

EIR

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The narco-terrorist international
A dilemma at the Amman summit
Glazyev: Russia and U.S. could be partners

**London's terror spree seeks
to derail Mideast peace**



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Moon Shot: The Inside Story of America's Race For The Moon, by Alan Shepard. Turner Publications; clothbound, 400 pages with 32 pages of photos. \$22.95

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As the whole world mourns the tragic assassination of Israel's Yitzhak Rabin, we can draw hopefulness from the fact that an opportunity now exists for a shift in the international constellation of forces, in the direction of the peace process for which Rabin was working. President Clinton summed it up in his speech at Rabin's funeral, when he quoted the slain leader's words at the signing of the Israel-Palestine agreement in Washington, six weeks before: "The king of Jordan, the President of Egypt, Chairman Arafat, and us, the prime minister and foreign minister of Israel, on one platform. Please, take a good hard look. The sight you see before you was impossible, was unthinkable just three years ago. Only poets dreamt of it."

The foreign policy revolution which President Clinton launched, during his Hyde Park meeting with Russia's President Yeltsin last month, now has a chance to draw in people of good will from all over the world, behind a program of economic development to guarantee the peace.

This requires real statesmanship, of the sort which allowed Rabin to drop his opposition to negotiation with the Palestinians, and to adopt a policy based on *reason*. Specifically, it means recognizing 1) that the strategic enemy is in London, and 2) that the LaRouche program for economic recovery must be implemented now.

This issue contains the concluding section of our *Special Report* on the British control of international terrorism. If you want to know why Yitzhak Rabin was murdered, do not focus on the minutiae about Israeli right-wing groups; look at the broad historic and strategic picture. Until the lessons of our dossier are understood, there is no way that terrorism will be stopped.

On the economic policy aspect, read Muriel Mirak-Weissbach's report from the Amman summit. Unless a crash program is adopted by world statesmen, to develop the infrastructure of the Mideast with high-technology means such as nuclear power, the peace process will not survive. And yet, at the summit, the dominant line was the British policy of "free trade"—which means tourism and drugs, not canals and railroads.

There is growing openness to a real development perspective, as shown in the many interviews in this issue. Not only poets are dreaming of it!

Susan Welsh

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Corrections: In *EIR* Vol. 22, No. 45, Nov. 10, 1995, p. 72, the article erred in describing the Inuit as Indians; they are Eskimos.

In No. 43, Oct. 27, on p. 26, in the box: The second line down should read "people per nurse," not "nurses per person." On p. 28, Table 1: the "Surplus or deficit" line at the bottom, should have a minus sign before the figures in the last two columns (that is, -26.50 billion for 1980, and -172 billion for 1990). They are deficits, not surpluses.

In the article, "Reviving the Classical Ideal in Slovakia" (No. 42, Oct. 20) there are several inaccuracies. 1) Haydn consciously applied the principle of *Motivführung* for the first time in *all six quartets* of his Op. 33. 2) In the part inscribed *Andante-Neue Kraft fuehlend* of his Op. 132, Beethoven explicitly writes *cantabile espressivo* only over the first violin's part. 3) In the famous *Cavatina* (in Beethoven's Op. 130), Norbert Brainin indicates his special interpretation (almost "flutey") *only* for the phrase marked *beklemmt* (measures 42-47). 4) Beethoven's *Grosse Fuge* begins on the note G.

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International



U.S. President Bill Clinton watches as PLO leader Yasser Arafat (right) shakes hands with Israeli Prime Minister Yitzhak Rabin, at the Sept. 13, 1993 signing of the agreement on Palestinian autonomy in the occupied territories. Rabin was assassinated on Nov. 4 after attending a peace rally in Tel Aviv.

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RIM: London's narco-terrorist international

by Jeffrey Steinberg

In parts I and II of this series, *EIR* presented a detailed profile of two major components of the new terrorist international:

1. The "afghansi" mujahideen apparatus of nominally Islamist mercenaries for hire, spawned by the Afghanistan War (1979-89), now engaged in an irregular warfare offensive stretching from North Africa into France and reaching the streets of America;

2. The São Paulo Forum, operationally headed by Cuba's Fidel Castro, but actually run out of London by the British Crown and its secret intelligence services, now conducting a war against every nation-state of the Western Hemisphere, including the United States.

The third, and concluding, part of this series, deals with the Revolutionary Internationalist Movement (RIM), an organization that could be called the "narco-terrorist international." We also provide a dossier on the Basque separatist-terrorist group ETA (Euskadi and Freedom), the model for the new brand of terrorism that is now emerging.

RIM has strong ties to both the "afghansis" and the São Paulo Forum. An amalgam of nominally Maoist terrorist organizations and guerrilla movements, it was founded in London in 1984. For years, its headquarters and publishing operations were located in the Russell House in Nottingham, England, named for the late Lord Bertrand Russell. RIM's journal, *A World to Win*, was published for years by Russell Press, an affiliate of the one-worldist Bertrand Russell Peace Foundation.

To this day, RIM enjoys the protection of the British Crown. Its current offices are located in London, which French government officials have recently labeled the "headquarters for world terrorism."

The Revolutionary Internationalist Movement can be understood as a revival of the mid-nineteenth-century Young Europe movement of British agent Giuseppe Mazzini, which was personally steered by British Foreign Minister Lord Palmerston (see *EIR*, April 15, 1994, "Lord Palmerston's Multicultural Human Zoo"). Mazzini



The Revolutionary Communist Party, one of the founding members of the Revolutionary Internationalist Movement (RIM), shown here at a press conference in New York City in April 1982. RIM is a far-flung international network of narco-terrorist groups, Maoists, and separatists, headquartered in London.

and Palmerston manipulated radical ethnic movements of every stripe imaginable, to further the divide-and-conquer strategy of the British Empire. Today, among the dozen or so organizations that formally belong to RIM, one finds some of the most brutal narco-terrorist gangs in the world, beginning with Peru's Shining Path.

Closely allied to RIM are the Kurdish Workers Party (PKK) and the Armenian Secret Army for the Liberation of Armenia (ASALA)—both ruthless killer gangs that finance their activities by trafficking in Anatolian and Central Asian opium, in partnership with the “afghansis” in Afghanistan and Pakistan. Both the PKK and ASALA are important pawns in London's geopolitical destabilizations along the southern tier of the former Soviet Union. ASALA is ostensibly fighting for a “Greater Armenia,” to be carved out of sections of Turkey and Azerbaijan; while the PKK pushes a separatist Kurdistan, cut from Iranian, Turkish, and Iraqi territory. Some of these disputed territories overlap, and often these gangs can be pitted one against the other—if it serves London's strategy.

At the same time, the PKK, ASALA, the Greek terrorist EOKA-B, and the Turkish Communist Party/Marxist-Leninist (a formal member of RIM that has engaged in a campaign of terror against London's number-one geopolitical target in Europe: Germany) share training camps, weapons supplies, and narcotics-smuggling and money-laundering routes.

Sikh separatists who assassinated Indian Prime Minister Indira Gandhi on Oct. 31, 1984, are among the leading RIM

allies in South Asia. The Liberation Tigers of Tamil Eelam (LTTE), who were behind the assassination of her son, former Indian Prime Minister Rajiv Gandhi, and are another crucial component of the region's burgeoning guns-for-drugs trade, are also allied to RIM. These groups are also part of the “afghansi” apparatus, as we documented in Part I (*EIR*, Oct. 13), and both groups attended the founding conference of RIM in London in March 1984.

London's 'Mao' card

This worldwide association of killer gangs is tied together by the insane ideology of Maoism. One of the most brutal episodes in the history of the twentieth century was Mao Zedong's Cultural Revolution (1966-76), which resulted in the decimation of China's scientific and intellectual elites, the depopulation of urban centers, and the enslavement and murder of tens of millions of people at the hands of the Revolutionary Guards. It was perhaps the most shocking instance of self-imposed malthusianism in modern history, and it spawned even more hideous rates of mass murder in Pol Pot's Cambodia. Mao's Cultural Revolution also set the stage for British pawn Ayatollah Khomeini's Islamic Revolution in Iran, with its own murderous Revolutionary Guards (Pasdaran) and its axiomatic rejection of all things western.

This assault against all expressions of modern civil society and scientific and technological progress, and this clinical case of mass suicide and mass brainwashing, also formed the model for the 1980s rise of Peru's Shining Path (*Sendero*

Luminoso). As the dossier below shows, Shining Path was synthetically created by a collection of Sorbonne-trained radical social engineers, out to brutalize and dehumanize the very Peruvian peasants they “recruited” to the revolution. Abimael Guzmán, Shining Path’s “Chairman Gonzalo,” was in China during the Cultural Revolution, along with fellow Sorbonne graduate Pol Pot, and much of the leadership of the Revolutionary Union (later, the Revolutionary Communist Party USA), the initiating agency of RIM.

But it would be a mistake to presume that any of these so-called revolutionaries were principally agents of the Chinese Communists, despite the Beijing training and the intimate ties to sections of the Chinese leadership. The use of Maoism as a “paradigm-shifting” ideology in the West was orchestrated top-down from London. The Chinese Communist leadership was itself greatly influenced during the 1920s by the work of Bertrand Russell and John Dewey, who traveled together through China for two years, left a hideous, lasting impact on the Chinese educational system, and trained the entire first generation of the Chinese Communist Party leadership (see article, p. 7).

The intelligence community controllers

During the mid-1960s, a group of London-trained agents and agents-of-influence propagandized for the “Cultural Revolution” among drug-infested student radicals in the West, creating groups like the Revolutionary Union (RU) and the October League in the United States and scores of Maoist sects in Europe.

Henry Kissinger, who as President Nixon’s national security adviser, initiated the opening to China *in the midst of the Cultural Revolution*, had a personal hand in this effort, through his collaboration with William Hinton, the sponsor of the RU (and, later, of RIM), and the leading propagandist of Maoism in the United States.

Hinton had spent much of World War II in China as a propaganda analyst with the Office of War Information. He stayed on with the U.N. Relief and Rehabilitation Administration until 1953, during which time he wrote a laudatory account of life in a Chinese farming village during the consolidation of the Maoist Revolution. Hinton’s notes were seized by U.S. Customs upon his return to the United States; he was placed under investigation by the House Un-American Activities Committee; and the stage was set for him to emerge as a radical hero in 1967, when the first of his books propagandizing the Cultural Revolution, *Fanshen*, was published.

The entire Oxford and Cambridge University Orientalist apparatus mobilized to build up Hinton as the leading popular scholar on life in Maoist China. Cambridge University’s Joseph Needham, perhaps the senior British intelligence officer for China, boosted *Fanshen* as “absolute necessity” reading; Oxford don Felix Greene (who trained RU founder and retired Air Force intelligence officer Capt. H. Bruce Franklin) blessed it as “the most important book that has

yet been written about China at the time of the Communist Revolution”; and Edgar Snow, Britain’s leading propagandist of the Maoist cause, labeled it the greatest sociological profile of rural China ever compiled.

Another pivotal figure in building up a synthetic Maoist ideology among western 1960s and ’70s radicals was the Australian socialist Wilfred Burchett. He became the leading Asia correspondent for the U.S. *National Guardian*, a weekly radical newspaper that was originally launched by the Supreme Headquarters, Allied Expeditionary Force in Europe (SHAEF) as a propaganda organ for the immediate post-war “de-Nazification” program. Lord Russell played a prominent role in that effort, through a British intelligence “re-education” center at Wilton Park, England, which brainwashed a whole stratum of future German leaders. Burchett’s British intelligence sponsor in this early phase was Cedric Belfrage.

In 1971, Burchett moved to Paris, where he served as a secret back channel for Henry Kissinger during the Vietnam peace talks. As a reward for his efforts, Kissinger lifted a longstanding U.S. travel ban on Burchett, and, in 1976, Burchett toured 25 college campuses all across the United States, adding his voice to the propaganda outpouring on the glories of Mao’s “anti-bourgeois” Cultural Revolution.

The third patron of the RU was another leading Russelite, Paul Jacobs, the right-hand man of British ideologue Robert Maynard Hutchins, chancellor of the University of Chicago, the founder of the Aspin Institute for Humanistic Studies, and the head of the Center for the Study of Democratic Institutions, a training ground for future American radicals. Jacobs, a self-described “professional revolutionary,” trained early RU cadre in labor insurgency, and arranged for the nascent Maoist group to get splashy news coverage for their role in a strike by workers at an oil refinery in Richmond, California.

During this formative period, Hinton and Kissinger also drew upon the services of some senior figures within the Canadian intelligence establishment, including Chester Ronning, Rev. James Endicott, and Paul Lin—all leading figures in Canada’s extensive China lobby. RU members were brought to Canada and let in on the creation of a phony “Black September” Arab terrorist cell, operating under the cover of the Montreal offices of Middle East Airlines. They amassed a large cache of explosives, and planned to carry out terrorist attacks against Jewish-American targets, according to government files and eyewitness accounts provided in court proceedings. Kissinger apparently planned to use such “bloody shirt” terrorist incidents to bolster U.S. support for Israel at the same time that he was manipulating events toward a new Middle East war.

This was one of the first instances in which the Maoist networks were set loose on behalf of a British geopolitical game. As the accompanying report details, it was by no means the last.

The British role in creating Maoism

by Michael Billington

In the late 1960s and early 1970s, China became the training center for many of the emerging terrorist operations under British sponsorship across the globe. In that light, it is important to note that the British played a crucial role in the creation and nurture of the Communist Party of China, and what became known as Maoism, as one of the myriad parts of the “balance of power” structures created during the Versailles Treaty process following World War I. The British, at that historical turning point, were particularly concerned that Dr. Sun Yat-sen, China’s foremost republican leader, might succeed in his ambition to modernize and unite China through his unique combination of the Confucian moral tradition, the Christian humanist tradition from the Renaissance, and the American System of Political Economy. Such a policy would have put China on a course to becoming a major power in the world, which would have severely disturbed London’s preferred “balance.” In practice, this “balance of power” kept the British in control, not by means of a superior culture, but by destroying any emerging power, while draining resources from subjugated colonies or semi-colonies.

Sun Yat-sen’s program for China envisioned the development of all of Asia in collaboration with republican forces in Europe and the United States. This was considered to be the greatest conceivable danger to the continued world domination of British financial power. As was the usual British policy, while taking certain direct measures against Sun’s organization, they also set in motion the creation of a radical counter-revolutionary force against Sun’s Nationalist Party, to prevent the emergence of a strong republican China.

The result was Maoism, which, like the British-trained jacobins who created the Terror during the French Revolution, functioned over the next half-century to turn China back to a primitivist hell, culminating in the nightmare of the 1966-76 Cultural Revolution. It was during the peak of that nightmare that the British deployed the leaders of nascent terrorist movements from around the world to China for training.

The British East India Company, which increasingly controlled China over the nineteenth century following the 1842 Opium War, actually began the process which led to Maoism in 1877, when they sent a young radical Chinese opium addict, Yen Fu, to England for training. Yen Fu’s job was to translate the most important works of British empiricism, such as those of Herbert Spencer and Adam Smith, both to

inundate the young intelligentsia of China with hedonistic, irrationalist dogma, and to give the Chinese the false impression that this British, Aristotelian philosophy was one and the same as “western thought,” and in particular, that this actually anti-scientific ideology had been the basis of the development of modern science and industrial economies.

Although Sun Yat-sen, perhaps more than any other twentieth-century world leader, understood the evil of the British Empire and of British empiricist ideology, the majority of the young Chinese intellectuals in the early decades of the twentieth century were deeply influenced by British radical liberalism. However, when the Versailles Treaty confirmed Sun Yat-sen’s most dire warnings about the British intentions to preserve and extend colonial power in China, the Chinese exploded in rage. A student revolt, similar to the Beijing Spring of 1989 that ended in the June 4 massacre at Tiananmen Square, spread from Beijing University throughout China. This uprising, launched on May 4, 1919, and the political movements of the following few years, are known to history as the May 4th Movement. The potential that this movement would lead to a republican nationalist upsurge in support of Dr. Sun and his ideas was considered a serious threat to the British-led colonial powers.

Russell and Dewey in China

To meet this “threat” required, primarily, cultural warfare. To this end, Britain deployed into China the most evil figure of the twentieth century, Bertrand Russell. He was joined by the founder of the American school of Pragmatism, John Dewey, whose life’s work was the destruction of Classical education. Dewey doubled as a journalist and promoter of the policies of the Anglo-American banking houses running the rape of China—in particular, his friends at the House of Morgan.

Russell and Dewey, in China during the crucial 1919-21 period, together led the effort to turn the May 4th Movement away from the republican principles of Dr. Sun. The writings of both had already been translated and widely circulated in China during the 1910s. From their classes in Beijing and Shanghai, emerged the core leadership of a communist movement.

Sun Yat-sen had drawn on the best of the humanist traditions in both Chinese Confucian culture and western Christian culture, while rejecting the opposing oligarchical traditions of western Aristotelianism and its Chinese equivalent, Legalism and Taoism. Russell and Dewey did exactly the opposite. Confucianism and Christianity were blamed for backwardness in China, while Russell and Dewey insisted that any progress would depend upon the adoption of the libertarian, free-trade dogma of the British radical philosophers, and the return to the “pragmatic” form of government of the Legalists and the “anti-authoritarian” mysticism of Taoism.

Russell was sponsored on his trip by the Anti-Religion

Society, arriving immediately following a tour of Russia. While formally critical of some aspects of the Bolshevik leadership in Russia, he praised their organization and their purpose, while introducing Marxist and Leninist ideas to China through his classes. He argued that although Bolshevism could not prevail in western Europe, it could be usefully applied in China at its current stage of development. (Mao's later disagreement with Russell was limited to which *tactics* were best suited for the implementation of communism in China.)

Russell espoused the racist, colonialist notion of the "noble savage"—that the backward natives of colonial nations are actually far better off in their backwardness, without being subjected to the evils of scientific and technological development. British rule over these backward nations was considered an unwanted but necessary task—the "white man's burden."

Russell, like Mao after him, praised the Legalist Emperor Ch'in Shi-huang who had burned the Confucian Classics and buried the Confucian scholars alive. He despised the Confucian influence and its moral tradition, complaining that "the Chinese have not yet grasped that man's morals in the mass are the same everywhere: They do as much harm as they dare, and as much good as they must."

Russell proposed that "China needs a period of anarchy in order to work out her salvation."

The Cultural Revolution

Russell's work reached its fulfillment in the Cultural Revolution, under Mao: the destruction of the family as demanded by Russell, with children coerced to condemn their parents for crimes such as the pursuit of Classical learning (either western or Chinese); the destruction of advanced learning, as the schools were shut down and students sent to the country to "learn from the peasantry," in keeping with Dewey's dictate to "learn by doing"; Malthusian policies of birth control, with the initiation of the policy of limiting the number of children permitted each family; millions of youth, worked up into a frenzy of "anti-authoritarian" rage, wandered through the country in mobs, destroying books and objects of art, and torturing or killing whomever they chose. Mao's cohorts even carried out an "Anti-Confucius Campaign" against intellectuals and the Classics, praising the tyrant Ch'in Shi-huang for burying the Confucian scholars alive. Said Mao: "Emperor Ch'in buried alive only 460 scholars; we have buried 46,000 scholars. But haven't we killed counter-revolutionary intellectuals?"

It was during this era that Pol Pot of the Khmer Rouge, Abimael Guzmán of the Shining Path, and dozens of other terrorists came to China for training, usually under the sponsorship of London. Simultaneously, the emerging "liberation theology" movement launched into an international campaign to glorify Maoism, describing the Cultural Revolution as a utopian heaven.

RU/RCP: anatomy of a Maoist countergang

Name of group: Revolutionary Communist Party (RCP), formerly Revolutionary Union (RU).

Also known as: Fight Back, Revolutionary Communist Youth Brigade, Revolutionary Communist Workers Brigade, Rich Off Our Backs, Unemployed Workers Organizing Committee, U.S.-China Peoples Friendship Association, Revolution Books, China Books, Organizing Committee for a World Without Imperialism Contingent (WWIC), Committee to Support the Revolution in Peru, No Business As Usual.

Headquarters: 3449 North Sheffield, Chicago, Illinois. As of 1992, RCP had offices in 16 U.S. cities: Chicago, Los Angeles, San Francisco/Berkeley, Washington, Miami, Atlanta, Honolulu, Baltimore, Cambridge/Boston, Detroit, New York City, Cleveland, Portland, Oregon, Philadelphia, Houston, and Seattle.

Date of founding: Originally called Revolutionary Union, it was founded in 1969 as a Maoist splinter out of pro-terrorist RYM II faction of Students for a Democratic Society (SDS).

Location of operations: In addition to U.S. cities listed above, RCP is active in western Europe, particularly in France, Germany, and England. As a result of 1981 criminal indictments of RCP National Chairman Robert Avakian and other leaders, for their break-in to White House grounds during a Presidential ceremony in the Rose Garden, Avakian and others fled the U.S. and have been living in exile in Paris.

Major terrorist actions:

August 1971: RU cell in Reading, Pennsylvania is running explosives to left- and right-wing terrorist groups, including the Weatherunderground, Puerto Rican terrorists, and Ku Klux Klan, throughout the United States and Canada. Explosives provided by Reading, Pa., RU leaders Bertram Jones, Thomas Kanger, and James Colbert, are used by KKK terrorist Charles Simms to blow up 14 schoolbuses in Pontiac, Michigan, to stop racial integration through busing.

1972: RU personnel are involved in the phony "Black September" Arab terrorist cell based in Montreal. Planned terrorist attacks against prominent American Jewish targets were foiled by diligent U.S. law enforcement. The cell's controllers include prominent Canadian China lobby figures James Endicott, Chester Ronning, and Paul Lin; and the phony "Black September" operation was authorized by National Security Adviser Henry A. Kissinger. One incident believed to be linked to RU-linked "Black September" cell is the summer 1973 shooting of Israeli Col. Josef Alan near Washington, D.C.

1972-1974: RU member Dr. Steven Levin helps create the Black Liberation Army (BLA) "cop killer" cell at Lincoln Detoxification Center, in New York's South Bronx. BLA terrorists on the FBI's Ten Most Wanted List are safehoused at Lincoln Detox.

1974-1975: RU founder, U.S. Air Force Intelligence Capt. H. Bruce Franklin, is a controller of Symbionese Liberation Army, which carries out assassination of Oakland, California School Superintendent Marcus Foster and kidnapping of newspaper heiress Patty Hearst.

Nov. 27, 1979: Revolutionary Communist Workers Brigade (RCWB) takes hostages at Selfridge Air Force Base in Michigan in support of Iranian "students" takeover of U.S. embassy in Teheran.

Dec. 5, 1979: RCP takes over Statue of Liberty, led by Fred Hanks, in support of Khomeini revolution.

April 25, 1980: W.E. Dubois Revolutionary Army issues a 20-page communiqué to Los Angeles Police threatening to assassinate prominent area residents, including the county sheriff, carry out arson in Beverly Hills, and bomb public sites, unless a "revolutionary black community fund" is set up. Communiqué references the shooting of Colonel Alan, prompting suspicion of RU involvement.

1981: RCP front group, Fight Back, is recruiting African-American GIs stationed in West Germany; provides information to Red Cells (RZ) used in the bombing of Ramstein U.S. Air Force Base, near Kaiserslautern, Germany.

Summer 1983: RCP terrorist training camps are held in Colorado, drawing in people from Iranian Student Association and Armenian Secret Army for the Liberation of Armenia (ASALA). The group is known to be involved in heroin trafficking between California and Scandinavia. RCP is also linked by police with the Ohio-based Outlaws Motorcycle gang in trafficking of heavy weapons.

October 1983: Organizing Committee for a World Without Imperialism Contingent (WWIC) is founded to establish links between RCP and European terrorist underground, for the purpose of blocking deployment of U.S. Pershing and cruise missiles in Germany. RCP founder Clark Kissinger leads an eight-week tour of Germany over November-December. WWIC contingent includes members of Peru's Shining Path.

Autumn 1983: RCP contingent penetrates Mutlangen U.S. military base in West Germany where Pershing II intermediate-range missiles are stored.

Autumn 1983: RCP is linked to bombing of Pan American Airlines offices in Stuttgart, West Germany.

November 1983: RCP/WWIC members are involved, along with Red Cells and other German anarchist-terrorists, in assault against Vice President George Bush's caravan, during the latter's visit to Krefeld, Germany.

Nov. 22, 1983: RCP and Greenpeace conduct joint public meeting in Seattle, signaling an RCP move into alliance with eco-terrorist groups.

Jan. 11, 1984: Gen. Robert Ownby at Fort Sam Houston in San Antonio, Texas, is assassinated, and the RCP is the chief suspect. It is already under investigation for infiltration of U.S. Army through its Fight Back front group. (An August 1983 Defense Intelligence Agency (DIA) report identified Fort Sam Houston as the hub of a smuggling ring, stealing Army weapons for sale on the black market.)

Jan. 18, 1985: RCP's newspaper, *Revolutionary Worker*, calls for the assassination of President Reagan. RCP's call is seconded by RZ, Basque separatist ETA, Red Guerrilla Resistance, United Freedom Front (UFF), and British Columbia-based anarchist publishing house, Open Road.

March 12, 1984: RCP sponsors the founding conference of the Revolutionary Internationalist Movement (RIM) in London (see dossier on RIM). U.S. law enforcement estimates at this time show RCP with hard-core underground membership of 100 people in the U.S., plus an unknown number of members infiltrated into the United States Army, mostly in West Germany. U.S. apparatus provides support and equipment to active terrorist groups. Avakian and other leaders are still living in exile in Paris.

May 1, 1984: RCP contingent participates in May Day March in Paris, joined by Peruvian Shining Path members.

April 29, 1985: RCP holds a nationwide day of direct action, involving its front group, No Business as Usual, and the UFF.

Nov. 15, 1985: RCP in Paris issues a leaflet in the name Sympathizers of RIM supporting Shining Path.

July 26, 1986: Fighting Troop terrorist group bombs Dornier Aerospace company offices in Immerstadt, Germany in support of Shining Path. Fight Back members of RCP in the U.S. Army are suspected of links to bombing.

Nov. 30, 1987: Lawrence Livermore National Laboratory in California is bombed by Nuclear Liberation Front umbrella group with RCP participation. Simultaneous demonstrations at nearby Concord Naval Weapons Station by RCP and Greenpeace.

Dec. 7, 1987: PSA airlines flight 1771 crashes, killing president of Chevron Oil, three other company executives, and five West German SDI scientists. Police believe the plane was bombed, and suspect the RCP, given recent Livermore bombing and protests at Concord.

July 1991: Three nights of rioting in Washington, D.C. Hispanic neighborhood of Adams-Morgan are organized by RCP, which heavily penetrated the Hispanic community.

April 29, 1992: Los Angeles riots are triggered by RCP looting and trashing of downtown and government district. RCP, linked to Crips and Bloods narco-gangs responsible for rioting in South Central Los Angeles, circulates a leaflet featuring a statement by Carl Dix, RCP National spokesman, titled "It's Right To Rebel."

Summer 1992: Riots in "Little Haiti" section of Miami are instigated by RCP members, including Rolande Durancey, who is also personal spokeswoman for ousted Haitian

President Jean-Bertrand Aristide and the head of Haitian Center.

Trademark terror signatures: Agents provocateurs for street rioting; behind-the-scenes control over hard-core terrorist gangs in the U.S., such as the Black Liberation Army, Symbionese Liberation Army, National Liberation Armed Forces (NALN), and Germany's Red Cells, which engage in bombings, kidnappings, assassinations, and other acts of "blind terror."

Leaders:

- Robert Avakian: Founder of RU; son of National Lawyers Guild attorney and Alameda County, Calif. Superior Court Judge Spurgeon A. Avakian; *Ramparts* magazine writer; campaign manager for Peace and Freedom Party Presidential campaign of Eldridge Cleaver, 1968; unsuccessful 1968 candidate for Berkeley, Calif. city council on Peace and Freedom Party ticket (advocated white radicals arming black community for urban guerrilla warfare).

- Capt. H. Bruce Franklin (USAF-ret.): "Inside" controller of RU during 1969-70; Air Force Intelligence officer, assigned to Strategic Air Command, specializing in irregular warfare, 1950s; PhD. in English literature, concentrating in science fiction, futurology and linguistics; mid-1960s at Stanford University in Paris, associated with leading Sorbonne radicals, "converted" to Maoism, under tutelage of Felix Greene of London Institute for Race Relations at Stanford University in 1966; 1970, stages split out of RU to form Venceremos, which launches United Prisoners Union; 1972, UPU merges with Vacaville (Calif.) Prison's Black Cultural Association, forming Symbionese Liberation Army (SLA); 1973, recipient of Rockefeller Foundation Fellowship; sent to Italy, mid-1970s serving as "consultant" to NATO linguistics/mind control experimentation, which ran cells of Italian Red Brigades.

- Lt. Steven Levin: U.S. Army Intelligence officer involved in creating phony "GI radical" movement, 1964; founder of RU in San Francisco Bay area, 1969; at Lincoln Hospital Detoxification Center ("Lincoln Detox") in Bronx, N.Y., 1970-72, with other RU cadre, who created Black Liberation Army (BLA) cop killers through drug-enhanced behavior modification of hardened criminals using Maoist "self- and mutual criticism" techniques; redeployed to RU group in Reading, Pa. to participate in drug- and weapons-trafficking operations, sanctioned by National Security Adviser Henry A. Kissinger; later, staff physician at Chit Chat Farms, a behavior-modification center in Pottstown, Pa. owned by Kodak Corp.

- Roxanne Dunbar Ortiz: Founder of RU, 1969; cultural anthropologist and editor-in-chief of *Indigenous World*, newspaper of radical ethnic separatist apparatus; leading publicist for Guatemalan narco-terrorist URNG (Guatemalan National Revolutionary Unity), headed by Rigoberta Menchú; 1983 attended U.N. Human Rights Commission in Geneva with Menchú.

Groups allied nationally and internationally:

Revolutionary International Movement (RIM) (see separate dossier on RIM for full listing of member organizations), Black Liberation Army, Symbionese Liberation Army, Young Lords, FALN (Armed Forces for the National Liberation of Puerto Rico), Red Cells (West Germany), Anarchos Institute (Montreal), Liberation Tigers of Tamil Eelam (LTTE, Sri Lanka), Medical Committee for Human Rights (U.S.), U.S.-Eurolinks, Organization of Communist Combatants (western Europe), Communist Combatant Cells (Belgium), Direct Action (France), ASALA (Armenian Secret Army for the Liberation of Armenia), ETA (Basque, Spain), Red Brigades (Italy), Nuclear Liberation Front, Kurdish Workers Party (PKK, Turkey), EOKA-B (Greece), *Indigenous World*.

Motivating ideology: Maoism.

Known controllers and theoreticians:

- William H. Hinton: Leading American-born Bertrand Russellite, whose seven books praising the Maoist revolution in China, and particularly the Cultural Revolution (1966-76), were crucial to organizing RU and other U.S. left-wing terrorist organizations following the breakup of Students for a Democratic Society (SDS), major New Left movement. Served as consultant and back channel for Henry Kissinger during the early 1970s period of the Nixon administration's "China Card." Leading British Orientalists, including Joseph Needham, Felix Greene and Edgar Snow, helped build up Hinton through widely circulated laudatory reviews of all of his books. All the while, Hinton was part of a behind-the-scenes group exercising finger-tip control over RU, later RCP operations, which included arranging training for top cadres inside China.

Hinton was born on Feb. 2, 1919, served as a propaganda analyst with the Office of War Information (OWI) in China, 1945-46; National Farmers Union, Eastern Division organizer, 1946-1947; returned to China as technician with United Nations Relief and Rehabilitation Administration, posted in Shansi Province, 1947-49, and in Beijing, 1949-53. His first and most famous book, *Fanshen: A Documentary of Revolution in a Chinese Village* (Monthly Review Press, 1967), was based on notes he took during 1948 stay in Long Bow village in Shansi Province. His notes were confiscated by the Customs Service when he returned to the U.S., making Hinton a *cause célèbre* among U.S. radicals and building up tremendous interest when book was finally published 1967. His 1971 lectures at the New York City New School for Social Research supporting Maoist Cultural Revolution, published as *Turning Point in China*, built RU organization. Chairman, U.S.-China Peoples Friendship Association, 1974-76; 1975, lecturer in Oriental Studies at University of Pennsylvania; consultant, Beijing Ministry of Agriculture, 1978, 1985; United Nations Grasslands Project in Inner Mongolia, 1980-83; Food and Agricultural Organization United Nations, Agricultural Mechanization Project, 1985-91; Ministry of For-

estry in Mexico, 1988, and Unicef, Beijing, 1991-92.

● **Paul Jacobs:** Pivotal figure in launching RU as the “leading Maoist” group in U.S. during the late 1960s, in 1969, he orchestrated RU involvement in the strike by the Oil, Chemical, and Atomic Workers Union in Richmond, Calif.

Self-described “professional revolutionist, 1935-1940, attempting to overcome U.S. government by force and violence”; U.S. Army Air Corps, 1943-46; consultant to trade union movement, 1940-present; staff director, Center for the Study of Democratic Institutions, leading Russellite think-tank in U.S., 1956-69, founded by Robert Maynard Hutchins; research associate, University of California at Berkeley, 1962-72; director, Fund for the Republic Trade Union Project; author of 10 books on history of American radicalism, race relations, and trade union movement.

Current number of cadre: Estimate several hundred active members in the United States; larger “secret membership” made up of university professors and other professionals who maintain distance from the terrorist hard core, but provide support and direction. The core group of leaders lives in exile in France and England, where, through direction of Revolutionary Internationalist Movement (RIM), they maintain contact with terrorist groups on every continent.

Training: Initially, members were sent to People’s Republic of China for training; some members trained in Cuba via the Venceremos Brigades; more recently, terrorist training camps were set up in Colorado and other locations in U.S., plus personnel were sent to Peru and other locations where ongoing narco-insurgencies offered combat experience.

Known drug connections: RIM is made up of narco-insurgent groups like Shining Path financed through cocaine trafficking. From the outset, RU/RCP engaged in drug trafficking in factories, urban areas, etc. The Reading, Pa. RU operation was a major guns-for-drugs transit point for U.S. and Canada. It was suspected of ties to Chinese opium trafficking, and later involved with Iranian and other “Golden Crescent” Central Asia opium and heroin trafficking.

Known arms supplies: RU ran the Reading, Pa. weapons and explosives pipeline.

Known political supporters/advocates: Remnants of the “Gang of Four” faction in China; British Broadcasting Corp. writer Simon Strong, who acted as a publicist for the RCP and RIM via a *New York Times Magazine* story and 1992 book on Shining Path featuring RCP/RIM role. Robert Maynard Hutchins and American branch of Bertrand Russell Peace Foundation, including Center for the Study of Democratic Institutions and Fund for Peace; Bertrand Russell House, Great Britain.

Known funding: Early funding from the Chinese government; later, Soviet KGB financing is suspected.

History: Revolutionary Union was founded 1969 as hard-core Marxist-Leninist-Maoist countergang, with mem-

bers recruited from remnants of SDS. It maintained “aboveground” presence in factories, on university campuses, while deploying an “underground” terrorist capability, controlling groups such as the Symbionese Liberation Army and Black Liberation Army.

Predominantly active in United States until 1980, when operations were shifted abroad. Founding cadre, including “national chairman” Robert Avakian, go into exile in Paris, establishing links to all western European terrorist cells. The other major European center of operations is London, where RCP operates out of Russell House, consolidating ties to British secret intelligence. In the mid-1980s, its links to Turkish guest-worker communities in Europe led to ties with Kurdish, Sikh, Ibero-American and other “Third World” separatist groups.

While maintaining hard-core Maoist beliefs, in the late-1980s, the RCP built ties to radical environmentalist groups like Greenpeace, and ethnic separatists. Following the January 1994 Zapatista insurrection in Chiapas, Mexico, RCP supports Zapatistas (EZLN).

RIM: Narco-terrorist merchants of death

Name: Revolutionary Internationalist Movement (RIM).

Also known as: A World to Win, Organizing Committee for a World Without Imperialism Contingent (WWIC).

Headquarters: 27 Old Gloucester Street, London, WC1N 3XX, United Kingdom. Originally, RIM was headquartered at Russell House, Nottingham, England, and RIM’s journal, *A World to Win*, was published for several years by Russell Press at the same address.

Date of founding: March 12, 1984.

Location of operations: United States, Canada, Mexico, Haiti, Peru, Colombia, Britain, France, Germany, Turkey, Iran, Afghanistan, India, Bangladesh, Sri Lanka.

Major terrorist actions:

Spring 1985: French police arrest TKP/ML member Muzafer Kacar in Strasbourg with a cache of explosives that had been stolen from a Belgian NATO facility in 1982.

Aug. 3, 1986: German police carry out a nationwide raid on Kurdish Workers Party (PKK) safehouses following a series of terrorist incidents.

See also separate dossiers of RCP and Shining Path.

Trademark terror signatures: Narco-terrorism; high-level political assassinations; mass murder; large-scale guerrilla warfare.

Leaders:

- Robert Avakian (see RU/RCP profile).
- Abimael Guzmán, a.k.a. “Chairman Gonzalo” (see

Shining Path profile).

Groups allied nationally and internationally:

Formally affiliated with RIM:

Central Reorganization Committee, Communist Party of India (Marxist-Leninist)

Ceylon Communist Party (Maoist)

Communist Party of Afghanistan

Communist Party of Bangladesh (Marxist-Leninist)

[BSD(ML)]

Communist Party of Peru (a.k.a. Sendero Luminoso, Shining Path)

Communist Party of Turkey/Marxist-Leninist (TKP/ML)

Haitian Revolutionary Internationalist Group

Marxist-Leninist Communist Organization of Tunisia

Nepal Communist Party (Mashal)

New Zealand Red Flag Group

Proletarian Party of Purba Bangla (PBSP, Bangladesh)

RedWorker Communist Organization (Italy)

Revolutionary Communist Group of Colombia

Revolutionary Communist Party, USA

Revolutionary Communist Union (Dominican Republic)

Union of Iran Communists (Sarbedaran).

Allied terrorist organizations:

Zapatista National Liberation Army, (EZLN, Mexico)

Kurdish Workers Party (PKK, Turkey)

Armenian Secret Army for the Liberation of Armenia (ASALA)

Liberation Tigers of Tamil Eelam (LTTE or Tamil Tigers, Sri Lanka)

Red Cells (RZ, Germany)

All India Sikh Student Federation

Direct Action (France)

Euskadi and Freedom (ETA, Basque provinces of Spain)

Communist Combatant Cells (Belgium)

Red Brigades (BR, Italy)

EOKA-B (Greece)

National Revolutionary Union of Guatemala (URNG).

Motivating ideology: Initially hard-core Maoist, now also supports ethnic separatism and radical environmentalism.

Known controllers and theoreticians: See RU/RCP and Shining Path profiles.

Current number of cadre: Combined membership of all the member-organizations of RIM numbers is in the thousands.

Training: Military and paramilitary training camps exist in every theater of operations. A joint training camp for TKP/ML, ASALA, and EOKA-B reportedly exists in Trodos Mountains in Greek Cyprus.

