examine and root out the rogue networks within the government which perpetrated those fiascos, and if those hearings are serious, it is the Anti-Defamation League (ADL), foreign intelligence agents such as Britain's Ambrose Evans-Pritchard, and their pro-secessionist collaborators in the bureaucracy and the think-tanks which should be brought under the microscope.

Department of Justice officials such as Mark Richard, who have vetted into the bureaucracy scores of people who are assets of this machine, should now be asked questions, such as: Who lied to the Attorney General about the nature of events at Waco and Ruby Creek? Who sold the media the fairy tale that the militia movement planned the Oklahoma City bombing? Who perpetuates these myths within federal

law enforcement agencies?

Specter, who is among the ADL's foremost supporters in the Senate, has good reason to avoid these questions, and Charles Schumer (D-N.Y.), one of the ADL's top men in the House, staged an extraordinary stunt to preserve the dog-and-pony show atmosphere which made it possible for Specter to duck the issue. Schumer's aides leafletted Specter's hearing room with an announcement that Schumer and Dan Levitas, a leading ADL propagandist, would hold a press conference at the conclusion of the event, to denounce the proceedings as a "forum for the wacko-right."

Levitas's statement had already appeared that morning in *Roll Call*, a Capitol Hill newspaper edited by neo-conservative luminary Morton Kondrake. Levitas's commentary opened with stock ADL formulations that the militia movement is a domestic threat equal to the Ku Klux Klan of the 19th and early 20th centuries. He accused Specter of playing the role of the House Rules Committee in 1921 and the Dies Committee in 1942, which boosted the Klan by holding spectacular and well-publicized "investigations" into the organization.

His conclusion pointed to the real issue: "The House leadership has chosen to ignore the threats posed by the paramilitary right in favor of hearings into government culpability in the Waco debacle. . . . Republican leaders in Congress are . . . sidestepping the clear and present danger posed by far-right groups." Precisely, because an investigation into "government culpability" which ignores the militia side-show, will spotlight him and his friends.

## Local lawmen warn against ADL-style hysteria

While the spokesman from the Bureau of Alcohol, Tobacco, and Firearms had little to offer, and the FBI merely said that it couldn't say anything important, because all the important things are currently under investigation (as usual),

local law enforcement officials did have some useful advice. Foremost was the admonition that the worst thing that could be done would be to paint the "militia" phenomenon with a broad brush.

Contrary to the propaganda spewing from the ADL, Chip Berlet, and the other "experts" who are slavishly quoted by the media, these local officials, who deal with the problem directly, emphasized the small and insignificant nature of the core radicals in the "militia" movement.

Col. Fred Mills of the Missouri State Highway Patrol (which has had two officers killed by white separatists in recent years) pointed out that the radical elements of the Christian Identity organizations—the KKK, CSA, and Posse Comitatus—have long been active in his region. "To say that all militia members are extremists, however, is overstating today's movement," he said. "Many people who attend militia meetings would be considered law-abiding, God-fearing citizens—farmers, entrepreneurs, former military personnel, and some who simply are curious as to what these groups are about."

Maricopa Arizona County Attorney Richard Romley emphasized, "We must be careful not to label all members of militias as supporters of the rantings of these extremists. . . . We must not be stampeded into quick, but ill-conceived action because of the horror of immediate events."

Both Romley and panelist John Bohlman, the Musselshell, Montana County Attorney who recently arrested his fellow panelist and leader of the Militia of Montana John Trochmann, called attention to the actions of a particular segment of the militia movement which calls itself the "Freemen." Bohlman pointed out that this organization functions as outlaws, rejecting citizenship and refusing to recognize local lawful authority, and has issued a variety of death threats to him and others.

Most revealing, are the "Freemen" theories which call for the creation of parallel (secret) judicial and legislative bodies, as well as "militias," as part of an overall revolt against the federal government.

The same concept was mentioned by Ohio militia panelist James Johnson, and by Michigan Militia panelist Norm Olson. Johnson said that the purpose of the militia movement is not to put people under arms—"Americans already have guns," he said—but to cultivate the creation of state and county organizations which will "bypass all you guys here inside Route 495," i.e., Washington.

### **Conspirophiles can't see Red(coats)**

The Freemen concepts, which are circulated through thousands of fax machines and newsletters by the populist movement, are the crudest rehash of classic British propaganda against the American Republic. Rejecting the Constitution, they assert that all authority derives from common law, the county, and the state, and that the federal Constitution is a mere "contract" between the citizen and the representative government.

The "contract" has been broken, these Confederates insist, therefore common law actions, such as commercial liens and declaratory judgments, can be filed by an aggrieved party against any person or political figure targeted for harassment in order to force compliance with the "contract." The procedure is not a joke, since a court-certified lien requires no proof of claim, and wrecks a personal or business credit rating until the matter is straightened out.

This notion has been widely circulated by populists like Alfred Adask and Michael Benn in Texas, Red Beckman in Billings, Montana (who is now holed up in a stand-off with law enforcement agents), and a number of Utah state legislators who are active in the movement to call a new constitutional convention.

This is also the core idea behind the antics of House Speaker Newt Gingrich (R-Ga.), his zombie-like acolytes, and their "Contract With America" propaganda. And the "state's rights" schemes advocated by the militia spokesmen are merely the clownish version of the legislative proposals advanced by the British and the Club of the Isles-funded think-tanks such as the American Legislative Exchange Council (ALEC).

ALEC, for example, circulates proposed legislation on issues such as prison privatization, "restoring the 10th Amendment" and so on. These schemes frequently call for creating a permanent committee of the legislature, which is tasked to communicate with corresponding (ALEC-designed) committees in other states.

This is the very model being advocated by the militia movement. Virginia has already implemented the ALEC proposal to create a "state sovereignty committee" funded by the legislature. This effort to cultivate a new secessionism is directed by a top aide to former British Prime Minister Margaret Thatcher.

Likewise, the briefing book prepared by the Michigan Militia and presented to the committee, which purports to "prove" that the United States has been taken over by a Clinton-led dictatorship, was a litany of national security actions which were deemed tyrannical by virtue of the fact that they were authorized by President Clinton. The militia researchers failed to note that none of the actions violate the current laws governing national security.

The Michigan researchers also failed to include a single violation of law committed by George Bush, Oliver North, and their drug-pushing friends. The reason is that this "bill of particulars" is ultimately nothing more than a rewrite of the dispatches of Evans-Pritchard, the militia movement's international public relations spokesman.

As *EIR* has reported consistently, Evans-Pritchard and the tabloid press which employs him have been hyping the militia movement since the day William Clinton took office. The publicly stated aim of this campaign is to "sandbag the President of the United States." It is this effort to intervene into the domestic affairs of the nation which is the proper matter for a national security investigation.

# Bush says he has 'respect' for Gingrich

*The "irrationalism-thing" frequently displayed by former President George Bush while in office seems not to have abated despite his nearly two and a half years in retirement. Readers familiar with George Bush: The Unauthorized Biography, by Webster Tarpley and Anton Chaitkin and published by EIR in 1992, may recall the concluding chapter, "Thyroid Storm," in which conclusive evidence of Bush's rage-obsessed personality disorder was presented. We provide the following excerpts from a transcript provided by Federal News Service of the NBC "Today" show on June 13, so that our readers may consider the latest available evidence. Bush used his first network-television interview since leaving the White House (given to NBC's Jamie Gangel) to endorse House Speaker Newt Gingrich's (R-Ga.) British oligarchy-spawned fascist agenda.*

**Gangel:** . . . There was one ground rule. If you want to talk, you have to do whatever he does.

**Bush:** All right, you watch and learn, Jamie.

**Gangel:** If you can keep up and don't mind getting wet.

**Bush:** [Jumps into pool.] You'd think that was Arnold Schwarzenegger. Come on. You—you can't go against your word—in.

**Gangel:** [Jumps into pool.] It's freezing cold. So we started our conversation bass fishing in the pouring rain.

**Bush:** Uh-oh—got him. Little guy. Just so it can be said that I didn't strike out, we got him. You guys, don't record the size of this fish, please.

Where were we on life its own self, Jamie?