Known drug connections: RIM is genuinely a "narco-

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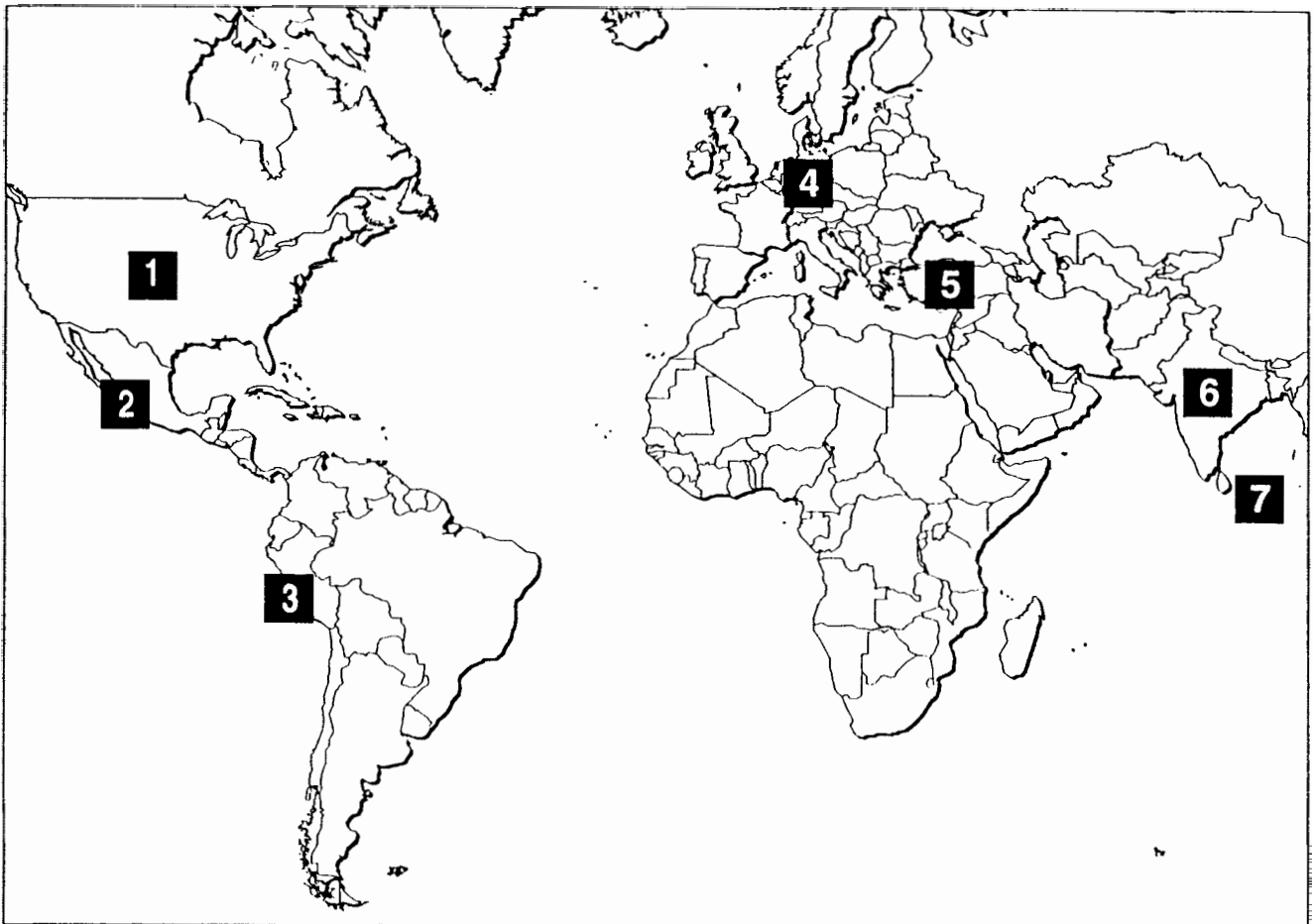
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Chicago 1600	St. Petersburg 0100*
Copenhagen 2300	San Francisco 1400
Denver 1500	Santiago 1800
Detroit 1700	Sarajevo 2300
Dublin 2200	Seattle 1400
Gdansk 2300	Seoul 0700*
Guadalajara 1600	Shanghai 0600*
Havana 1700	Singapore 0530*
Helsinki 2400	Stockholm 2300
Ho Chi Minh City 0600*	Sydney 0800*
Honolulu 1200	Teheran 0130*
Hong Kong 0600*	Tel Aviv 2400
Houston 1600	Tokyo 0700*
Istanbul 2400	Toronto 1700
Jakarta 0500*	Vancouver 1400
Jerusalem 2400	Vladivostok 0800*
Johannesburg 2400	Venice 2300
Karachi 0300*	Warsaw 2300
Kennebunkport 1700	Washington 1700
Kiev 2400	Wellington 1000*
Khartoum 2400	Wiesbaden 2300
Lagos 2300	Winnipeg 1700
Lima 1700	Yokohama 0700*
Lincoln 1600	Yorktown 1700
Lisbon 2300	

* Mondays

Revolutionary Internationalist Movement: theaters of operation



1. United States: The Revolutionary Communist Party (RCP) is particularly active in Los Angeles, Washington, D.C., Miami, Chicago, and New York City, instigating racial and ethnic confrontations.

2. Mexico: The January 1995 edition of RIM's *A World to Win* features extensive coverage of and support for the Zapatista insurrection in Chiapas.

3. Peru: Shining Path narco-terrorist insurgency.

4. Western Europe: London is the headquarters of the RIM narco-terrorist international; members of the RIM leader-

ship live in exile in Paris; terrorist operations target Germany, Turkey, and the Low Countries.

5. Turkey: RIM's TKP/ML has joined with the Kurdish Workers' Party (PKK) and the Armenian Secret Army (ASALA) in a terror campaign against the Turkish government, aimed, in part, at creation of a separatist Kurdistan.

6. India: Naxalite (Maoist) organizations have merged into various ethnic separatist insurgency groups, including Sikhs and Tamils.

7. Sri Lanka: Tamil Tigers (LTTE) are engaged in full-scale warfare against the government.

terrorist international.” Virtually every member organization and close affiliates are engaged in narcotics trafficking to finance paramilitary operations. The Tamil Tigers in Sri Lanka is a major trafficking organization (see *EIR*, Oct. 13, 1995). Shining Path’s base of operations in the Upper Huallaga Valley of Peru is one of the world’s largest coca producing regions; and the Senderistas provide “security” services to narcotics cartels in return for tens of millions of dollars per year in payments. ASALA has been identified by the U.S. Drug Enforcement Administration as part of a vast heroin-smuggling ring between the West Coast of the United States and Scandinavia, known as the “Shoemakers Ring.”

Known arms supplies: Drug revenues allow access to large supplies of weapons and explosives via traditional black market routes; the “Bulgarian Connection” provides weapons to member organizations operating in South and Central Asia; “afghansi” networks provide weapons to LTTE, Sikh, and Kurdish groups.

Known political supporters/advocates: International human rights lobby mobilized to defend Shining Path leader Abimael Guzmán following his arrest in Peru in 1993. Center of Concerned Asian Scholars, a large academic front group based at Cornell University in New York, headed by RCP founder Clark Kissinger; *Indigenous World* magazine, headed by Roxanne Dunbar Ortiz, RCP founder.

Sympathizers of RIM: East India Defense Committee; Cultural Association of Turkish Workers; Committee of Support for the Popular War in Peru; Federation of Turkish Workers in Germany.

Known funding: Member organizations are largely financed via revenues from illegal narcotics sales, weapons trafficking, kidnapping, and “peoples’ taxes” (i.e., confiscation of land and property, and extortion of payments in theaters of operation).

History: RIM was founded March 12, 1984 at a conference in London called the “Second International Conference of Marxist-Leninist Parties and Organizations.” LTTE and Sikh organizations participated in the founding conference, and maintain collaboration with RIM, though not formally affiliated. Member organizations were actively involved in mobilization against American Euro-missile deployments in the early 1980s, and have been instrumental in destabilizations in West Germany and Turkey, via TKP/ML and PKK networks.

In spring 1985, at a meeting in Athens, the leadership of the TKP/ML met with representatives of ASALA and PKK to coordinate operations against the Turkish government, although the groups themselves sometimes engage in murderous rivalries.

Shining Path was integrated into RIM’s European-based terrorist operations in November 1985, when two Senderista leaders, Maximiliano Durand Araujo and Hildebrando Pérez Huaranca traveled to Paris, Brussels, and Libya as part of a RIM delegation.

Shining Path: core of the RIM project

Name of group: Peruvian Communist Party-in the Shining Path of José Carlos Mariátegui; Sendero Luminoso (Shining Path; SL). A dissident faction has been dubbed by the press “Red Path.”

Headquarters and important fronts: In the Upper Huallaga Valley, and a portion of the Apurímac Valley in Ayacucho, the latter including parts of the Apurímac national park.

Founded: Formally founded in 1970, as the PCP-Shining Path, but a core group had formed around Abimael Guzmán Reynoso at San Cristóbal de Huamanga National University, in Ayacucho, as early as 1964.

Locations of operations, areas active: From 1992 to 1994, the Peruvian government of Alberto Fujimori and the country’s military conducted a successful counteroffensive against Shining Path, which by then had seized large portions of the country’s Andean region and firmly established its terrorist grip on the capital, Lima, and other cities. As a result of the government’s war, by mid-1995 Shining Path remained a viable force only in two key zones: the Upper Huallaga Valley, still the largest coca-growing zone in the world, and Huanta province, department of Ayacucho. Key controllers of its once-extensive support network in urban centers, however, remain active.

In the Upper Huallaga Valley, Shining Path’s strongholds can be found in the towns of Aucayacu and Tocache, in the province of Leoncio Prado, Huánuco department; and in the province of Tocache, in San Martín department. Those posts are located along the west bank of the Huallaga River. In the provinces of Huanta and La Mar, department of Ayacucho, SL is concentrated along the west bank of the Apurímac River (including in the protected nature reserve of the same name) near its convergence with the Mantaro River. SL presence extends to the left bank of the Ene River, formed by the confluence of the Mantaro and Apurímac, in the province of Satipo, Junín department.

Other areas, where it has a lesser presence, include: the province of Padre Abad, Ucayali department; the provinces of Azangaro and Melgar, Piura department; the province of Huancabamba, Piura department; the provinces of Bolívar and Huamachuco, La Libertad department.

Major terrorist actions:

May 17, 1980: First act of war, burning ballot boxes on the eve of the Presidential elections, in the town of Chuschi, Ayacucho.

Dec. 24, 1980: First “people’s trial,” forcing the employ-

ees of a Cuzco *hacienda* to watch as Shining Path terrorists beat its owners to death, and then stoned to death a teenage Indian employee who cried. Two days later, Shining Path draws national attention, when they hang a dog from a lamp-post in Lima, with a sign, "Deng Xiaoping, Son of a Bitch."

March 2, 1982: Over 50 terrorists attack the prison of Ayacucho, releasing drug traffickers and 54 terrorists held there. The leader of the attack, Edith Lagos, is killed in the battle. Her funeral in Ayacucho is massive. Within a few months, the government is forced to declare Ayacucho an "emergency zone," under military control.

1982: Shining Path attacks on Lima's electric power grid throughout the year cause frequent blackouts of the capital. In one case, a 525-mile corridor on the coast, from Trujillo to Ica, is blacked out for 48 hours; 50 public offices are bombed on the first night of the blackout.

1983: SL sets off a powerful bomb in the offices of the then-governing party, Popular Action. The Bayer industrial plant in Lima is burned down, in the midst of a citywide blackout caused by SL sabotage of Lima's electrical system.

1985: In the midst of Presidential elections, the president of the national Electoral Council, Domingo García Rada, is attacked.

Over the next few years, political figures murdered by SL include the director of the country's largest jail, Miguel Castro; Agriculture Deputy Minister Rodrigo Franco Montes; the former president of the Peruvian Social Security Institute, Felipe S. Salaverry; former Labor Minister Orestes Rodríguez; former Army Commander Gen. Enrique López Albuja; Navy Vice Adm. Gerónimo Cafferata and Rear Adm. Carlos Ponce Canessa. In Bolivia, they assassinate Peruvian Naval attaché Juan Vega Llona.

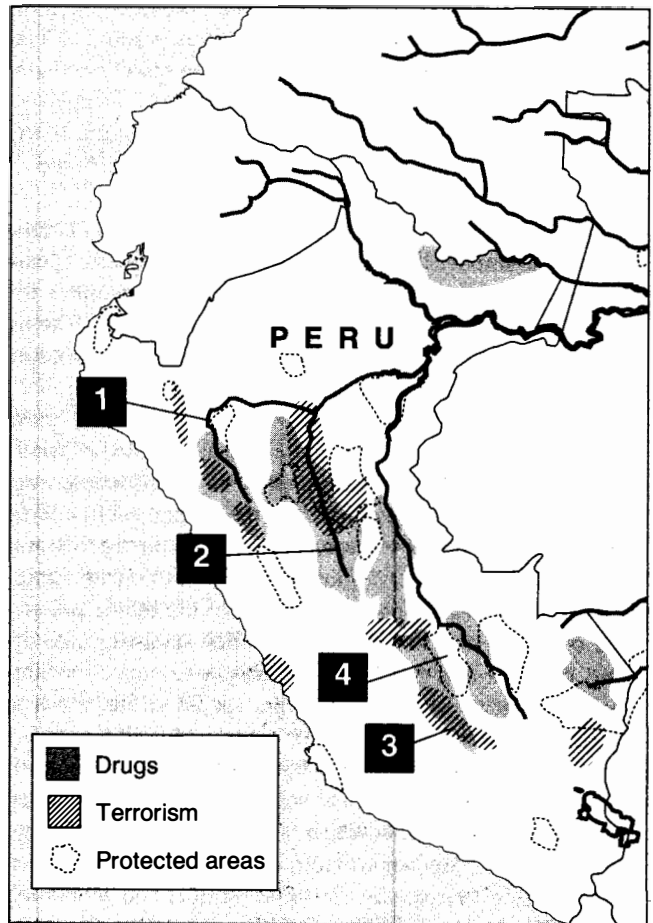
June 1986: Imprisoned SL terrorists seize control of three Lima prisons, in a simultaneous armed revolt. More than 250 of them die during the battle to suppress the uprising. The jails had been the command center for Lima terrorism; prior to the uprising, SL carried out 30-40 hits in Lima a month; for six months afterwards, almost none.

March 1989: SL takes over the city of Uchiza, in the Upper Huallaga Valley; 16 police officers are killed in the assault.

1990: The Cutivireni religious mission, in the Apurímac Valley, run by priest Mariano Gagnon, is attacked. Leaders of the mission are assassinated; Gagnon and some of the Asháninka natives at the mission flee, but others do not escape. Thus begins a campaign of genocide by Shining Path against the Asháninkas in the Apurímac, Ene, Perene, and Tambo valleys, who are enslaved and worked to death cultivating coca. At least 2,000 Asháninka Indians are assassinated for trying to escape these concentration camps, or even for falling ill. Another 5,000 Asháninka are held captive, of which some 3,550 are freed by the Army and by Asháninka self-defense units, in 1992-93; others are still being freed today.

MAP 2

Drugs, terrorism, and protected areas in Peru



- 1) Marañón River
- 2) Huallaga River
- 3) Apurímac River
- 4) Apurímac national park

August 1991: SL assassinates two Polish and one Italian priest in Ancash, and then dynamites the bodies.

In early 1992, the first car bomb is triggered in front of the headquarters of the Investigative Police, just 200 meters from the government palace.

February 1992: SL assassinates María Elena Moyano, and then dynamites her body, in Lima's largest slum, Villa El Salvador, for organizing against them.

May-July 1992: A succession of car bombs wracks Lima, culminating in the July 16, 1992 bomb on Tarata Street, in Lima, with nearly 40 deaths and several buildings demolished. A short time later, Shining Path sets off a car bomb against Channel 2-TV, with nearly 10 deaths. Police stations in Villa El Salvador and other poor Lima neighborhoods are assaulted, as are military posts surrounding the Raucana and Huaycán townships, just a few kilometers from the center of

Lima.

July 22-23, 1992: an “armed strike” (see below) on a national scale is successful.

March 14, 1994: A bomb explodes at the Lima home of prominent journalist Patricio Ricketts, an outspoken SL opponent who had warned that the Zapatista uprising in Chiapas, Mexico, threatened to revive “Senderismo” continentally.

May 24, 1995: A car bomb explodes against the María Angola Hotel; July 1, 1995, another against the home of congressional Vice President Víctor Joy Way.

Modus operandi: Shining Path uses the most extreme bestiality to impose its rule through terror, “recruiting” peasants on pain of death and perpetrating bloody “people’s trials” against communities and individuals accused of being collaborators of the “rotten State.” Typically, an SL column or unit would enter a targetted town, or area, gather its inhabitants, and select local officials, or anyone slightly more prosperous or educated than the rest. These would be “tried” and killed as exploiters of the people. The townspeople were often forced to participate in killing the victim, each ordered to cut off a body part, or watch as the victims burned to death.

With these methods, Shining Path tried to create “liberated zones,” eliminating the presence of the State, and any idea of progress. They destroyed police stations, state offices, research and production centers; assassinated technicians, whether Peruvian or foreign; forced entire towns to refuse to send their produce to the cities; and tried thus to lay siege to the hated cities. Shining Path used car bombs, bombs, and mortars, as well as selective assassination. They incited confrontations between workers and residents, and the police. Sabotage of economic infrastructure was often directed against electricity transmission lines and generating plants. The climax of Shining Path’s actions in the cities was the so-called “armed strikes,” during which they would threaten to kill any person who attempted to go to work, use public transport, etc.

Leaders’ names and aliases:

Abimael Guzmán Reynoso, “Presidente Gonzalo,” “Puka Inti,” prisoner

Antonio Díaz Martínez, deceased 1986

Elena Iparraguirre Revoredo, a.k.a. “Miriam,” prisoner

Osmán Morote Barrionuevo, prisoner

Arturo Ostap Morote Barrionuevo

Teresa Durán Araujo

Augusta La Torre Carrasco, a.k.a. “Nora,” deceased

Margie Clavo Peralta, prisoner

Elvia Zanabría Pacheco, deceased

María Pantoja Sánchez, prisoner

Rosa Angelica Salas Cruz, prisoner

Martha Huatay, prisoner

Laura Zambrano Padilla, a.k.a. “Comrade Meche”

Elizabeth Gonzáles Otoyá, prisoner

Edmundo Cox Beuzeville, prisoner

Sybilla Arredondo de Arguedas, prisoner

Tito Valle Travesano, deceased

Yovanka Pardave Trujillo, deceased

Nelly Evans Risco, prisoner

Maritza Garrido Lecca, prisoner

Adolfo Olaechea Cahuas (in London)

Nancy Rocio Buchuck Gil (in London)

Maximiliano Durand Araujo (in Paris)

Luis Arce Borja (in Brussels)

Carlos La Torre, (in Sweden)

Dalia Carrasco Galdos (in Sweden)

Adolfo Mejía Giraldo (in Spain)

Luis Kawata (deserted, abroad)

Julio Casanova (deserted, abroad)

Of the so-called Red Path faction: Oscar Ramírez Durán, a.k.a. “Comrade Feliciano”; Pedro Quinteros Ayllon, a.k.a. “Luis”; José Luis Flores or Eulogio Cerdón Cardozo, a.k.a. “Artemio,” all still at large.

Allied groups nationally or internationally:

Nationally: National Human Rights Coordinator, which defends those accused of terrorism; Institute of Popular Pedagogy (some of its members are in Shining Path); the Alpha and Omega cult. Several locals of the Union of Peruvian Education Workers (SUTEP) and Peruvian Peasant Federation (CCP) have been heavily infiltrated by SL.

Shining Path operated through a broad network of “generated organizations” which, because they functioned legally until April 5, 1992, provided critical legal, logistical, and financial support for the terrorists and their families, and permitted the recruitment of members. Any government action against these front groups or their leaders provoked an outcry from national and international human rights groups (Amnesty International, Human Rights Watch, etc.). These groups included: Popular Aid (in charge of SL prisoners), Movement of Classist Workers and Peasants, Federation of Revolutionary Students, Neighborhoods Movement, Movement of Popular Artists, Movement of Popular Intellectuals, Association of Democratic Lawyers. Another important medium was the César Vallejo Academy, headquarters of the Department of Organizational Support which enabled Shining Path to recruit cadre and cover its financial transactions.

Internationally: Revolutionary International Movement. RIM coordinates with the SL apparatus abroad, which functions under the cover of Support Committees for the Peruvian Revolution (CSR), Sol-Peru Committees, and the Peoples Movements-Peru (MPP), in Spain, Belgium, France, Germany, Switzerland, Sweden, Denmark, and England.

SL’s most important foreign headquarters were in Paris and London. Throughout the war, the head of its London operations was Adolfo Héctor Olaechea, a member of one of Peru’s oldest and most traditional oligarchical families, who ran an 11-language translation service. Amongst the support structures set up by Olaechea, was a Musical Guerrilla Army, which in 1991 performed concerts in such places as the Old White House in Brixton and the Emerald Centre in Hammer-smith, England. Typical lyrics were: “The people’s blood

has a beautiful aroma. . . . Chairman Gonzalo, Light of the Masses. . . . The blood of the armed people nourishes the armed struggle.”

Repeated requests by the Peruvian government that the British government shut down SL organizing in Britain have been refused to this day. Olaechea began using a note from Buckingham Palace as his letter of introduction. Dated July 25, 1992, it read: “The private secretary is commanded by Her Majesty the Queen to acknowledge the receipt of the letter from Mr. Olaechea, and to say that it has been passed on to the Home Office.”

Peru Support Group, of London, was identified by the Peruvian government as part of SL’s network abroad. The PSG has as its “sponsors” Lord Avebury, president of the British Parliament’s Human Rights Commission, and a group of British clerics, including Michael Campbell-Johnston, England’s Jesuit Provincial. PSG supporters covered for this role, by claiming that their meetings had been “hijacked” by Olaechea and SL.

Shining Path’s European operations were run from France, under the direction of Maximiliano Durand Araujo, a nuclear physicist and top Shining Path leader slated to become the foreign minister of a planned government-in-exile. According to the Peruvian government, he put together an organization, which functioned as four separate branches, reporting directly to Durand without having any contact amongst themselves. These included: agitation, propaganda, and fundraising in university and intellectual circles, coordinated under the name of the José Carlos Mariátegui Study Circles, run by Durand’s secretary, a Peruvian with the surname Nazarro Rúa; agitation and propaganda in cultural circles, through various theater and folkloric musical groups, headed by Hildebrando Pérez Huaranco; coordination of human rights and support group work, headed by French expriest Jean-Marie Mondet Isnard, now director of the publication *French-Peruvian Annals*, which promotes Shining Path ideology; economic support for Shining Path and RIM, coordinated by former Shining Path Lima Metropolitan Committee member Alberto Ruiz Eldredge Goicochea, also exiled in Paris.

Other French fronts for SL included: the Mariátegui Artistic Intellectual Front; the French-Peruvian Committee against Repression; Movement for the Liberation of Peru; the International Solidarity Committee with the Struggle of the Peruvian People.

Belgium: SL’s newspaper, *Diario Internacional*, was published in Brussels, by Luis Arce Borja, chief of SL propaganda in Europe. Fronts included the Committee in Defense of Human Rights in Peru, Committee in Support of the Peruvian People, and International Popular Relief in Belgium.

Denmark: Support Group for the Liberation Struggle of the Peruvian People.

Germany: Peru Group; Amauta Circle, Berlin.

Spain: Union of the Marxist-Leninist Struggle; Association of Peruvian Hispanic Friends, headed by Javier Mújica

Contreras; Cultural Front; a newsletter, *Chusqui*.

Sweden: Ayacucho, Peru Studies Circle; 4th of November Peruvian Group; Ayacucho Group, in Malmö and Stockholm; Ayacucho Literary Circle of SL; Popular Movement of Sweden; Latin American Cultural Coordinating Committee. Guzmán’s in-laws (Shining Path supporters) and many other Shining Path terrorists live here with refugee status.

Switzerland: César Vallejo Peruvian Student Association, in Geneva.

United States: Shining Path’s main ally, virtually since its origin, is the Revolutionary Communist Party (RCP). After the arrest of Abimael Guzmán, a group linked to the RCP, led by Eriberto Ocasio, organized a campaign to “defend Guzmán’s life,” and sent several delegations of lawyers to Peru. According to Peruvian television, as recently as 1995, the RCP sent a delegation to visit the last Shining Path units, in the Upper Huallaga Valley.

Bolivia: The Ejercito Guerrillero Zárata Huilca and the Túpac Katari Guerrilla Army (EGTK) are linked to the SL. The leadership of the EGTK has been jailed since 1992, but in November 1995, it went back into action. In June 1994, security forces in Ecuador broke up a group, Red Sun, believed to be linked to the SL.

Mexico: Shining Path maintains extensive networks, going back at least 17 years. These include: the José Carlos Mariátegui Cultural Center; Support Committee for the Peruvian People’s War, headed by Mexican Gabriela Salas; Independent Proletarian Movement (MPI); the National Coordinator of Education Workers (CNTE); Free Center for Theatrical and Artistic Experimentation (CLETA), based in Mexico City; National Association of Democratic Lawyers. Main centers of Shining Path activity are reported to be in Mexico City and Chilpancingo, Guerrero, from where they reach into Oaxaca and Chiapas. Psychiatrist Fausto Trejo, active in left circles, plays a role in the Shining Path support apparatus.

Religious/ideological/ethnic motivating ideology: Shining Path espouses the most radical Maoism, advocating a strategy of “prolonged people’s war,” following the Maoist slogan “from the countryside to the city.” Shining Path places itself in line with Pol Pot of Cambodia and China’s “Gang of Four,” against “deviationists.” This is combined with a radical racial rhetoric, taken from the work of the Nietzschean agent of the Comintern, José Carlos Mariátegui, promoting Indian “messianism” under the prophecy that “the Indians will come down from the hills and kick the white scabs into the sea.”

Shining Path functions as a fascistic death-cult, steeping its members in rituals organized around slogans advocating rivers of blood, death, subjective myths, purifying fire, etc. Shining Path cadre—primarily youths forced into their ranks by terror and blackmail—were hardened into satanic killers, through repetitive brainwashing sessions, while all were required to “cross the river of blood,” i.e., to kill, to prove themselves.

Party literature urges its members, "To die in order to invent the great subjective myth," and to work toward "the supreme moment, total deliverance of the purifying fire of armed struggle." Guzmán stated in a 1988 interview with SL's paper, *El Diario*: "Marx, Lenin, and Chairman Mao teach us what the quota is: to annihilate in order to preserve. If one has a clear plan, then one is capable of confronting any bloodbath—a bloodbath for which we have been preparing since 1980, because this bloodbath had to come." Shining Path indoctrination papers captured in Army raids echo the blood fixation: "The quota is the stamp of commitment to our revolution . . . with that blood of the people that runs in our country. . . . They form lakes of blood, we form pools. The blood strengthens us."

Known controllers/mentors/theoreticians:

Abimael Guzmán Reynoso: Shining Path's founder and head, Guzmán ran Shining Path as a personality cult, under the *nom de guerre* of "President Gonzalo, the Fourth Sword of Marxism" (the first three were Lenin, Stalin, and Mao). Guzmán began as a philosophy professor, who wrote his master's thesis on the theory of space of Immanuel Kant, at the San Agustín University in Arequipa. Guzmán traveled to China for training twice in the 1960s, during its Cultural Revolution. He was reportedly selected by Mao Zedong and his widow, as one of ten international leaders to lead the second Cultural Revolution, but he chose to return to Peru to lead the Revolution there.

Antonio Díaz Martínez: Historic leader of Shining Path, anthropologist and agronomist trained at the Sorbonne in Paris, member of the Society of Americanists, of Jacques Soustelle. The Society stood up for him and Guzmán in the early 1970s, when they were arrested for inciting a student uprising. Díaz Martínez was social welfare director at the Huamanga University, when Guzmán worked as personnel director. He trained in China in the 1960s, and wrote a book entitled *Ayacucho, Hunger and Hope*. In 1993, Díaz Martínez was arrested and accused of instigating or executing some 100 terrorist attacks.

Efraín Morote Best: Anthropologist, specialist in "Andean myths," who had coordinated Peru's first Jungle Bilingual Education program, was brought in as dean of the University of Huamanga in 1962, when he hired Guzmán and Díaz Martínez; he sponsored Guzmán's takeover of the university. His sons Osmán and Ostop are members of the Shining Path Central Committee; his daughter married another CC member; he himself was an open apologist for Shining Path terror in the 1980s, yet when he was jailed in 1985 as one of the intellectual authors of Shining Path, political pressure forced his quick release.

Salvador Palomino: Danish-trained anthropologist from Ayacucho. Founded the South American Indian Council, which advocated the eradication of western civilization, by force, if necessary; supported by the Soviet Union in the 1980s. Palomino was arrested by the Peruvian police and accused of belonging to Shining Path in the mid-1980s, but

was soon released.

Fernando Alarco Larrabure: Deceased. Psychiatrist, led Shining Path's Movement of Popular Intellectuals.

Pablo Macera, historian: Argues that 500 years of "ethnic oppression" justifies violence. Gave an interview to SL's paper, *El Diario*, on March 22, 1987.

Peruvian Army Maj. José Fernández Salvatecci (ret.): Intimate friend of Nicaragua's Tomás Borge, who also received military rank in the Sandinista Army. His wife is a member of SL.

Alberto Flores Galindo: liberation theology leader, now deceased. In 1987, he wrote: "The PCP-Shining Path was a kind of clear ray from heaven. Although the metaphor is a common one, there is no other which better summarizes the impression caused by the actions of a movement which appeared when the majority of the left had taken the electoral route and opted to respect some minimal laws of the democratic game."

J.C. Mariátegui: Founder of the Peruvian Communist Party in the 1920s, whose racialist arguments were adopted as Comintern policy. He is acknowledged by Shining Path as its inspiration. An avowed Nietzschean, Mariátegui's career was promoted by Emilio Segui, a former personal secretary of British agent Giuseppe Mazzini. Mariátegui argued that "the faith in indigenous renewal does not originate in a process of material westernization of the Quechua land. It is not civilization, the white alphabet, that uplifts the soul of the Indian. It is the myth, the idea of the socialist revolution."

Luis E. Valcárcel: Collaborator of Mariátegui and rabid indigenist, Valcárcel was the founder of anthropology in Peru, who trained several generations of Peruvian anthropologists and sponsored the arrival of numerous foreign anthropology projects (the Wenner Gren Foundation, Cornell University, and others). Participated in the founding of the University of Huamanga, birthplace of Shining Path. His work, *Tempest in the Andes*, contains the Shining Path's messianic prophecy, and examples of "people's trials."

José María Arguedas: Anthropologist and writer; student of Valcárcel, who worked with him in setting up the University of Huamanga. Recognized by Shining Path as the cultural mouthpiece of Indian resistance, he wrote: "We are coming down from the peaks. We are enveloping this race which hates us so much." His widow, Sybilla Arredondo, was later convicted as a leader and moneybags of Shining Path.

Number of cadres: At its peak, Shining Path had between 5,000 and 7,000 armed cadre. Today, it is estimated to have 400.

Training: The first training sessions of students and professors at the University of Huamanga then involved in Shining Path was in survival techniques, and was held at the coca plantation of one Senator Parodi, in Ayacucho in 1964. Training in weapons was held in the area of San Francisco, in the Apurímac Valley, near the Apurímac reserve (in the late 1970s).

Guzmán and the other leaders who traveled to China in

the 1960s and 1970s, received military training.

Known drug connections/involvement: Shining Path's areas of operation overlap those of drug trafficking and its smuggling corridors. In 1991, the Peruvian police released a set of seized Shining Path documents, in which SL detailed its regulations for relations with the coca growers; the drug traffickers, and their intermediaries in the Upper Huallaga Valley. Agreements included setting of prices, weights, storage, and the percentage of the profits that would go to Shining Path for each drug flight. Later, it was learned that Shining Path also undertook the preparation of cocaine paste and its storage in certain towns. Shining Path thus claimed to be defending the coca-growers in their dealings with the traffickers.

In July 1983, Shining Path attacked the offices of a coca-leaf eradication program in the Tingo María area, in the Upper Huallaga Valley. Two thousand valley residents, backed by Shining Path, defended their "right" to grow coca. In March 1989, sixteen policemen were assassinated in the seizure of Uchiza, Upper Huallaga. From then onward, the anti-drug fight declined. Shining Path's campaign was summed up: "An end to the eradication of coca crops!" They argued that the social base of the People's War was "the poor coca-growing peasantry."

On July 7, 1995, the head of the Huallaga Front of the Peruvian Army, Gen. E.P. Alfredo Rodríguez, said that Shining Path was experiencing "economic urgency" because of the blows suffered in Colombia by the Cali Cartel. He warned that the majority of its cadre were in the Huallaga: "Shining Path lives off its cut [from the narcos]; that's why they don't want to leave the area. Where does Shining Path hide? Wherever there is coca. They travel together. It is their main source of financing. . . . Shining Path handles 40-50% of all the drug trafficking activity in the area, for its share and for providing security."

Drug traffickers Abelardo Cachique Rivera and Limonier Chávez Penaherrera, arrested in 1995, admitted having given money, weapons, and equipment to Shining Path and to the Tupac Amaru Revolutionary Movement (MRTA). They were convicted by a military court for treason to the fatherland, for their role in terrorism.

Known arms suppliers/routes: Apart from collaboration with the drug trade, Shining Path murders police and military personnel to steal their weapons, or assaults mines to steal dynamite.

Ecologist networks opposed to the dominant faction in the World Wide Fund for Nature (WWF) accuse Peruvians responsible for the WWF in their country of providing weapons to Shining Path under cover of the culling of vicuñas from the Pampas Galeras National Reserve in Ayacucho, in 1979, months before the beginning of Shining Path violence. Although this charge is difficult to prove, it is known that the director of the Vicuña Project in charge of the culling, Antonio Brack Egg, is part of the team tied to the WWF in Peru which was led by Marc Dourojeanni. The latter worked inti-

mately with Stefano Varese, an anthropologist who is part of the board of directors of Cultural Survival, in applying an environmentalist-indigenist policy to the Peruvian jungle. Stefano's brother Luis was a co-founder of the terrorist MRTA.

Political defenders and supporters:

The international human rights lobby: Amnesty International, Washington Office on Latin America (WOLA), National Human Rights Commission have run unceasing campaigns against Peru's military as the primary cause of terror in the country, and demanding restrictions on its activities. They were accused by the Peruvian government of having been infiltrated by Shining Path and of serving as their "useful idiots." The director of Americas Watch, Juan Méndez, gave an interview to Shining Path's mouthpiece, *El Diario*, in December 1984, in which he accused the Armed Forces of genocide. Americas Watch issued a book, *Peru Under Fire*, in early 1992, which sought to mobilize an international campaign to prevent the Peruvian government from adopting anti-terror measures. In its July 1995 annual report on human rights, Amnesty International labeled Abimael Guzmán and the other SL leaders "political prisoners," and called for new trials for them.

British government: In 1992, during the worst of the Shining Path offensive, London's Channel 4, of the Independent Broadcasting Authority, a dependency of the British Office of the Interior, coordinated with SL's "ambassador" in London, Adolfo Olaechea, to send two journalists to Peru. These contacted SL's units, and they filmed a report highly favorable to Shining Path, which Channel 4 broadcast on July 10, 1992, despite an official request from the Peruvian government not to give SL such free propaganda. The RCP then used the film to raise funds in the United States.

In December 1992, John Simpson, foreign affairs editor for the BBC, issued a "devastating televised report on Peru," attacking the Armed Forces that operate in the narco-terrorist zones for "corruption" and for "violation of human rights." Lord Avebury, head of the Human Rights Commission of the British Parliament, then called on Simpson to testify. Lord Avebury expressed his concern for the "lack of security" for civilians in the narco-terrorist zones, and denounced the "impunity" of the military and their "witchhunts" against the Shining Path networks abroad.

Woodrow Wilson Center: Maintains that Shining Path is a continuation of the peasants' just rebellions. Compares Shining Path to the "creole rebels" of the independence era. Howard Wiarda, a U.S. academic, has the same line.

Anthropological support: The core of the Shining Path project has been run from the outset by anthropological institutions and experts, starting from the decision to reopen the University of Huamanga as Peru's premier anthropological experiment. Others included:

The Society of Americanists: Played a key role in deploying "action anthropology" into support for "indigenous liberation movements" internationally, simultaneous with the

preparation of the Shining Path project. The Society's 39th International Congress, held in Lima in 1970, pressured the government to release Shining Path leaders Guzmán and Osmañ Morote, then jailed for leading violent student riots in Ayacucho.

Institute of Peruvian Studies (IEP): This Ford Foundation-financed "academic" center has served as the coordinating center of the "indigenist" project against the Peruvian nation-state, since its 1964 founding by Valcárcel's student and intimate colleague, José Matos Mar. The IEP became a center of Shining Path "experts," or "Senderologists," who have been dubbed "Shining Path lovers" by President Fujimori. Its current president, anthropologist and "Senderologist" Carlos Iván Degregori, used his "studies" as a cover to interview declared Shining Path terrorists. Degregori, who justifies Shining Path by claiming that it constitutes a response to the Spanish conquest, received his anthropology degree from the University of Huamanga, where he also served as a professor.

David Scott Palmer: Director of Latin American Studies Program at Boston University, this former director of Latin American Studies for the U.S. State Department's Foreign Service Institute, has used his prominence as one of the U.S. leading "experts" on Shining Path, to legitimize the killer cult, arguing for dialogue, maintaining that Shining Path has no ties to the drug trade, and comparing Shining Path with Bolívar's liberating armies. Palmer wrote in his 1992 book, *Shining Path of Peru*: "I am forced to respect the dedication and zeal of the Shining Path leadership as it tries to forge a new and more meaningful reality. . . . Shining Path uses terror to further its revolutionary ends but is not a terrorist movement. The insurgency has rarely engaged in indiscriminate violence and should not be compared with Pol Pot and the Khmer Rouge in this regard."

Palmer admits to knowing many members of Shining Path leadership, but asserts he has had no direct contact since Shining Path went underground in the late 1970s. His ties to Shining Path's Ayacucho base extend back to 1962, when he led the Peace Corps project at the University of Huamanga, and then worked in the Víctor Fajardo province in Ayacucho, one of the first sites of Shining Path activity. He is a close friend and collaborator of Peruvian "Senderologist" Gustavo Gorriti.

A team of British-trained psychiatrists has worked with the anthropological network, in creating the ideological underpinnings of Shining Path's terror. Head of the psychiatric division of this project is Max Hernández, graduate of the School for Community Mental Health of London's Tavistock Clinic (founded by British intelligence's psychological warfare division), former vice-president of the International Psychoanalytic Association, a British Council Scholar, and professor for decades at the University of San Marcos, a center of Shining Path recruitment. (A number of students and professors from San Marcos' Psychology Department have been

arrested as Shining Path militants.) During the 1970s, Hernández founded the Interdisciplinary Seminar of Andean Studies (SIDEA), which produced studies of Indian myths and rebellions, modern-day drug use in Indian rituals, and psychoanalytical, race-based profiles of differing Peruvian populations, all of which argued that Peru had no national identity, but should be "deconstructed" into its racial components. Degregori, other leading IEP members, and Moises Lemlij, another Peruvian psychiatrist trained at Tavistock, are also members of SIDEA.

Hernández is also a member of the Peruvian Association of Studies for Peace, headed by Jesuit Felipe MacGregor, who argues that Shining Path is the natural response to the "structural violence" of Peruvian society. MacGregor is studying violence as a response to "cultural violence." Joining them in the Association is César Rodríguez Rabanal, another psychiatrist, who was also a founder of the Civic Committee against Impunity, an organization which attacks the Armed Forces, founded in memory of a group of Shining Path terrorists who were extralegally executed in 1992. Other promoters include priest Gustavo Gutiérrez (the putative father of Theology of Liberation), Victor Delfín, and Francisco Soberón.

La República newspaper: In 1982, promoted Shining Path leader Edith Lagos; was always the mouthpiece of Shining Path's psychological warfare; a regular platform for the mouthings of the "Senderologists."

Known funding: Primarily, the drug trade. Well-informed sources have told *EIR* that, at its height, Shining Path received some \$60 million a month from the drug traffickers. The Huallaga Committee provided the executive leadership in Lima with dollars. SL also collected "quotas" from businessmen. Some funds were also provided by its European operatives and support networks.

Thumbnail historical profile: Shining Path brought the Peruvian State to its worst crisis this century. It was described by U.S. government spokesmen as one of the three worst genocides of this century, the "most lethal guerrilla movement in the world." The estimate is that SL's violence took nearly 30,000 lives and wreaked \$25 billion worth of havoc on the Peruvian economy, as well as creating 1 million internal refugees.

Action anthropologists created, and ran, the bestial SL as part of a decades-long project to, in the words of anthropologist José Matos Mar, "forge a new face of Peru." That face was to be enraged "indigenism." Following World War II, teams of foreign anthropologists swarmed over Peru, under the direction of Luis Valcárcel, a close collaborator of French ethnographer and Society of Americanists' leader, Paul Rivet.

As teams from Cornell University, the Smithsonian Institution, the Americanist Society at the University of California at Berkeley, etc., profiled numerous regions of Peru, Valcárcel's leading disciple, Matos Mar, led a team of

“young indigenists”—by vocation, not birth—in reviewing the centuries of reports on the demographics and religious practices of Peru’s Indian populations contained in the archives of the Catholic Church. These combined activities put together a precise map of Peru’s indigenous populations, stretching back for centuries.

In 1959, Valcárcel led the committee which established a new anthropological training center in Peru, based at the newly reopened University of Huamanga in Ayacucho, which received substantial foreign funding as well. It was there that Shining Path chief Abimael Guzmán used his posts as both professor in the university’s teacher training program and director of personnel, to recruit and brainwash terrorist cadre for almost two decades before Shining Path fired a shot.

SL began to operate in the 1970s, in Huamanga, Ayacucho, mobilizing university and secondary-school students against the government, with burning of police stations and street riots. It was in Huamanga that they inaugurated the practice of seizing control of the administrative facilities of public universities and turning them into subversive platforms, all in the name of “university autonomy” and “co-government.” The “Huamanga model” as exported to other universities.

The early days of the SL war began in Ayacucho and in the surrounding Andean region. In 1983, in part forced by the Peruvian Army offensive in Ayacucho, SL units descended from the Apurímac Valley to the jungle outskirts, ultimately arriving in the Huallaga Valley, where they concentrated their rural operations.

To the extent that the peasant population fled to Ayacucho and adjacent areas, and those that remained were organized into self-defense groups, SL’s operations in Lima and other cities took on greater importance. SL transferred its terrorist methods to neighborhoods, unions, schools, universities; selective assassinations, bombings, and downing of electricity towers increased. The year 1992 was the key year for SL warfare: There were even rumors that an SL assault on Lima was imminent. SL began to use car bombs around this time. But at the same time, its bloody crimes led to rejection by the population.

On April 5, 1992, President Fujimori decreed a shutdown of the Congress and of the Supreme Court, which had been deliberately blocking the anti-terrorist effort. SL escalated its terror offensive, which threatened to climax in an “armed strike” slated for Oct. 12. But on Sept. 12, 1992, Abimael Guzmán and several top SL leaders were arrested. From that moment, the dismantling of Shining Path proceeded; nearly the entire Central Committee today sits in jail, and the “repentance law” has wrecked its units. In 1994, Guzmán and the imprisoned Shining Path leadership issued a call to remaining cadre to put down their weapons. This even further accelerated the group’s collapse, but a dissident group, Red Path, continues to operate.

Nepali CP looks to armed revolution

by Ramtanu Maitra and Susan Maitra

Unlike any other member of the London-based Revolutionary International Movement, the Communist Party of Nepal (CPN) succeeded in coming into power, ruling this strategically placed Himalayan State, which borders both China and India, from 1994 through August 1995. Under the direction of former Prime Minister Man Mohan Adhikari, the CPN is a power to reckon with, and will remain so for some time. The nearby “Naxalite” parties of West Bengal in India, which are also formal and informal members of RIM, have largely submerged themselves into tribal and peasant insurgent movements, and continue as a dormant capability.

The Nepali communist movement is a product of the early 1950s. It started at a time when the landlord class, the Ranas, dominated Nepal’s socio-political system, including the monarchy. Together with the democratic movement under the Nepali Congress party, the communists were a part of the anti-Rana movement, but unlike the Congress party, began drawing on the support of China, which had become communist in 1949.

The movement received a setback in 1960, when the ten-year-old democratic system that freed Nepal from the vise-like grip of the Ranas came to an end. King Mahendra dismissed the duly elected government of the Nepali Congress party, arrested Prime Minister B.P. Koirala and most of his colleagues, and announced a new “partyless *panchayat* system” which continued into 1990. All parties were banned. The CPN went underground, but was less seriously hampered than the formerly ruling Congress party. CPN meetings were held within Nepal, party manifestos were freely distributed, and journals reflecting the views of various of its factions were regularly published.

Beijing vs. Delhi

It is not clear why the CPN enjoyed these privileges that were not granted to the Congress party. But, there is no question that King Mahendra, in the wake of growing tensions between India and China, was getting closer to the militarily more powerful Beijing, and it is no secret that Beijing had close contacts with the CPN. Those were, of course, still the days when Mao Zedong was chanting “the eastern sky is red,” and pro-China forces were furnished with arms and money throughout South Asia, including Nepal.

Soon, however, the CPN went through the split which hit almost every communist party in the region, in the wake of

the growing animus between Moscow and Beijing. In the case of the CPN, one of the founders of the communist movement, Pushpa Lal Shrestha, became the flag bearer of the extreme Maoist brand. The differences between the two factions, which were branded as moderate and extremist, centered on relations with the monarchy. Pushpa Lal Shrestha opposed any trucking with the monarchy.

It was evident, however, that Beijing was not quite ready to take sides with Pushpa Lal and forsake King Mahendra, who was issuing increasingly anti-India statements, to the chagrin of New Delhi. The conflict led to Pushpa Lal fleeing Nepal, and his expulsion from the party in 1962. The “royalist” wing of the party, led by Keshar Jang Rayamajhi and Shailendra Kumar Upadhyay, managed to keep control and maintain a delicate balance of the party’s loyalty between the monarchy in Kathmandu, and Mao’s men in Beijing.

The 1969 release of the future prime minister and landowner from Biratnagar, Man Mohan Adhikari, probably the only CPN leader with sufficient stature to gain support of all party factions, was an important factor in providing the much-needed stimulus for reuniting and revitalizing the party. As a result of all this, Pushpa Lal Shrestha was brought back.

The 1970s was a period of consolidation and retrospection for the CPN, as it was elsewhere for the communist parties in South Asia following the devastating impact of the brutal Cultural Revolution in China. Even during this period, the differences within the party hierarchy became evident. In 1971, during the uprising in East Pakistan which led to the birth of Bangladesh, the pro-Moscow Rayamajhi and the Maoist Pushpa Lal hailed the uprising as the “freedom struggle,” but the pro-Beijing Man Mohan Adhikari saw the struggle as “an aggression of India.”

New conflicts planned

The CPN continues to have close relations with North Korea, as do several other members of RIM. During the 1994 elections, the posters, manifestos, and pamphlets of the CPN were reportedly printed in Pyongyang and distributed in Nepal.

Despite its democratic face, the CPN is not a passive Communist Party. In the Himalayan foothills, where Nepal meets India, is the area called the *terai*. Because of the climate and “business opportunities,” which often means smuggling contraband from one country to another across virtually unmanned borders, the face of the CPN in the *terai* resembles that of the neighboring militants in the Naxalbari area of West Bengal, India, the so-called Naxalites. The CPN believes that it shares the destiny of armed revolution that the Naxalites attempted in West Bengal.

As the *terai* is the most politically conscious region in Nepal, and has been a traditional base for both the Nepali Congress party and the CPN, there is every likelihood that the CPN will choose the area as its point of conflict. The CPN’s strong anti-India image fits into this situation as well.

ETA: the ‘mother’ of separatist terrorism

If one had to choose the single most typical model of the British ethnic-separatist terrorist movement, it would be the Basque group known as ETA. Why?

- Basque separatism was created originally around a manufactured ethnic identity, in the cauldron of race scientists and ethnologists who were working in the British orbit in such centers as Leipzig, Vienna, and Paris around the turn of the present century, and who worked through the Basque priest José Miguel de Barandiarán (1889-1980).

- This artificially created identity has been used to foment terrorist irregular warfare on London’s behalf, as shown in the handiwork of the French ethnologist Paul Rivière, who participated in concocting the ideology both for ETA and for the savage Peruvian narco-terrorist band, Shining Path.

- It provided a perfect vehicle for undermining the nation-state, thus serving British geopolitical aims on the continent of Europe. Not only Spain, whose Basque provinces were a center for industrial development that threatened British economic hegemony, but also France, which has its own Basque country, were in the crosshairs. British authorship has been recognized by leading Spaniards: Prime Minister Carrero Blanco, before his assassination at the hands of ETA in 1973, wrote a letter to Francisco Franco, the Spanish head of State, charging that it was Spain’s purported “allies,” the British, who were promoting ETA.

- By promoting the “Black Legend”—the historical distortion that presented Catholic Spain and Spaniards as uniquely cruel and destructive in their colonization efforts—the ETA model also gave Britain a weapon against the power and influence of Spain in its former colonies in the Americas, utilizing such stooges as Theodore Roosevelt.

Name: Euskadiko Ta Askatasuna; acronym ETA: “Euskadi (Basque Provinces) and Freedom.”

Headquarters: They have no offices. Herri Batasuna, the electoral front, is, however, a legal political party.

When founded: 1959.

Major terrorist actions:

Dec. 21, 1973: The prime minister of Spain, Admiral Carrero Blanco, along with his bodyguards, is murdered on his way to mass. This is claimed by ETA. Spanish nationalists and diplomats have repeatedly charged, however, that the decision to murder Carrero was taken by the group around then-Secretary of State Henry Kissinger, as part of their project to bring about the end of the nation-state.

Sept. 13, 1974: Cafetería Rolando, a bomb attack leaves 14 dead in Madrid.

July 29, 1979: Bomb attacks in the train stations of Chamartín and Atocha, and Barajas airport, Madrid.

Feb. 1, 1980: Grenades launched against a Civil Guard convoy kill six guardsmen in Ispaster, Vizcaya.

April 25, 1986: Car bomb against five Civil Guardsmen, who are all killed in their jeep in Madrid.

July 14, 1986: Plaza de la República Dominicana, Madrid, car bomb against three Civil Guard vehicles, kills 12.

June 19, 1987: Hipercor supermarket at Barcelona, car bomb in the parking lot leaves 21 dead, 30 wounded.

Dec. 11, 1987: At Zaragoza, a car bomb explodes against the living quarters of the Civil Guardsmen. Eleven guardsmen and five of their children are killed.

Dec. 8, 1990: At Sabadell (Catalonia), a car bomb explodes, killing six policemen.

May 29, 1991: At Vic (Catalonia), a kamikaze car bomb is launched against the living quarters of guardsmen. Four guardsmen die, and five of their children are also killed.

Feb. 6, 1992: Forty kilos of explosives and shrapnel in a car bomb, kill four officers and a civil official in Madrid, at Plaza de la Cruz Verde.

ETA and the military: Since 1982, many high military officials who had accepted posts under the Socialist government, were murdered in cold blood on the streets, including a director general of defense policy. The aim appears to have been to play upon the extreme sensitivity of the military to being ruled by people who “lost the Civil War,” by showing that the Socialist Interior Ministry was unable to protect the State’s highest officials.

Leaders’ names and aliases: There is no real leader of ETA today, in the sense that Federico Krutwig (see Controllers/mentors, below) was its leader until the 1970s. The two chiefs of operations today, according to specialists consulted, appear to be Mikel Albizu, believed an alumnus of the Sorbonne, and Iñaki Rentería, both living in Paris. As they are underground and have several sets of false identities, the authorities do not appear to be wittingly tolerant of their presence on French soil. As ETA has increasingly been transformed into an international posse of mercenaries, with the base of operations increasingly outside Spain, the role of this leadership has diminished.

Groups allied internationally or nationally: In 1972, ETA signed an agreement of mutual aid with Kurdish separatists and with the Irish Republican Army. The role of Algeria, Libya, and Mexico is mentioned in the thumbnail history below.

The contact with the future Zapatistas is believed to have been made in the Nicaraguan camps run by Tomás Borge, former Sandinista interior minister. The presence of Etxarras (ETA cadre) in virtually every terrorist group of South America has been noted by specialists on that continent (see “Spain’s ETA Sets Up ‘Kidnappers, Inc.’ ” in the previous installment of this *Special Report*, published in *EIR*, Nov. 10, 1995, p. 13).

During the 1970s, the Basque movement was the starring element of the “Peoples Without a Nation” movement, which in Europe was based in Perpignan, France (on the Spanish border), around the Benedictine monk Aureli Argemi. This movement, which churned out a great number of “scholarly” pamphlets and studies in which linguistics played a great role, did not shrink from justifying “direct action.” It included Corsicans, Sardinians, Breton so-called nationalists, Provençal separatists, and of course, Catalans. At this time, the Catalan terrorist group *Terra Lliure* (Our Earth) was formed, which perpetrated some of the most cowardly and brutal murders ever seen in Europe.

Religious/ideological/ethnic motivating ideology: “Basque nationalism” used the separatist wing of the Catholic Church in the Basque country—traditionally the stronghold of the Jesuits since the Society of Jesus was founded by the Basque soldier Ignatius of Loyola in the early 1500s. Around 1913, Father José Miguel de Barandiarán, a paleontologist and professor of history of religions, worked out a new, synthetic religion, drawing upon pre-Christian belief structures, called *Gentilism*, as opposed to the *Semitic* monotheistic religions originating in the Middle East. The *Gentile* is the pre-Christian Basque, the only racially pure Aryan remaining in western Europe.

This concoction became the ideological underpinning of the Basque Nationalist Party (PNV) which had been founded earlier by Sabino de Arana Goiri (1865-1903), and which later gave birth, out of its youth wing, to ETA.

Known controllers/mentors/theoreticians: De Barandiarán worked with a Basque phrenologist and biologist, Telésforo de Aranzadi Unamuno, who traveled with him throughout Europe visiting the chief race scientists.

Since the war, an important role was played by anthropologist and sociologist Julio Caro Baroja, who was put to study under de Barandiarán and de Aranzadi by the world-famous novelist Pío Baroja; at Oxford in the 1950s he was a disciple of Prof. E.E. Evans-Pritchard, the expert on witchcraft in primitive societies.

Federico Krutwig Sagredo (b. 1921), a linguist, now head of the Hellenic Academy of Vasconia, authored the guerrilla warfare strategy of ETA, and transformed ETA from a think-tank at Deusto University called EKIN, into a full-blown assassins club. He understood that ETA cadre should be recruited principally from the fertile ground prepared by priests like de Barandiarán among the most backward peasant elements and unskilled manual laborers. The son of a German industrialist and a Basque woman who was a “daughter of an extremely old Venetian family,” Krutwig Sagredo has been reported, variously, to have worked for virtually every major secret service, including the East Germans and the Chinese. He was president of the Academy of the Basque Language in 1953. The Basque bible is his *Vasconia* (1963). His thesis was that for the separation of the Basque provinces to succeed, ethnic and linguistic identity

must take precedence over the political. Krutwig's references were Marxist-Leninist; he applied to the "revolutionist struggle," the lessons of the operations of Mao Zedong and Ho Chi Minh, and of the French counter-guerrilla expert, Trinquier.

Xavier Arzalluz: now President of the PNV, a former Jesuit seminarian, former president of the Basque provinces. Neither condemning nor condoning terrorism, his publicly expressed view is that the deaths are unfortunate, to be regretted, but understandable given the nature of the "oppressive" Spanish state. Arzalluz and the more openly pro-terror Herri Batasuna press for the same aims and objectives as ETA: the dissolution of Spain and the separation of the Basque provinces.

Number of cadres: ETA has been almost entirely dismantled, and rebuilt, several times, e.g., 1963 and 1975. At the time of writing, there are 500 Etxarras in Spanish jails. According to specialists, the number of actual terrorists would be not more than 50 in Spain, and there would be not more than five trained gunmen. This would mean there are about 10 extant commando units, each composed of between four to six people.

Since 1982, when the Socialists came to power, several hundred Etxarras were taken *manu militari* from Spain on Interior Ministry flights, and dispersed to Cape Verde (off the Coast of Senegal), São Tomé (off West Africa), Santo Domingo, Dominican Republic, and various South American countries in pursuance of the policy of Rafael Vera and Julián Sancristóbal, respectively secretary and undersecretary of state for the interior until 1994.

The commandos operating in Spain, are based in France, as is the 200-300 person support network. Support for ETA among the intellectual elite is much more pronounced in France than in Spain. The safehouses are located in France. Following the successive waves of crackdown since the Giscard Presidency, the safehouses have been moved farther and farther from the border. Brittany is now an important center.

The ETA electoral front, Herri Batasuna, controls about 20% of the vote in the Basque Provinces, and can bring up to 200,000 persons out into the street in wild demonstrations.

Spanish America would now appear to be the epicenter of ETA.

Training background: During World War II, the Pyrenees were a kind of no-man's land. The principal escape route from the Gestapo out of western Europe, was to flee into Spain, where Franco, advised by Admiral Canaris, head of the Abwehr, maintained an "open-door, closed-eye" policy. Thousands escaped certain death at Nazi hands in this way.

American and British commandos were dropped into the Pyrenees, in pursuit of their wartime missions. However, the British, and certain American factions, had another agenda for the postwar period: Like occupied Germany after the war, France and Spain were to be "reconstructed." The nation-state of Spain would have to be torn down, and Franco over-

thrown.

During the war, these Anglo-Saxon commandos established certain contacts in the Pyrenees to convey munitions and arms. A small number, perhaps 10-15 specialists, stayed behind after the end of the war. They were in contact with Republican networks on both sides of the border. This is well shown by Gregorio Morán in his book *Los españoles que dejaron de serlo (The Spaniards Who Are Spaniards No Longer)*, published around 1975. These commandos were the seed for ETA.

In the 1960s and into the mid-'70s, Etxarras were being trained in Libya, in Algeria (central barracks of the land army), and in Palestinian camps. At that time, there was a significant Soviet input into Herri Batasuna, and there were also rumors that Etxarras had been trained in East Germany.

Known drug connections: The Basque Provinces have one of the highest proportions of narcotics addicts relative to the population in the western world, higher even than New York or Glasgow.

Around 1985-86, a medical doctor attached to the Health Services of the Government of Vizcaya Province, held several press conferences at Bilbao, where he said that he had arrived at the conviction that ETA was principally a narcotics-trafficking network. He alleged that ETA financed its terrorist activities through the sale of narcotics. TIR trucks from Holland and Belgium were alleged to be a main source of these substances.

Otherwise, the narcotics trade in Spain is controlled by the Colombian cartels.

Known arms suppliers/routes: In the 1960s, weapons procurement for ETA, was simply on the international black market. The British-made Sten gun was used in many attacks; the Israeli "Mareta," and the famous Czech hand guns, also. Today, the weapons mainly used are the Firebird and the Sisauer gun. In the late 1980s, a great many attacks were by grenade launcher; this was the Belgian-made Mecar.

The principal source of weapons for ETA in the 1970s and 1980s, was the Fabrique Nationale Herstal in Belgium. Apparently a cell in FNH purloined the weapons and got them out on TIR trucks. Belgium has been, since the Spanish Civil War, an important center for Republican refugees, just as it was a recruitment center for communists leaving to fight on the Republican side. Not only Ernst Mandel's Trotskyites but a gaggle of extreme-left and extreme-right groups, including fanatical right-wing Flemish separatist organizations form the screen behind which terrorist operations can be run.

Czech explosives, before the fall of communism, were used in a number of bomb attacks. Before 1989, i.e., before the bargain-basement sale of East bloc weapons systems, which has made their appearance commonplace, there were almost always to be found in caches, weapons and munitions from East bloc countries.

Known political supporters/advocates: The founders of ETA, Julen de Madariaga, Federico Krutwig Sagredo,

Alvarez Empananza "Beltza" and their associates, were all at or around the Jesuit University of Deusto in 1950. This is the university which historically has trained the Basque elite.

Political support for ETA, came from certain lawyers' collectives for "human rights," around the person of Fernando de Salas (died 1993), founder of the main civil liberties group. These lawyers' collectives, linked to the Anglo-Saxon Liberal circles which had forced out Juan Antonio Suances from the Industry Ministry in 1958, sprang up, with Anglo-Saxon backing and publicity, in the 1960s; their task was to focus opposition to Spanish leader Francisco Franco, using examples of police brutality as their springboard.

De Salas's group, whose mouthpiece was the Madrid daily newspaper *El País* in the 1980s, ran a strident campaign against the Civil Guard, the police, and the judicial authorities in the Basque Provinces, presented as hangovers from the Franquist state, *ergo*, "fascists." *El País* has on its board, Jesús Aguirre, a defrocked Jesuit married to one of the most powerful women in Spain, the Duchess of Alba, and the man who launched the Conservative Revolution platform in Spain, Ortega y Spottorno, the son of writer José Ortega y Gasset.

Another board member is Jesús de Polanco, head of a textbook publishing empire in South America. His brother was a prominent businessman in Mexico.

At present, ETA's biggest political crutch is the press group, *El Mundo*, owned by Italian financier Gianni Agnelli and by the London *Guardian*. Beginning in 1987, the newspaper *El Mundo* has run a campaign to tear down the structure of State security, by systematically watergating the key policemen, Civil Guardsmen, and Interior Ministry officials involved in the anti-terror struggle. A specialty of *El Mundo* is publishing documents pilfered from the headquarters of military intelligence. The director of *El Mundo*, Pedro J. Ramírez, was formerly director of *Diario 16*, an intelligence leak-sheet. About five or six years ago, Ramírez made a number of trips to France to meet with ETA leaders such as Txomin, with whom he later published interviews.

Known funding:

Narcotics traffic: Between approximately 1990 and 1994, possibly corresponding to the fall of communism, about 20 people were assassinated in the Basque Provinces by ETA, which had targeted them by posters and wall writings, as alleged "dope dealers." Some of the victims are said to have been eliminated because they were freelancing onto ETA's patch of the dope racket.

"Revolutionary tax": extortion letters regularly go out to every businessman in the Basque Provinces. It is believed that almost all firms in the Basque Provinces pay to this protection racket. Only 18 businessmen are known to have gone to the police to protest. In the last two years, over 100 Madrid business leaders have also received extortion letters, but in Madrid, they went to the police.

The extortion racket is based on the French side of the border. Every weekend, businessmen would cross over with

large sums in cash, and pay them to middlemen of the border towns. This was quite open until about 1985. The income of the revolutionary tax must be estimated, conservatively, at several tens of millions of dollars a year. It would appear to make its way, according to specialists, mainly to South America via Caribbean banks.

A network of businesses: These include restaurant chains, in Spanish America, which are money-laundering fronts (see *EIR*, Nov. 10, p. 15). There are well-known ones in Punta del Este and Montevideo (Uruguay).

Kidnapping: Over the last 20 years, dozens of prominent businessmen, and in some cases their children, have been kidnapped. Ransom monies amounting to millions, in some cases tens of millions of dollars, have been paid over the French side of the border. In the kidnapping of wealthy Mexicans, such as Harp Helu in April 1994, the ETA was mentioned as a possible agency. In the Losada kidnapping in Mexico, there seems to be little doubt that ETA was involved. The Spanish businessmen abducted or subjected to the "revolutionary tax" in Mexico, were not Basque.

Thumbnail historical profile: The Basque Provinces are known as "Provincia de Loyola." The Basque-born Ignacio de Loyola "got revelation" for his future mission, at the Benedictine Monastery of Lazcano, which also seems to have informed the "theology" of de Barandiarán. Lazcano was stormed by the Civil Guard on orders of Franco in the late 1950s, for harboring terrorists.

Nothing was ever written in book form in the Basque language, until the year 1534. In the seventeenth century, the Jesuits chose to work among the villagers in remote areas, with newly translated missals in Basque. This language, a historical curiosity, had no written form until that time. It is estimated that not more than 3% of the Basque population speak that language as their native tongue, and then, only in the most remote and inaccessible areas. Only 15% of the population could be described as somewhat "bilingual," although the PNV has got a frenetic campaign going to force people to send their children to Basque language classes.

In the 1890s, a wealthy, socially prominent Basque, Sabino de Arana (1865-1903), son of a notorious Carlist leader, also "got revelation." His credo filled in the Oxford anthropologists' mastersheet with Basque references: The Basques were a superior race. The Spaniards, particularly the Andalusians (*maketos* or "darkies"), were a racially impure nightmare. The Basques should develop their own alphabet and orthography.

Sabino de Arana was denounced, in his day, by other Basque industrialists, as an obscurantist madman in foreign employ. However, he had access to almost unlimited funds, and was able to launch, in 1894, the Partido Nacionalista Vasco, PNV.

The Basque Provinces, though ringed by the redoubtable Pyrenees, are no bucolic backwater. As the crossing point into France, these provinces were, historically, the most im-

bued with French ideas about the State, and about the necessity for industry, science, and, generally, progress. The discovery of a great quantity of iron ore made Bilbao into an industrial center, by the end of the eighteenth century. That city also has a marvelous deep-water port, which is now containerized and very modern.

Clever, disciplined, and very hard-working, the Basques also developed during the twentieth century, a mountain agriculture which is a chief supplier of hard cheese and first-class pork products to the rest of Spain.

England was not happy with the industrial development of Spain. By the late nineteenth century, it was pursuing a policy of getting direct control over the great iron mines and steel mills, by marrying off its daughters to the heirs to the Basque steel fortunes, and buying its way into the Basque banking structures and newspapers. At one point, 70% of all iron ore from the Basque Provinces made its way to England. In Catalonia, British intelligence operated through the alumni of the Free School of Ensenanza, a nursery for Anglophile, Liberal politicians, tying Catalonia to it by a thousand personal and cultural affinities. In the Basque Provinces, England finally opted for far more radical methods.

The PNV played a key role in the British geopolitical gameplan for world domination: Its job was to weaken Spain from within so that Britain could dismantle Spain's remaining power in its former colonies with the assistance of the British Empire's American stooge, Theodore Roosevelt. The "Roosevelt Corollary" of the Monroe Doctrine was the use of military force against republics which were considered inferior because they were Catholic and allegedly rejected the Protestant notion of progress.

Arana was ecstatic over the U.S. victory in the Teddy Roosevelt-led Spanish-American War against Spain in the Caribbean and Philippines, writing: "The more Spain is ruined and prostrate, the more closely we can hope for our triumph. . . . If we were to see this Latin nation torn to pieces by an internal conflagration or an international war, we would celebrate this with enjoyment and true glee." Leaving no doubt as to the intended beneficiary of this anti-Spanish rage, the PNV adopted a green version of the British Union Jack as its flag.

Under political leader Joaquín Costa (1880 and 1890s) and head of State Miguel Primo de Rivera (1923-30), great infrastructure projects were launched in Spain. This was not the best recruiting period for an anti-Spanish movement.

During the Civil War (1937-38), for a number of reasons, the Basque Provinces tended toward the Republican side. Brutal behavior by the Nationalists during the war, and most especially, the savagery of the *Requetes* (declared Carlists, provocateurs fighting on the Nationalist side) turned the Basque Provinces against Madrid.

In 1913, José Miguel de Barandiarán left for Leipzig, to study the Psychology of Peoples under Professor Wundt. By 1919, he was the Ethnology correspondent of Professor

Schmidt's *Anthropos* review in Vienna. In 1921, the Society for Eusko-Folklore was set up. A close contact was Paul Rivière, the French ethnographer of the Musée de l'Homme, who created Peru's Shining Path. Under the German occupation of France, de Barandiarán moved to Biarritz. The Frankfurt am Main race science Research Institute for Cultural Morphology invited him to contribute articles on a regular basis, in 1941.

The Basques themselves were not psychologically prepared to push for independence, nor would any Spanish leader, whether Costa, Primo de Rivera, or Franco, stand for it. So, a shift in the belief structure of the intellectual classes had to be prepared. Emphasis was laid on the magical, on witchcraft, a sign of Basque originality, as one can see from the works of Julio Caro Baroja, most instrumental in this paradigm shift.

ETA itself emerged at Deusto University at Vitoria out of a group called *Ekin* (Action), formed at Deusto in 1952; the original members included Federico Krutwig Sagredo ("Francisco Sarrailh"), Benito del Valle, Alvarez Empanza ("Txillardegui"), and Julen Madariaga. They merged with the youth sector of the PNV in 1955, Euzko Gastedi. At first, this was a "non-confessional patriotic movement." On July 31, 1959, ETA was founded.

1960: World Basque Congress: Krutwig stands up and calls for "guerrilla war" to "free" the provinces. Pandemonium breaks out. *Enbata*, the French Basque movement, is formed. It is outlawed and dissolved by President Valéry Giscard d'Estaing in 1974.

1961: First terrorist attempt by ETA; a train fails to derail. Arrests and repression, as planned, follow.

May 1962: The first ETA assembly models the movement on Algeria, Cuba, and Vietnam.

March 1963: The second ETA assembly includes delegates from other European and Ibero-American countries. Leader "Goitziri" publishes their bible, *Insurrección*.

1964: Third ETA assembly: Goitziri explains that money and propaganda must precede armed struggle and revolutionist war.

1965: Several hundred thousand pesetas are stolen at gunpoint from a bank employee at San Sebastián. Krutwig introduces Vietnamese methods and calls himself a Marxist-Leninist. The fourth ETA assembly decides to deliberately engage the spiral of action-repression.

1966: Zumalde "El Cabra," a dissident member of ETA, goes out into the hills of Onate with a group of fellow terrorists to prepare armed actions. Among them, is something which the EZLN is later to practice: the occupation of an entire village, using only three real machine guns. The 27 others were of paint and pasteboard.

1967: ETA carries out its first bank robbery. At the fifth ETA assembly, the faction known as ETA-Zarra wins: All contact to other Spanish extreme groups should be broken off in favor of a Basque-only policy. "Txabi" and "Beltza"

emerge as the new leaders. Symbols of the Phalange are attacked all over the Basque Provinces. Krutwig and Madariaga flee Spain into exile. Communist influence rises in the trade unions as wages are frozen and strikes break out.

1968: The police chief Melitón Manzanás is murdered before his wife and daughter on the steps of his home. ETA refers to the Uruguayan Tupamaros: Popular struggle and armed struggle are "one and the same."

1970: At the Burgos Trial, Franco puts 20 Etxarras at once on trial and demands the death penalty, but backs down following a worldwide uproar. Sixth ETA assembly expels Madariaga and Krutwig as dissidents. ETA propaganda against the *maketos* ("darkies"), the Andalusians, in the Basque police force, is intense.

1971: Basque industrialist Zabala is kidnapped, purportedly to support workers in a union conflict. An internal debate arises in ETA: Should only "Spanish" industrialists be kidnapped, or also "Basque"? The decision, clearly guided by the British move to deindustrialize the Basque Provinces, was to destroy Basque industry by terrorizing its leaders and forcing them to flee the province. Since 1971, some 25% of all industries have left, and a still higher proportion of all qualified engineers and professionals.

1973: Felipe Huarte is kidnapped, again on the pretext of supporting a labor conflict. Fifty million pesetas ransom are demanded. The Huarte family was the wealthiest in Navarre, which ETA claims is Basque. The only Spanish group which refuses to condemn the terror attacks is the Revolutionary Communist League (LCR).

1973: The Spanish government decides to build the first Basque atomic reactor in the Basque Provinces, Lemóniz. Westinghouse and Iberduero are involved. Three more Basque reactors were to be built. ETA goes "green." Graffiti goes up in Basque language: *Zentral Nuklearik EZ*, "No to the Nuclear Reactor."

1977: In December, ETA attacks the reactor, scaling the high walls.

1978: Thirty bomb and other attacks are carried out against Iberduero. Over the next decade, the chief engineers of the project are murdered, but the reactor is built. The Navarre-Basque highway is subjected to a similar ETA campaign, but it is also completed in 1995 after a 10-year effort, during which two engineers are murdered.

1979: The government of Adolfo Suárez, in approving the text of the new Spanish Constitution, makes the former provinces into autonomies. Each Autonomy will have a president. The word "nation" is used ambiguously in two different meanings: the Spanish nation, and supposedly within it, the Basque and Catalan "nations."

About 500 people had been killed by the time Franco died in 1975. But, when Franco died, how to present the terrorism of ETA as an "anti-fascist" movement? The terror attacks became directed against all organs of the State, the new enemy. This "justified" continuing the attacks after the So-

cialist Party came to power in 1982.

By now, about 1,000 people have been murdered. Since the Socialist Party came to power in 1982, the attacks have become ever more terrible and in the mode of blind terror.

Recent strategy: Over the last three years or so, the strategy has shifted to one of intimidating the Basque people as a whole. "Wanted" posters went up this year all over Pamplona, which is in Navarre and therefore not Basque, showing Jaime Ignacio del Burgo, the head of the Popular Party there, in the sights of a rifle. During elections this summer (1995), similar posters went up all over the Basque Provinces, targeting King Juan Carlos, Prime Minister Felipe González, and other leading figures.

At these elections, Herri Batasuna poll watchers arrived wearing t-shirts with pro-ETA messages. Thanks to KAS and LAB, its youth and labor fronts, respectively, ETA and Herri Batasuna have got spy networks throughout the most volatile sector of the population. Within minutes, they can bring a threatening crowd out into the streets. Over the last year, virtually every weekend there have been riots by masked Batasuneros against the police forces. Millions of dollars of damage have been done to State property.

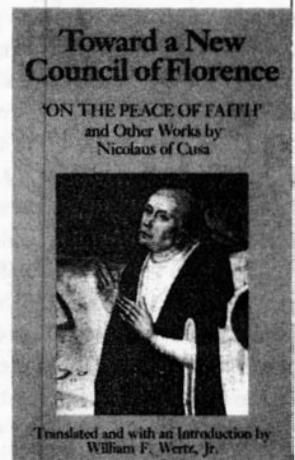
Some specialists believe that ETA is now sending "the base" (about 3,000 people) out into the streets, because the decision has been taken to keep only a small number of actual terrorists, operational inside Spain.

Toward a New Council of Florence

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Soros's last tango on the Titanic

by Claudio Celani

The ceremony in honor of George Soros, held in Bologna, Italy, Oct. 30, resembled the famous "Viva la libertà" scene in Mozart's *Don Giovanni*. A modern libertine of international finance, Soros was celebrated by his victims as a champion of freedom. The oldest university in Italy, and in the western world, probably plumbed the lowest point in its history by awarding Soros, the person who forced a 30% devaluation of the national currency in 1992, an honorary doctorate in economic science.

In reality, the honoring of Soros had been arranged by a tiny, albeit powerful clique. The dean of Bologna University, Fabio Roversi Monaco, who personally gave Soros the doctorate, has been exposed in past years as member of a secret masonic lodge, in the context of the famous "P-2" scandal. Another organizer of the event, Marchioness Bona Frescobaldi, is one of the richest Italian oligarchs, an intimate of the Windsor royal family. In 1988, Prince Charles and Princess Diana were her guests in Florence, while last summer she organized a fundraising dinner for Prince Philip, who presided in Rome over the congress of Italy's branch of the World Wide Fund for Nature (WWF). Such a public association with George Soros was meant to demonstrate the shoring up of ties between the Italian "comprador" oligarchy and the London-centered international financial circles which are trying to carve up entire national economies in order to save their bankrupt financial system.

Clearly Soros's masters had counted on the fact that, after three years of economic and institutional disintegration of Italy, such a large political vacuum has been created that nobody would have reacted. Except, the political vacuum was filled by the LaRouche movement, with a bold initiative

that gave it the leadership of a potentially decisive patriotic response.

On Oct. 27, Paolo Raimondi and Claudio Ciccanti, chairman and secretary general of the Solidarity Movement, the Italian branch of the LaRouche political movement, filed an *esposto* (legal brief) with the Milan State Attorney, asking for an investigation into Soros's possible violation of several articles of the Italian criminal law, due to his role in the September 1992 speculative crisis that destroyed the European Monetary System (EMS) and forced a 30% devaluation in the Italian lira. The text of the *esposto* documents the way Soros, with his Quantum Fund, leveraged the huge capital that defeated any attempts by Italian authorities to support the lira, and hints at the fact that some of that capital could have come from illicit activities on the part of Soros's partners, like Union Bancaire Privée's Edgar de Picciotto.

The *esposto* was immediately picked up by two National Alliance parliamentarians, former Deputy Premier Antonio Parlato and his colleague Maurizio Gasparri, who asked the government to conduct its own investigation. On Oct. 30, the day Soros was to be awarded his doctorate in Bologna, the national daily *Il Giornale* reported both the Solidarity Movement and the Parlato-Gasparri initiatives under a five-column headline: "Bologna: Award for Soros, the Speculator Against the Lira." The article reported that Parlato and Gasparri ask "whether it is appropriate to give a doctorate, with the collaboration of an academician such as Romano Prodi, who moreover is a candidate for the premiership, to a foreigner against whom a criminal investigation is pending." *Il Giornale* added: "In the last days, in fact, the leaders of the International Civil Rights Movement-Solidarity, Paolo

Raimondi and Claudio Ciccanti, have filed a legal brief with the State Attorney in Milan, asking to investigate Soros, to find out whether his speculation against the lira in September 1992 violated Article 501 of the penal code, which punishes 'the fraudulent increase and decrease of prices on the public market and boards of trade.' Penalty for such a crime is doubled if the effect is also to provoke 'a depreciation of the national currency or of State bonds.' "

Meanwhile in Bologna, at the event in honor of Soros, Solidarity Movement organizers distributed a leaflet entitled: "Soros Must Not Be Given a Doctorate, but a Prison Term." A cartoon on the leaflet depicted Soros and his friend Prodi running a primitive olive oil press, making fun of the name of Prodi's center-left coalition, The Olive Tree. While Soros was portrayed turning the press, Prodi poured in, instead of olives, loads of Italian banknotes worth 750 liras to 1 German mark, which came out reduced to coins, worth 1,500 liras to 1 mark—a 100% devaluation.

At that afternoon's press conference, *EIR* correspondent Andrew Spannaus raised the proverbial "emperor's new clothes" question: "Why do you, in Italy, reward a man who sank the Italian lira?" Romano Prodi, one of those to whom the question was directed, defended himself by saying, "We have rewarded Soros not for his economic, but for his philosophical achievements," forgetting that a few hours earlier Soros had received a doctorate in economics and not in philosophy.

Spannaus asked Prodi's colleague Stefano Zamagni, a Bologna University teacher and professed exponent of Christian social doctrine, why he and his friends extended an invitation to the same George Soros who is pointed to in an economic report published in 1994 by the Catholic Church's "Justitia et Pax" Committee as being the clearest example of economic immorality? Probably fearing he would go on record, Zamagni, who was sitting on the podium with Prodi, Roversi Monaco, and Soros, answered: "I did not invite him." He also forgot that his signature was under the official invitation to the ceremony.

Soros answered *EIR*'s correspondent that he did make money through speculation, including on the Italian lira, but he "always played by the rule of law." Right. But he neglected to say that those who made the laws are the same people who gave him the money to speculate with.