**Gangel:** Don't you miss Washington?

**Bush:** [Laughs.] I don't. I honestly . . . I miss some things about it. . . .

**Gangel:** What do you miss?

**Bush:** . . . I miss dealing with the military—great. . . . I find myself talking to the television like Bubba, Bubba's father, that Dan Jenkins, my great friend, wrote about. Bubba's father would come home and he'd plunk a TV dinner down in front and he'd say, "Go ahead. Go on. You don't like it here? Go someplace else." He'd sit in there and say, "Look at that silly-looking woman telling us again what we think." I mean, I find myself doing that, but I don't—

**Gangel:** You yell back at the TV.

**Bush:** Well, kind of turn it off in anger or say, "Oh, listen to this stuff. That's crazy." But then I don't talk about it. I don't go out and try to do something about it or lead a crusade about it. I've done that. And I have opinions.

**Gangel:** Do you speak . . . with President Clinton?

**Bush:** No. Nor should I. I mean, people say, "Well, doesn't he call you?" Well, you don't call your predecessors. It just doesn't work that way. . . . But—watch it. You're right in the line of the fish that's sitting over there. . . .

**Gangel:** Why did you speak out [about the National Rifle Association]?

**Bush:** Well, it offended my sense of honor. And to me, honor is important, my sense of decency, and because I have great respect—whoops; did I get a bite?—great respect for the law enforcement community. . . . And so there's one that I felt very strongly about. But it's an exception that proves the rule—an exception.

**Gangel:** And when I say to you Bosnia, you say?

**Bush:** I say go talk to my sons about that. You could say Rwanda or you could say the former Soviet Union or you could say China or you could say a lot of areas that interest me. And you see I think we've got a lot of elected, able loyal-opposition people that are doing a very good job presenting alternatives.

And—I put that right on that fish's head there. And I just—I don't know. I've always felt funny about somebody always wants to still be something when he's not. Why try to horn in, as mother would say if she were here watching her little boy fish like she used to do right on this very river.

**Gangel:** Bush appears to have become more philosophical, and he certainly has recovered his sense of humor. . . . These days, Bush is finishing up a book on foreign policy with his former national security adviser, Brent Scowcroft. . . . Comfortable with Newt Gingrich?

**Bush:** Yeah. I've got a lot of respect for Newt. We used to have some differences with him. He can tell you about those. But I don't point out the differences. I point out the fact that he said he was going to do something and did it. Therein lies something rather unique in politics these days. And I salute him and I support him and I think that the change he's trying to bring about is good for everybody. But any time you take on special interests, you'd better put on the flak jacket and button [sic] down the hatches. I found that out.

**Gangel:** How do you feel about Ross Perot?

**Bush:** I don't discuss my feelings about him. That's the answer. There's nothing personal as far as I'm concerned. But if I were asked, you know, if I were in the arena, "Would you go trooping down to pay homage to Ross Perot again?" I'd say no. Burn me once, but not twice.

# The end game in fusion funding

by Mark Wilsey

Each year Fusion Power Associates, FPA, hosts a meeting of representatives from the fusion research and industrial community to review the progress and future of the U.S. fusion program. In recent years the picture has been bleak, but this year's meeting, just concluded in Washington, D.C. on June 14-15, was particularly somber.

Unfortunately, the magnetic fusion program as it has been constituted over the past decade and a half, was stripped down to the Princeton Tokamak, and then to the International Test Experimental Reactor (ITER), thus, on the one hand, eliminating the more exciting scientific experiments, and on the other, failing to do the kind of materials testing which could have made a fusion reactor practical. Yet it is little short of tragedy to move further along in a direction away from the enormous potentials which can open up for mankind with this energy resource.

On June 8, the Energy and Environment subcommittee of the House Science Committee cut \$136 million from the Clinton administration's FY96 request of \$366 million for magnetic fusion energy research. The 38% reduction, which has been approved by the House Appropriations Committee, will shut down the Tokamak Fusion Test Reactor, TFTR, at Princeton, and halt construction of its successor, the Tokamak Fusion Experiment, TPX. It will adversely affect all other major fusion programs, according to the Department of Energy fusion office, because the cost of terminating these programs, \$45 million, would have to come out of the \$229 million budget. Materials R&D, plasma technology development, and other programs will also end.