The next day, several Italian dailies reported prominently Spannaus's challenge to Soros. The Turin daily *La Stampa* opened its report by quoting the *EIR* correspondent's question to Soros. *Il Giornale* ran a front-page editorial, in which author Antonio Socci, under the headline "Prodi, the Catholic, 'Beatifies' the Lira Killer," wrote: "As a perfect banana republic, today we venerate the speculator like a hero. The Italian media rushed to interview him, calling him a 'philanthropist' as if he were Mother Teresa of Calcutta. . . . In the general excitement in Bologna, only a shocked American journalist dared to raise a rational question: But why do you,

in Italy, award someone who makes millions by sinking your currency? Good question." Socci went on, echoing elements of Lyndon LaRouche's economic analysis: "De facto, the paper economy has taken over the real one. An immense sea of capital moves through the globe, overthrowing central banks and entire national economies, with extremely high costs, including human costs. Conditioning governments. And in no relationship with the real economy, production, trade, productivity, investments, labor. . . . Like an immense gambling scheme. It produces no wealth, it simply moves it. Sooner or later, according to many analysts, this illusory and monstrous financial edifice could collapse, provoking deadly effects on the world economy."

The financial daily *Italia Oggi*, titled its editorial, "Soros Does Not Deserve the Doctorate in Italy." Author Filippo Ponti wrote, "But not all my countrymen are affected by the Stockholm syndrome, and run to shake the fat hand of the speculator who helped throw them out of the EMS, after having robbed them. The Civil Rights Movement-Solidarity has just filed an *esposto* against that gentleman with the Chief Attorney in Milan. Nothing will come of it. But it is a sign of rejection of the trend."

Italy: transition to an 'Asiatic model'?

That "nothing will come of" the *esposto* is not true, although in the strict sense, the remark is correct. The Milan State Attorney is, in fact, the command center of the Italian "revolution" which, in the last three years, has synchronized the demolition of "corrupt" traditional parties (the "Clean Hands" campaign) with key phases of the ongoing takeover of the national economy by Soros's domestic and international friends. But Italian law obliges a prosecutor to open an investigation when there is a "*notitia criminis*." Moreover, the *esposto* will be presented in several other Italian cities, and it has already been sent to the State Attorney in Naples, who, according to informed sources, has started an investigation. If the Milan prosecutors do not pick up the content of the *esposto*, then they themselves can be probed.

Led by Chief Attorney Francesco Saverio Borrelli, a professed follower of the anti-Christian liberal philosopher Benedetto Croce, the "Clean Hands" prosecuting team has forced one Italian government after the other to dance to their music, threatening any politician who dares to challenge the deregulation of the national economy with judicial persecution, supported by "popular consensus."

The latest episode was the government crisis in mid-October, ended with the ousting of Justice Minister Filippo Mancuso, a former magistrate who had tried to reestablish a constitutional balance of power by submitting the Clean Hands pool to inspections. Mancuso's action was not a political interference in the sovereign body of the Judicial branch, as the ultimate authority was always supposed to be a court of law; nevertheless, the Milan pool demanded his head.

Decisive in the action to overthrow Mancuso was ex-

prosecutor Antonio Di Pietro, the “popular hero” of the Clean Hands operation, currently building his image as a political leader. One day after an article by Di Pietro was published in the daily *La Repubblica*, Mancuso’s head was demanded by the PDS and other parties forming the center-left ruling coalition. But since Mancuso refused to resign, and the coalition did not want to overthrow that same government which is carrying out the economic policy demanded by the international oligarchy, the President of the Republic “dismissed” the undesired minister—an action both anti-constitutional and unique in Italian postwar history. The opposition profited from the chaos by introducing a no-confidence vote, which was lost.

After Mancuso resigned, the “prosecutors’ party” triumphed, and politically motivated legal prosecutions ran completely amok. For example, former Premier Giulio Andreotti, already in the middle of a grotesque trial in Palermo (he is accused of being the political protector of the Sicilian Mafia), was indicted in Perugia for the 1982 murder of journalist Mino Pecorelli, allegedly commissioned by the Mafia. All allegations against Andreotti are derived from statements of *pentiti*, Mafia members turned State’s evidence. Also, on Nov. 3, one *pentito* accused the current chairman of the Parliament Judiciary Committee, Tiziana Maiolo, of having made a deal with Calabrian organized crime, the ‘Ndrangheta, in order to be elected to Parliament. Mrs. Maiolo was elected with a direct mandate in a northern Italian region, Liguria, but prosecutors in Catanzaro (Calabria) issued an investigative warrant, a circumstance which has forced countless politicians to resign in recent years. Mrs. Maiolo visited the U.S. Congress last summer, together with two other members of the Judiciary Committee, to investigate possible human right violations in the case of Lyndon LaRouche.

A former member of the board of IRI, Italy’s giant state-owned conglomerate, told *EIR*, “Italy is moving toward a sort of Asiatic model, a capitalism without democracy.” He may be wrong: Italy is moving toward a model without democracy—and without capitalism.

Who is Di Pietro?

Antonio Di Pietro, whose words were enough to oust a government minister, is being promoted by the international oligarchy to become the figurehead of a new formation to usher in the next phase of the transition to the “Asiatic model,” i.e., the formal dissolution of parliamentary democracy.

In a situation in which private financing of political parties has basically ceased because of the “Clean Hands” investigation, it was announced Nov. 6 from the City of London that a starting capital of 7 billion liras (about \$5 million) was donated to both Antonio Di Pietro and Romano Prodi to finance their political activities by heiress Maria Virginia Borletti, whose family fortune is tied into the British aristoc-

racy and the FIAT-Agnelli interests. Maria Virginia’s grandfather was made a count by Mussolini. In the 1980s the Borlettis were involved in Oliver North’s Iran-Contra deals, through their company Valsella Meccanotecnica, which supplied mines to the Iran government. (Iran paid its bills with drugs.) Ferdinando Borletti, Maria Virginia’s father, was arrested in September 1987, when Italian prosecutors discovered the deals after the seizure of a Lebanese vessel, the *Al Boustany*. Eventually, Borletti and his son were released after the powerful machine of the Agnelli group, and possibly the George Bush machine, intervened through the U.S. government itself.

The irony is that Di Pietro, although he already met with Prodi, has not yet announced that he will form a party together with him, although he has let the press build up a campaign to that effect. Since Di Pietro is still scoring overwhelming support in opinion polls, every existing political party is trying to get him on their ticket. Recently, it has been rumored that Di Pietro would form a party together with Irene Pivetti, chairman of the House of Deputies (a Northern League member close to the French aristocrat Philippe de Villiers); Carlo Scognamiglio (chairman of the Senate and the author of the first-ever published report on privatizations), and Carlo Ripa di Meana, leader of the Green Party (and protector of international drug smuggler Albert Shammah, as well as husband of Marina Ripa di Meana, neé Lante della Rovere, who has written a book bragging about how she has used sex to get power). Di Pietro has denied that he will form a party, but his friends indicate that it is a formal distinction. Di Pietro, they say, will form a “movement,” which can bring together people of different “opinions” and “ideologies,” converging on the necessity of “reforms.”

All this is probably part of a media strategy decided in a meeting in Davos, Switzerland, on Jan. 29, 1994. Sitting at a dinner table were Antonio Di Pietro, George Soros, *Washington Post* owner Katharine Graham and Italian financier Carlo De Benedetti, a partner of Soros and owner of the newspaper *La Repubblica*. Di Pietro also met in Davos his good friend Julius Kroll, from the Wall Street investigative firm Kroll Associates, during the yearly World Economic Forum, where the world financial elite gathers. So far, Di Pietro has not rejected the money offer by Mrs. Borletti. His friend Prodi has accepted.

Di Pietro’s economic program

The Italian economy is now in a state of war between competing oligarchical gangs, fighting to get their hands on the relics of the national economy, both the State and private sector. Starting in 1992, after a secretive meeting on board Queen Elizabeth’s yacht *Britannia*, a process of privatization of the Italian economy has been put into motion, which has already wrought irreversible damages to the national economy.

A key power of the Italian State, to collect and redistribute part of national savings through State-owned banks, has been eliminated by the sale of Credito Italiano and Banca Commerciale. The steel sector, owned by the state conglomerate IRI, has been sold. The food company SME has also been first stripped and then sold. Next on the chopping block is the national oil company ENI, 20% of which is scheduled to be sold Nov. 21. After ENI, it will be the turn of ENEL, the electric company, and of STET, the telecommunications company. Each one of these is worth more than \$20 billion.

The Soros-Prodi (and Di Pietro?) group is competing with the Agnelli-Cuccia group, which they call the "oligarchical families," to sink their teeth into ENI, ENEL, and STET. The first privatization match was won by the Cuccia-Agnelli group, which bought both Banca Commerciale and Credito Italiano thanks to a peculiar arrangement, dating from 1945, by which 90-year-old Enrico Cuccia, founder and chairman of Mediobanca, has held a de facto monopoly as the only merchant banker in Italy. When it was clear that, contrary to Churchill's wishes, Italian postwar politics was to be dominated by the Christian Democratic Party (supported by the Vatican and the U.S. government), the international financial oligarchy led by Lazard Frères' André Meyer (Katharine Graham's father) imposed the creation of a "watchdog" institution to protect their interests, represented by the family funds of the "comprador" aristocracy (Agnelli, Pirelli, Orlando, Pesenti etc.), from the rising dirigistic power of the State.

Cuccia operated through a sort of "gentlemen's agreement" with the Catholic-dominated political power. Once that deal was broken, as a result of the London-directed 1993 "revolution," Cuccia could easily take over the privatization process, as the Italian stock market is small and dominated by large companies such as FIAT, Assicurazioni Generali, Montedison, Olivetti, and Pirelli—Cuccia's allies.

The competing gang—Soros, Prodi, and company—claims that the stock market should be "enlarged" through measures that allow (or force?) small and medium-sized companies to enter the stock exchange, in order to be looted. They also want family savings, currently massively invested in Treasury Bonds (Italy has one of the highest saving rates in the world), thus financing the public debt, to be diverted into their nicely "enlarged" stock market.

All this is merely intended to try to stop the *Titanic* from sinking, that is, to provide an income flow to be leveraged through derivative operations.

Cuccia's gang of "families" wants also to save the *Titanic*, but to leave Prodi and friends off the ship. Typical of their strategy is the spectacular way Cuccia managed to take over the former Ferruzzi agro-industrial company, which went bankrupt in 1993 because of derivative losses.

On Sept. 1, it was announced that a merger would take place, between Ferfin (Ferruzzi holding) and Gemina, a partnership holding called the "front parlor" of Italian finance,

collecting all of Cuccia's stooges and controlled by Cuccia's Mediobanca. The new Supergemina would become, under Giampiero Pesenti, Italy's second largest private industrial group, with a turnover of about \$30 billion. Since Ferruzzi stocks would be converted in Gemina stocks, small shareholders feared that they would lose from the operation, and activated the Consob, the Italian equivalent of the American Securities and Exchange Commission. A look into Gemina's books revealed that Gemina had concealed huge losses from shadowy operations, including derivatives speculation. A Gemina-controlled fund, Gemina Capital Market, had lost in 1994 about \$160 million on derivatives contracts for \$1.3 million. Investigators suspect that real losses are much larger, especially because Gemina holding reported in 1994 derivatives contracts of \$8 billion.

After the scandal broke out, the Supergemina merger was suspended, and Cuccia was even forced to change Gemina's managers in order to avoid bankruptcy proceedings. So he asked his international friends for help to buy Ferruzzi stock on the market. In a matter of days, he bought so many shares that it is now rumored that Mediobanca and allies have more than 51% of Ferruzzi stock.

Cuccia's main helper, according to reports in the Italian press, is Henry Kravis, the man who made the largest leveraged buy-out in history, with RJR/Nabisco. Did he do it out of pure friendship? Of course not. Kravis is interested in one key company owned by Ferruzzi: Eridania Beghin Say, which is number one on the European sugar market and number one on the world olive oil market. In other words, as *EIR* has been reporting for months, people like Kravis, the "smart money" guys, have abandoned financial speculation as such and have moved to hoarding: gold, raw materials, strategic minerals—and food.

The rats are leaving the sinking ship and they do not even inform their pals, who are squabbling over who gets a front-row spot in the *Titanic* ballroom.

Documentation

Excerpts from legal brief against George Soros

From the text of the Petition to the Italian State Attorney in Milan, filed on Oct. 27 by Paolo Raimondi, president of the "International Civil Rights Movement-Solidarity" and Claudio Ciccanti, secretary general of the same:

. . . We request the opening of a judicial proceeding against Mr. George Soros, and to support that request we declare the following facts:

Mr. George Soros, by his own admission in many press and television interviews, was one of the principal promoters, organizers and beneficiaries of the massive speculative attack against the lira, the British pound, the French franc and other European currencies in September of 1992, that forced these currencies into free fluctuation outside of the European Monetary System (EMS), calling into question the future of the EMS itself.

According to reports in the economic press, in just a few days George Soros earned at least 400 billion liras (\$280 million) in speculation against the lira, and 1,200 billion liras (\$840 million) in operations against the pound. Soros and his investment fund "Quantum Fund" are among the most able operators on the speculative markets in derivatives, financial instruments which, globally, are contracted for an average of \$1 billion a day. The technique used by the speculators in derivatives permits them to operate with enormous sums while in reality only possessing a small amount of the nominal value of the contracts. . . .

The Bundesbank, the German central bank, uselessly spent 60 billion deutschmarks to defend the French franc, the lira and other currencies of the EMS. The Bank of Italy used, between June and September of 1992, \$48 billion in reserves to defend, unsuccessfully, the value of the lira. . . .

Based on the facts presented herein, we ask for the opening of a judicial proceeding against Mr. George Soros, to verify if his admitted speculative activity was carried out in violation of Article 501 ("Fraudulent Raising or Lowering of Prices on the Public or Commercial Markets") of the penal code. We note that Article 501 specifically provides for a doubling of the penalties "if the action results in a depreciation of the national currency or state bonds." (Article 7 of the penal code provides for penalties according to Italian law of an Italian citizen or foreigner even if he commits the aforementioned crime in a foreign territory.)

In violation of Article 2628 ("Fraudulent Manipulating of Corporate Stock") of the civil code.

In violation of article 2595 of the civil code ("Legal Limits of Competition") that states: "Competition must take place in such a manner that it does not damage the interests of the national economy. . . ."

In violation of article 2598, paragraph 3 (Acts of Unfair Competition") of the civil code.

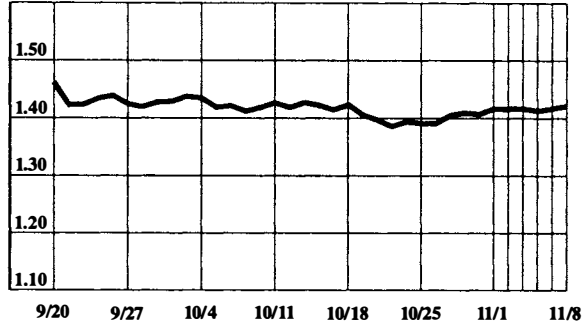
In violation of article 2041 ("On Enrichment without Cause") of the civil code.

It would also be opportune to verify if such speculative activity be in violation of Article 41 of the Constitution of the Italian Republic, according to which, "economic activity cannot take place in opposition to social utility or such that it causes damage to security, liberty and human dignity."

Currency Rates

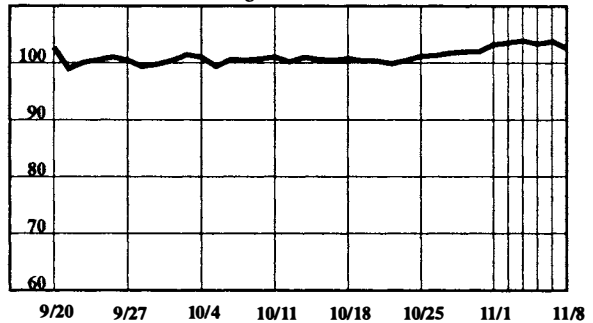
The dollar in deutschmarks

New York late afternoon fixing



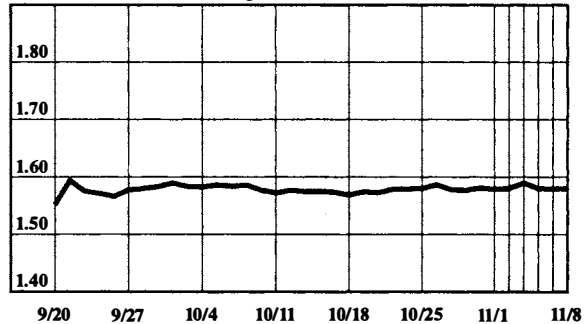
The dollar in yen

New York late afternoon fixing



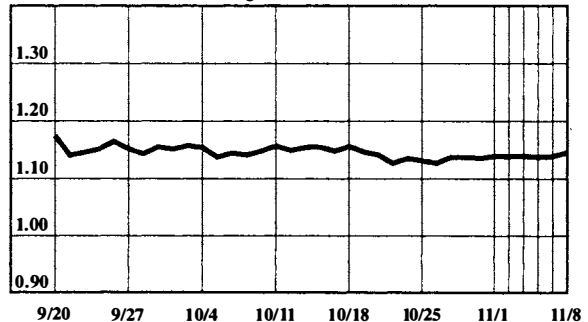
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing





'Russia and the U.S. could be real strategic partners'

Sergei Glazyev is a leading Russian economist and political figure. He heads the Committee on Economic Policy of the State Duma (parliament) of the Russian Federation, and is running for reelection to the Duma on the slate of the Congress of Russian Communities. Glazyev was interviewed in Moscow by Karl-Michael Vitt, on Nov. 4.

EIR: What is the current economic situation in Russia?

Glazyev: The economic situation in Russia is still in a stage of deep depression, and economic policy measures which are introduced by the Russian government according to IMF [International Monetary Fund] prescriptions are, in effect, written not for the recovery of the economy, but for a deeper and deeper crisis. For instance, the huge growth of the Russian foreign debt, as a measure to finance the budget deficit of the Russian government, now becomes a problem for the budget expenditures—because the expenditures to finance the budget deficit, to finance the responsibilities before the creditors, now take about 13% of the budget expenditures, which is more than the whole federal budget expenditures for education purposes, for instance.

At the same time, the Russian government has started to borrow more and more money in the internal market, paying a very high interest rate on government bonds, and the result of this, is not only an additional burden for the budget expenditures in the future, but also an artificial shortage of financial resources in the market, because Russian banks don't show the sense to finance productive investments in industry and agriculture. As far as they could easily use government instruments just to buy government bonds and then do nothing, get them for nothing, at 100% interest rate, this is an awful policy, which leads to a huge shortage of investments and a continuation of the high inflation rate.

The high interest rates which the government pays on government bonds, create strong pressure for the increase of the price of capital; at the same time, the privileged national monopolists, who control, at the moment, the Russian raw materials sector, use their monopoly power to raise prices, and the result of this is a continuation of inflation, at 5% per month, capital flight abroad out of industry and, it appears, speculative operations.

All this policy is conducted according to the IMF prescriptions, and it is very strange, from the point of view of foreign creditors, that the IMF, in fact, advises Russia to increase the foreign debt and to continue a policy which makes the payment, the paying back of the credits quite impossible. Russia now has reached the situation in which the expense of servicing the foreign debt becomes greater than the opportunities for new borrowings.

At the same time, the government continues very strange expenditures which are not creative, but more or less destructive, like the continuation of the war in the Chechnya region in Russia, subsidies for unprofitable industries like coal mines and agriculture, which do not have any positive effect for economic growth. So the policy has continued to be very expensive, and not creative.

So there are no incentives in the Russian economy, at the moment, to invest into production.

EIR: President Clinton met President Yeltsin at Hyde Park, the home of President Franklin Delano Roosevelt, and he spoke about a new partnership with Russia. If Clinton goes in the direction of Roosevelt, what would you expect from him, regarding economic cooperation between the United States and Russia?

Glazyev: We're looking with great interest for this news and waiting for real measures, coming from this understanding of our strategic partnership, not only in foreign policy, but also in policy concerning our internal problems. The Russian economy, at the moment, is in a situation which is very similar to the American situation in the 1930s, and the Roosevelt administration applied the New Deal to struggle with the depression, to increase final demand in the economy, to stimulate new investments, to fight with the inefficient industries, and this policy approach was very successful. And we need an approach like this.

At the moment, the foreign advice to Russia and foreign help to finance the budget deficits of the Russian government, in effect, play a negative role, and everybody in Russia realizes that the IMF approach and IMF policy had a hugely damaging effect.

Unfortunately, this kind of approach from the western

multinational financial organizations, which was supported by the western powers, is considered in Russian public opinion as a very damaging interference in our internal problems.

We get very few productive investments in the economy, but, because of this policy, Russia becomes the largest debtor in the world financial system. The Russian government has found itself in poverty, missing almost two-thirds of the property which belonged to the government three years ago, without any revenues for the budget.

At the same time, the production efficiency decreased about two times, and both the productivity of labor and energy resources efficiency decreased about 30%. So, unfortunately, this kind of policy, conducted according to the IMF recommendations, is closely connected in Russian public opinion with the American approach, and of course, we must think now how to change this, because Russia and the United States could be real strategic partners and together could make a lot of efforts for worldwide stability and growth.

Unfortunately, at the moment, our bilateral relations are uncertain and become even hostile. The Russian public couldn't understand the sense of IMF dictates in the Russian economic policy. This is something not only stupid, but very damaging; everybody understands this.

Second, you could not understand the policy of NATO at the moment in the Balkan region. NATO behaves like a crazy hooligan in the kindergarten, just punishing some children and favoring other children, without understanding what are the real problems. At the moment in Russia, people become frightened of possible NATO aggression close to our western borders. New tensions arise, and I think all this happens because America still does not have a reliable foreign policy concerning Russia and concerning the new worldwide problems, and does not have a strategic view.

I think we should think together about closer relations, which should be oriented not to some formal goals, but for real strategic partnership, both in the solution of the worldwide problems, and to look also for new approaches in economic policy, to fight the threats which not only Russia has, but also all the western world has.

At the moment, we have a banking crisis which is connected to the worldwide banking crisis. The Russian economic depression could have a very negative influence on the worldwide depression, and we should think together how to pursue reliable policy, concentrated on real goals, in order to overcome this risk to the stability of the worldwide economy.

EIR: After his visit to Moscow last June, American Presidential candidate Lyndon LaRouche proposed to immediately reduce the International Monetary Fund pressures on Russia. He spoke about Eurasian development. Now, we have the danger of a financial collapse. Do you think that this

new strategic partnership between Russia and America would give us a possibility for a bankruptcy reorganization of the financial system, in order to make real economic growth possible?

Glazyev: Yes, I think we should go in this direction and to think about a new policy, more related to the real economy than to financial speculations, and I would say that the IMF policy, in Russia at least, does not prevent the collapse of the international financial system, but, in fact, even provokes that collapse.

For instance, the IMF approach to Russian problems is very primitive. It is just to increase the Russian foreign debt, to finance the budget deficit which emerged because of inefficient budget expenditures, and even wrong budget expenditures like the financing of wars. This kind of approach goes to the bankruptcy of the Russian financial system, and I think is very damaging to the international financial system as well, and of course, the IMF pressure should go, if you really want economic prosperity.

EIR: What do you think about the State Duma elections in December? You are in alliance with Mr. Yuri Skokov, with Gen. Aleksandr Lebed; do you think that this group gives Russia a chance to stabilize?

Glazyev: Yes, we're sure this is the chance for stabilization and growth. There is no other chance, because the continuation of the present policy for Russia means not only long-term economic depression, but, in fact, huge social problems.

If this kind of policy continues one or two years longer, we shall have about half of our population living below poverty standards, and almost all people working for the government and for society on a non-commercial basis—like education, health care, science, and the research and development sector—will get salaries which are two times less than the minimum poverty level. This means that the continuation of this policy, for millions, even tens of millions of people, does not have any perspective. And of course, this kind of policy has no perspective for economic growth, as well.

At the moment, we have the decline of the investment rate about four times during the last five years, the decline of the expenditures for research and development about five times, the decline of industrial production about two times, and the depression continues, unemployment is growing, and the possible points of growth in the Russian economy are disappearing.

I think that the new elections give us a real chance to change this, and to conduct quite another policy according to the Russian points of competitiveness. Taken together, our possible points of growth are science and technological progress, using our position in the world marketplace and this anti-depression policy, as the Roosevelt administration did in the United States. This is an illustration.

China is developing advanced nuclear power concepts

Earlier this year, construction began on China's first experimental high-temperature gas-cooled reactor (HTGR). This 10-megawatt (MW) test facility, based on the German technology employing spherical fuel elements, is designed to lay the basis for future development and commercial application of modular HTGR reactors in China. The reactor is being built by the Institute of Nuclear Technology (INET) of Tsinghua University, at a site near Beijing. The director of the INET, Wu Zongxin, provided answers to some questions about this and other activities of his institute.

EIR: What is China's interest in nuclear power?

Wu: In China, the per-capita energy use is at a very low level—only 0.2 kilowatts of electricity capacity per capita. With the growth of the economy, we must increase the per-capita power generation. But China's population also grows. Now, the total power generation capacity is about 200 gigawatts [GW]. By the year 2000, we are going to reach about 300 GW. According to our government's targets, in 2010 we should reach 580 GW. By 2050, the population will reach 1.6 billion. We need per-capita about 1 kilowatt, so the total capacity must be about 1,600 GW. This is a very huge increase in power generation capacity. So, from a demand-side consideration, we should have more power supply. But also in China, the source is a problem. Coal makes up about three-fourths of primary energy. But 40% of freight transportation, of the railway capacity, is used for the transport of coal. Also, pollution is a very serious problem. In the future, environmental aspects, such as the question of global warming, are important. So, China must consider nuclear energy, because of the environmental problem, the transportation problems, and so on. Thus, we need an expansion of nuclear energy in China, especially for the east coast areas.

We now have two nuclear power stations. One is at Daya Bay, using French technology. The other is Qingshan. Qingshan is domestically designed, but some components came from outside. To develop nuclear power, China must overcome two barriers. First, only a small portion of the necessary components are today manufactured in China. But we want to reach more than 70%. Another problem for China is the intensity of investment required for nuclear energy. Nevertheless, in some respects, the cost of nuclear is comparable to coal power generation, because now in China, with nuclear

power stations, the investment cost, considering imports, is about \$2,000 per installed kilowatt; whereas with domestic manufacturing, it would be about \$1,300 per kilowatt installed; for coal power generation, imported components cost per kilowatt about \$1,000. But the fuel cost in nuclear power generation is less. So, the electricity cost from a nuclear power station may be less than for coal power generation. Cost is no problem in the future, if the goal of local manufacturing is achieved.

EIR: How did the INET become involved in high-temperature reactor technology?

Wu: Our institute began to be interested in the concept of the HTGR around 1973. We were impressed with the very good safety characteristic of HTGR, its multi-purpose use—because not only electricity generation is to be considered, but also process heat—and also we considered its very good neutron economics. At that time, our thinking was that China is rich in thorium. So we considered using the high-neutron performance for thermal conversion reactors. The HTGR promised a high conversion rate of thorium to U-233. In those years, this was the prime consideration. But now, the safety and multiple-use aspects are the most important. The earlier director of our institute, Professor Lu, visited Germany, and was very impressed with the German HTGR technology. We also started some concept design work in this period. Then, in about 1978, when China opened to the outside, we invited Prof. Rudolf Schulten from Jülich [University] to visit our institute. He gave lectures for about two weeks, which gave us a direct knowledge of what is involved in the technology of the HTGR. In 1978, we began R&D work, for example on graphite, on some materials and on equipment for the helium coolant cycle. After that, our former director, Prof. Wang Dazhong, went to Germany on a Humboldt scholarship, got his Ph.D. under Schulten, and did a lot of work on the HTGR. When he came back to China, China had just started its high-technology program. So he made the proposal to develop the HTGR in China as part of that program. From 1985 to 1990, we carried out more R&D work. In this period, we had good cooperation with the German company Interatom and the German nuclear research centers, and did some concept design work jointly with them.

EIR: What is the plan for the 10 MW HTGR test reactor?

Wu: We hope that the reactor will be able to go critical by the end of 1998. Before the year 2000, we want to do experiments using the steam cycle. After 2000, we will install additional facilities to test a combined gas turbine and steam turbine concept. We also hope to have a project for building a large HTGR in the future. Most components will be made in China. Chinese manufacturers have the capability to make components such as pressure vessels, containment vessels, circulators, and steam generators for the HTGR-10. We have this capability at the present time. Also, control systems. Some computers may be imported from the outside, but the software we develop ourselves. Concerning the fuel elements, we already began doing R&D work in the 1970s. We have had help to develop the fuel production technology. The German company NUKEM has transferred some equipment, and we have done a lot of experiments. So we are setting up a facility to manufacture the HTGR elements.

EIR: Besides the HTGR, the INET has also developed reactors for heating purposes. Please describe this program.

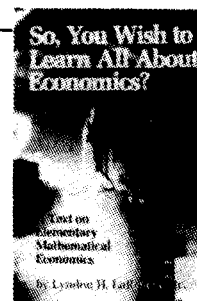
Wu: China is not only interested in nuclear energy for electric power generation uses, but also as a heat source. In fact, the largest portion of energy use is for heat, particularly space heating. In China, especially in the northern cities, space heating of housing accounts for a large part of the energy use. We have been considering nuclear reactors in place of coal for space heating uses. This led to our developing a concept for a heating reactor. Because it is to supply heat for residential areas, such a reactor has to have very good safety characteristics. So, we carried out a lot of research activities in this area. We developed and put into operation, in our institute, a 5 MW test reactor. We have successfully operated it for heating in the winter seasons. Now we are also studying the application of this heating reactor for seawater desalination, in cooperation with the International Atomic Energy Agency (IAEA). We are looking for its use, not only in the Middle East and Northern Africa, but also for China's east coast area. In the coming century, freshwater supply may be a big problem for China, especially serious in the northern coast area, Dalian city for example.

Since the heating reactor has to be very close to centers of high population density, we must have a high safety standard. So we adopted a lot of advanced technology, for example passive safety systems, full power natural circulation, double vessel construction, and so on. For example, we do not need any electrical power to remove the residual heat of the reactor. This is done by natural circulation. We have a very negative temperature coefficient, which prevents a reactivity accident. We carried out a lot of safety experiments with our 5 MW test reactor. For example, the self-regulation features: When the load changes 50%, for example, you don't need any actions by the personnel. The power follows the load changes by itself. We also did experiments on the

self-stabilizing characteristics. When you insert some additional reactivity, then the power stabilizes automatically. When the reactor is under full power, and you suddenly shut down the main cooling pumps in the third loop, then the reactor shuts itself down automatically, and the residual heat is removed automatically, through the passive systems. So, both during normal operation, and in accident situations, you don't need very much intervention by the operators.

EIR: What are your future perspectives for the development and use of this reactor type?

Wu: The 5 MW reactor has operated successfully since 1989. The State Planning Commission has decided to launch an industrial demonstration heating reactor project, in Da Ching city in South China. This will be 200 MW. The site is already decided, and the feasibility study has already been approved by the State Planning Council. This would provide heating for 4 million square meters of housing. We have also participated in IAEA activities concerning desalination. We see a big market in future for freshwater production, so we want to develop this technology in China. We are considering the possibility for Dalian city to use the heating reactor for space heating in the winter, and for freshwater supply in the summer. We are discussing this with Dalian city. We would want to use such a facility to demonstrate nuclear seawater desalination and for training in this area.



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Debt time bomb is ready to explode

The illegitimate eastern "old debt" could collapse Germany's financial system, as even the media are recognizing.

Since the end of October, the German media have begun to warn that the unresolved issue of the "old debt" (*Altschulden*) of pre-1990 East Germany has the potential of bringing down the whole German financial system. The sum in question is DM 400 billion (about \$285 billion), which was transferred to the federal government's budget on Jan. 1, 1995. For the four years before, the "debt" had been parked in "off-budget" positions. Once transferred to the government budget, it added an additional burden of debt service in the range of DM 40 billion annually.

The media's warnings have been triggered by a report of the Federal Accounting Agency (BRH) that lists numerous irregularities in the accounting and takeover of DM 177.5 billion of phony "old debt" in the process of Germany's reunification in 1990.

The BRH report, prepared under an official mandate by the German parliamentary budgetary committee, warns that the government may be forced, under reunification clauses signed in 1990, to compensate the creditor banks in case of a default of the eastern German "debtors." Their default is viewed as certain by most experts. This would place the State, which is already struggling with fiscal insolvency due to increasing debt service (almost 20% of the budget in FY 1996), and to decreasing tax revenues, in danger of outright bankruptcy.

The BRH report furthermore addresses the likelihood that this "debt" will be declared illegitimate by the

Constitutional Court. Successor farms to the pre-1990 East German collective farm sector are suing the Deutsche Genossenschaftsbank (DG Bank) in court over the legitimacy of its claims. The BRH cautions against making any payments, as long as the status of the "old debt" is not clarified.

A spectacular Sept. 21 ruling at the district court of Magdeburg in favor of the "debtors" against DG Bank, on the basis of grave irregularities in the purchase of the "old debt" from the East in September 1990, has revealed the volatility of the entire situation.

The two court cases expose what the daily *Frankfurter Allgemeine Zeitung* portrayed as a "financial time bomb," in an article on Nov. 1 that said: "Even from a legal viewpoint, the regulation of the old debt is a stinking fish. . . . A master trial has been presented at the Federal Constitutional Court. The core argument of the complaint: With the end of the G.D.R. [the communist German Democratic Republic], the respective loans no longer had a legal basis, the transformation of the unreal debt into a real one was an arbitrary act with ruinous consequences for the debtor, so that claims against the present-day debtors are unfounded. The success of the complaint, which is considered well-founded and cogent, would mean a heavy financial burden on the federal government."

The explosive issue of whether the banks will get the government (i.e., the taxpayers) to pay, or whether the "debt" is declared illegitimate and written off, is thus on the table now.

These developments fully corroborate

the exclusive warnings that *EIR's Strategic Alert* newsletter published three years ago, when it wrote, on Nov. 5, 1992, that the *Altschulden* issue "is likely the most explosive scandal in postwar Germany," since to pay this "debt" would amount "to a huge government-subsidized windfall to select banks which hold this 'Hon-ecker debt.' "

The *Strategic Alert* on Nov. 12, 1992 exposed the government tactic of setting aside what was then estimated to be the DM 130 billion "debt" until Dec. 31, 1994, as a cheap trick, because after that date, unpaid debt would have to be paid by the State. "This means that, according to the statement of the Bonn Finance Ministry, 'seven big banks' together with numerous savings and loan banks will begin to rake in the DM 40 billion payments (the alleged 'additional annual tax burden' which Finance Minister Theo Waigel had 'forecast' to emerge from 1995 on) on this absurd old communist 'debt.' "

The *Strategic Alert* of May 13, 1993 reported on the plans of the Congress of German Municipalities (DST), announced a few days before, to "stop servicing DM 6.3 billion of pre-1990 'debt,' " on the grounds that they intended to force the issue before the Constitutional Court "in order to have it, at least substantial parts of it, declared illegitimate debt."

The DST has been pressured by the government into postponing, again and again, this confrontation in the courts, but since the Magdeburg court ruling of Sept. 21, the door has been opened for a juridical probe of the legitimacy of this "debt."

Sensing the explosiveness of the issue, Chancellor Helmut Kohl, who by his official oath is obliged to "avert damage to the German nation," recently resolved to take "personal charge" of the debt problem.

Business Briefs

Russia

Warnings of collapse of power grid

There are increasing warnings that major disruptions of electricity generation and supply in Russia could occur, the opposition newspaper *Zavtra* reported in its issue for the week of Oct. 23.

On Sept. 16, the Moscow tax inspectorate froze the accounts of Mosenergo, a privatized firm that carries out maintenance on electric power systems in 19 provinces and republics in Central Russia. The firm owes the State 5 billion rubles, but State enterprises owe it 25 billion rubles. The firm's operations are in a state of paralysis, *Zavtra* said.

In four years, electricity consumption has fallen by two-thirds, damaging safety systems of Russia's national electricity grid. Fuel reserves at many conventional power plants are 20-30% below normal, as winter looms. *Izvestia* reported on Oct. 21 that "only 80% of the government target for fuel stocks have been laid in and only 70% of the amount of equipment that should have been repaired has been repaired."

The collegium of Tsentroenergo, a directorate of the Ministry of Electric Power, has issued a statement about the danger of collapse of the Unified Electricity System of the Russian Federation.

Banking

British banks now more 'secret' than the Swiss

Major British clearing banks, such as Barclays, Lloyds, and NatWest, have resorted to highly dubious sources of profit (i.e., money laundering, by all appearances), in order to make up devastating losses on their huge lending to failed real estate and other markets over the past five years, according to a reliable source.

"In one bank's case, whose internal books I was able to examine, the bank had huge losses in 1993 in U.K., U.S., German, and French loans. But they saw huge profits from Cayman

Islands, Hongkong, Channel Islands, Gibraltar. British banks during the last crisis have become even more secretive than Swiss banks as to how they are making money, but it is widely suspected in the banking community that it comes from a huge increase in their direct exposure to laundering of illegal funds from drugs and such. Previously they kept that at arm's length because of the risk of exposure, but now they can no longer afford the luxury; they, too, urgently need the profit," the source said.

Poland

Privatization voted down by Senate

The plan for an all-out privatization of State-owned firms, one of Polish President Lech Walesa's pet projects, was voted down by the Senate in Warsaw on Nov. 2. The plan, which called for a national referendum on the "voucherization" of the entire State sector, was designed to outflank the ongoing, factional disputes among all parties over government plans to privatize several hundred State-sector industrial enterprises.

The labor unions and workers' councils at the plants, as well as administrations in regions that already suffer from high jobless rates, such as the mining districts in the south of the country, are rejecting the government's plans. Walesa's calculation was that by offering to distribute the shares of the entire State-sector economy among the population, privatization would be made acceptable to them.

Economic Policy

Czech medical sector hits privatizations

The Czech public medical sector, including all doctors and nurses, went on strike on Nov. 1 against the government's privatization plans, which prescribe "economic efficiency" as the prime guideline for investments and funding in hospitals and health services. The government

of Prime Minister Vaclav Klaus keeps insisting on its "market economy" policy.

The strike is reported to have broad support within the population, because hospitals are suffering from a chronic undersupply of medicines, bandages, anaesthetics, food, and fuel for heating. Doctors have complained about the lack of government funds for the overdue modernization of the technical equipment of their hospitals. Surgeons, especially, are operating with outmoded and worn-out equipment.

The situation in the hospitals is dramatic. Patients are being turned away for lack of cash (which many clinics demand) in the range of several hundred dollars, or because the prospective patient's insurance was deemed "not sufficient." The case of 68-year-old Josef Bilys, who was sent home untreated after a heart attack and died several hours later, has led to a public outcry throughout the republic.

Dope, Inc.

British firms target India

There is a drive ongoing by British firms to turn India into a new base for Dope, Inc. hot money:

Jardine Fleming is floating another open-ended India fund, the India Flagship Fund, to be marketed among European institutional and retail investors. The move is an indication of Fleming's continued bullishness on the Indian economy, according to the fund's U.K. manager Vivek Shekhar. It will be the fourth Fleming fund to be directed at the Indian subcontinent.

"Standard Chartered Bank is planning to open about eight new branches in India in the next three years," Patrick Gilliam, group chairman of Standard Chartered Plc, announced at a press conference on Oct. 19. Gilliam said Standard Chartered was planning to focus on India, Indonesia, and China in the next 15 years. The bank has 70% concentration in Asia, and the rest in South Africa and America. The firm has decided to link up its Indian banking operations with those in Hongkong and Singapore.

Franklin-Templeton, the world's fourth-

largest fund manager with global assets worth nearly \$130 billion, is set to increase its exposure in Indian paper through the foreign institutional investors it operates in India. Templeton's various funds, which have already invested close to \$45 million in Indian securities, have decided to target key scrips in an effort to pick up large chunks of blue chip stocks. Templeton is known to be close to Prince Philip of Britain.

The Dresdner-Kleinwort Benson combine recently announced that it will provide services to corporations in India.

Corporate

Thatcher adviser urges war on earnings

Sir Alan Walters, an economic adviser to former British Prime Minister Margaret Thatcher (1981-84, and 1989), proposes a war on corporate earnings, which would choke off investment and put corporations even more at the mercy of speculators and international financiers, in a commentary in the Oct. 31 *Wall Street Journal*.

U.S. corporations don't pay out enough earnings to shareholders, he claims, and they should be required to issue two types of stock: AE (all earnings) shares, for which a set amount of earnings must be paid out, such as 80%, and NE (no earnings) shares. Shareholders could then choose whether they want earnings paid to them.

The most common objection to his scheme, he claims, is that the "so-called 'short termism' of the capital markets" militates against "long-term development." But, "we are seeing what Japanese policies have brought: vast overinvestment in the wrong industries and, ultimately, the waste of citizens' savings."

Corporate management won't like being "forced to distribute at least 80% of its earnings [because] it will be deprived of cheap capital," he wrote. Corporations will be forced to go begging to borrow money from Wall Street and London. "If management is forced to go to the capital markets for funds, it will have to review its proposed projects with a newly critical eye [and] would help the capital mar-

kets better develop their ability to discriminate between profitable and prestige projects."

Walters's proposal would be particularly devastating for smaller U.S. companies, almost none of which pay dividends (which come from earnings) to shareholders, preferring instead to use this "cheap capital" to fund future growth. In the best companies, this means funding R&D and new capital investments in plant and equipment. For example, Intel, the computer chip manufacturer which is one of the most profitable companies in the world, pays out only 16¢ in dividends on a stock that is now priced at \$69.75 a share, a yield of 0.2%. A spokesman for the National Association of Securities Dealers told *EIR* that only 14% of the 1,919 small companies listed on the Nasdaq, and 29% of the 3,663 larger companies, pay dividends.

Finance

Bankruptcies of OECD nations 'unavoidable'

State bankruptcies of many OECD countries will be unavoidable, Prof. Walter Wittmann said at a conference of the Liberal Institute in Zurich, Switzerland on Oct. 27.

According to a report in the Swiss daily *Neue Zürcher Zeitung*, hereached this conclusion by taking into account not only the public debt of a State, but also the indebtedness of households and companies, and the difference between future obligations and present incomes of social security and pension systems. As an example, U.S. public, consumer, and corporate debt has reached 195% of gross national product, three times bigger than the usual figures on U.S. debt. In Switzerland, the private mortgage obligations are 2.5 times bigger than the whole public debt of the country. Including social security and pension obligations, the median OECD country today has a debt twice the size of its GNP.

Unfortunately, the remedies Wittmann offers, such as drastic cuts in social expenditures, would only exacerbate the problem. Historical experience shows, he said, that any political activity in this respect will be in vain, because States only learn from bankruptcy.

Briefly

● **PHILIPPE SEGUIN**, president of the French national assembly, declared that change in monetary policy "is not in and of itself a sufficient response to the problems of the real economy. . . . Currency should not be a slogan or an end in itself. . . . It is a weapon which must be put in the service of employment," the daily *La Tribune* reported on Oct. 31.

● **SCIENCE** ministers of the 15 European Union States blocked funding for the International Thermonuclear Experimental Reactor, pending a review of the entire project, on Oct. 30. German Minister of Science and Technology Jürgen Ruettggers warned that this "partial pull-out" could end the project.

● **MOBIL** is negotiating "to buy a multimillion-dollar stake in one of the world's biggest oil fields in Kazakhstan," the *Tenghiz* oil field, the Oct. 27 *Washington Post* reported. Mobil hopes to buy at least half of Kazakhstan's share, which is now 50%.

● **QATAR** has announced a deal with Enron for the sale of natural gas, in a \$5 billion project to be completed in 2001. Enron will process 5 million tons per year and 40,000 barrels of condensate per day at a plant in Qatar. Rebecca Mark of Enron said prospective buyers include Israel and possibly Jordan. Discussion of a joint off-load facility at Aqaba is under discussion.

● **GERMANY'S** Federal Agency for Credit Controls announced on Nov. 2 that it will temporarily close Fischer & Co., a banking house, in order to avoid default. The bank belongs to the Jahr family, which controls much of the Hamburg-based, Anglophile media, including the weekly *Stern*.

● **JAPAN'S** largest securities broker, Nomura Securities, may join a merger of Daiwa Bank and Sumitomo Bank, to form the world's largest financial conglomerate, the Tokyo *Shimbun* newspaper reported on Nov. 5.

Conflict at Amman summit: free trade or development?

by Muriel Mirak-Weissbach

After six months of frenetic preparations, Jordan rolled out the red carpet on Oct. 29 for almost 2,000 guests, political leaders accompanied by businessmen and press, who had traveled there for the Middle East and North Africa (MENA) economic summit. The city had been spruced up for the occasion, as newly painted yellow- and black-striped curbstones and freshly planted shrubs decorated the roads. Most significant were the white banners stretched across the streets carrying slogans in Arabic and English, to announce the leitmotiv of the three-day international conference: "Economic development is the key to peace," "Investing in MENA is investing in stability," and "Peace brings prosperity." Such noble ideas, particularly the central notion that peace can be secured only through economic development, are indeed rare in today's world, which has effectively outlawed the idea of growth or progress. Thus the promise held out by the World Economic Forum (WEF) and the host Jordanian government, was grandiose. Whether or not that promise will be fulfilled, will depend on how the noble words will be translated into noble deeds.

The initiative, which came as a follow-up to a similar conference held in Casablanca, Morocco, one year earlier, enjoyed the political support of powerful forces, beginning with the American and Russian Presidents, Bill Clinton and Boris Yeltsin, who figured as co-sponsors. The conference was held under the patronage of His Majesty King Hussein. Representing Clinton and Yeltsin in Amman were Secretary of State Warren Christopher and Trade Secretary Ron Brown, and Foreign Minister Andrei Kozyrev, respectively. Japan, Canada, and the European Union also supported and endorsed the conference. Among the 63 nations represented were the Europeans—east and west—as well as Japan, Thailand, Indonesia, China, Pakistan, and India, and much of

the Arab world. Conspicuous by their politically motivated absence were Lebanon and Syria, which have not yet joined the peace process, and Iraq, which was excluded. Israel, which had debuted in a conference with the Arabs at Casablanca, brought a high-ranking government delegation headed by Prime Minister Yitzhak Rabin and Foreign Minister Shimon Peres, joined by over 80 others. Palestinian National Authority (PNA) President Yasser Arafat led a delegation including many ministers and persons active in the economic sphere.

Free traders call the shots

As conference organizers stressed in the weeks leading up to the summit, Amman was to outdo Casablanca, by consolidating contacts between regional actors and outside investors, in the form of actual contracts for concrete projects. Although a certain number of deals were announced, this does not in itself determine the success or failure of the meeting. More important, was the economic policy debate which emerged around the question: *What kind* of investment should the region have, to achieve peace?

In a series of thematic sessions, specific projects were discussed by those directly interested; finally, were the national projects, prepared by the countries of the MENA region: Egypt, Bahrain, Israel, Jordan, Morocco, Palestinian Authority, Tunisia, and Qatar. Each of the projects has its merits; yet, there is a conceptual flaw in virtually all of them, which, like the worm boring through the rosebud, threatens to hinder its blossoming.

The name of the flaw is "free-market economics," especially the idea that unregulated investment from the private sector can provide the basic infrastructure—transportation, energy, water, and communications—required to develop an

economy. Although plenty of room exists for private enterprise to contribute, history has proven in every documented case of successful industrialization, that it comes about through the application of dirigistic methods, by sovereign governments and their national banking institutions.

At Amman, it was the free marketeers who were calling the shots, defining economic policy parameters. Addressing a panel on "The Economic Climate," Stanley Fischer, first deputy managing director of the International Monetary Fund (IMF), complained that "some Middle East and North African countries . . . are among the most protectionist in the world." Fischer called for "domestic deregulation and the liberalization of trade and payments regimes," which he characterized as "two sides of the same coin." "The emphasis must be on a private sector-led outward oriented economic strategy, with a more dynamic export performance," he said. He also called on participating countries to "increase competition by removing barriers to foreign entry into banking and capital markets."

Paul Volcker, who as Federal Reserve chairman in 1979, jacked up interest rates, thus throwing the Third World into a terminal debt crisis, spoke at the conference in the name of the Middle East Economic Strategy Group. This entity, which had been founded under the auspices of the New York-based Council on Foreign Relations, on the recommendation of the Casablanca conference, is one of the institutions, overlapping the IMF, World Bank, and the Davos, Switzerland-based WEF, which led the campaign for free-market policies. The group calls for "step-by-step removal of trade barriers, beginning with reforms in the agricultural and high-technology sectors."

The conference's final session summed up the free-market doctrine, in a series of "seemingly simple demands, which in practice could involve radical change," which WEF President Klaus Schwab outlined as demands on governments: "Eliminate all trade restrictions. . . . Foster broad acceptance of a free-market mentality which views profit-making as a virtue. . . . Lifting all controls from prices to foreign exchange to interest rates. . . . Accelerating privatizations," and so forth. Coherent with this line of thought, the two economies of the region which were held up as models, were Tunisia and Morocco, both of which have followed IMF recipes, and are oriented fully to tourism.

Dispute over nuclear energy policy

Despite the seemingly ironclad control that the free marketeers had over the plenary sessions and workshops, which representatives of the IMF, World Bank, and Davos often chaired, a contrary policy outlook did emerge, challenging the liberal economic doctrine.

In workshops on water and on energy, an animated debate broke out when the use of nuclear energy was proposed, to power desalination plants. Dr. Munther Haddadin, former adviser to the Jordanian delegation in the multilateral negoti-

ations, rejected the idea out of hand, citing the common, yet scientifically unfounded prejudice, that nuclear technology is "by definition" unsafe. During a workshop on regional energy grids, the issue was raised again. Palestinian Finance Minister Mohammed Nashashibi commented that the Dead Sea-Red Sea canal project, which was under discussion at the conference, would be economically viable, not as a source of hydraulic energy, but rather as a vehicle for large-scale desalination. Nashashibi said that such an application to the canal could solve the region's acute water supply shortage. "What kind of energy is the cheapest, cleanest, and most efficient for this application?" he asked, implying nuclear.

The problem, it became clear, is political. Jordan Electricity Authority Director General Mohamed Arafeh said the issue was "very sensitive" and suggested that the "regional dimension" of the problem be considered. Palestinian Electricity Authority Chairman Abdul Rahman Hamad said simply that the technology would not be used by the PNA. Asked for clarification regarding the U.S. view of nuclear technology transfer, officials denied that there were a policy against it, but voiced "concern for parties interested in proliferation."

The nuclear issue was symptomatic of the dilemma hanging over the Amman summit. Either advanced technologies will be introduced, to revolutionize the economies of the region, and provide infrastructure on the scale required, an option which necessitates a State-directed economic policy and concessional financing, or private enterprise, motivated by the profit principle, will be given responsibility for the task, which it will not be able to fulfill. The paradox became manifest again in remarks made by World Bank Vice President Caio Koch-Weser, who warned that 11 of the 16 MENA countries would pass the "water barrier to growth" within 30 years, unless policies were changed. He said, however, that instead of trying to increase water resources, governments should manage existing resources better, by increasing water-use efficiency and decreasing leakage. Arguing from a profit standpoint, rather than from the standpoint of physical-economic needs, Koch-Weser called for redirecting water from agriculture, which currently accounts for 90% of the region's consumption, to industry, because in the former application it accounts for only 15-20% of GNP. Citing the fact that in Morocco the value added of one cubic meter of water in agriculture is 5¢, but is \$25 in industry, Koch-Weser called for increasing water prices. World Bank manager John Hayward stressed that "it all goes back to making a profit," in motivating his bid to raise water prices as well.

Regional gas development

The two policy outlooks locked horns again around competing notions of a regional gas network. Pitted against each other were the Gulf emirate of Qatar, together with its American patron, Enron Corp., on the one hand, and the Italian energy group ENI, on the other. In one of the few consolidated deals announced at the conference, Qatar agreed to

ship gas from its North Field to Israel. In the \$5 billion deal, to be completed in 2001, Enron will process 5 million tons per year and 40,000 barrels of condensate per day at a plant in Qatar. The liquefied natural gas (LNG) will be shipped to ports, possibly including the Jordanian Red Sea port of Aqaba, and transported further to Israel. The project will provide Israel secure gas supplies, but will do little else for the regional economy.

The ENI project, on the contrary, is a catalyst for broader industrial development. Articulated in a series of phases, to be completed as financing becomes available, the Levante Gas Project "proposes a regional gas transmission system to serve all countries in the Near East" by gathering natural gas from Egypt and surrounding countries, in Egypt, for transmission to Israel, Jordan, the autonomous Palestinian territories, Lebanon, Syria, and Turkey. The transport capacity "will be 13-16 billion cubic meters per year (BCMY) in year 2010, while an initial capacity of 7-8 BCMY will be available beginning in 2003." The project contemplates extending the system, by bringing in Saudi Arabia and other Gulf countries as gas suppliers. The ENI study "proves that the development a regional gas transmission system in the Near East would be functional to eventually bringing gas from remote sources outside the region to the European market." Furthermore, "the Levante Gas project opens the door to an optimization of the size of possible gas transmission systems connecting Central Asia to Europe." The project is, in fact, presented in the context of a study of an integrated transmission system which would also include the Transmed pipeline, from Algeria to Italy; the Maghreb-Europe pipeline from Algeria to Spain (and thence, to northern Europe); the Yamal (northern Russia) pipeline to Germany through Belarus and Poland; the Iran-Europe pipeline; the Turkmenistan-Europe pipeline; the Kazakhstan-Western Europe pipeline; and many more. The cost of transmitting large quantities of gas through such pipelines, the study shows, is far lower than shipment of LNG.

The most striking difference between the ENI approach and that of Qatar-Enron, is manifest in the different effects they will have on overall economic activity. ENI's project requires the development of gas industries along the pipelines, as several executives from the company explained to *EIR* (see interviews). Such gas industries, in turn, will catalyze the development of small and medium-size industries, in each locality. Thus the project goes beyond mere fuel delivery, to provoke industrialization. It is no wonder that Enron Chairman Kenneth Lay expressed irritation at the ENI project, which he commented was "no bible."

The ENI project indeed revives the spirit of the company's founder, Enrico Mattei, who once said, "A treasure, wealth, is not a ton of gold coins, but is resources which can be placed at the disposal of human labor." In the 1950s, Mattei challenged the "Seven Sisters" oil cartels by offering oil-producing countries 75% of the revenues, and by setting

up joint ventures with local companies, in which Italian technology would be made available to local manpower, trained by Mattei's technicians. Mattei's conviction was, that the oil-producing countries must be developed, through technology transfer, in order to raise the standard of living and productive power of the labor force. His vision was that of a vast network of pipelines, transporting oil to Europe, which at the same time would function as corridors for development. Mattei's revolutionary approach, which cost him his life, was diametrically opposed to the colonialist idea, that natural resources were there for the looting. Echoes of Mattei's approach can be heard in the Levante Gas project.

The Middle East Development Bank

Intimately linked with the conflict over infrastructure, is the issue of financing. The most controversial item at the Amman summit was the Middle East Development Bank. At the center of a fight for months prior to the conference, the institution was finally brought into being at the conference, along with a Middle East-Mediterranean Travel and Tourist Association, and a Middle East Regional Business Council, all dedicated to promoting private sector investment, particularly in tourism. The MEDB had been contested by Germany and France, in particular, which questioned the need for a new financial institution, and promoted instead the idea of a regional group to identify and coordinate projects, funding for which could be found from existing institutions. To this end, a compromise was reached, whereby the Regional Economic Development Working Group (REDWG), which had functioned in this capacity, would continue and be expanded, its headquarters in Amman, whereas, the MEDB would be based in Cairo.

The conflict, which had been essentially technical prior to the conference, was redefined by the intervention of Lyndon LaRouche, who elaborated the concept of a true development bank in an interview given to a Jordanian newspaper, *Al Aswaq*, the only Arabic-language financial daily in Jordan, which is also distributed in Egypt, Yemen, Iraq, and several Gulf states, put out a special English-language issue for the days of the Amman summit. In the issue appearing on the first day, a shortened version of an *EIR* feature on the conference, and the economic policy conflict raging, was printed. On the third day, an interview with LaRouche appeared, creating considerable discussion (see p. 47).

Among the many banners blowing in the breeze on Amman's streets during the summit, was one that had the message, "Today MENA, tomorrow the world." Indeed, the summit was not only an important step in the discussion process on what the economics of the Middle East and North Africa should be, but the forum for a debate which must take place regarding the policy guidelines for the entire world economy. The next step in the process is scheduled to be the Middle East and Mediterranean economic conference in Barcelona, Spain, in late November.

Interview: HRH Prince Hassan

Economic projects enhance peace effort

This interview with Jordan's Crown Prince Hassan was conducted by Muriel Mirak-Weissbach in Amman on Nov. 1:

EIR: Your Royal Highness, you said yesterday that it would be important to broaden one's view of developments beyond the Middle East. You spoke of eastern Europe and China. Are there plans to enlarge the MENA [Mideast North Africa summit] process, to enter into cooperation with ASEAN [Association of Southeast Asian Nations], ECO, etc.?



Prince Hassan: Yes, there was a representative of the U.N. secretary general yesterday talking about the Economic and Social Commission for West Asia (ESCWA), an organization in place which we use as a point of reference, which is relevant to many in this region. There is the statement of the Arab League yesterday, saying, let's revitalize the institutions and develop the regional cooperation. There are also the new regional institutions, the Regional Economic Development Working Group (REDWG), etc. I see all these financial mechanisms coming together in a new regional debate which is economic for a change, rather than purely political. I think we are transcending national rivalries in this sense, and while addressing the political issues in the comprehensive discussion of the peace process, this building process is also addressing the why's and wherefore's of putting substance into decisions. The fact that we cannot absorb all these parameters in one statement, should not depress us.

EIR: What about concrete plans to link up with the Eurasian transportation grid which is being built for the Central Asian republics, Russia, and into China?

Prince Hassan: Indeed, I think the idea of transportation links—the idea of an electricity grid in this region by 1997 which would include Syria, Jordan, Israel, Egypt—all of this is on line. The time has come when the gestation and maturity of these projects will coincide with enhancing the other processes as well.

Of course, the absence of Syria and Lebanon on the one

hand, and the absence of Iraq, of Iran from a broader regional debate, for whatever reason—I don't want to comment on the reasons and restate our position on each of these issues—of course, we need a comprehensive peace, we need the participation of the Iraqi people. . . .

But I think we are moving gradually, in different circles, concentric circles, I mean, toward a broader understanding of complementarity in the Arab, Muslim, and regional sense, in the eastern Mediterranean sense. Don't forget our commitment to Barcelona and the Euro-Med, for example: the idea of a trade hub in the region, which of course, involves so many countries. Let's not forget the outside world; there are 63 nationalities here, who are looking at the intermediation of this region between Europe, on the one hand, and the Western Hemisphere and East Asia, on the other. There is a lot of good news.

Interview: Enzo Ferrari

We are proposing great infrastructure projects

Mr. Ferrari is the Managing Director of Gas Supply, Finance, and Administration of the Italian firm SNAM/ENI. He was interviewed by Muriel Mirak-Weissbach in Amman on Nov. 1.

EIR: ENI has presented the Levante Gas Project, to extend the Peace Pipeline to the Near East region. What concrete possibility exists that such an ambitious project may be realized?

Ferrari: We want to demonstrate that the distances, which are extremely important for a gas project, are not so great as to impede realization. Even the three alternatives—by land, by sea, and by alternating the two—in the end involve the same costs to carry an energy source from the point of production to its potential market. We know that Turkey, which is experiencing tremendous industrial growth and also growth in energy needs, is seeking alternative sources of gas. It is looking to Russia, to many areas, to make a match in terms of diversification of gas sources, to reach the year 2000. To the extent that Egyptian production of gas will yield an adequate volume, to begin these projects, the distance to Turkey will not prevent getting it there. At the same time, the study of a land route, as we have learned from our experience in Europe, makes it possible to generate the growth of gas industries. But all this is possible *only* in the context of peace. If there is peace, if it continues to develop, we can implement these projects, therefore, we're thinking of starting.

EIR: Algeria, a very important country in gas production, is undergoing dramatic political conflict. Italy hosted the conference of the Algerian opposition, under the auspices of the Community of Sant'Egidio. . . .

Ferrari: Yes, that is a very important initiative. . . .

EIR: How will a possible change in government there affect the industry?

Ferrari: I think hydrocarbons are very important for the Algerian economy. They represent a very high percentage—about 90%—of export revenues in hard currency, which the country needs both for investments to satisfy the needs of the population, and for foreign debt payments, so gas plays a central role, as does oil, and it will increase as the lines to Spain and Italy increase the supply to other European countries, which will bring in hard currency. And I think *any* government will need hard currency. We are in fact dependent on Algerian gas, but we believe that the mutual benefits are such that relations can continue, even if the political situation were to change.

EIR: Here in the region, Israel, Jordan, and Egypt will benefit from your project. What about Palestine?

Ferrari: We believe that through transparent relations which are mutually beneficial, projects like this one, requiring big investments [\$1-1.5 billion], can be done. With a 3% population growth rate here, there will be an increasing demand for energy, electricity, and the technologies which have been developed over recent years with highly efficient energy utilization, make it possible to export gas energy, which also has a positive environmental impact, it makes possible local electricity production, with limited dimensions. So one need not build huge plants, to have an economy of scale. Medium-sized plants can be built, which produce highly efficient gas energy and are therefore very competitive. This will bring the population energy for electricity, refrigerators, heating, and so on.

EIR: How will this \$1-1.5 billion project be financed?

Ferrari: Great projects have shown that they are acceptable to the banking system, if the people on both sides, as well as the projects, have credibility. We have always financed great projects in part with our own capital and with recourse to loans, with the concept of project financing: a project which can bring in a return beyond the initial outlay, at a margin which allows repaying the loan.

EIR: Do you think such a huge project can be handled by private means?

Ferrari: We propose a very advanced scenario: At each stage, we will have one portion of the project which will be feasible. The project goes to 2010-20, but if we begin with one segment of the pipeline, this means that with the demand for financing to transport this volume and put it on the market, this project that is launched is viable. We cannot think of

financing a project for billions of dollars, but we can think of developing gas industries in the region, in each country.

EIR: Has the discussion process here at the MENA conference advanced the project?

Ferrari: This is an idea of a project, which has to go further. We have to talk to government representatives of the various states, to gas industries, to the energy sector in each state. All this requires time.

But this conference is very important, in having brought together so many qualified people and political sponsors at the highest level. Believe me, it was personally very moving for me yesterday to see, seated around a round table, the Jordanian king, the Israeli prime minister, Chairman Arafat, the U.S. secretary of state . . . it was very important. I think it shows an extremely ambitious political commitment, which is gradually developing. It is a marvelous sign.

Interview: Domenico Siniscalco

We are not just going to buy oil and leave

Mr. Siniscalco is the executive director of the Enrico Mattei Foundation in Italy. Enrico Mattei was the founder of Italy's national hydrocarbons company ENI. He was killed in 1962, when the plane in which he was traveling exploded—an "accident" which many believe was really a political assassination. Muriel Mirak-Weissbach conducted this interview in Amman on Nov. 1.

EIR: Do you think the project presented by ENI reflects the tradition of Enrico Mattei, whose relations with the Arabs world have left their imprint on Italian culture?

Siniscalco: Yes, I see many reflections, even though, because of my age, I never personally met Mattei. I see much of his spirit here, because: 1) we are going to these countries; and 2) we are cementing peace and development in these countries; it's not a matter of going there to buy oil and leave. It's a question of building infrastructure, especially to benefit the local population, with contracts favorable to them. Finally, there is the idea of a great political project, which was always the foundation of Mattei's innovation. Clearly, building a pipeline that goes from Egypt—the country Mattei went to first—up through Jordan, Israel, Lebanon, to Turkey, and then goes to central Asia and to the Gulf. If we succeed in realizing this project (and there are many conditions), it would certainly be in the Mattei spirit.

EIR: How is this project viewed in Italy? Is there enough

political support?

Siniscalco: I believe that the political support required for this is much greater than what a single nation could give. It's not Italy that can push. It is a political agreement that derives from the peace process which is emerging in this region, and I believe that it is in the spirit of these multilateral conferences that we have to think. Any single country, even the United States of America, is too small to deal with something this big. Italy can follow, and support, but it's the general political conditions of the region which count more.

Interview: Luigi Meanti and Giacomo Luciani

ENI's program for a gas pipeline project

Luigi Meanti is the chairman of the Italian firm ENI SPA, and Giacomo Luciani is deputy director for International New Ventures and Cooperation of the same company. They were interviewed by Muriel Mirak-Weissbach at the Amman summit.

EIR: I must say, I am enthusiastic about your project, which is one of the most beautiful things presented at this conference. What is the feasibility of the project? How has this conference helped the project progress?

Meanti: This project has just been presented now, and these are plans that produce reactions after some time, after people have had the chance to see them, because we presented it only yesterday. The project is absolutely feasible. Its advantage is that it starts from actual availability, from real conditions, and it has great potential for the future. We are dealing with a very straightforward situation today: There is the availability of gas in Egypt and the desire on the part of Egypt to export gas toward the east; there is a large country, which is Turkey, which is a big gas importer. At the moment, the only supplier of Turkey is Russia. They are also starting to import from Algeria (it hasn't started yet), liquefied natural gas (LNG). Since it is a large country with a rather advanced degree of industrialization, it could constitute the basis for using large quantities of gas. Then there are the countries along the route, countries that have no gas, like Lebanon, Israel, the [Palestinian autonomous] territories, Jordan (which has gas, but very little). There's a country, Syria, which has a certain amount of gas which it consumes, but which has not developed gas consumption very much. Therefore, there exists the possibility of building a common infrastructure. It is not gigantic; it is a matter of 550 kilometers of pipeline. If there are sufficient quantities of gas, putting together the gas coming from differ-

ent countries, then it is certainly a feasible project.

If you consider that Holland imported gas from Italy, there is a greater distance between those two countries than between the Suez Canal, where the reserves are, and the Turkish border. So it is a feasible project which does not require anything extraordinary. I think it will be a [successful] project, if the quantities of gas are found, and if we have the financial commitment, of the sort we have used to finance importing gas to Italy.

Luciani: We are convinced that there are sufficient quantities of gas in Egypt. Furthermore we are sure that it is possible to transport additional quantities of gas from the Gulf, that is, from Saudi Arabia and Qatar, when it becomes necessary. So the problem is political: It is necessary to sign a peace treaty with all the countries of the region. If this is done, this project is certainly very attractive on the economic plane.

EIR: How can this project realize the vision of Enrico Mattei? Not only to develop infrastructure, in the partner countries of the Middle East, but also to develop the productive capacity of labor in these countries? How will the pipeline do this, for example?

Meanti: Gas is the most suitable fuel for today's needs. It can improve the quality of manufactured goods; it can reduce the investment costs of new activities. Therefore, it is a catalyst. We saw this in Italy in the 1950s. Italy was in a state of destruction after the war, in a state of poverty. We were fortunate enough to have significant quantities of gas available, we had the opportunity to produce networks to make it available to industry. Industry gained tremendous advantages from this. There were industrial localities which were born because there was gas available. Gas is a great catalyst, to create industries. And this is what is important. It is especially appropriate for small and medium-size industries, because a single fuel can be used for all applications. It is very important for generating new electrical energy. If there is a big increase here in the region in the need for electrical energy, as there will be, the simplest route, the one that involves lower investments, and gives higher yields, is to use gas in the plants. They can be small plants, they don't have to be gigantic, they can be built along the route of the gas pipelines, so it's a huge opportunity for industry.

EIR: As you know, *EIR* has campaigned for years, for the introduction of nuclear energy in this region, not only for electrical energy but also to provide power for desalination plants. How do you view the perspectives for nuclear energy?

Meanti: Apart from questions that people are very sensitive to, like risk and contamination, for me there are two basic questions about nuclear: One is that it has not yet been demonstrated, also because it is a remote problem, and industry tries to concentrate on immediate problems, and doesn't consider real problems, like the problem of disposal of waste. If the nuclear industry had invested more money, to demonstrate how one can take care of waste, fine; this is an area in

which the nuclear industry perhaps made some mistakes. There's another more important aspect. As long as there is energy available at today's prices, nuclear—not only super-safe nuclear, which is self-regulating and so on—but even traditional nuclear is more expensive than fossil fuels. This is one point. In fact, you see that in the U.S., where there was no vast anti-nuclear campaign, they stopped producing nuclear plants, because business is business, and they saw that nuclear energy ran the risk of making investments at enormous losses. Nuclear energy from the industrial point of view was cheap, when you had oil at \$35, in 1980, but with oil at \$16 in 1995, nuclear energy is expensive; furthermore, if you build a nuclear plant, you need 10 years for construction and 25 years to operate it.

Interview: Franco Reviglio

The Mideast must use nuclear energy

Professor Reviglio is the former chairman of the Italian firm ENI, and is now professor of economics at the University of Turin, Italy. Muriel Mirak-Weissbach spoke with him on Nov. 1 in Amman.

EIR: You expressed concern in your speech, that energy production is not being adequately addressed here. Why?

Reviglio: As far as oil and gas deposits are concerned, and transportation, there is no problem; the private sector will invest. The problem lies in the production of electrical energy for the growing needs of families and industries. I did a study of the Middle East and North Africa, and showed that an increase in primary and secondary energy, that is, a 7% increase in consumption, will require \$20 billion per year, which means \$300 billion over 15 years; \$120 billion of this would be for power generation and transmission. Here lies the problem: The private sector will not invest if prices remain low, essentially "political prices." Raising prices in areas where people are accustomed to cheap fuel, will be a shock. People are not discussing this here, because Jordan, for example, is used to getting cheap oil from Iraq.

EIR: But the Palestinians do not get this cheap oil, although a proposal has been made in this direction.

Reviglio: The finance minister of the Palestine National Authority has just stressed this point: "We need electricity."

EIR: What is your view of nuclear energy for the region?

Reviglio: Because of the cost of the safety guarantees, nuclear has become very expensive. I am for nuclear energy,

because 90% of the pollution in the world comes from fossil fuels, something the "greenies" don't realize. And the poor regions are burning the most polluting fuels. Therefore, development of safe nuclear energy is a must, and I believe there will be a revival of nuclear.

EIR: What is your view of the Middle East Development Bank?

Reviglio: The Italians wanted to begin with a forum like the OECD [Organization for Economic Cooperation and Development], because there was opposition to a bank not only in Europe, but also in the Gulf. They decided to go ahead with a bank, which is smaller, and will serve only the region—whereas there were 14 or so countries, including in North Africa, in the original conception. The Europeans, who, as [German Economics Minister Günter] Rexrodt said, will not invest in it, will be in the Secretariat in Amman [of the Regional Economic Development Working Group, REDWG], but will have only observer status in the forum, which will be inside the bank, in Cairo.

EIR: Why is Italy for the Middle East Development Bank, and Germany and France, not?

Reviglio: They prefer bilateral relations, whereas we are closer to the region, and have a direct, objective interest in the development of the region. I think we are more "noble" than the others, and desire cooperation more.



LaRouche Campaign Is On the Internet!

Lyndon LaRouche's Democratic presidential primary campaign has established a World Wide Web site on the Internet. The "home page" brings you recent policy statements by the candidate as well as a brief biographical resumé.

TO REACH the LaRouche page on the Internet:

<http://www.clark.net/larouche/welcome.html>

TO REACH the campaign by electronic mail:

larouche@clark.net

Paid for by Committee to Reverse the Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee.

Let us have joint projects in power, water, transport, and agro-industry

A full-page interview with Lyndon LaRouche appeared in the Jordanian financial daily Al Aswaq on Oct. 31, entitled "LaRouche: A Vision of the Regional Development." The abridged text was based on the following written answers supplied on Oct. 26.

Q: We understand, that in 1975, following a trip to Baghdad, you launched the idea of an International Development Bank. Can you explain, in some detail, how such a development should work? Where should the capital come from? Who should control the bank's policy? How should credit be issued, at what rates, etc.?

LaRouche: Such a bank is needed to conduit a supply of low-cost, long-term credit to facilitate the completion of selected categories of essential infrastructure projects, and, also, to provide credit to selected categories of private productive ventures. All of this should be done for the purpose of increasing both what I have defined as the *potential relative population-density* of the region as a whole, and the political-economic viability of the cooperating nations of the region. The bank should issue such credit, variously, either directly on its account, as a keystone participant in lending by one or a consortium of other lending agencies, either private or public.

Its lendable funds should be formed from a combination of sources: grants or deposits by a) sundry governments and public international institutions from outside the region, b) governments and private agencies within the region, and c) deposits by private banks within the region.

The most frequent mode of issuing credit should be as tranches on progress in construction, and, after completion of the construction phases, conversion of part or all of the credit for construction into permanent or semi-permanent capitalization of the lending for the construction phases.

The lending and other policies of the bank should be premised upon notions of what the government of France's President Charles de Gaulle recognized as "indicative planning." That is to say, that there must be an agreed set of principles identifying the essential, medium- and long-term elements of peace and equitable economic development throughout the region.

The political, and also the economic success of the work

of such a bank, depends upon the promotion of a soundly premised conception of vital, durable common interest among peoples who have been long separated from one another by enraged rivers of bloody conflict.

To that purpose, the bank should adopt a set of principles designating both a network of infrastructural-development projects, and the principled nature of the essential interdependence between those projects and the private agricultural, industrial, and also residential requirements of the region. The following illustration, on the subjects of planning and lending policy, are perhaps indispensable clarification.

On the subject of general economic-development perspective: The "comparative economic advantages" of the Middle East region are chiefly three. First, that the region is one of the world's principal maritime choke-points, between the Mediterranean and Indian-Pacific littorals, and, for that reason, also one of the world's highest-economic-potential "land-bridge" regions. It is here, that produce of the two oceanic basins, a large portion of the world's sea-borne exportable wealth, comes to port regions, bringing together an array of primary and semi-finished products which are the required supply for a great industrial center. Second, that the population has the potential for supplying a skilled, high-technology labor-force. Third, that the nations of the region are highly motivated to succeed, by the fact that the present levels of population could not survive in decency without acquiring such development.

On the clarity of requirements for development: The region can not sustain its present levels and rates of growth of populations with the present level of supplies of freshwater. There is no equitable division of existing water-supplies which might assure durable conditions of economic growth, or of peaceful cooperation among the inhabitants of the region. This cruel primary economic fact of the region must be turned into an advantage: The Middle East's survival depends upon its being transformed rapidly into the world's principal center of use of large-scale desalination and related technologies. A new, artificial source of freshwater for households, agriculture, and industry, greater in amount than the combined flow of the River Jordan and contiguous aquifers, must be constructed, relying upon high-energy-flux-density power-sources and also advanced physical prin-



Workmen unload irrigation pipes at the Jordanian port of Aqaba on the Red Sea. LaRouche emphasizes that a high rate of "public investment in development of integrated water, power, and transportation infrastructure, is crucial for economic success of private agriculture and industry."

ciples in desalination techniques. This Middle East project is, in that respect, the key to the future habitability of the Sahara and other great desert regions of the planet.

Another deficiency which must be, similarly, transformed into an advantage, is the relative smallness of the region. For this purpose, the case of the successful, pre-1976 industrial development of Japan should be examined. Only a fraction of the total land-area of Japan is usable for combined habitation, farming, basic economic infrastructure, and industrial production, but Japan turned that relative ultra-high population-density of land in use into an economic advantage: achieving very high density of infrastructure per square kilometer of used land in those localities. I.e., very high utilization of infrastructure per linear kilometer of channel of infrastructural development, and, thus, very high relative economic efficiency per square kilometer of land-area employed. A proportionately high rate of public investment in development of integrated water, power, and transportation infrastructure, is crucial for economic success of

private agriculture and industry. The development of such public investments will also serve as a principal stimulant for the emergence of expanded private agricultural and industrial output.

Private-public compatibility: Net internal food security for the nations of this region, depends absolutely upon such programs of infrastructure development. Agro-industrial complexes sharing the benefits of integrated water-power-transportation networks' development, are the key to the success of the private sector. The development of such complexes requires, in turn, a strong emphasis upon highly rational urban planning of new centers of habitation characterized as agro-industrial complexes located at those nodes on the network of water-power-transportation which economic geography dictates should be the new centers of population and production.

Sources and applications of lendable funds: It should be a principle, that foreign credit of the bank should be employed chiefly for required imports of agro-industrial technology, and that increasing emphasis should be placed upon the use of domestically generated state and private sources of credit for internally-generated sources of public and private capital for economic development. Careful management should be employed to ensure low borrowing rates for credit, based upon prime rates of between 1% and 2% per annum for long-term infrastructural credit.

Grants: In general, the bank should also serve as an agency for administration of grants, in addition to loans.

Ownership and administration of the bank: The bank should be an agency created by authority of the participating governments of the region. The bank should operate under a governing charter which sets forth governing principles, and also includes an indicative plan for the general economic development of the infrastructure and agro-industrial centers of the region during a period of two coming generations. It should be closely associated with the national banks of the participating nations, and with the independent banks which will participate in the creation and supervision of credit issued.

Those are some among the leading considerations I think one might wish to emphasize.

Q: In the area of economic policy and planning in the Middle East, there have been two schools of thought here as well. One view considers the region as an opportunity for private investment in areas that would bring a quick profit, tourism predominant among these. The other view, emphasizes the need for vast infrastructure projects (water, energy, etc.), as the precondition for effective growth. Those supporting infrastructure are divided as to whether this could be privately or publicly financed. What does real economic development entail?

LaRouche: During the past quarter-century, leading institutions from North America and western Europe, including

the U.N.O.'s International Monetary Fund, and World Bank, have almost consistently demanded that so-called "developing nations" avoid any significant investment in infrastructural development, and place the emphasis upon the general use of cheap-labor investments, with special emphasis upon the promotion of cheap-labor-based tourism as a source for gathering hard-currency receipts. That same view has dominated the academic community around the world. As a result of the persistence of both the propaganda from these sources, and also the demand for such policies by influential financial institutions, the tourism-pivoted cheap-labor-investments policy has become widely accepted doctrine.

The facts do not support that propaganda. Generally speaking, looking back over the past quarter-century, the medium- to long-term social and economic effects of that cheap-labor policy have been proven disastrous. In effect, the nations lured into such tourism-centered orientations, end up looting their people and their land, in real terms, in order to attract the much-desired flow of hard-currency gained in this way. There are exceptional cases, which might appear to be an exception to this pattern, but, in most of the nations I could name, the results have been a net disaster.

Today, the situation is much worse. The world is presently gripped by a hurricane of the century's worst, ongoing, global, monetary and financial crisis.