Earlier, the Green Scissors report issued by the Friends of the Earth and the Taxpayers Union had targeted fusion research for elimination. At a press conference on June 7, subcommittee chairman Dana Rohrabacher (R-Calif.) stated that some "programs have a tendency to go on and on, even when no longer justified," and large-scale fusion energy projects are examples of this.

Dr. Martha Krebs, the director of the Office of Energy Research at DOE, presented to the meeting the Department's overall budget picture. DOE employment will drop by half by the turn of the century, from more than 20,000 to about 10,000. The problem, she said, with Rep. Robert Walker's (R-Pa.) proposal to have a Department of Science replace DOE, NASA, and Commerce, is that this would be "science without problems to solve"—no mission.

Walker, who chairs the House Committee on Science, gave the keynote address on June 16. Walker said that the \$229 million that the committee approved for fusion was focused primarily on ITER. He said that he could not foresee any multibillion dollar program unless it involves international cooperation. "Nobody claims, least of all me, that these are bad programs," Walker said. But any program that is not going toward internationalization is going in the wrong direction.

In the question period, Walker was reminded that TPX will cost well under \$1 billion, and when there is no longer a TFTR it will be the only major fusion device in America. Walker responded that at \$229 million there would be enough money for TPX, if that is what the fusion community decides and that would be fine, but it would mean doing one thing to the exclusion of everything else, and that would be a big decision.

In response to a comment on the size of the U.S. fusion program compared to the Japanese and Europeans. Walker responded that you can always find someone spending more money than you, but that has to be balanced against our needs and our national interests, and now, the "moral imperative" is a balanced budget.

That afternoon Anne Davies, associate director for fusion energy at the DOE, brought breaking news to the meeting on the findings and recommendations of a panel of the President's Committee of Advisers on Science and Technology (PCAST) which had examined the U.S. fusion program. The report defended the current DOE fusion program, which had proposed \$366 million in 1996 increasing to \$860 million in 2002, averaging \$645 million between 1995 and 2005, but said that "it does not appear to be realistic in the current climate of budgetary constraints." Therefore they put forward a plan for funding fusion at about half of this average projected amount, or a flat \$320 million per year.

The plan would be to delay TPX for three years, while the U.S. would try to talk down the cost of ITER from \$10-13 billion to around \$4 billion, continue to operate our existing machines, and give up any hope for a demonstration fusion plant by 2025.

Even at that, the fate of TPX is still unsure, pending the outcome of the ITER renegotiations. If renegotiations allow the United States to cap its total cost on the construction of a downsized ITER, Materials Test Facility, and TPX at \$1.2 billion, or if the outcome of the talks means that some form of ITER goes forward without the United States, then TPX would go ahead. Otherwise TPX would not be built without another review. PCAST concedes that a U.S. withdrawal from international collaboration could lead to the collapse of such efforts and that at funding levels of \$200 million the United States could not participate in international fusion programs, much less any meaningful domestic program.

Neither the PCAST plan nor the House budget presents a viable prospect for fusion research. One provides hospice care; the other chops its head off.

## L.A. County slides to brink of bankruptcy

The mudslide into global financial collapse is now enveloping Los Angeles County, the largest in the nation, with 9.2 million people. Officials are scrambling to cut public services to the bone, in vain hopes of covering an official budget deficit of \$1.2 billion.

County Chief Administrative Officer Sally Reed presented an austerity scheme on June 20 which would cut department spending 20% virtually across the board, eliminate 18,255 county jobs, close more than a dozen libraries and 30 parks, severely reduce welfare and other social services, and shut down the 2,000-bed Los Angeles County-University of Southern California Medical Center, which served 855,000 outpatients last year alone.

Reed warned that Los Angeles County could follow adjacent Orange County into bankruptcy if the cuts are not enacted, the *Washington Post* reported on June 21. She also said the threat would worsen if further planned cutbacks in state and federal aid—now covering more than two-thirds of the county budget—are enacted. Orange County filed for bankruptcy in December after losing \$1.7 billion in the derivatives market.