If we measure in terms of the physical output per capita and per square kilometer, the income and output of the United States today is approximately half what it was 25 years ago. The condition of the United States typifies the general trend around the world as a whole. Prior to the middle of the 1960s, merchandise trade accounted for between 60 and 80% of total annual foreign-exchange turnover of the United States. By 1976, this had dropped to 23%. Under the impact of the policies of the U.S. Carter administration, especially Paul A. Volcker's Federal Reserve policies of 1979-82, the figure had dropped to 5%. By 1992, the last year of George Bush, it had dropped to 2%. Today, the U.S.A. and world figure is estimated optimistically at about one-half of a percent. While implicit financial turnover today soars to more than half a quadrillion dollars annually, the physical output of the world, per-capita and per square kilometer, continues a 25-year decline. Thus, this process, accelerated by the insanity of "derivatives" speculation, has implicitly bankrupted the world's principal monetary and attached financial institutions. The collapse of those institutions is in progress, and could be fully effected within as short a time a several or more months.

The relevance of that global financial and monetary crisis to the issues of Middle East development, is this. The cheap-labor and related tourism policies referenced, are reflections of the replacement of the U.N.O. development-decade policies of the early to middle 1960s, by the shift of the world as a whole toward what is fairly identified as "post-industrial

utopianism." Under the influence of that dogma of "post-industrial utopianism," the so-called "third world" nations were encouraged to abandon yearnings for the attributes of agro-industrial prosperity, and choose tourism-centered cheap-labor policies, instead. Now, the policy of "post-industrial utopianism" has led the entire world into the worst monetary and financial collapse of the century.

Certainly, appropriate actions by governments, especially the government of the United States of America, could rescue national economies from the worst effects of the ongoing global monetary and financial collapse. However, in any case, the "post-industrial" policies and practices of the past quarter-century trend are hopelessly doomed. Any nation which attempts to continue those tourism-centered, cheap-labor policies of the past period to date, would be doomed, too.

Q: In the agreement signed by the Palestinian National Authority and Israel, there are plans for "industrial parks" to be built along the border between the autonomous territory and Israel. Palestinian labor would be employed there. Some people fear this may lead to the creation of cheap-labor shops, similar to the Mexican *maquiladoras* along the border with the United States. What should be the guiding principles, to ensure that this project will lay the basis for industrializing the Palestinian economy?

LaRouche: I regret that there is probably more than a little foundation for the fears you reference. That has been the recent decades' trend within the economy of Israel and the occupied territories. The impulse to continue in the direction of cheap-labor employment of that sort, is doubtless widespread at this time. Much of this involves production of cheap goods for the international markets, and is one of the ways in which much-desired so-called "hard currency" is collected.

Look at that as a kind of social-economic sickness, like a disease which has infected the body of a national economy. How do we rid ourselves of this disease? Might we outlaw it by decree? Or, might we prefer to build up healthy economic activity, which will act against the infection, like healthy cells of the immune system? I would argue, that the existence of this disease demands that we accelerate the health-giving measures: basic economic infrastructure and agro-industrial complexes. Rather than Israelis and Palestinians taking in each others' laundry, to make a weekly wage, let us have joint high-technology projects in power, water, transportation and agro-industrial technology. Let the healthy tissue take over from the sick tissue in this way.

Q: The Palestinian, Israeli, and Jordanian economies have often been compared to the Benelux countries, Belgium, the Netherlands, and Luxembourg, in that they could fruitfully cooperate as a unit. Yet, in Europe, the economies which make such Benelux growth possible are the national economies of Germany and France. In the Middle East, the only comparable national economy is that of Iraq. How do you

The idea of partnership for global peace and stability among the U.S.A., France, Germany, Russia, China, and Japan, is the idea which can prove more powerful than physical forces in establishing a new monetary order at the moment the old global financial order is disintegrating.

view the perspective for Iraq to be involved in the process, from a purely economic standpoint? Do you see any possibility for the embargo to be lifted?

LaRouche: This myth about the "Benelux" recipe is one of those unfortunate literary concoctions dreamed up by the clerks who write the boring speeches which professors and government bureaucrats read at international conferences. If people took the trouble to examine the rapid deterioration of all of the economies of western Europe, especially Britain and the Benelux, since the 1990-91 Gulf War, I think that might stop the ritual chatter about the "Benelux model."

After World War II, all of the foundations of the economic success within western Europe occurred chiefly during the period of postwar reconstruction, chiefly under Chancellor Konrad Adenauer in Germany, and under President Charles de Gaulle in France. The economy of France has been living off the shrinking heritage left by de Gaulle's indicative planning policies, just as all that remains of Germany's rapidly shrinking economy today, is the heritage of both Konrad Adenauer's chancellorship and the de Gaulle and Adenauer partnership. Leaders in other parts of postwar Europe made contributions to similar, if more limited effects; but, since the assassination of U.S. President Kennedy, the retirement of Adenauer, and London's ultimately successful destruction of de Gaulle's power in France, western Europe has been using up the now-vanishing heritage from the great leaders of the pre-1964 period. I would say that the relevant model is not "Benelux," but rather the cooperation between de Gaulle and Adenauer, the leaders of two nations between whom rivers of blood had flowed in two world wars of this century; one might hope that Messrs. Rabin and Peres, on their side, and Chairman Arafat, on his, are the "de Gaulle-Adenauer" model for the Middle East.

The Iraq model is relevant in this discussion, not only because Iraq is an important nation of the Middle East region, but because of its outstanding pre-1991 record in plowing petroleum revenues into the uplifting of the educational level and productivity of its population and the condition of its territory. I must also make the point, that during the middle 1980s, I warned the government of Iraq against trusting the circles of Vice President George Bush.

On the subject of the continued U.N.O. embargo: The present problem of Iraq may be summarized in the following

summary terms of reference. The elimination of Iraq as a functioning nation within the Middle East was not the consequence of anything bad which Iraq had done of its own volition, but of the intent of the British and U.S.A. governments, to lure the government of Iraq into a posture which could be exploited as a pretext for destroying Iraq. I believe that every well-informed government, and others, in the Middle East region, know this to be the fact of the matter, whether they believe it prudent, or not, to say such things openly today.

The immediate reason for the *timing* of Mrs. Thatcher's use of President Bush for the war against Iraq, was the rapid collapse of Soviet strategic power during the years 1989-90. Timing and the relevant, but secondary petroleum-marketing issues aside, the underlying motive for that war against Iraq, was a policy of Sir John Bagot Glubb Pasha's *Arab Bureau*, a policy known in Sir Henry A. Kissinger's 1970s U.S.A. as "The Bernard Lewis Plan," otherwise referenced, under President Carter's Zbigniew Brzezinski, as "The Arc of Crisis" policy. Since the early 1970s, the goal of that Lewis-Kissinger-Brzezinski policy was the disintegration of every existing State in an "arc," beginning, in the east, within the subcontinent of Asia, running through the Middle East, including Iran and Turkey, throughout the Arab world, and down into the Horn of Africa. The Anglo-American role in the orchestration of the coup against the Shah of Iran, was part of this policy, as was the prolonged Iran-Iraq War. Were Iraq not virtually destroyed, Iraq remained a potential fulcrum for stability in the Arab world, especially because of its economic development policy.

As a result of George Bush's capitulation to London, in organizing the 1990-91 Gulf War, the embargo against Iraq has taken on an institutionalized life of its own, still today. However, at bottom, there is only one underlying issue: London's determination to see Iraq utterly destroyed, as part of the carving of the entire "Arc of Crisis" into a pathetic array of micro-states. Until that British policy is addressed openly, and by name, there is no immediate prospect of lifting the embargo against Iraq.

Q: As the Middle East-North Africa (MENA) conference convenes, at the end of October, the world's financial and monetary structures seem on the verge of disintegration.

You forecast this disintegration well over a year ago [see *EIR*, June 24, 1994 "The Coming Disintegration of Financial Markets"]. What exactly do you say will occur?

LaRouche: The present crisis will lead to disintegration of the present world monetary and financial institutions, unless a group of nations, including the United States, acts to put the existing central banking systems into bankruptcy reorganization, under government receivership. Unfortunately, for political reasons, the government of no major power is presently disposed to take such remedial action; if they act at all, it is likely that this will occur only when the system is actually in the process of disintegration. If the governments do not put the U.S. Federal Reserve System and other central banking-systems into receivership even at that late stage of the presently ongoing spiral of collapse, the world as a whole will be plunged into a "New Dark Age," analogous to that which struck mid-Fourteenth-Century Europe, but far worse in its scope and consequences; most nations of this planet, including all developing nations, will quickly disappear from the map, all politically, some even biologically.

Q: Is there any way, that the MENA summit discussions could contribute positively to shifting the trend of monetary and financial disintegration? What would you do, if you were here in Amman?

LaRouche: There are two forces which shape history. In the short term, it is physical force which appears to be predominant. Ultimately, it is the force of *ideas*, not *realpolitik* considerations, which shapes history. Thus, the most powerful thing which U.S. President Clinton has undertaken recently, is to establish a spirit of partnership among a key group of nations: the U.S.A., France, Germany, Russia, China, and Japan. The idea of partnership for global peace and stability among such a core group of states is the *idea* which can prove more powerful than physical forces in establishing a new monetary order at the moment the old global monetary and financial order is disintegrating. The MENA conference does not have so much power as does Clinton's idea, but it can radiate a very significant influence.

What I would do there might take much time to explain. For a fuller understanding of what I would do, and why, I refer people to a recently issued policy-statement by my campaign for the U.S. Democratic Party's 1996 U.S. Presidential nomination, *The Blunder in U.S. National Security Policy*. [On the Internet: <http://www.clark.net/larouche/blunder.html>]. My summary observation is, that the delicate agreements reached between the present governments of Israel and Palestine constitute a powerful idea, illustrating the possibility of the kinds of cooperation needed to overcome even some of the most terrifying problems threatening this planet today.

Q: How will the 1996 U.S. Presidential election campaign

affect the peace process? One recent congressional vote, to move the U.S. embassy to Jerusalem, has come under harsh attack both here, and as well as by President Clinton, as the wrong signal at the wrong time.

LaRouche: On the Senate vote itself, people should appreciate the implications of the fact, that the co-thinkers of Ariel Sharon et al. in the U.S.A. are fairly described as a financial power in right-wing political circles here. Like Sharon, they are determined to destroy the peace process in the Middle East by any means possible. On this issue, these U.S. forces are acting in alliance with the Conservatives in London.

The Republican Party is bidding for the support of all right-wing financial circles, including Sharon's allies. Sharon's allies are among the right-wing enemies of President Clinton, as they are allies of Britain's right-wing Tories and enemies of Chairman Arafat, Prime Minister Rabin, and Shimon Peres. Although Sen. Robert Dole is not in the same category as fanatics such as Speaker Newt Gingrich, Pat Buchanan, or Sen. Phil Gramm, he is manifestly obsessed by his zeal to win both the Republican Party's Presidential nomination and the November 1996 election. In short, the entire affair is to be evaluated as dirty politics during a hot U.S. election-campaign.

During the recent decades, the philosophical fascists of the late Friedrich von Hayek's Mont Pelerin Society have accumulated vast, well-financed political power inside the United States. Nearly all of the Nobel Prize-winning economists of the post-1945 period have been followers of Mont Pelerin Society ideology. The Heritage Foundation, and most of the right-wing "think tanks" are fronts for the Mont Pelerin Society. Phenomena such as Sen. Phil Gramm and Speaker Newt Gingrich, as well as William Kristol (the son of *New York Times* neo-conservative Irving Kristol) are an expression of this spread of fascistic philosophy, especially within the right wing of the Republican Party. The fanaticism shown by the Gingrich conservatives within the U.S. House of Representatives, expresses this unabashedly Nazi-like philosophy.

However, there is a growing revolt against Gingrich and his "Contract with America" program. The growth of President Clinton's popularity, the success of the "Million Man March" in Washington, this past Oct. 16, and the recent election of a new president by the leading U.S.A. trade-union organization, the AFL-CIO, are typical reflections of this growing, anti-right-wing upsurge.

There are no guarantees; the anti-Mont Pelerin Society Democrats have not yet won the 1996 general election, for example. However, the possibility of winning is now clearly in view. We must work to ensure that we succeed. If we win, the implications for the Middle East are at least in the direction which the nations of the Middle East might desire.

Rabin murder is part of London's global terror spree

by Jeffrey Steinberg

The Nov. 4 assassination of Israel's Prime Minister Yitzhak Rabin will likely go down in history as the most heinous political crime since the murder of President John F. Kennedy, one-third of a century ago. And, like the Kennedy assassination, the cold-blooded murder of Rabin was a calculated geostrategic move, planned and executed from London.

Not since the epoch of the Kennedy assassination and the multiple failed attempts to kill France's Gen. Charles de Gaulle, has the British Crown been driven to such desperate measures. Since the Clinton inauguration, the House of Windsor and the Club of the Isles have been implicated in more than a score of assassination tries against the U.S. President, bolstered by a propaganda assault against Clinton led by the Crown's Hollinger Corp. media empire. Hollinger's *Jerusalem Post* has been in the forefront of propaganda efforts to derail the Middle East peace process, and to create the climate for the kind of violence that struck down Rabin.

And since Jacques Chirac was elected to the Presidency of France, the same Windsor/Club of the Isles crowd has been engaged in an all-out effort to throw France into chaos, using irregular warfare.

Spotlight on London

In fact, the assassination of the Israeli head of government, who had the courage to break from his own past outlook and become a leading proponent of Middle East peace and Israeli-Palestinian reconciliation, came at the moment that leading French government officials and news outlets were shining a spotlight on London, for its complicity in the wave of nominally Islamist terrorism that has hit all across France since July of this year.

Following raids on several safehouses and arms caches of the Algerian Armed Islamic Group (GIA), French police unearthed computer records and accounting books showing

that the bombing and assassination spree has been directed by a network of known Algerian killers who have operated from London with the de facto blessing and protection of the highest-level British authorities. Faced with public exposure of its role in nurturing the biggest irregular warfare destabilization of France since the Secret Army Organization (OAS) stalked President de Gaulle, and faced with the upcoming State visit by France's President Jacques Chirac on Oct. 29-30, British authorities moved to deflect some of the pressure by arresting one of the GIA controllers (see article by Christine Bierre, p. 55).

British Prime Minister John Major then turned around and protested the French crackdown on the GIA and the pressure on London, claiming that it forced the British secret services to "prematurely" round up some of the London-based components of the global "afghansi" terror international, a terrorist network sponsored by British intelligence since the late 1970s, with the complicity of the George Bush-Oliver North "Iran-Contra" networks in the United States (see *EIR Special Report*, "New Terror International Targets South Asia," Oct. 13).

But even as the French were taking off the gloves concerning London's sponsorship of terrorism, fast-paced events in the Middle East were simultaneously driving the British Crown and its secret intelligence services to resort to "executive action" in Tel Aviv in an attempt to shut down the Middle East peace process. As Scott Thompson details below (see p. 57), London did not have to covertly dispatch Special Air Services (SAS) teams to Israel, as they did in the 1994 Rwanda genocide, or in the even more recent effort to disrupt France's nuclear weapons tests in the South Pacific through the activation of Prince Philip's eco-terrorists. For the past 130 years, London's Quatuor Coronati Lodge, a secret irregular warfare unit run directly out of the British royal house-



The late Israeli Prime Minister Yitzhak Rabin, during a press conference in Bonn in 1993. The British oligarchy was determined to stop the Mideast peace process, at any cost.

hold, has been fostering the growth of “assassin cults” among Jews and Muslims alike, to ensure that any effort aimed at establishing a stable set of relations among sovereign nation-states in the region is quickly drenched in blood.

The murder of Rabin was the work of one such Jewish assassins cult. Today, the fate of the Middle East peace process rests on the question of whether Israeli leaders, beginning with Prime Minister Shimon Peres, will break the silence on London’s role in the killing, and go after the so-called “Jewish underground” and its allied Islamist counterparts in Islamic Jihad, Hezbollah, and Hamas, *from the top down*.

The Israeli police minister has ruled out the idea that the Rabin assassination was the work of a “lone assassin.” Six individuals, all associated with splinter groups of the late Rabbi Meir Kahane’s Jewish Defense League/Kach Party, in addition to Rabin’s assassin, Yigal Amir, have been arrested and charged with participation in the stalking and assassination of Rabin. If Israeli authorities carry out a massive crackdown on the West Bank settlements where Jewish assassination squads have been trained and assembled, but go no further, whatever benefits are derived from the crackdown will be short-lived. New Kahane Chai or Eyal killers are waiting in the wings, under the banner of the same London-manufactured “Greater Israel” and “Temple Mount” ideologies that warped the minds of Amir and the others.

Deadline for murder

Prime Minister Rabin was placed in the cross-hairs following the Sept. 28, 1995 signing of the Oslo II accords at the White House, and the defeat of an Israeli Knesset (parliament) vote of no-confidence in the Rabin govern-

ment’s peace perspective several weeks later. Momentum was building for the peace process. Israeli Defense Force units were already pulling out of parts of the West Bank, and the prospects of a political destabilization of the Rabin-Peres team had gone up in smoke when the Knesset gave its vote of support.

London could not allow the Middle East peace process to go forward, for a variety of global-strategic reasons. For one thing, the peace process was a singularity in the war between London and Washington. The Clinton administration was in the center of the peace process, and was already working toward a breakthrough in the Israeli-Syrian peace negotiations. The Clinton-Yeltsin summit in Hyde Park, New York, vastly improved the prospects of peace in every troubled region of the globe, and U.S. sources have indicated that even Russian Prime Minister Viktor Chernomyrdin, anxious to curry support from Washington, was offering to use his not insignificant influence with Syrian President Hafez al-Assad to get him to break with the “Greater Syria” faction inside his own ruling circles, and pursue peace.

London was facing another checkmate in Asia, where the Clinton summit with China’s President Jiang Zemin just 24 hours after the precedent-setting partnership talks of Presidents Clinton and Yeltsin, opened the door for closer, if not intimate, Washington-Beijing cooperation—against persistent British efforts to break up China and thereby unleash an Asia-wide destabilization. Furthermore, the Clinton administration is continuing to coordinate its foreign policy offensive closely with the German government of Chancellor Helmut Kohl, who, since July 1994, has been Clinton’s new “special partner.” Kohl will be in Beijing in mid-November, just days before President Clinton will be in Osaka, Japan

for the Asia Pacific Economic Cooperation (APEC) forum meeting. There, Clinton will again meet with Jiang Zemin and other Asian leaders, and then go to Tokyo for several days of bilateral talks. Clinton will then go on to London, Dublin, and Belfast, in an effort to further the U.S. intervention to bring peace to Northern Ireland, an initiative that has particularly infuriated the British Crown.

Another assassination in Colombia

In Ibero-America as well, the United States was charting new territory on the anti-drug front—to the chagrin of the Windsors and their Club of the Isles allies. In effect, the Clinton administration has signed on to key components of Lyndon LaRouche's March 1985 fifteen-point plan for a hemisphere-wide war against the multinational narcotics cartel, in particular the need to crack down on London's offshore money-laundering safe-havens. In addition to his United Nations speech and the publicly issued Executive Order declaring a state of emergency against the global narcotics syndicate, President Clinton on Oct. 21 signed Presidential Decision Directive 42, spelling out an ambitious assault against 50 nations which give safe haven to illegal money-laundering centers. The implication is that a new American offensive against the British Crown's irregular warfare infrastructure is under way.

To throw a new monkey wrench into the Colombia situa-

tion, a prominent Colombian statesman and one-time Conservative Party Presidential candidate, Alvaro Gómez Hurtado, was assassinated on Nov. 2 in the streets of Bogotá as he was leaving a university building (see p. 59). The Gómez murder came less than a week before the Rabin assassination.

In the early hours of Nov. 5, a so-called lone crazy broke into the residence of Canada's Prime Minister Jean Chrétien, and stalked about the house undetected for nearly an hour. As *EIR* reported last week, the Oct. 30 Quebec separatist referendum was but the prelude to a protracted period of instability and possible irregular warfare and secessionism all across Canada. Combined with the continuing Zapatista insurrection in Mexico, this spells a potential two-front destabilization directed against the United States.

No sane person can doubt that the world is being hit with the greatest wave of irregular warfare in more than 30 years. The assault is coordinated.

With this issue, *EIR* completes the publication of the initial series of three *Special Reports* on the "new international terrorism" (see *EIR*, Oct. 13 and Nov. 10). In his introduction, written a month before the Rabin assassination, Lyndon LaRouche warned of the onset of an era of London-directed irregular warfare, and cited ethnic, religious, and environmental conflicts as the preferred mechanisms to be unleashed by Britain. Recent events bear out the accuracy of LaRouche's warnings.

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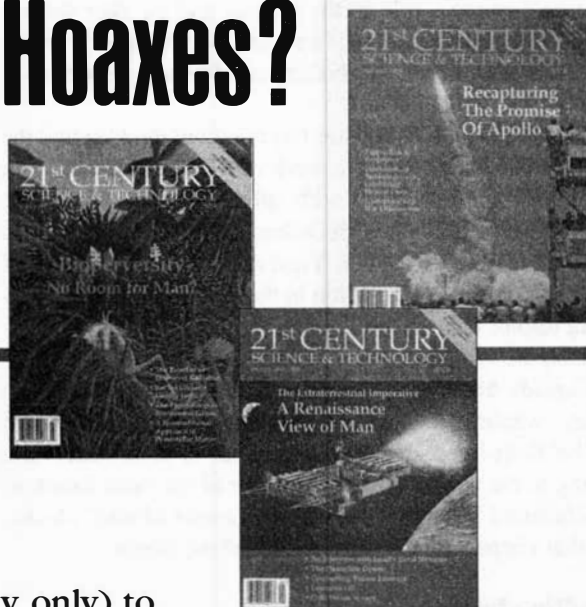
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Authorship of French terror outbreak points toward London

by Christine Pierre

A series of arrests in France and in London over the first week in November, constitutes, finally, important victories in the fight to dismantle the "Islamic" terrorist network which has been active in France since July 25, when the St. Michel RER train station in Paris was bombed during rush hour. Police experts in the French capital believe that they have reached the nerve center of the terrorist deployment, even though parts of the network are undoubtedly still at large.

Painstaking work over months by the police led to the arrest in Paris of Boualem Bensaid, a man suspected today of being the organizer and the leader of the terrorist network which has been active in France. It was a friend of Khaled Kelkal (whose fingerprints were found on the container used in the failed bombing attempt against the Lyon/Paris TGV high-speed train on Aug. 26) in Lyon, Nasserline Slimani, who led police unknowingly to Bensaid before being arrested himself. Three other persons were arrested in Villeneuve d'Ascq, a city near the northern capital of Lille. Police found in their apartment all the paraphernalia necessary to build the bombs which have wreaked terror in France since July—a camping gas container of 13 kilograms, emptied out of its gas and refilled with different sorts of powder, 3-inch nails, and ball bearings. The police also found an alarm clock in the process of being converted into a detonator.

What led police to the arrest of this entire network was the imminence of another bombing. Indeed, phone taps in the area where Bensaid lived, allowed police to overhear a conversation between Bensaid and the Lille network, in which Bensaid gave them the order to blow up a marketplace, on a Thursday or a Sunday. They were speaking about the Wazemme marketplace, the largest in the Lille area.

Police investigations into this network are still ongoing, but it is already evident that it is a foreign network operating in France, thanks to logistical and manpower support given by Muslims in the poor suburbs. Bensaid, alias Mehdi, is a 28-year-old Algerian student who arrived in France last July. He is said to have been accompanied by another man, who is believed to be higher up in the chain of command and in contact with the leader of the network. Bensaid is

also suspected of having had a role in the murder of Imam Sahraoui, the Algerian moderate and founder of the Islamic Salvation Front (FIS), who had been condemned to death by the Armed Islamic Group (GIA) just weeks before in a meeting in London.

Ali Belkacem, one of the men arrested in Lille who was in telephone contact with Bensaid, is suspected of having had a hand in two of the bombings (St. Michel and Musée d'Orsay) and also in the murder of Sahraoui. Police also found in his apartment a 9 mm automatic pistol, which had been used during a shootout with police by Kelkal and two other members of this gang back in June, when they refused to submit to a police roadblock.

The London angle

However, the most interesting element of this entire investigation is the London angle in the terror wave. Indeed, phone taps of Bensaid led police to another coordinator and financier of this network, a man using the alias Abou Fares, who has lived in London for several years. Abou Fares, whose real name is Rachid Ramda, obtained a residence visa as soon as he arrived in London, in spite of the fact that he had been condemned to death in Algeria, accused of having participated in a bombing at the Algiers Airport. In London, he became the head of the official GIA publication, *Al Ansar*. Bensaid was in direct telephone contact with Abou Fares and had talked to the others in the network about Abou Fares's role in financing the network. French police have in their possession Western Union receipts confirming money transfers from Fares to the network in France.

In recent days, especially since the summit meeting between French President Jacques Chirac and British Prime Minister John Major on Oct. 29-30, Scotland Yard and MI-5 have collaborated with French authorities to investigate these networks. Judge Jean Louis Brougnières, who has overall responsibility for the investigation, flew to London in early September. Abou Fares and four other people have been arrested and are presently being interrogated by Scotland Yard and MI-5, while in France, judicial authorities have issued an international arrest warrant against Fares and are filing a demand for extradition.

French public awakened

However, the most interesting question still remains: Why has London become over recent years, the center of regroupment of Islamic radicals, and why do British authorities grant asylum and visas to people, such as Fares who are known to have been involved in terrorist acts? To the readers of *EIR* this will come as no surprise, because we have exposed over many years the artificial creation and manipulation of radical Islamic currents by British intelligence. The French public, however, was brusquely awakened to this fact in recent days, reading it in the French press, which has daily been denouncing the existence of an Islamic terror international based in London.

London "sets the tone for fundamentalist movements," serving to provide "logistical and financial support to the terrorists," Alexandrine Bouilhet and Thierry Oberle wrote, in an article in the Paris daily *Le Figaro* on Nov. 3. Entitled "The Providential Fog of London," they said: "It is there that one can find the intermediaries between Bensaid and his leaders in the Algerian resistance led by Djamel Zitouni and Mohamed Said. London has become, in recent years, the place where Islamic propaganda in Europe is elaborated and disseminated. Parallel to this ideological activity, Britain has also transformed itself into a formidable fundraising network to finance the guerrillas in the Algerian resistance. Financial capital of the Arab world, London has never been shocked at the intensive fundraising activity carried out by the Islamists."

Bouilhet and Oberle gave some indications of the intensity of Islamic political life in London. There are presently some 19,800 Algerians living there, most of whom have nothing to do with politics. Of those, however, 400 are known to be members of the FIS or the GIA. Muslims have 800 houses of worship in the country, which is well and good, but two of them are "officially" known to be close to the GIA terrorists—the ones at Regent's Park and at Finsbury Park.

In London, the radical Islamists carry out their activities publicly. Bouilhet and Oberle recalled the fact that "it is in the course of a non-official meeting in London, that Abdelkrim Deneche publicly threatened to kill Imam Sahraoui." The authors also note the large number of Islamic publications, 30 in total, which are based in London, among them *Al Ansar*, the bulletin of the GIA. *Al Ansar* is published partly in London, printed in Sweden, and faxed from there to the European capitals. They also note that "the editorial board of *El Hayat*, property of a rich Saudi, is also ensconced in London. In this paper are regularly published the GIA communiqués."

The 'afghansi'

Even more to the point was an article published in the French daily *Le Monde* on Nov. 7, by its London correspondent, Patrice de Beer. De Beer wonders why Britain has

allowed all this on its territory, and targets the "afghansi" terror networks of terrorism as being behind Abou Fares, which he attributes to the founding role of the U.S. CIA. De Beer wrote, "According to an expert on Middle Eastern questions, the GIA and *Al Ansar* (publications of Abelkader Benouif [alias Abou Fares, alias Rachid Ramda] and Abdelkrim Deneche) had links to the Afghans. Mr. Benouif himself was a veteran of the Afghan resistance. Formed during the war against the Soviets starting in 1979 (with the help at that time of the American CIA) the fanatic mujahideen have grown throughout the world, often linked to terrorist actions to promote their warrior vision of Islam."

De Beer then questions Britain's role. "Yet one knows the powerful reputation of MI-5 in its struggle against Irish terror. Since the cease-fire declared by the IRA in August 1994, the British Special Services have had plenty of time to follow the terrorist movements linked to the Middle East, those which had attempted to blow up the Israeli Embassy in London. . . . Were the British ignorant of the activities of the *Al Ansar* group? If yes, it is minimally a failing of an Interior Ministry which is a fierce partisan of law and order. If not, was it a matter of maintaining contact with those circles, to promote eventual negotiations or to better control them? Whatever it might be, the British were not ignorant of the background of Abdelkader Benouif, when they granted him political asylum."

A French report

A report from the DST, France's domestic secret services, leaked by the *Journal du Dimanche*, went further, noting that at the heart of the afghansi is the group headed by Gulbuddin Hekmatyar, the most radical of the Afghan resistance veterans, which had been largely set up and promoted by Great Britain.

The uncovering of the London track was due to the groundwork laid by this news service and its founding editor Lyndon LaRouche. Indeed, since the very beginning of the terror wave, and while in the midst of virulent attacks against France for restarting its nuclear tests, LaRouche's associates in France, insisted repeatedly to police that they consider the attacks against France, including those against the nuclear tests (e.g., from Greenpeace), in the financial domain (the "London gnomes," as Prime Minister Alain Juppé called them), and the "Islamic" terror wave, as coming from London. *Nouvelle Solidarité* in France and *EIR* in the United States pointed to the role of the veterans of the Afghanistan War in international terrorism, insisting on the fact that it was those who had created them, i.e., the British in liaison with some American networks, and who were still pulling the strings on those movements (see *EIR Special Report*, "New Terror International Targets South Asia," Oct. 13, 1995). Paris has yet to go a step further, to denounce the British oligarchy as coordinating a centralized effort to destabilize the French Republic.

Britain's Quatuor Coronati Lodge foments extremism in the Mideast

by Scott Thompson

On February 25, 1994, Baruch Goldstein, a follower of the late Rabbi Meir Kahane, entered the Cave of the Patriarchs mosque in the West Bank city of Hebron and opened fire. At least 50 Muslim worshippers were killed and 300 others were wounded before Goldstein was killed. To this day, there are wildly conflicting stories about whether Goldstein was the sole shooter, or whether other Jewish fanatics were also involved. Goldstein, at the time of the massacre, was the resident physician at the Kiryat Arba West Bank settlement, which was founded by members of Kahane's Kach Party and another rabidly anti-Arab Jewish terrorist group, Gush Emunim.

The incident nearly blew apart the fragile peace process. While the remnants of Kahane's fanatical movement hailed Goldstein as a martyr, Prime Minister Yitzhak Rabin told Israel's parliament, the Knesset, on Feb. 28, 1994 that "the murderer came out of a small, marginal political context. He grew in a swamp whose murderous sources are found here, and across the sea; they are foreign to Judaism. . . . To him and those like him we say: You are a foreign implant. You are an errant weed. Judaism spits you out."

On Nov. 4, 1995, Yigal Amir, another member of the Kahane underground, shot Prime Minister Rabin in the back as he was leaving a Peace Now rally in Tel Aviv. In the wake of the Rabin assassination, at least five other members of a Kahane splinter group, Eyal, have so far been arrested for plotting to kill the prime minister and other senior Israeli officials who have been working round-the-clock to secure a lasting Middle East peace.

Nine months before the Rabin assassination, Palestine Liberation Organization security officials alerted their Israeli counterparts to the fact that members of the Jewish underground were working closely with Islamic fanatics from Islamic Jihad, Hamas, and other organizations to conduct a war of terror to derail the peace process. Prime Minister Rabin, according to sources, established a special investigative unit in his own office to probe the dangerous and bizarre alliance.

Mr. Rabin was right when he described the Jewish fanatics of Kach, Eyal, Gush Emunim, etc. as "foreign implants" and "errant weeds." He may have died before he ever fully realized how profoundly right he was.

London sows the 'errant weeds'

After nearly 15 years of investigation, *EIR* can report unequivocally that *all of the irrationalist gangs* that comprise both the Jewish and Islamic terrorist undergrounds in Israel and Palestine, that are engaged in an irregular war against the consolidation of an Arab-Israeli peace, are the direct products of a 100-year-old scheme, designed and carried out by the British Crown—with fingertip control. The goal: to ensure that the Middle East region remains in a constant state of religious and ethnic turmoil, susceptible to British balance of power manipulation, and, when need be, to periodic outbreaks of religious warfare and genocide.

The headquarters of this effort is located in the Quatuor Coronati (Four Crowns) "research lodge" of the United Grand Lodge of England. The head of the United Grand Lodge is the Duke of Kent, first cousin of the Queen, and a leading figure in the Club of the Isles, chaired by Prince Philip.

The Quatuor Coronati Lodge was established in London in 1862, shortly after the Prince of Wales made a pilgrimage to the Holy Land and founded the Palestinian Exploration Fund (PEF), whose patron today is the Queen. The first head of the lodge, Sir Charles Warren, who served briefly as commissioner of the London Metropolitan Police (and was widely identified as the man who covered up the royal family ties of "Jack the Ripper"), led a PEF expedition to Jerusalem and the Holy Land over 1867-70. Warren wrote a series of accounts of his expedition, with such titles as *Recovery of Jerusalem, The Temple and the Tomb*, and *Underground Jerusalem*. These studies helped launch the drive to rebuild Solomon's Temple on the site of the original Temple Mount, purportedly located on the Haram al-Sharif, site of one of Islam's most holy shrines, the Dome of the Rock mosque. The implications of Sir Charles's Temple Mount effort run deep, and they have been a prime source of bloodshed, including the tragic assassination of Yitzhak Rabin.

Sir Charles Warren's efforts received the enthusiastic backing of Lord Alfred Balfour and Prime Minister Benjamin Disraeli, both leading occultists and prominent sponsors of the British Mandate over Palestine.

In 1967, the Quatuor Coronati Lodge dispatched Asher Selig Kaufman, an Edinburgh-born Jewish extremist and

member of the Correspondence Circle of Quatuor Coronati, who had just completed a ten-year intelligence assignment under British H-bomb scientist T.E. Allibone, to Jerusalem to revive Sir Charles Warren's archaeological studies on the precise location of the temple ruins.

After years of work, Kaufman finally published his "findings" in the March-April 1983 issue of *Biblical Archaeological Review*, a publication sponsored by the Lodge to popularize its kooky theories and its fake findings. The article, "Where Was Solomon's Temple? New Evidence on Where It Stood," was edited by Barbara Ledeen, whose husband, Michael Ledeen, was then a consultant for the U.S. National Security Council. The circulation of the Kaufman article, which claimed to contain precise new evidence of the location of the Temple of Solomon, helped mobilize a fanatical Jewish underground movement bent on building the Third Temple on the Biblical site of the first two. The precondition for the reconstruction, was the destruction of the Dome of the Rock mosque.

Even before the publication of Kaufman's article, once word had gotten out of the Quatuor Coronati "discoveries," groups such as the Jerusalem Temple Foundation, an American organization, began raising funds for the rebuilding. In reality, the funds were conduited into Jewish underground groups, including Meir Kahane's Kach Movement, and the Jerusalem yeshiva Ateret Cohanim ("Priestly Crown"), which began conducting animal sacrifices and other rituals in the catacombs beneath the Dome, in preparation for the reconstruction of the Temple.

Bring on the 'rapture'

In 1978, the only American member of the Quatuor Coronati Lodge, Alex Horne, traveled to Israel, accompanying the head of the London lodge, Harry Carr, to commemorate the Grand Lodge of Israel's silver anniversary. His subsequent book, *King Solomon's Temple in the Masonic Tradition*, was to popularize the Temple Mount hoax among American Masons and Christian fundamentalists. Christian fundamentalists were recruited in droves to the Temple Mount project, starting in November 1982, when Israeli Prime Minister Menachem Begin toured Texas and California under the sponsorship of the Anti-Defamation League of B'nai B'rith (ADL), and made a big pitch for Christian support for a "Greater Israel" occupying the Biblical lands of Judea, Samaria, and Galilee.

One Christian fundamentalist who became an early sponsor of the Jerusalem Temple Foundation, was Terry Risenhoover of Malibu Beach, California. Another JTF leader, Douglas Krieger, of Tav Evangelical Ministries of Portland, Oregon, specifically served as a cutout to the Gush Emunim settlers on the West Bank. Tav, an alliance of 150 Christian evangelicals, became enthusiastic backers of the Temple Mount project. Along with other Darbyite evangelicals, they were convinced that building the Third Temple would bring

on the Battle of Armageddon and the "rapture."

The JTF established a base of operations in Jerusalem to bankroll the surreptitious purchase of land in the Old City of Jerusalem and on the West Bank, and once again, it was a British intelligence asset who filled the job. JTF's "Man in Jerusalem" was Stanley Goldfoot, a South African-born Ir-gun fighter and a British intelligence informant, recruited to Her Majesty's service by a leading Arab Bureau figure, Lord Charteris, who himself later became Private Secretary to Queen Elizabeth II. Goldfoot became an intimate collaborator (and source of funds) for the Kahane underground and the allied Gush Emunim, which would attempt on several occasions to blow up the Dome of the Rock mosque. Goldfoot otherwise spent his time covertly purchasing Jerusalem and West Bank property, to make a real estate killing after the Temple was rebuilt.

West Bank land-scam

On Nov. 15, 1982, an unusual group of "investors" in the West Bank and Jerusalem real estate scam gathered at the desert ranch of Gen. Ariel Sharon. Among the group were: Henry Kissinger, Lord Harlech (David Ormsby-Gore), Prince Johannes von Thurn und Taxis, Alexander Haig, Lord Peter Carrington, British MP Julian Amery, Sir Edmund Peck, and former MI-6 Middle East boss Nicholas Elliot. All of these global influentials—deeply tied to the House of Windsor and the Club of the Isles—were fully in on the Temple Mount effort, and were intent on making a bundle from the anticipated real estate boom after the Temple Mount crazies had completed their "work."

On behalf of this grouping—and the British Crown that stands above it—Sharon has been the "godfather" of the Temple Mount project for nearly 20 years.

- It was during his tenure as Agricultural Minister in the Begin government, from 1977-81, that the initial 24,000 Kach, Gush Emunim and related radical settlers were deployed onto the West Bank.

- He is publicly a sponsor of the Ateret Cohanim yeshiva, where the self-designated "priesthood" of the Third Temple is being trained.

In November 1993, following the historic signing of the Oslo accords between the PLO and Israel at the White House, Sharon toured the United States with Jewish Defense League official Yechiel Leiter, a leader of the Yeshar Council, the governing body of the West Bank settlements. The purpose of the trip was to raise funds to arm the settlers for a civil war to stop the implementation of the Oslo accords. Sharon was blunt: "Make no mistake," he ranted before one audience during the U.S. tour, "the only barrier we have right now to a Palestinian state is the settlers. It is these 150,000 settlers that Rabin said he cannot defend who are really defending Jerusalem. Our job is to strengthen these communities."

It was from those "communities" that Prime Minister Rabin's assassin, Yigal Amir, came.

The leading opponent of Colombian President Samper is silenced

by Javier Almario

On Nov. 2, at 10:30 in the morning, 76-year-old Colombian political figure Alvaro Gómez Hurtado was assassinated upon leaving Sergio Arboleda University in northern Bogotá, where he had just given a class on Colombian culture for the law faculty. At least four assassins were involved in the hit. A leader of the Conservative Party for decades, Gómez was a Presidential candidate in 1974, 1986, and 1990. He was also a journalist, running the newspaper *El Nuevo Siglo* for many years and writing its editorials; a lawyer, graduated from Javeriana University; and a painter by hobby.