## Kissinger knighted for his service to Britain

Self-professed British agent Henry Kissinger bent over for the monarchy once again, this time in London on June 20 to receive an honorary knighthood from Queen Elizabeth II, for his "contribution toward Anglo-American relations."

A press release issued by the Foreign and Commonwealth Office on June 13 announced "that the queen had been pleased to approve a recommendation by the Secretary of State for Foreign and Commonwealth Affairs [Douglas Hurd] that Dr. Henry Kissinger should be appointed an Honorary Knight Commander in the Most Distinguished Order of Saint Michael and Saint

George (KCMG). This honor was in recognition of Dr. Kissinger's contribution toward Anglo-American relations." The ritual was personally administered by the queen.

As a mere American citizen rather than an official British subject, Henry had to settle for the "honorary" version of the KCMG—though that order is of a higher rank, for example, than the Order of the British Empire, and is seldom conferred upon an American.

As to why Kissinger was being knighted, and why at this particular time, a spokesman for the Foreign Office told *EIR* on June 14, "Don't ask us. Ask the queen! It's her remit! She makes the decision personally. All I can say is, that Mr. Kissinger has been very helpful to us, a staunch ally, really, on so many things. Bilaterally and in other ways. He's been so helpful, for example on the question of Northern Ireland, and I think she wanted to reward that. But you should ask her, she really is the one who is on top of things."

Kissinger has made no secret of his desire to keep the British on top of things. In his speech at London's Chatham House on May 10, 1982, he bragged, "In my White House incarnation then [as national security adviser to President Nixon], I kept the British Foreign Office better informed and more closely engaged than I did the American State Department."

## CIA official raises new questions in Ames case

CIA Inspector General Frederick Hitz believes that convicted spy Aldrich Ames may have been recruited by the Soviet KGB as far back as the late 1970s. Hitz raised that possibility in an address delivered in April to a National Security Institute conference in Boston, according to an account published in the June 19 *Washington Times*. Ames may have been initially approached by the Soviets while he was a case officer in New York City in 1976-81, Hitz suggested.

"There is some question in the damage-assessment team's mind and ours, and indeed in the investigating bureau officers' mind, as to when Ames actually did begin to work for the Soviets," Hitz said. "There

is some evidence to suggest that his relationship with a [Soviet] correspondent in New York, where [Ames] had a number of lunches before he even went to Mexico City, were as much preparatory ground by them to set him up for what he later calls a voluntary act on his part, but could well have been a well-prepared recruitment."

Ames's attorney, Plato Cacheris, told the *Times* that other CIA and FBI officials suspect that Ames was recruited in the early 1980s while posted in Mexico City. At that time, Ames was in contact with KGB officer Igor Shurygin, one of the Soviet's top recruiters.

Hitz said that the CIA is in the final phases of its damage assessment of the Ames case, and will issue its findings before the end of the summer. "When you read it, you're going to get sick all over again," he said.

## Wall Street leaders top 1930 Eugenics roster

An August 1930 membership list of the American Eugenics Society has recently come to light, confirming that the titans of Anglo-American finance of the time were supporters of genocidal "race science." The eugenics movement for "race purification" was the international ideological support network for Adolf Hitler's Nazi Party. Both the eugenics movement and Hitler's 1933 takeover of Germany were organized with the backing of the British royal family and Anglo-American banking interests.

The 1930 American list includes Henry Morgenthau, Jr.; W. Averell Harriman; J.P. Morgan, Jr.; Thomas W. Lamont; John D. Rockefeller, his son John D., Jr., and nephew Percy A. Rockefeller; Otto H. Kahn; Bernard M. Baruch; Robert and Murray Guggenheim; and Mrs. Eleanor Lattimore Owen. The newly discovered list is especially significant, in that the leading figures of the eugenics movement rarely appear in any official connection to it.

The House of Morgan (run by J.P. Morgan, Jr. and Thomas W. Lamont) played official British overlord on Wall Street in the 1920s to 1940s, and sponsored the regimes of Mussolini in Italy and Tojo in Ja-



## Briefly

● **FORMER CIA** director William Colby told the British-American Business Association in Washington June 15 that Russia might need a dictator. Colby called Russia the "wild card" in the current world situation, adding that "they could turn toward fascism. . . . But maybe what Russia needs is a Pinochet, a dictator [who] would open their economy and then be kicked out by the people."

● **THE PENTAGON** has announced that eastern European and NATO troops will hold joint exercises for the first time on U.S. soil, AP reported on June 17. NATO soldiers and troops of former Warsaw Pact nations will conduct peacekeeping exercises called Cooperative Nugget '95, to be held Aug. 6-28 at Fort Polk, Louisiana.

● **TEXAS GOVERNOR** George W. Bush, Jr., can soon boast of having "by far the largest prison system in free world," as state prison officials insanely described it on June 12. Texas is scheduled to open 13 new state prisons and jails during June and July, completing a multi-year prison expansion program which already sub-contracts to house inmates from other states.

● **JOHN SWEENEY**, president of the Service Employees International Union, officially announced his candidacy on June 13 to succeed Lane Kirkland as president of the AFL-CIO. He heads a slate with Linda Chavez-Thompson of Afscmc for executive vice president, and Richard Trumka of the UMW for secretary treasurer. Sweeney's opponent is Thomas Donahue, the current AFL-CIO secretary, who served with Kirkland for 16 years.

● **THE SIERRA CLUB** hopes to impose an ecological dictatorship by constitutional amendment in time for Earth Day 2000. The amendment would prohibit any human activity which might "impair" the use of "common property," such as "air, water, sunlight, and other renewable resources" designated by Congress.

pan. Averell Harriman's own banking organization, which ran massive Nazi corporate entities and moved the money to finance Hitler's takeover, was started in about 1919 by Percy A. Rockefeller and George Herbert Walker, grandfather of President George Bush. Financier and political manager Bernard Baruch, a favorite agent of Winston Churchill, wrote proudly about his father's activism with the Ku Klux Klan.

The 1930 Eugenics Society list was found at the Library of Congress, in the papers of Margaret Sanger, the infamous eugenics advocate and promoter of birth control for the same end.

### Shelby offers bill for prison slave labor

Sen. Richard Shelby (R-Ala.) laid bare another ugly feature of the Conservative Revolution by introducing the Prison Work Act of 1995 at a June 15 press conference in Washington. "It's time we put an end to inmate coddling, and implement a system of inmate accountability," Shelby declared in his press release.

The legislation would establish a minimum 48-hour work week, and require an additional 16 hours of "study," before inmates are permitted to "enjoy leisure activities such as lifting weights, watching cable television, or playing basketball." The act repeals a provision of the Violent Crime Control and Law Enforcement Act of 1994, which requires that states have what Shelby derogatively calls "an array of questionable, social programs" in place, in order to qualify for prison construction grant funds.

The vast majority of inmates in federal prisons, to which this bill applies, already work at least 48 hours a week in slave-labor factories run by Unicor—or scrub floors, wash dishes, and clean toilets for 11¢ an hour. Those who do not work are generally exempted on medical grounds (and too often are dying of AIDS and tuberculosis), or are confined in overcrowded prisons where there are not enough jobs to go around.

The burgeoning lust for a return to slavery was also on display in the House, where Conservative Revolutionists were narrowly defeated in an attempt to turn federal mili-

tary installations into prison labor camps. Rep. Jim Kolbe (R-Ariz.) introduced an amendment on June 14 to the Defense Department authorization bill to allow the use of state prison labor, providing "opportunities to preserve facilities and prevent deterioration where current funding is inadequate or wholly unavailable," and to "rehabilitate and train . . . prisoners at no cost, and in fact, great savings to the taxpayer."

Rep. Patrick Kennedy (D-R.I.) took the floor in opposition, declaring that using state prison inmates would amount to "subsidizing them to take good jobs away from American workers." If that were to happen, he added, "there is nothing more that could be said about the Chinese and their slave labor problems over there. We will be no better than them, if we go down the direction that this amendment is asking us to go down." The amendment failed on a tie vote of 214-214.

### Medical groups denounce aiding in executions

A revised Illinois law which shields doctors from discipline for taking part in executions, has been denounced by three of the nation's leading professional medical organizations, according to Associated Press. The American College of Physicians, the American Nurses Association, and the American Public Health Association urged the American Medical Association to condemn the statute, which in effect permits doctors to violate their Hippocratic Oath to protect human life, with legal immunity from AMA discipline.