Gómez was one of the few Colombian politicians who was able to think for himself. This year, he tried in vain to get the Conservative Party to withdraw its support for President Ernesto Samper Pizano, who is currently under investigation for having financed his Presidential campaign with money from the Cali drug cartel. Gómez insisted that although nobody in the political class wanted to overthrow the President, "the President cannot stay." He severely criticized the "regime," that is, Colombia's political system, for lacking the necessary antibodies to purge itself of the corruption caused by its dependency on drug money.

Although it is not clear precisely who ordered the assassination, the message to all Colombians is clear: Whoever tries to fight, whoever tries to change the direction Colombia is going, will be assassinated. This is the same message that was transmitted to Colombians with the 1984 assassination (among many others) of Rodrigo Lara Bonilla, the brilliant justice minister who dedicated himself to fighting the drug traffickers, who were at the time preparing their takeover of the Presidency of the republic and of the other national institutions, and the 1989 assassination of Luis Carlos Galán, the nationalist leader whose 1982 senatorial campaign Lara Bonilla had managed.

Without the violent interventions of the drug traffickers and their allies in the national political class, who had the backing of the international networks of former U.S. President George Bush and his bosses in London, Colombian democracy would have elected Galán President in 1990, and Lara Bonilla President in 1994. Thanks to those violent interventions, we have had instead such Presidents as César Gaviria Trujillo and Ernesto Samper Pizano, who represented and

represent, respectively, the political and electoral machinery of the drug trade.

Assassin! Assassin!

On Nov. 3, people came to Bogotá from all over the country to participate in the funeral procession. Gómez's body lay in state in the Elliptical Salon of the Congress, which Samper was smart enough to avoid visiting. Gómez's followers and students had spontaneously blamed Samper for the assassination, virtually from the moment it occurred. "Assassin! Assassin!" shouted the crowds when they thought Samper had visited the clinic where Gómez had just died.

Samper only attended the funeral mass at the cathedral, which he entered and left very discreetly, by the back door. The posters and slogans of the crowd, demanding, "President, Resign!" and "Samper, Assassin," had Samper's security team nervous. Some posters read, "General Bedoya, save the nation," a reference to Gen. Harold Bedoya Pizarro, Army commander, who has had a number of fights with Samper, but whom the government has been unable to fire, because he has the support and respect of both the Armed Forces and of public opinion.

Samper, meanwhile, seeks to remain in power at all cost. Granting sinecures and other perquisites, he has influenced the members of the congressional "Accusations Commission," which is in charge of investigating the President. He has used his Presidential power to silence his opponents, and protects his reign with the support of corrupt congressmen from both main parties, who enjoy the money of the Cali Cartel, as well as with support from Carlos Alonso Lucio, a congressman of the M-19 party (a legalized narco-terrorist group), and the Colombian Communist Party, founder of the narco-terrorist Colombian Revolutionary Armed Forces (FARC), which insists that Samper is an angel, and that the accusations against him are a plot by the U.S. government and the Colombian "ultra-right" to overthrow him.

This tacit alliance among Samper, the Cali Cartel, the FARC, and the M-19 has triggered serious clashes between Samper's government and Clinton's in Washington. The most recent such clash was when Interior Minister Horacio Serpa, a Samper intimate, insinuated that the U.S. Drug Enforcement

Administration was behind an assault against Antonio José Cancino, Samper's defense lawyer.

Now, this same alliance is gearing up a Goebbels-style campaign, claiming that Gómez's assassination was carried out by the same "ultra-right" which presumably seeks Samper's downfall. Before his death, the Communists had pointed to Gómez as one of the heads of the conspiracy. Now, they are in effect saying that Gómez ordered his own assassination!

It is worth remembering that, in 1988, the then-illegal M-19 kidnapped Alvaro Gómez, murdering his bodyguard in the process. The person who ran that kidnapping was Otty Patiño, today one of the heads of Samper's flagship "Solidarity" welfare program. The M-19 used that kidnapping as pressure to force the negotiations that eventually led to its legalization as a political party. The FARC and ELN narco-guerrillas, in several letters to the M-19, had demanded that the latter not release Gómez, but "execute him."

The Lessons of Shakespeare's Macbeth

Who benefits from Alvaro Gómez's murder?

by Maximiliano Londoño Penilla

Maximiliano Londoño Penilla is president of the Ibero-American Solidarity Movement (MSIA) in Colombia. The statement was issued by the MSIA in Bogotá on Nov. 3.

If the material and intellectual authors of the murder of former Presidential candidate and Conservative party leader Alvaro Gómez Hurtado intended to eliminate the broad national movement opposed to Samper Pizano remaining in the Presidency because of his Presidential campaign's known financial links to the Cali Cartel, then, once more, the enemies of Colombia have failed. That horrible crime could be the straw that breaks the camel's back. In the recent months, Alvaro Gómez had become the most prominent figure to demand that the "corrupt system be overthrown." With all certainty, the assassination of Alvaro Gómez has deeply moved the national conscience; now, even the most misled people understand that one cannot continue to coexist with the regime of terror that has been imposed by the drug traffickers, the narco-guerrillas, the common criminals, and the corrupt politicians.

In editorials published by the newspaper *El Nuevo Siglo* and in his public speeches, Alvaro Gómez strongly criticized the Samper government, both for its vacillations in facing

down the narco-guerrillas as well as for its pretended ignorance of the infiltration of drug money into his Presidential campaign. Alvaro had further proposed the dissolution, yet again, of a Congress he considered corrupt and non-functional. With spirit, Alvaro tirelessly defended the Armed Forces from the slanders and defamations of the non-governmental organizations, the narco-guerrillas, the "People's Defender," and the Attorney General's office.

Alvaro Gómez demanded that the investigations of Samper be made public, to avoid any deals being struck between the investigated and the investigator. He criticized all the little tricks and legal games played by Samper's defense lawyer Antonio José Cancino. He repeatedly demanded the resignation of the "Cerberus," or watchdog, of the regime, Interior Minister Horacio Serpa Uribe, not only for his proclivities in favor of the narco-guerrillas, but for being a cover-up-artist regarding the "campaign of the ill-gotten money." In sum, Alvaro Gómez became the leading political prosecutor in the country of Samper's drug-financed electoral campaign.

In his editorials, Alvaro warned of the danger of the dismembering of Urabá from Colombia, as occurred with Panama, should the country fall into the trap of bringing in international inspectors and United Nations' "blue helmets." He stated in this regard: "The witnesses and the blue helmets would have to occupy all of geographic Colombia. The presence of the United Nations' forces in the ethnic war of Bosnia-Herzegovina achieved nothing. NATO had to militarily intervene, and the United Nations and other western powers had to propose a peace plan, still not perfected and still fraught with the occurrences of cruel confrontations, so that there could be talk of a cease-fire."

Alvaro added: "But this destroys national sovereignty, emphasizes the government's domestic inability to control public order, and could be an argument for splitting off from our territory one of the richest areas the nation possesses. That is, in the face of the ineptitude of our governments, the same rulers would promote another Panama."

Alvaro understood the importance of constructing a new interoceanic canal. "Urabá represents a zone of invaluable strategic importance. . . . Given its geographic location and because the world is always thinking in terms of trade and political strategies, the Chocó is seen as offering a new perspective for the construction of a new interoceanic canal, or what has been called a 'dry canal.' These circumstances have turned Urabá into a desirable place for those who think in terms of adventures that can procure them new wealth."

Alvaro slammed those who adopt "an attitude of moral indifference to the violence," and revived the notion of a "just war," so eloquently "expressed by those great theoreticians of the [Catholic] Church and of conservatism, St. Augustine, St. Thomas Aquinas, and the doctors Vitoria and Suárez, who have so influenced the formation of Colombian legal criteria."

Alvaro Gómez was a political and combative man who sought in vain, on three separate occasions, to rule the destin-

ies of Colombia. One could disagree with him, especially on economic matters, in which he defended the system of “free trade,” but despite this, one can categorically state that he deeply loved his country, vehemently defended it, and lived and died as a patriot. Unfortunately, few like him remain in the political class. The new generations of “politicians,” in the style of Samper Pizano, are bought and sold for a fistful of silver.

Alvaro Gómez spoke up for Colombia

The following is a chronology of Alvaro Gómez Hurtado's activities and statements in 1995.

Feb. 28: Gómez Hurtado calls for the dissolution of Colombia's Congress. “The [congressional] chambers have returned to the same behavior that discredited them in 1991, to the point that they have even revived benefits banned by the Constitution.”

April 5: Gómez's newspaper, *El Nuevo Siglo* of Bogotá, publishes a photomontage showing Colombian President Ernesto Samper Pizano's head on the body of Panamanian Gen. Manuel Noriega, being led away in handcuffs by two Drug Enforcement Administration (DEA) agents.

April 5: The Bogotá daily *El Espectador* publishes a statement by Gómez calling for the reconstruction of the Conservative Party: “The Conservative Party hardly exists any longer because it has no bloc in Congress, nor in the assemblies, nor in the city or district councils, nor does it have any opinions or programs.”

April 28: The opposition daily *La Prensa* reports that Gómez again called for the dissolution of the Colombian national Congress because it represents “a corrupt regime. To be able to have honest politics, the Congress must be dissolved.”

May 10: Gómez defends Samper during a Channel 3 television interview, saying he is “a good and honest man, but is prisoner to a regime that is corrupt.”

July 28: In a statement to radio network RCN, Gómez comments on Samper's decision to request an investigation of himself by the Accusations Committee of the House of Representatives, after his former campaign treasurer, Santiago Medina, and former campaign manager, Fernando Botero, are arrested on orders of the Prosecutor General: “The President faces a very difficult situation because he must clarify what happened in his Presidential campaign, and he has appealed to the only recourse to investigate his behavior, which is one of the most discredited commissions in Con-

gress, which is in no position to produce anything considered legitimate. Thus the commission has gained the nickname of ‘commission of absolutions.’ I propose that an Ad Hoc Court be named, with guarantees of impartiality, to be in charge of investigating and judging the President. Therefore, I insist that the system must be overthrown for the country to function.”

July 28: Gómez's brother, Sen. Enrique Gómez Hurtado, begins a fight in Congress to force the Conservative Party to withdraw support from the Samper government.

Aug. 16: In an *El Nuevo Siglo* editorial, Gómez Hurtado writes that all past Colombian Presidents, faced with similar circumstances—where their administrations were placed in doubt and it was impossible for them to govern—resigned “with humility and nobility.” He mentions Gen. Rafael Reyes, Marco Fidel Suárez, Alfonso López Pumarejo, and Gen. Gustavo Rojas Pinilla.

Enrique Gómez Hurtado wins the support of 40 congressmen, and of former Justice Minister Enrique Parejo González, to form a National Committee for Decency, dedicated to demanding Samper's resignation. Students affiliated with the group begin a signature campaign demanding that Samper's mandate be revoked.

Aug. 21: Alvaro Gómez writes an editorial in *El Nuevo Siglo* demanding that the same vigor be applied in pursuit of the leaders of the narco-terrorists as has been used to go after the heads of the Cali Cartel. In particular, he accuses Interior Minister Horacio Serpa Uribe of being “a permanent obstacle for effective action by the authorities against the seditious assault” against the nation.

Aug. 22: In statements to RCN radio, Gómez repeats his argument that the FARC and ELN guerrillas must be fought “with the same vigor with which the drug trade has been fought. Unfortunately, U.S. Ambassador Myles Frechette is not demanding the heads of the seditious groups as he is demanding the heads of the drug lords.”

Aug. 22: In an *El Nuevo Siglo* editorial, Gómez denounces those who equate the violence of the narco-terrorists with the necessary law enforcement measures of the police and military against them. “We conservatives and Christians in general cannot adopt an attitude of moral indifference in the face of violence. To try to equate them, as the decadent left does . . . is to evade an ethical obligation. . . . There is the great theory of Just War,” he explains, “so eloquently presented by those great theoreticians of the [Catholic] Church and of conservatism, St. Augustine, St. Thomas Aquinas, and doctors Vitoria and Suárez, who have so influenced the formation of Colombian legal criteria.”

Aug. 30: Gómez's *El Nuevo Siglo* newspaper publishes an EFE wire reporting on the threats to the lives of *EIR* correspondent in Colombia Javier Almario and Ibero-American Solidarity Movement leader Maximiliano Londoño.

Aug. 30: Gómez, in an editorial in *El Nuevo Siglo*, calls for the investigations against Samper to be made public.



Alvaro Gómez Hurtado was the most prominent Colombian figure campaigning against President Samper's deals with the drug traffickers, and demanding that the "corrupt system be overthrown."

Sept. 8: Gómez editorially backs the call by former Colombian President César Gaviria (today secretary general of the Organization of American States) for "the truth" to be revealed on the financing of the Samper campaign. The editorial reiterates Gómez's earlier support for the Declaration for Decency calling for Samper's resignation.

Sept. 28: In an *El Nuevo Siglo* editorial, Gómez criticizes the statements of Interior Minister Horacio Serpa Uribe to the effect that the DEA is conspiring to overthrow President Samper. "All of these adventures and gratuitous finger-pointing could be leading toward the ultimate argument to justify the coverup, coverup, coverup."

Sept. 29: Gómez states that Samper and Horacio Serpa are going crazy with their desperation and that is why they attacked the DEA and the United States.

Oct. 5: In an *El Nuevo Siglo* editorial, Gómez defends Gen. Alvaro Velandia, who was unjustly expelled from the military by the pro-terrorist Attorney General's office in collaboration with the "human rights" lobby, accused of having supposedly permitted the kidnapping, torture, and murder of an M-19 militant by one of his subordinates. Gómez also defends Army Commander Gen. Harold Bedoya, when his denunciation of the "human rights" prosecutor who persecuted Velandia gets the Army leader in trouble.

Oct. 6: Gómez, in an editorial in *El Nuevo Siglo*, says that a new consensus is required "in the event that the elected Presidential formula can no longer rule. Already mentioned are Juan Carlos Esguerra Portocarrero, Juan Manuel Santos,

Carlos Lemos Simonds, Pedro Gómez Barrero, Nestor Humberto Martínez Neira, Carlos Lleras de la Fuente, and Hernando Durán Dussán, as figures who have the stature to take charge of the executive and get a majority backing in Congress, should the moment arrive in which the President finds it impossible to continue exercising his post."

Oct. 9: In an *El Nuevo Siglo* editorial, Gómez calls on the President to voluntarily resign, instead of waiting "for an accumulation of adverse circumstances to overtake you and force you to impose a solution against your will." Gómez complains that "President Samper isn't falling. There is no one conspiring to overthrow him: not the political party opposition, which doesn't exist, nor the [economic] associations," but "the President cannot remain. This won't work. There is no leadership. No one expects any act of government."

Oct. 10: In an *El Nuevo Siglo* editorial, Gómez criticizes Antioquia Gov. Alvaro Uribe Vélez and Apartadó Mayor Gloria Cuartas for traveling to Europe in search of support for their plan to bring international authorities into the violence-racked Urabá region. This trip, however well-intentioned, cautioned Gómez, "is going to cause, if the oversight arrangement goes through, unthinkable damage to national sovereignty." Gómez points to the U.N.'s disastrous intervention in Bosnia, noting that it solved nothing and required the military intervention of NATO.

Gómez observes that the Urabá region and adjacent Chocó province are the site of a possible new interoceanic canal, and thus Urabá "represents an area of invaluable strategic importance." Bringing in international overseers and the U.N.'s blue helmets, wrote Gómez, "would destroy national sovereignty, reiterate the government's internal incapacity to control public order, and could serve as an argument for the separation from our territory of one the richest regions in the country. That is, in the face of our rulers' ineptitude, these same rulers are promoting another Panama."

Oct. 12: Gómez criticizes the head of the congressional "Accusations Committee," Heyne Mogollón, in an *El Nuevo Siglo* editorial, warning that Mogollón is preparing a quick absolution of the President and that "Mogollón's electoral hanky-panky disqualifies him as judge." Gómez warns that such an absolution would leave Colombia "a narco-democracy."

Oct. 14: An editorial in *El Nuevo Siglo*, Gómez's paper, warns President Samper that he is very wrong if he thinks that with "absolution given him by the accusations committee, his problems will be over. That is a mistake, because the political and moral judgment of [popular] opinion will continue, and this is what is causing the crisis."

Oct. 20: An editorial in *El Nuevo Siglo* says the 1996 budget approved by Samper includes allocations favoring the departments from which members of the Accusations Committee come, and that this is how he bought "rapid absolution."

Oct. 23: Insisting that the President should voluntarily

resign, Gómez writes in an *El Nuevo Siglo* editorial that "there would be a way out [for the country] if there were greatness" in our leaders. Gómez insists that Samper hasn't yet fallen only because no sector of the country wants to see him replaced by another representative of the same corrupt regime. "But it is clear that the President cannot remain. A country which doesn't advance, which daily shows more symptoms of dissolution, will eventually find a solution. We have said it many times: The regime must be overturned. This may appear an invitation to the use of force. That is not our intention."

Oct. 31: In an *El Nuevo Siglo* editorial, Gómez says, "The attitude taken by the fired Gen. Luis Bernardo Urbina has a character of respectability that should be recognized." General Urbina was kicked out for having given a news program a tape in which Accusations Committee head Heyne Mogollón receives instructions on how to falsify certain documents, and in which he acknowledges that Samper is going to reward him for absolving him. Gómez comments that, in contrast, Interior Minister Serpa Uribe accepted sealed testimony from Samper's former campaign treasurer that was stolen from the Prosecutor General's office, and yet "they are going to reward him with an ambassadorial post in Europe."

Nov. 1: *Voz*, the weekly newspaper of the Colombian Communist Party, argues that there is a "conspiracy of the ultra-right," who supposedly want a military coup. Supposedly involved are Army Commander Harold Bedoya Pizarro, Gen. Fernando Landazábal Reyes (ret.), constitutionalist lawyer Luis Carlos Sachica, "Alvarismo" (that is, the followers of Alvaro Gómez), leaders of the industrial and agricultural associations, U.S. Ambassador to Colombia Myles Frech-

ette, and the daily *El Tiempo*.

In its conference in Barranquilla in late October, the Communist Party furiously defended Samper, attacked the supposed conspiracy of the "ultra-right" to overthrow the President, and supported as their Presidential candidate former theology of liberation priest Bernardo Hoyos, the former mayor of Barranquilla, who worked alongside ELN founding members Camilo Torres, Manuel Pérez, and Domingo Laín.

Nov. 2: In a *El Nuevo Siglo* editorial, Gómez comments that the Clinton government has just identified 105 companies which have lent themselves to the laundering of drug dollars. Gómez suggests that Phillip Morris, producer of Marlboro cigarettes, should be on that list as well: "What is certain is that for many years, and even more today, Colombian territory is inundated by contraband cigarettes belonging to that known American brand." Cigarette contraband, says Gómez, is a great source for money laundering, "because there is no other way foreign cigarettes could be sold in Colombia at prices so below those of domestic brands."

Nov. 2: During his last class at Sergio Arboleda University, which he helped to found, Gómez spoke about the music of Bach, Handel, and Haydn, and of the need to organize Classical music choruses throughout Colombia, as well as for more technical voice training. According to a tape of the lecture made by his security guard (one of his students, who was murdered along with Gómez): In the United States and in Europe, "there are choruses on every corner, at every gas station, in every college, in every school, capable of singing complex polyphonic music." In Colombia, too, he said, "we should have a polyphonic chorus on every corner." In Colombia, he said, "we have very good rhythm, but lack voice."

'When Gelbard speaks, Colombia should listen'

"When Bob Gelbard testifies, the Colombian government should listen, very carefully, to his testimony, because it is testimony that represents the policy of this government." This was the response of U.S. State Department spokesman Nick Burns to a question from *EIR* at a Nov. 3 press briefing, regarding Colombian President Ernesto Samper Pizano's dismissal of Gelbard's criticism of his government's anti-drug efforts.

One week earlier, Assistant Secretary of State for Anti-Narcotics Matters Robert Gelbard had told a U.S. congressional committee that the only reason Colombia had finally captured the heads of the Cali Cartel, was that the Clinton administration had threatened to deny the country's certification. Samper had dismissed Gelbard as

a "minor official" and insisted, "I have Clinton's support."

Said State Department spokesman Burns, Gelbard "is a very competent, very intelligent, very highly placed official. In this government, he is the leader of our government's efforts, working for the President and the secretary of state, to try to work with the Colombian government to destroy the cartel. Especially regarding [any problems] between Colombia and the United States, Bob Gelbard has the absolute confidence of the President and the secretary of state. . . . Anyone who knows Bob Gelbard, knows him well, would never make such a statement."

Another senior administration official told *EIR*, "Gelbard's got the title, but he's got more influence than the title. Gelbard is *the* lead guy. And [Secretary of State Warren] Christopher has great confidence in Gelbard. He's really one of the most respected people in this government. If he testifies, that's the word of the U.S. government! And for anybody to say, well, that's Gelbard but Clinton and I have a different deal, is just plain wrong."

Korean scandal targets Clinton peace accord

by Kathy Wolfe

The slush funds scandal in South Korea against former President Roh Tae-woo, being promoted by the Anglophile media, is a potential threat to President Bill Clinton's Korean nuclear peace accords. Coming at the same time as the assassination of Israeli Prime Minister Yitzhak Rabin, it is another blow to Clinton's plans for economic development of the Eurasian continent, and is under *EIR* investigation for similar British Intelligence authorship.

Roh was accused by a former head of the Korean Central Intelligence Agency (KCIA) with stealing funds. After a 14-hour grilling by prosecutors, the elderly and exhausted Roh confessed on national TV on Oct. 27 to raising 500 billion won (\$654 million) in political funds, and keeping 170 billion (\$222 million), upon leaving office in February 1993.

The scandal has also hit South Korea's President Kim Young-sam, who on Oct. 30 was forced to deny charges that he received funds from Roh, as well as from the heads of every major political party in South Korea.

Such a scandal, over a common practice, could be used any day, against any leader, in any nation in East Asia. Slush funds are immoral—but the entire elite of Korea should not be destroyed, only because London objects to Korea's potential contribution to Eurasian economic development.

While President, Roh, a four-star general, was the chief architect of South Korea's "Northern policy" of rapprochement with North Korea. On Oct. 4, 1988, at the U.N., Roh called for the reunification of Korea and for "reconnecting every roadway" to combine all "human, technological, and financial resources." Roh emphasized a policy of food for peace with the North, coinciding with Lyndon LaRouche's Food for Peace offer to the East bloc that same month, at Berlin's Kempinski Bristol Hotel.

Roh and his corporate backers are being particularly criticized for the huge public works projects Roh initiated, including the Seoul-Pusan high-speed train, a dozen nuclear power plants, a second international airport outside Seoul, and defense procurements, including U.S. F-16 fighters.

The original allegations were made by a former Roh bodyguard, Lee Hyun-woo, who was head of the KCIA and handled the funds. Former U.S. Ambassador to Seoul Donald Gregg, who was deeply involved under Vice President George Bush in the Iran-Contra guns-for-drugs affair, was sent to Seoul when Bush became President, while Bush was simply a puppet of British Prime Minister Margaret Thatcher.

Gregg has just the sort of networks inside the KCIA which might be used to destabilize Korea, in the interests of Bush and his friends in London. During the Nov. 4-5 weekend, there were violent street protests, in which demonstrators clashed with riot police in Seoul, demanding Roh's arrest and accusing President Kim Young-sam of a coverup. These sorts of dirty operations are also Ambassador Gregg's cup of tea.

Korean banks, industry attacked

The scandal is also a threat to the Korean economy and banking system, at a time when the banking systems of Japan and China are also reporting major loan losses, and suffering a press attack from London, from which banks in London and New York appear to be curiously immune.

"It may be that someone wants Korea to get the 'Japan treatment,' " a Korean source told *EIR* on Oct. 29, referring to the slush funds scandal. "Korean bank officials and banks could be a major target of this prosecution," he said. "Isn't it interesting if Korean banks are hit by a crisis, at the same time of this big crisis at the Japanese banks?"

The Prosecutor General's office in Seoul said on Oct. 28 that it was conducting a probe into all 12 South Korea commercial banks, including Shinhan Bank, Donghwa Bank, and Dong-A Investment Finance. Shinhan was the first bank "exposed" as a depository of President Roh's slush fund.

Charges that banks have sheltered slush money belonging to Roh have triggered panic selling of bank shares. "Investors" are said to fear that a probe could shake public confidence, causing runs on banks. "Bank shares have fallen 5-6% since the scandal broke out," crowed an analyst at London's S.G. Warburg on Nov. 3. This could "create chaos for the whole economy," Casey Choe, a broker at Seoul Securities, told the press on Oct. 28.

If prosecutors determine that Roh has not revealed the full truth and launch an all-out hunt through bank accounts for the missing millions, "that's going to be hell for investment and banking stocks," said Choe.

Industrial leaders are facing prosecution, at a level such that it were comparable if the chairmen of GM, IBM, and U.S. Steel were indicted in the "Whitewater" probe.

The Seoul stock market fell sharply Oct. 28-Nov. 6, on news that the major Korean industrial conglomerates, called *chaebol*, led by Daewoo, Hyundai, Samsung, and LG, would also be investigated. The *chaebol* account for a huge chunk of stock market capitalization and exports. Those facing indictment include the heads of Hanbo Group and Daewoo Group, prosecutors told the press on Nov. 6.

After interrogation, Roh supposedly named his corporate collaborators. First was Chung Tae-soo, chairman of the giant Hanbo Construction Group, who on Nov. 4 admitted that he contributed to Roh. Heads of 10 other conglomerates were to be summoned the following week, Yonhap news service reported, including the chairmen of the Daewoo Group, the Dong Bang Group, and the Sunkyong Group.

Burundi inches toward war

by Linda de Hoyos

Burundi President Sylvestre Ntibantunganya has made visits to both Washington and Paris in the last month, urgently calling for foreign intervention to avert either full-scale war in the country, or the complete overthrow of his civilian government by a military coup. Since the October 1993 murder of Burundi's first elected President, Melchior Ndadaye, the country has been slipping into chaos, as the military and police forces—comprised 99% by the Tutsi elite caste—has sought to overturn the result of the elections, which gave a 65% victory to the Frodebu Party, a party comprised of Hutus (the word originally meant “serf”) and those Tutsis who have repudiated the supremacist ideology of their own caste.

The Burundian President is specifically asking the United States to intervene as a mediating force. In Paris, he also called for the convening of a “conference on peace, stability, and development in the region of the Great African Lakes,” which would tackle the question of up to 4 million displaced people since the October 1993 bloodletting in Burundi that preceded the summer 1994 horrors in neighboring Rwanda.

The President is also calling upon the western countries to help reorganize the Burundi military. “We do not want the defense the security forces of Burundi to be the monopoly of any ethnic group,” Ntibantunganya told reporters in Paris. This demand, which would end the military domination of Hutus by the Tutsi military, has been brushed aside, particularly by United Nations bureaucrats involved in Burundi, and by those attached to the policy orbit of British Minister of Overseas Development Baroness Lynda Chalker. The Burundi military is now working closely with the Rwandan Patriotic Front, another Tutsi organization, which ran the blitzkrieg invasion of Rwanda in 1994 from Uganda—all under the approving eye of Ugandan President Yoweri Museveni and his own mentor, Lady Chalker.

Chalker is reportedly to arrive in the capital city of Bujumbura, to aid in United Nations Commission on Inquiry into the Burundi crisis. In the Burundi Forum held by the Search for Common Ground think tank in Washington, D.C., Ould Abdullah, who recently left his post as U.N. special envoy to Burundi, squelched any idea of integrating the Burundi military, because, he said, Tutsis would not accept it. Abdullah spent his tenure in Burundi targeting

any Hutu armed resistance to the “ethnic cleansing” that has proceeded in the country. According to the Belgian paper *Le Standaard*, for instance, Bujumbura has now largely been “cleansed” of Hutus. The families of those Hutu politicians still in the National Assembly or the government administration have been sent out of the country for safety reasons.

Abdullah's stance does not bode well for the U.N.-Chalker inquiry or mediation bid.

In addition, Jimmy Carter was also in East Africa in September, in an effort to organize a conference on the region among leaders from Rwanda, Burundi, Zaire, and Uganda.

Reportedly, an effort is also being made for mediation from Italy.

None of these initiatives into the Burundi situation is coordinated, and none begins to address the underlying economic crisis which has exacerbated caste tensions.

The only public challenge to the perception of the Burundi crisis as put forward by such stooges as Abdullah, has come from American Ambassador Robert Krueger. In September, Krueger precipitated a government crisis when he called for a full investigation into the report that the Burundian military had murdered up to 140 Hutu civilians in a Bujumbura suburb, after he had gone to examine the massacre site himself. Krueger's call drew strong fire from Tutsi Interior Minister Gabrielle Sinarinzi, who demanded that Krueger be declared *persona non grata*. When Hutu Foreign Minister Paul Munyembari intervened to say that Sinarinzi did not speak for the government, the military demanded a cabinet reorganization. On Oct. 12, President Ntibantunganya obliged. The new cabinet, composed of 25 members, now has only 10 members of the Frodebu Party, the party which won 65% in the elections!

Mass murders continue

While negotiations and inquiries proceed in Bujumbura, massacres continue. The government reported Nov. 1, that up to 250 Hutu civilians had been murdered in a village near Ngozi in northern Burundi by the Tutsi military. The mass murder was reportedly retaliation for attacks on soldiers from Hutu guerrillas. The Hutu guerrilla force is reportedly now in control of a “war zone” covering the northwestern eighth of the country.

President Ntibantunganya has understandably informed officials in both Paris and Washington, that if there is no action to integrate the Army, then more and more Hutus will take up arms against the Tutsi military, and a military coup will likely ensue. This terrible alternative, however, matches the aim of British intelligence: the crushing of eastern Africa under a military machine that will clear the land and open this mineral-rich region up to full-scale foreign exploitation. The political chief of the Tutsi military, former dictator Pierre Buyoya, has already been appointed a “special adviser” to the World Bank.

How Burundi reached this point of crisis

This interview with a member of the Politburo of the Frodebu Party of Burundi was conducted by Dennis Speed in September.

EIR: Many people in the United States know something about the situation in Rwanda, but the situation in Burundi is virtually unknown. Could you tell us when the most recent situation erupted and something about the history there?

A: The current problem in Burundi was brought to the fore only recently, in October 1993, when the first democratically elected President, Melchior Ndadaye, was assassinated. It is true to say that the roots of the problem go back to maybe 30 years earlier than that.

EIR: Could you tell us something about the circumstances of the assassination of President Ndadaye?

A: The ruling group that had been in power since the early 1960s was operating behind the military. Previously this group had murdered most of the members of the National Assembly. In 1972, there were other mass killings, actually a genocide that occurred, carried out by this group. But in 1993, the first democratic elections were held, and the situation was reversed. For the first time in Burundi history, a candidate emerging from another group was elected by a very comfortable majority, by 65% of the votes. Obviously, those who had been in power until that time, felt they could not possibly accept that.

EIR: Who was the new leadership?

A: That ruling group that had been in power for over 30 years was the Uprona Party, which the people identified with Tutsi ethnicity, because the most powerful people among this group were among the Tutsi leadership. The new leadership, by the name of Frodebu, which came to power after the first multiparty elections and the single-party system was brought to an end, was popularly identified with Hutu ethnicity. The new leader was elected by 65% of the total votes, across ethnic lines. But in the minds of the people, the leadership was basically identified with Hutu ethnicity, simply because the new President was Hutu. But in October 1993, the President was killed, along with the speaker of the National Assembly, the deputy speaker of the National Assembly, and other key officials. The reason was doublefold. First, to frus-

trate the electors who had clearly put their confidence in this new leadership, and secondly, to show that they were concerned that they would no longer be enjoying the privileges they had enjoyed for the last three decades. They had acquired wealth; they were afraid that this time around, there would be some kind of reversal of fortune, and they fantasized that this would happen.

EIR: How long did the new President serve before he was killed?

A: He served exactly 102 days.

EIR: Did a military conflict begin after the assassination of the President?

A: Shortly after the murder of President Ndadaye, there was a fairly violent resistance on the part of the population. That was spontaneous. Mostly people were fear-ridden, fearing that what happened to the President might happen to them. This had previously occurred to them, in the mid-1960s and mid-1970s. The military soon got the better of the population and ended up imposing its own order, with the help of the civilian politicians. They reached a point where the victors of the democratic elections had to accept to negotiate with those who had just killed the beginnings of democracy, on the grounds that they had no alternative. A Convention of Government was drafted, whereby those who had won the elections had to accept to relinquish some of their privileges and to accept to share power.

So instead of keeping on the line of the 65% for the Presidential elections and 80% for the legislative elections, the convention ruled that the victors of the June 1993 elections would get 60% of designated positions and the opposition would get 40%, that the ministerial posts would be shared by 45% for the opposition.

In addition, over 99% of the military are Tutsis. Over 99% of the intelligence and law enforcement agencies are Tutsi. Not to speak of the actual representation in the foreign service, because the power-sharing agreement says that 50% should go to the opposition. And so, it turned out very clearly that the winners ultimately were those who had lost the elections.

EIR: What people are seeing now is not the first time that major violence has occurred against the Hutus?

A: In 1961, Burundi had the first general elections, in preparation for the end of colonial days. There were still many parties, not one single party. The man who became prime minister as a result of those elections was Prince Louis Rwagasore, the son of King Mwambutsa IV. He was very popular, and the colonial masters were not very happy with that, because his stance was that Burundi should achieve independence as soon as possible. Shortly after his election, he was killed. In order to resolve that crisis, King Mwambutsa IV appointed a prime minister, Pierre Ngendndumwe, who was

not from the majority party that had won the elections, and who was a Hutu. That was in 1961. He appointed a prime minister who was Hutu.

The Tutsis had always been groomed to be leaders by the colonial masters; they could not understand that a Hutu should be placed in such a position at such a high level. A few years later, there were other elections, and the party that came with the majority of votes was the Uprona Party, which at that time was not a Tutsi-dominated party. Uprona had the right to have the most parliamentarians in the national assembly. These were, of course, Hutus, since the demographics of Burundi is 85% Hutus and 14% Tutsis, and 1% Twa. These demographics help explain why, in the history of elections in Burundi, there has always been this phenomenon. It is similar to South Africa in that aspect. It has been observed in Burundi and South Africa—whenever a minority attempts to rule at will, more often than not, conflict grows which is never-ending. That is exactly what has happened in Burundi.

In 1965, the military executed a majority of the National Assembly, on the pretext of a fake charge that the Assembly was plotting an overthrow. They killed everyone—80% of the Assembly was murdered. This was the second major crisis in Burundi. In 1966, the chief of staff of the military, Michel Bicombero, carried out a coup, and Burundi proceeded to be ruled by the Tutsi military until June 1993, when Melchior Ndadaye, a Hutu, was elected President.

EIR: Is there coordination between the Rwandan Patriotic Front and the Tutsi military in Burundi?

A: At the time of the assassination of Melchior Ndadaye, it was disclosed by some media in Uganda that there was a plan that was about to be put into operation in the whole of the central African region, whereby a Hima empire—Hima being a subgroup of the Tutsi ethnic group and which is the boldest and most supremacist group—would be created across the borders. It is a cross-border ethnic phenomena, which is present in Uganda, and is very vibrant in Rwanda and in Burundi. In this plan, all the Himas would unite and create a huge territory where they would be the leaders and would rule over the majority groups in the three countries. Uganda would be the chief implementor of that plan, with [Ugandan President Yoweri] Museveni one of the chief agents, along with the vice president and defense minister of Rwanda, Paul Kagame, and either [former military Presidents Jean-Baptiste] Bagaza or [Pierre] Buyoya being the Burundi part.

Even today, the military of Burundi can go to Rwanda without any procedures whatsoever. The military of Rwanda can do the same. You can no longer really talk of any border existing between Rwanda and Burundi. The same holds for the border of Rwanda and Uganda. The training of the military and paramilitary in Burundi do take place in Rwanda. This collaboration takes place on a daily basis.

EIR: This idea of the Hima empire goes back considerably.

A: In the history of this central African region, from perhaps the 15th century up through the mid-20th century, this region was ruled by kings, and the chief rulers were identified as Tutsis and Himas.

EIR: Did the colonialists use the Tutsi as an overseer force for them?

A: It had always been a pattern during colonial days that the colonial administration would make use of the minority groups—groom them—to maintain themselves in power as long as they could. This divide-and-rule strategy has always been there, and it can only work where you offset one group against another—where you give power to a minority over the majority. This was very much cultivated and encouraged by the colonialists. The minority would have a leading role and means in education, in the military, in the civil service, in the economy, and you can see that in Burundi today. It was a very powerful channel for the colonial masters to pursue the exploitation of the country.

Imperialism goes through alliance, through a complex geopolitical game, that not only involves countries that are neighbors to one another, but with nations that may not be close but which have similar patterns, thanks to the same game of divide and rule.

EIR: What would you wish the United States to do in this crisis?

A: We are very much willing to have people encourage the idea of negotiation and have the different warring factions in Burundi sit together and talk. There are life and death matters that the Burundi people alone cannot possibly tackle, since they have failed to do so in the last few years. It has reached a point where the civilian-military relations have completely deteriorated, and the people cannot digest the military or see eye-to-eye with them at all. It looks as though a third party, which has to be powerful enough to impose a certain order and operates on principles, is required.

The most crucial question is the creation of an integrated army, which integrates members of both ethnic groups, so that we have a balanced military and police force. That can only happen if there is successful mediation, and that can only happen if powerful nations, such as the United States, force the belligerents to sit around the table and agree on a political agenda. Other nations have proved to be incapable of achieving that. The OAU [Organization of African Unity] has tried time and time again and has achieved nothing at all. We believe that the United States would qualify in this, because they have no historical colonial record, and could play a vital role, a neutral role. But I have learned that the process of political decision-making here is very strange indeed. The United States may say that it is a democratic country, but it is more a media-influenced country, than influenced by the people. The media is quite a power.

International Intelligence

French gov't shakeup augurs austerity ahead

In a surprise move, Premier Alain Juppé and President Jacques Chirac reshuffled the French government, after just five months in office. *EIR*'s Paris correspondent points out that the shift confirms the "free-trade" austerity turn of the regime over recent weeks, after months in which it was unclear whether France would bow to British pressures or take its own, more nationalist course. Juppé had been pressuring Chirac for the former, arguing that the fall in Chirac's popularity was because there were too many incompetent ministers and too few "heavyweights" from the previous Balladur government.

The new government now has been streamlined from 41 to 32 ministers.

There are no changes in the major portfolios: Foreign Affairs, Defense, Economy and Finance, Culture, Education, and Labor. The significance of the reshuffle is that four new persons were brought in, three as ministers and one as a delegated minister, of whom three are former Balladurians. A Paris daily reported Nov. 8 that Juppé had asked the Balladurian "heavyweights" to join the government, but they all refused, expecting the Juppé government to self-destruct in the coming weeks. The reshuffle is also aimed at "reassuring" the markets, by indicating the French government's will to impose an austerity budget against French national interests and to meet the conditionalities by 1997, for joining the Maastricht Treaty's single European market.

In resisting British plans, Mandela risks life

Archbishop Desmond Tutu, following the assassination of Israeli Prime Minister Yitzhak Rabin, on Nov. 6 warned South African President Nelson Mandela of possible attempts to kill him, and insisted that Mandela immediately and seriously "look" at his security. "If anyone wants to get at you,

they will get at you. And God forbid that it should happen to Madiba [Mandela]," the Anglican archbishop of South Africa said.

The same concern was voiced the next day by South African Police Commissioner George Fivaz, who said that security around both Mandela and the cabinet has been increased.