"The governor and legislature cannot say that something is acceptable medical practice [participating in executions] . . . that is universally condemned by the profession itself as unethical and immoral," said Dr. Ann Marie Dunlap, a member of the ACP. The three groups registered their opposition to the law at the recent annual policy meeting of the AMA's House of Delegates in Chicago. A vote was to be held before the meeting concluded on June 22. The AMA is already on record opposing the use of health care personnel at executions.

## Editorial

### *Henry Kissinger on the road to Ascot*

On June 20, Henry Kissinger was awarded the title of Honorary Knight Commander of the Order of St. Michael and St. George, by Queen Elizabeth. This rank of Knighthood is usually reserved for recommendations for British foreign service or diplomatic personnel.

That same day, Kissinger attended the Royal Ascot races with Prince Philip and the queen. Front-page newspaper photos show Sir Henry, wearing a top hat, in attendance on the Royal Couple as the three were taken to the races in a horse-drawn carriage. Sometimes, as in this case, a picture is worth a thousand words. Here we see the flapjowled former U.S. secretary of state and national security adviser, shamelessly flaunting his reward for his decades-long service to the British Crown.

For those who are familiar with Kissinger's May 10, 1982 speech before the Royal Institute of International Affairs, at Chatham House in London, this will not come as a complete surprise. In that speech, Kissinger admitted that his first loyalty was to the British government when he was national security adviser.

In this speech, he said of the postwar period: "The British were so matter-of-factly helpful that they became a participant in internal American deliberations, to a degree probably never before practiced between sovereign nations. In my period in office, the British played a seminal part in certain American bilateral negotiations with the Soviet Union—indeed, they helped draft the key document. In my White House incarnation then, I kept the British Foreign Office better informed and more closely engaged than I did the American State Department. . . ."

The Ascot races, the premier social event of the London "season," and the award of a knighthood seem to be quintessentially British rituals, but of course, in reality they represent ceremonies which put the window dressing on the role of the British Royal Family as protagonists in an international oligarchy which is seeking to keep, and indeed, increase its domination of the world.

The coincidence of the two events signifies the special honor accorded by his Royal masters, to the Ameri-

can traitor, Kissinger. That a mere honorary knight be invited as guest of honor to attend the races was according to a Buckingham Palace spokesman, "most unusual," especially as Sir Henry and his wife had also been luncheon guests at the Palace.

Not so ironically, the Kissingers were dinner guests of British Foreign Secretary Douglas Hurd and his wife. Hurd was known as "Hitler" Hurd during his school days, when apparently he already exhibited the sadistic proclivities recently manifest in his support for the Serbian fascist leadership.

Interestingly, while Henry Kissinger was being honored at the Palace, in Italy the situation was quite the opposite. Kissinger is again coming under scrutiny for his role in the kidnap and assassination of former Italian Prime Minister Aldo Moro. Ever faithful to his British masters, Kissinger took a direct hand in the frameup of Lyndon LaRouche, and he was a prime mover in the overthrow and then execution of Pakistan Prime Minister Bhutto, whom he had threatened to make into "a terrible example." In 1974, Kissinger was responsible for the infamous NSSM 200 directive proclaiming population growth in developing countries as *the* major security threat to the United States.

Certainly there is an element of buffoonery, in the new honors accorded to Sir Henry. Wags have even been turning the pages of Lewis Carroll's *Alice in Wonderland* in order to find an appropriate description. "Now that Kissinger has traveled the road from Queen's pawn to knight," they query, "does he aspire to the title of Red Queen?" For those unfamiliar with their *Alice*, this is the member of a pack of cards who kept demanding: "Off with his head!"

There is an appropriate adage: Whom the gods will destroy, they first make mad. How else can one explain the insane willingness of the British monarchy to flaunt the servitude of one of its chief lackeys, than sheer madness. Either Sir Henry, Queen Elizabeth, and Prince Philip are mad for supposing that they will get away with such a parade of their villainy—or the rest of us are mad for our willingness to allow these clowns to wantonly destroy our civilization.

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