Referring to the Rabin assassination, Fivaz said: "We simply cannot afford to think that we are immune to such lunacy. Rabin's assassination is a tragedy. But we must learn from it. Distinct parallels exist between the Israeli-Palestinian and South African political processes, and it would be disastrous if especially the leaders of the major parties of the Government of National Unity were harmed in any way."

Several days before the April 27, 1994 elections that brought the Government of National Unity into power, *EIR* News Service received information of a plot to kill Mandela. The Hollinger Corp., a publishing empire which has Henry Kissinger and Margaret Thatcher on its board of directors, was the putative center of this plot at that time.

The Mandela government has not caved in to the indiscriminate privatization desired by the financial circles which back Kissinger and Thatcher. Nor has President Mandela agreed to play his scripted role in the London-directed project to crush Nigeria, the other potential African superpower, which is not buying British looting schemes masked as "free trade," either.

Toffler pushes deschooling in Brazil

Alvin Toffler, the futurologist and mentor of U.S. Squeaker of the House of Representatives Newt Gingrich, was in Brazil to push his latest book, *Creating a New Civilization*, written with his wife, Heidi. In an interview published in the Oct. 29 *Folha de São Paulo*, he obscenely recommended that the racist, brainwashing methods of Paulo Freire, author of *Pedagogy of the Oppressed*, be applied in poor communities

of countries such as Brazil, as a way of helping "to close the gap between rich and poor societies."

Freire argues that written and spoken language itself is "a western imposition" upon Africans (many Brazilians are of African descent), and claims that their "natural mode" of communication is pantomime. *Folha* adds that Freire's method consists of teaching by associating letters and words to objects which are familiar to the student. Toffler suggests too that pupils might combine learning with "service to the community," which means manual labor.

Toffler also asserts that not everyone should aspire to universal education, run by the State. "In countries of low educational level, the dream is to have a vast network of conventional schools. But this is perhaps mistaken reasoning. The method should vary according to local, social and economic conditions." The conventional classroom belongs to "second wave [industrial]" countries, but is no longer appropriate for the information age, he rants.

Doctors' magazine runs Club of Life statement

Ideologie und Medizin, the magazine of the European Doctors Action, has published a six-page statement by the board of directors of the German Club of Life, dealing with a groundbreaking decision of the German Federal Court which permits stopping life-sustaining treatment in certain cases, even if the patient is not terminally ill. In Germany, this has been forbidden by law since the end of World War II. Although the court decision was made in the case of a comatose patient, the decision has general implications and can be used for all kinds of other patient groups as well.

The European Doctors Action is connected to the World Federation of Doctors Who Respect Human Life—one of the most important organizations of this kind in Europe.

Also, the group, Head Trauma Patients in Need, a federal German association,

Briefly

which cares for comatose patients and patients with severe brain injuries, as well as their relatives, has been alerted. They raised an alarm in their latest magazine against the plans of the European Commission to hold a Dec. 8-9 conference in Bonn, discussing "the best way" and the "criteria" being used in killing comatose patients. The title of the conference is: "The moral issues surrounding the treatment and health care of patients in a persistent vegetative state"; the conference is part of a so-called "Biomed 1" Program of the Commission of the European Union, which is being used to promote so-called bioethical pretexts for pulling the plug on patients who are deemed to be useless eaters.

Another strong-arm move against Venezuelan party

The party registration of the Venezuelan Labor Party (PLV) was arbitrarily cancelled by Venezuela's Supreme Electoral Tribunal, through a deliberately malicious reading of an ambiguous electoral rule. The law established that a party would lose its registration if it failed to obtain 1% of the vote in a general election, or if it failed to participate in two consecutive general elections. The PLV opted out of one election, in 1993, after consulting with the then-members of the Electoral Council.

However, on Aug. 16 of this year, the new Electoral Council, whose majority is made up by the Democratic Action party (one faction of which is controlled by the impeached President Carlos Andrés Pérez), Causa R (the Castroite party), and the faction of President Rafael Caldera's COPEI party close to the Mont Pelerin Society, issued a resolution saying that because the PLV had failed to obtain 1% of the vote cast in the 1993 elections (in which it did not participate), and had failed to re-register, its registration was annulled.

Outside of a legal notice printed in the Official Registry, the PLV was not even notified of the decision, and it was only by

accident that it learned that it was no longer a political party with legal standing.

All the information available at this time, indicates that the prime mover of the decision was David Morales Bello, Democratic Action's representative on the Electoral Council. *EIR* also learned that Morales Bello's law firm was the legal brains behind the unsuccessful attempts by banking tycoon Gustavo Cisneros to silence the PLV through the criminal lawsuit and attempted imprisonment—and murder—of its leader, Alejandro Peña, last year.

Sri Lankans seek Australian Tamil Tiger

The Sri Lankan Army is searching for Adele Balasingham, an Australian and former nurse, as a pivotal figure in the Tamil Tigers separatist band which has been terrorizing Sri Lanka and neighboring parts of India, it was reported in an Australian paper, *The Age*, on Nov. 3.

Brig. Sarath Munasinghe, the Army's spokesman, claims that Adele Balasingham has been active in the political indoctrination of girls as young as 12, some of whom have later been sent on suicide bombing missions. "She has been teaching these children for years. We believe she is still very active in the Tigers' leadership. She goes around meeting these youngsters. She talks about Australia and the world. For the children of Jaffna today, who have no television and radio, the world for them is Adele Balasingham," he said.

Mrs. Balasingham has been training young female recruits in the jungles of the northern Jaffna peninsula since the early 1980s. She was born Adele Wilby in Warragul, Victoria, and joined the Tigers after marrying Dr. Anton Balasingham, a Tamil Marxist whom she met while studying in London in the 1970s. Her husband is a key lieutenant of Velupillai Prabhakaran, the commander of Tamil Tigers. She writes a monthly column in the Tigers' newspaper, *Inside Report*.

● **BUENOS AIRES** television aired a 25-minute interview with *EIR*'s correspondent Gerardo Terán for the first time since the magazine opened its bureau in Argentina's capital. The interview on CableVision's Channel 52, dealing with the financial crisis and Lyndon LaRouche's ninth economic forecast, was broadcast on Nov. 2 and 4.

● **BULGARIA'S** Communists hosted 29 parties loyal to the ideology of Marx and Lenin, on Nov. 4-5 in Sofia to found a new International. The congress attracted parties from the East and the West, including from France, Germany, Turkey, Albania and "Yugoslavia" (Serbia).

● **A COLOMBIAN** government report issued by the Comptroller General's office, says that 20 of the country's 42 national parks and reserves are serving as operational centers for the country's guerrilla forces, and another 15 are "no-man's lands" used by the drug traffickers. Six others were identified as "the site of frequent skirmishes between the military and armed bandits."

● **EXCÉLSIOR**, the major Mexico City newspaper, referred to Lyndon LaRouche's U.S. Presidential candidacy on Nov. 3. José Neme Salum, the chief economic correspondent, wrote under the headline, "Limits to Globalization: The Financial Titanic," and advised that people desperate about the crisis should read LaRouche's writings.

● **CANADIAN** Prime Minister Jean Chrétien and his wife were threatened by an armed intruder Nov. 4, who is now in custody, facing multiple charges, potentially including attempted murder. The incident occurred in Ottawa just 12 hours after the shooting of Rabin.

● **EUROPEAN** sources are indicating that the U.S. may be interested in having Sam Nunn, who is leaving the U.S. Senate, replace retiring Willy Claes as NATO secretary general.

Conservative Revolution suffers election defeats

by Mel Klenetsky

The American public has been treated to a year of Newt Gingrich's minions playing hardball in Congress; ripping up the social safety net of Medicare, Medicaid, and welfare, in the face of continued economic collapse; and a "chicken game" threatening to bring government to a grinding halt, unless President Clinton knuckles under to the radical budget-cutting mania of the seven-year "balance-the-budget-at-all-costs" ideologues.

It has been one year since Gingrich's Conservative Revolution handed stunning electoral defeats to the Democratic Party on the federal and state levels. This year's Nov. 7 election, in many cases, was a test of the popularity of Gingrich's budget-cutting fanaticism and the result, in general, verified the trend of decreasing popularity for the Speaker of the House, and increasing voter approval for President Clinton. The 1995 election results were not what Gingrich and Haley Barbour, the Republican National Committee chairman, hoped for.

Gingrich has been faring more and more poorly in national polls. Sen. Phil Gramm (R-Tex.) has found his Presidential campaign failing, as well, to the point that the latest Texas polls show Gramm and Sen. Robert Dole (R-Kan.) neck and neck in Texas, which Gramm expected to have locked up. California Gov. Pete Wilson, who also made his 1994 electoral reputation by being a hardliner on some of the Conservative Revolution social issues, has dropped out of the Presidential race. Wilson won the governorship race by advocating brutal policies on the immigration issue (no education or health care for the children of illegal immigrants), extreme positions on states' rights questions, and a "tough on crime" posture typical of this crowd. The bankruptcy of Orange County and the Los Angeles County budget crisis finished off Wilson, as his California financial backers did not bankroll his Presidential aspirations.

Elections in Kentucky, Virginia, New Jersey, Mississippi, Maine, and New York show that the "Contract on America's" electoral steamroller has slowed and in many cases come to a screeching halt. CityVote, the urban experimental straw poll, conducted in 18 cities, gave Clinton a significant victory over all of his opponents, punctuating the growing difficulties of Gingrich's Contract with America.

Colin Powell's announcement that he would not run for President in 1996, ostensibly for personal reasons, came a day after the electoral results, in spite of the fact that polls showed him beating Dole for the Republican nomination and even besting Clinton. The timing of the announcement, one day after the election, raises the question of whether the poor showing by the Republicans may also have contributed to Powell's decision. Gingrich quickly announced that he would now consider getting in the race himself, despite the fact that his early sojourns to New Hampshire to test the waters wound up with citizens railing against his callous policies. Gingrich has said that he will let the American public know about his decision after Thanksgiving.

Who won, and why

In the 1994 elections, the Republicans had scored an overwhelming victory, winning a majority in both the Senate and the House of Representatives for the first time in 40 years. Massachusetts Sen. Ted Kennedy's 1994 campaign against Milt Romney was one of the few Democratic efforts to succeed. Kennedy dug in his heels on traditional Democratic Party values, calling on his support by labor and minorities, to handily beat back a well-financed and nationally publicized campaign to unseat him. To those Democrats who felt that to succeed, they had to sound more like Republicans, Kennedy said, in a speech on Jan. 11, 1995, "If Democrats run for cover, if we become pale carbon copies of the opposition and

act like Republicans, we will lose, and deserve to lose.”

For those candidates who followed Kennedy’s advice, success was found in the Nov. 7, 1995 elections.

Lyndon LaRouche, in an “EIR Talks” radio interview on Nov. 8, commented that Democrats can win, if they “stick to the real issues: the issue of Medicare, the issue of Medicaid, the issue of pensions, the issue of *fear* of what Newt Gingrich and his ‘Contract on America’ represent.”

First, take the case of Kentucky. Lt. Gov. Paul Patton beat back a Republican challenger, Larry Forgy, to win the governorship. The race had become a forum for both local issues and national policies. In his victory speech Patton said, “Kentucky has said, ‘No to Newt Gingrich.’ Kentucky has said, ‘No to Bob Dole.’ Kentucky has said, ‘No to cuts in Medicare, and no to cuts in school lunches.’ Kentucky has said, ‘No to the Contract with America.’ ”

Patton’s television commercials went at the Medicare policy of the Republicans and the character of Newt Gingrich. Forgy campaigned on the Gingrich program. Democrats also won the lieutenant governor position and five other state offices, sweeping back the Republican challenge. Kentucky State Rep. Perry Clark, a Democrat, said that Patton’s making Medicaid and other budget cuts the issue, “really helped the Democrats. I think a lot of people know that we’ve got to be a little more fiscally responsible . . . but you can’t make draconian measures and cuts on everything.”

Newly elected AFL-CIO President John J. Sweeney issued a press statement on Nov. 8 stating that “thanks to an eleventh-hour blitz led personally by AFL-CIO Secretary-Treasurer Rich Trumka, voters turned out in Kentucky and the Democratic candidate for governor won by a 51-49 margin.” Trumka, the president of the United Mine Workers and newly elected to the AFL-CIO post, had gone to the Kentucky coalfields, rousing the miners to get out the vote. Part of Sweeney’s and Trumka’s campaign pledge was to have the AFL-CIO play a more aggressive role in fighting the Conservative Revolution.

Upset in Virginia

In Virginia, Conservative Revolution advocate Gov. George Allen, whom syndicated columnist Robert Novak described as “Little Newt,” was given a stinging rebuke. Allen, Gingrich, and Barbour had all declared that Virginia would be a battleground for Republican policies. Gingrich came to Virginia and, with great fanfare, handed the Virginia Republican Party a \$75,000 check for the Republican campaigns, to no avail.

The Democrats retained their 5-vote margin in the Virginia House, and the Senate is now split 20-20, with the tie-breaking vote held by Lt. Gov. Don Beyer, a Democrat. Four key Democrats were defeated in the legislature by well-targeted GOP money, and by their own failure to campaign against the Allen/Gingrich crowd. The powerful Senate Majority Leader, Hunter Andrews, for example, lost, campaigning on the fiscal conservative line. Allen’s failure has

fueled press speculation that he is no longer vice-presidential material.

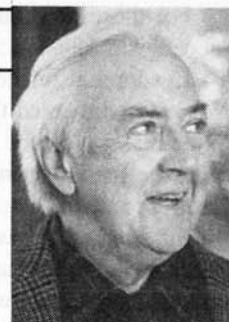
Less known, but equally important, the anti-LaRouche Democrats were handed a stunning defeat in Loudoun County, where Lyndon LaRouche resides, and where publishing companies associated with him are located. Sheriff John Isom and Commonwealth Attorney Bill Burch, both of whom proudly participated in the “Get LaRouche” task force which carried out the political railroad that jailed LaRouche and a dozen associates, were crushed at the ballot box. A week before the election, the local newspaper *EIR News for Loudoun County* had mailed a special edition to 35,000 households in the county, exposing the dirty political apparatus of the super-rich Middleburg Hunt Country oligarchy that controls the county—including Isom and Burch. The dossier characterized this horsey set as “London’s ‘Rear End,’ ” revealing their ties to the British monarchy, the World Wide Fund for Nature, and other British intelligence operations. Kristen Umstattd, the Hunt Country’s candidate for chairman of the county Board of Supervisors, running as a Democrat on a program of radical fiscal conservatism, was also defeated. Of note was the successful resistance of State Sen. Charles Waddell (D), to a well-funded Conservative Revolution onslaught.

‘No’ to chain gangs and austerity

In Mississippi, while Gingrich-linked Republican incumbent Gov. Kirk Fordice won reelection, the other seven statewide candidates fielded by the Gingrich crowd were defeated, including Lt. Gov. Ed Briggs, who had pushed prison chain gangs as part of his election campaign. The Gingrich crowd also failed to take the state legislature, and Democrats won additional seats in the House. State Rep. Jim Evans, who had helped lead the strong voter registration and get-out-the-vote drive in the state, told *EIR* that the reason Democrat Dick Molpus lost was that “he didn’t run against the ‘Contract on America.’ He tried to be nice and conservative like Fordice.”

In Maine, where the GOP had had a 75-74 majority in the state House, there were two special elections; Democrats won both contests and thus took control away from the Republicans. In New York, the popular conservative Staten Island Borough President Guy Molinari (R), a close associate of both Gov. George Pataki and New York City Mayor Rudolph Giuliani, lost to little-known incumbent Democrat Bill Murphy in his bid to become district attorney.

In New Jersey, where Conservative Revolution darling Gov. Christine Whitman and the GOP had gone all out to strengthen their position in the legislature, the Democrats pushed back the efforts. In Middlesex County, Democrats ousted three incumbent state legislators, fended off an aggressive Republican freeholder challenge, and won many municipal offices previously held by Republicans. These Democrats rode the backlash against the proposed federal cuts in Medicare and Medicaid.



We must free politics from the grip of 'the networks'

Eugene J. McCarthy, 79, has played a leading role in the politics of the United States for more than five decades, including service as a member of the U.S. Congress from Minnesota for 22 years (two terms in the Senate and five terms in the House). Senator McCarthy has also been a leader in the Democratic Party for many years, including in the Presidential nominating process. He gave the 1960 nominating speech for Adlai Stevenson; in 1964, he gave the nominating speech for his fellow Minnesotan Hubert Humphrey for the office of vice president, to which Humphrey was subsequently elected. In Senator McCarthy's own campaign for the 1968 Democratic Presidential nomination, he won significant popular support in at least ten primary elections and many caucuses, and was the clear winner in five primaries. In his bid for the Democratic Presidential nomination in 1992, which is the subject of his current lawsuit, Senator McCarthy qualified for the ballot in dozens of state primaries. The following interview was conducted on Nov. 2 by Marianna Wertz.

EIR: You have a suit in the U.S. District Court for the Southern District of New York regarding your 1992 Presidential bid in the Democratic primaries. What are the most important issues raised by the suit?

McCarthy: The basic position we take is that the networks, especially the networks of the Democratic Party, acted arbitrarily in excluding people from the debates that they sponsored and also in the case of both coverage and, in the case of the Democratic Party, exclusion of any mention of my candidacy in any of their published papers. They did it in states in which we were on the ballot, showing complete indifference to candidates who had conformed to the state law and had a right to be considered as candidates.

EIR: In presenting this suit now, what is your purpose, as you're not yourself a candidate today?

McCarthy: The principle, really, is what we're concerned about, which is, are you going to allow the networks and, in this case, just the Democratic Party, to decide who is to be considered as a candidate, without any regard for either the federal law related to television licenses, and also without regard for state laws, which determine the conditions to be

met when one is to be considered as a candidate?

EIR: In your suit, you refer specifically to Larry Agran, former mayor of Irvine, California, who at the time was also a Presidential candidate.

McCarthy: He had the same problem. . . . He was treated essentially the same way as I was.

EIR: The same kind of thing appears to be happening with the CityVote process, which Mayor Agran founded. The Democratic and Republican parties are preventing a natural discussion from occurring in the population with candidates other than the so-called major ones.

McCarthy: They decide who's major. What we asked them in the court case was, how do they distinguish between Doug Wilder as a major candidate and exclude me? What were the standards? The *New York Times* did the same thing, but they don't operate under federal license, so there was nothing much we could do about them.

EIR: Do you see the media in cahoots with the parties?

McCarthy: You'll see in the book we sent you on the 1976 campaign [*The Ultimate Tyranny*], when I ran as an independent, they did the same thing then. There was a meeting in Aspen of the networks and the Democratic and Republican parties and the League of Women Voters, in which they agreed that they would exclude me from the debates.

EIR: Why did you run in the Democratic Party in 1992?

McCarthy: In 1976, I was an independent. This time [in 1992] I was in the Democratic Party. We thought we had a better case within the party—not better in principle, but thinking practically, that within the party it would be more difficult for them to exclude you, or they'd be less inclined to do it than if you were an independent.

What it proves, I think, is that under the FCC [Federal Communications Commission], not only do they exclude independent or third party candidates, but they even move to exclude or control or eliminate dissent within the party, as is the case with Lyndon LaRouche and his campaign. He's in the Democratic Party. But they're already moving to say you

don't get treated as though you were. Which is the same thing that happened to me.

EIR: So you see this case as perhaps helping in his Presidential election campaign?

McCarthy: I think it would help in the case of any candidate. If we can win it, then it would deny to the networks and the parties the right to decide who is a candidate. They've watered down the whole fairness and equal time doctrine, but it's still there. So we don't have as good a case as we had in '76, but basically it's the same thing, excepting that now they'll move against [Ross] Perot, I'm sure, if he does anything in which he's not spending his own money. They've threatened to move on Lyndon now. They moved on me in '92. So I think it bears very strongly. We've also told some of these Republicans that they had better be concerned, because when the showdown comes, they'll decide that some of them don't deserve to be treated equally.

EIR: More generally, what do you see as the critical questions facing the American population in the coming election campaign?

McCarthy: There are procedural things that I've written about. . . . One is the kind of control over people that's exercised in the federal election law, which can decide who can run for office; the FCC, which decides who can even be presented to the public; and the Internal Revenue Service. I see these as greater threats to the democratic system than the CIA or the FBI.

EIR: Why the IRS?

McCarthy: They pay no attention to the Bill of Rights. They do things like using the IRS to supplement the Justice Department. . . . The LaRouche case is an example. . . . They transfer things to Internal Revenue because of the protection you would otherwise have if it was followed by the Justice Department.

EIR: Also in many cases of the black political leaders who've been framed up in the "Operation Frühmenschen" cases.

McCarthy: Yes. They get them on income tax when they couldn't get them under the normal proceedings under the Constitution and the Justice Department.

That's the procedural thing. Substantively, I have a list of four things: One is the redistribution of work, to redistribute work in this country, by shortening the working time, so that more people will be employed and other people will not work as long as they do.

Second is the national debt, which is a real threat to democracy. I proposed in '92 a short working-year, but that we have a capital levy on the wealth that was accumulated, principally in the '70s and '80s, by people who didn't pay any taxes. The principle is you can tax previous generations

just as easily as you can tax future ones. . . .

The third is the whole federal election law, which I think should be abolished or completely revised to beat the various things we're talking about.

The fourth is the whole military/industrial/corporate complex: Whether it's military/industrial or just plain corpo-

McCarthy seeks access to debates by all candidates

Sen. Eugene J. McCarthy, together with two other plaintiffs, has brought suit in the United States District Court, Southern District of New York against the Democratic and Republican parties, several government authorities, and media outlets in New York and New Hampshire. In the Complaint, Senator McCarthy presents the following argument:

Sen. Eugene J. McCarthy ran as a candidate for President of the United States in 1992 and was certified to be on the Democratic ballot for the April 7, 1992 New York primary. There was a total of four candidates on the New York primary ballot: Eugene McCarthy, Lawrence Agran, Jerry Brown and William Clinton.

Senator McCarthy and Mayor Agran were certified for ballot status in Democratic primary and caucus states for a combined total of 45-plus states. Nevertheless, the two candidates, one a former U.S. Senator and the other a mayor, were excluded from public debates throughout the primary season, including a public debate on March 31 at Lehman College, which was announced on the letterhead of Bronx County as including "all the major candidates of the Democratic Party." The debate was broadcast on several media outlets. Mayor Agran, who was in the auditorium at Lehman College on the night of the debate, asked to be included but was forcibly ejected by the police from the auditorium and placed under arrest.

McCarthy and Agran were excluded from prior broadcast debates as well, having bearing upon the New York primary contest, the delegate selection process, the selection of the nominee, the platform of the Democratic Party, and the presentation of issues in the 1992 national election.

The complaint seeks monetary damages of no less than \$440,000,000 and a permanent injunction against the defendants from preventing ballot qualified candidates from having full access to public debates, forums and staged events.

rate power, it's a threat to free institutions and individual liberties. It's kind of an enclosure movement, in that the people are being "surplussed," their pensions taken from them, their jobs contracts ignored, they're fired; they're turned out essentially the same way that the serfs were turned out during the enclosure movement during the Middle Ages. Nobody is responsible for them, excepting the government.

EIR: These issues, many of which have to do with the economy, occur in a context of global collapse which LaRouche believes is an already moving hurricane, which has yet to hit land. What's your view of that?

McCarthy: As long as you can continue to exploit labor worldwide, which you can do now, and also to exploit resources, the established economy can be held together on an exploited base. . . .

EIR: There comes a limit, however, which is imposed by natural law.

McCarthy: That's right, eventually.

EIR: That is what LaRouche based his forecasts on.

McCarthy: He's right. I don't know when it comes to an end. Adam Smith talked about the wealth of the nations as though that were the absolute standard. We talk about the gross national product. So you can increase the GNP by "surplussing" people, instead of paying them a decent wage and letting them work. And you can increase the GNP by exploiting resources, whether it's cheap oil or whether it's other resources or just work that we bring in from Mexico or Guatemala or wherever it may be.

EIR: One of the devices that's used to carry this out is what's called free trade.

McCarthy: Oh yes, free trade, NAFTA [the North American Free Trade Agreement]. They've got people believing that free trade is sort of an absolute principle of life. Why, the American Revolution was against free trade. Jefferson said, after the revolution, we have to protect our industries. He said, buy American, even though it costs you more. . . .

EIR: The Schiller Institute and *EIR* will hold a conference in Washington on Nov. 15 on the subject of growing dissent in the population against Newt Gingrich and the whole crowd in the Congress.

McCarthy: I think the House of Representatives may have to save us from Gingrich and his crowd. But they're practically all running on the same platform now. Clinton is going to balance the budget and he's going to have workfare, not welfare, and he's going to do away with bureaucracy. [Colin] Powell's running on the same platform and the Republicans are all running on the same platform.

EIR: Clinton did draw the line on the worst aspects of this,

and has said he will veto it.

McCarthy: You know, actually, Jimmy Carter started the attack on responsible government. He was going to do away with bureaucracy. He was going to take power away from Washington. . . .

EIR: The thing that distinguishes Clinton from Carter, in our view, is that his foreign policy has tended to be anti-British.

McCarthy: That's the way the Irish feel about it. . . . I don't find much wrong with his foreign policy. The point is that the stuff he's dealt with, nobody knows what to do with: Somalia, Haiti, and even Bosnia. Other than that, he's accepted the principle now that Americans can bomb people and impose embargoes on them, but don't send ground troops.

EIR: He's accepted some principles of the "new world order," while rebelling against the most important, which is the British control of policy.

McCarthy: The Romans did the same thing. They established their power by drawing maps. The British did the same thing. They've drawn most of the maps affecting Africa and the Middle East and even parts of South America. You have to be ready, if you're going to be a leading nation, to redraw some maps, even British maps. That's what is involved in the intervention in the Middle East: No wonder the Queen approved George, he'd endorsed their maps! She said, thank you for saving Kuwait, because that was one of our maps, we drew that line!

EIR: The British also drew a map for Bosnia.

McCarthy: So it's time to undo some of the British maps! . . . Northern Ireland, it's the same thing. It's a damn British map. . . .

EIR: I understand that you write poetry. Could you comment on culture in this country and what you think the citizen can do to reverse the descent into barbarism?

McCarthy: I blame most of it on two things: one, multiculturalism as a principle; but also television, which is really a medium that I think eventually creates chaos.

EIR: Could you elaborate on what you mean by multiculturalism as a principle?

McCarthy: The principle is that any culture is as good as any other culture. You can't make any distinctions. It's like multilingualism in the schools, and one religion is as good as another. Maybe they are, but you can't accept that. [That] one philosophy is as good as another. Post-modernism, which has no principles, is the philosophy under which we operate now.

EIR: There's no truth if that's the case.

McCarthy: We always knew that truth was pretty vague, but at least you'd establish some things that were useful, that worked and that were truer than other things, either as a result of reflection or just experience.

EIR: The Golden Renaissance was based on the truths of the neo-Platonic Christian philosophy.

McCarthy: That's right. And you will always find it had some weaknesses, as did medieval Christianity, but at least there was a range within which some kind of principle and order existed. The old medieval universities were pretty much directed toward finding truth. Now the universities are really directed toward confusion. You don't go looking for truth. You want to see how you can prove that something that's accepted is not true or that it's irrelevant, so it leaves nothing but chaos and entropy and randomness. . . . I think the cultural scene is pretty close to entropic, randomness, chaos and disorder, as a result of post-modernism and multiculturalism.

EIR: LaRouche says very much the same thing.

McCarthy: I know he does. And the politics is almost as bad. There's no institutional identity anymore.

EIR: Concluding with your case, if you lose it in the lower courts, are you prepared to take it up?

McCarthy: In 1976, they threw us off the ballot in New York. Our signatures were approved by the election board of New York State. The Democrats appealed it to the lowest court and they threw us off, saying we didn't have the ballots tied together right. You're supposed to have a hole in the ballot and have a string through it. Then we appealed and the intermediate court put us back on the ballot, and that was controlled by Republicans; they wanted me on the ballot. The Democrats then appealed to whatever the highest court is in New York, and they threw us off the ballot on the Friday before the election.

So, I don't have much hope for any real progress in the New York courts. The question is, if we can get it out of the New York courts into federal court some way, we might have a chance. . . . Even there, you have enough trouble, but if you're stuck in those state courts, where the judges are appointed by Republicans or Democrats and elected by Republicans or Democrats, it's almost impossible to break through a political barrier.

I don't think you can do anything about it in the legislatures, not until things get worse. The only hope is that you might find a good, responsible, intelligent judge somewhere, who would be moved on principle. But we didn't find one in '75. We didn't find one in '68 when we charged that I wasn't given delegates that I should have had under the principle of one person, one vote. . . .

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Independent counsel sought for Gingrich

Rosa DeLauro (D-Conn.) called for an independent counsel to handle the ethics complaints against Speaker of the House Newt Gingrich (R-Ga.), on the House floor on Nov. 2. DeLauro said that the ethics panel's investigation makes the O.J. Simpson trial "look like swift justice." She said, "The complexity of the charges, coupled with the fact that they are leveled against the highest ranking member of the House, are two reasons why this inquiry has taken so long."

She concluded that "the appointment of an outside counsel is the only way to assure a fair, thorough, non-partisan investigation of the speaker. It is the only way to lift the ethical cloud that hangs over this House."

Republicans void their own rule to pass a bill

On Oct. 27, the House Republican leadership used a parliamentary maneuver to get past one of the rule changes that they made back in January, in order to pass the budget reconciliation bill. House Res. 245, the rule of debate under which the bill was considered, included a waiver of House Rule 21, which requires a three-fifths vote to pass a tax increase. The reconciliation bill includes a virtual repeal of the Earned Income Tax Credit (EITC) for the working poor, which, in practice, amounts to a tax increase.

According to the report of the Rules Committee, there is no tax increase in the bill, but the waiver was required "as a precautionary measure to avoid unnecessary points of order that might otherwise arise over confusion or misinterpretations of what is meant by an income tax increase."

The significance of this waiver did not escape the notice of Democrats.

Tony Beilenson (Calif.) pointed out that if the EITC reform in the bill is not a tax increase, as the Republicans maintain, "we see no reason for the protection this rule provides against the three-fifths vote requirement for a bill that raises income taxes."

After the resolution passed by a vote of 235-185, James Moran (D-Va.) inserted into the record a list of six provisions in the reconciliation bill that would be subject to the three-fifths rule, except for the waiver. "It is important to note," he said, "when the history of this Congress is written, the main theme will be about the majority's unrelenting attack on the poor and defenseless in our society, but a chapter, however, should be reserved for its hypocrisy."

Smith doing Wall Street's bidding on debt ceiling?

Nick Smith (R-Mich.) told the House on Nov. 1 that four people from Wall Street had visited members of Congress to tell them, "If you do not stick to your guns [on the balanced budget], you are going to see the stock market fall. You are going to see the bond market fall, and you are going to see more chaos than if you stick to your guns." He admitted, in response to questioning from Rosa DeLauro (D-Conn.) that, in fact, "we are trying to use the debt ceiling as leverage" to force President Clinton to meet GOP budget demands.

Smith revealed that the four individuals were Stanley Druckenmiller, of Soros Fund Management; Kenneth G. Langone, chairman of Invened Associates; James Capra; and Edward Hyman, whom Smith described as "the number one economist for each of the last 16 years."

The Nov. 6 *Wall Street Journal* reported that Druckenmiller told

members of Congress that "if a default was followed by entitlement reform, the markets would not only be forgiving, but you would have a new, lower level of interest rates." Langone and Druckenmiller signed an ad that appeared in the Sept. 26 *Washington Post* demanding a balanced budget agreement even at the risk of a Treasury default.

Smith, along with Chris Shays (R-Conn.), is the leader of 160 members of the House, including almost all of the freshmen, who have vowed not to vote for an increase in the debt ceiling unless President Clinton signs a budget that includes "a glide path to a balanced budget."

Robert Byrd blasts reconciliation process

Robert Byrd (D-W.Va.), in remarks on the Senate floor on Nov. 3, blasted the budget reconciliation bill that was passed by the Senate a week earlier, and the process by which the Senate had only 20 hours of debate on a 1,949-page bill.

"Passing the reconciliation bill was like playing blind man's bluff at a blind man's ball," he said. "Not one senator really knew what he was voting on when he voted for that bill." He said that the bill itself "appears to be a repeat of Reaganomics," which he called a "failed economic policy" which the Senate has "embraced."

Byrd ridiculed the notion of balancing the budget while cutting taxes by \$245 billion, as well as the projections of the Congressional Budget Office. The CBO's deficit projections, he said, have been off by an average of \$45 billion a year over the last 15 years, "so we cannot believe, on the basis of CBO's projections, that the budget will be balanced in seven years. And just one recession will knock those projections into a cocked hat."

Specter seeks int'l criminal court

Arlen Specter (R-Pa.), in remarks on the floor of the Senate on Nov. 3, called for the formation of an international criminal court "to deal with hostage taking, terrorism, and drug dealing where we find that there are people in custody who they will not extradite to the United States," such as in Colombia.

"If there were an international criminal court," he said, "then I do believe there would be a tribunal set up where the political disadvantage of extraditing, say, to the United States, would not be present."

Specter's remarks were in the context of a request by the prosecutor in the International War Crimes tribunal dealing with Bosnia, to make the surrender of indicted suspects part of any peace accord.

Simpson introduces new immigration bill

Sen. Alan Simpson (R-Wyo.) on Nov. 3 introduced a new immigration reform bill which incorporates some of the recommendations of the U.S. Commission on Immigration Reform. One of the commission members, Harold Ezell, was a coauthor of California's Proposition 187 last year.

Simpson's bill is aimed not only at eliminating illegal immigration, but also drastically reducing legal immigration. He said, "The American people are increasingly troubled about the impact legal immigration is having on their country." He cited an article in the *American Enterprise* magazine which claimed that in polls taken since 1955, some 60% of Americans favor a reduction in legal immigration, while policy changes since then have increased immigration from 170,000 per year to over 900,000.

"The American people have become increasingly restless and dissatisfied at seeing their will ignored," said Simpson. "Proposition 187 may only be the first of many indicators of their real displeasure."

Three appropriations bills pass Congress

During the week of Oct. 30, the House and Senate finally completed action on three of 13 appropriations bills, Energy and Water Development, Transportation, and Legislative Branch Appropriations. President Clinton had earlier vetoed the legislative appropriations bill because he was angered that Congress acted in a timely fashion only to fund itself; it was the first to be sent to his desk. He is expected to sign all three when they get to his desk.

Meanwhile, other spending bills, including defense, the District of Columbia, foreign operations, and Labor-Health and Human Services, are stalled in conference over House-passed abortion riders.

Hatch says Clinton not jailing enough drug pushers

Senate Judiciary Committee Chairman Orrin Hatch (R-Utah) once again complained on the Senate floor on Nov. 2, that President Clinton has been "AWOL . . . in the war on drugs." However, his complaints focused on a supposed failure to put enough small fry behind bars.

Hatch referred to an unattributed statement in the Oct. 29 *New York Times*, which said that some federal prosecutors in Miami are not charging some crack cocaine suspects "because they believe the punishment they will face is unduly harsh." He called this

"troubling in light of the fact that federal drug prosecutions have slipped more than 12% since 1992, from 25,033 in 1992 to 21,905 in 1995."

Hatch also attacked the administration policy for focusing on hard-core drug addicts, "people who are very difficult to rehabilitate." Instead, he said, "our limited funds ought to be going to these first-time youthful offenders that we have a chance of rehabilitating." Not once did Hatch refer to the initiatives on drug-money laundering that the President announced in his address to the United Nations in October.

'English only' pushed in wake of Quebec vote

Rep. Toby Roth (R-Wisc.), on Oct. 31, cited the Quebec referendum in pushing a bill he is sponsoring to make English the official language of the United States. "Canada just narrowly avoided splitting in two over linguistic and cultural differences," he said. "Canada may yet split up and linguistic tensions there were not erased by the razor thin victory of unity."

Roth called Canada's example "a cautionary tale for the United States. "Within five years . . . one out of every seven Americans will not speak English. We have to make English our official language so we can keep one nation, one language, one people."

The following day, the House Subcommittee on Early Childhood, Youth, and Families, chaired by Randy Cunningham (R-Calif.), held a hearing on "English as the Common Language." Most of the witnesses, which included the chairman of the group U.S. English and a number of immigrants, endorsed making English the official language.

National News

FEC certifies LaRouche for matching funds

On Nov. 2, the Federal Election Commission (FEC) approved Lyndon H. LaRouche's application for federal matching funds for the 1996 Presidential primary elections. LaRouche qualified for the program by raising a threshold amount of \$100,000, in amounts of \$250 or less from each contributor, from at least 20 contributors in each of 20 states. Having qualified, the campaign can submit additional funds for matching, up to \$250 per person, to a campaign maximum of \$10 million.

The FEC decision is a reversal of its fraudulent rejection of LaRouche's application for matching funds for the 1992 elections. Having refused to certify the candidate's qualifying submission at that time, the commission was ultimately ordered to do so by the U.S. Court of Appeals in Washington, D.C. The FEC had denied the application, on the grounds that it chose not to believe the candidate would abide by federal campaign laws. The Court ruled that the argument had no legal justification, and had strayed out of the realm of law into the domain of subjective whim.

In addition to the benefit of the matching funds themselves, FEC certification has become a significant criterion in many states, for decisions by election officials to place candidates on the Presidential primary ballot.

10,000 rally in N.Y. to protest GOP health cuts

A mass demonstration against proposed Republican cuts in federal Medicare and Medicaid funding, took place in New York City on Nov. 2. At least 10,000 participated, according to police estimates. When the marchers poured into Times Square during the afternoon rush hour, the crowd reached twice that number, organizers insisted. The *New York Times* reported Nov. 3 that the marchers included health care workers,

union officials, hospital administrators, and Democratic officials—many waving signs and banners.

First Lady Hillary Clinton addressed the rally, declaring that "the budgets the Republicans have passed are dead on arrival, when they arrive in the Oval Office." House Minority leader Richard Gephardt (D-Mo.) told the crowd, that the deep reductions in health care programs were designed to pay for capital-gains tax breaks contained in the Republican proposals.

Rally organizers derided members of the New York Republican congressional delegation who had voted for the House budget the previous week. Dennis Rivara of Hospital Workers Union Local 1199 told the crowd, "It is time for New York Republican members of Congress to decide whether they represent us, or they represent Newt Gingrich." Organizers of the rally said it marked the start of an intense push to stop the budget cuts over the coming weeks. The *Times* reported that they have already spent about \$1 million placing newspaper ads denouncing the reductions.

N.H. welfare bill declares war on unions

The Republican-dominated New Hampshire state legislature, during a one-day special session Nov. 1, approved an unprecedented set of vicious measures against trade unionists and welfare recipients alike—intending to pit them against one another as well. The new legislative package was presented as a scheme to reorganize the state's Division of Health and Human Services (HHS).

The legislation includes a provision which would deny all benefits to recipients of Aid to Families with Dependent Children (AFDC), if any member of the family participates in a labor strike. Simply translated, the measure decrees that even employed children of AFDC recipients must serve as scab labor, or suffer their entire family to lose any welfare assistance. This latest stab at welfare "reform" depends upon securing a waiver from the Clinton administration, before it can go into effect.

New Hampshire's traditionally Republican legislature, which the GOP now controls by a 4-to-1 margin over the Democrats, fell further under the sway of Conservative Revolutionists following the 1994 elections. The latest assault on Health and Human Services also empowered the commissioner of HHS to implement further reorganization, without legislative approval, for three years.

The planned "downsizing" of HHS would eliminate large numbers of state workers from its payroll, while circumventing existing protections for employees based on seniority. Democratic State Rep. Ed Mears, who is also vice president of the state's AFL-CIO, told *EIR* Nov. 2, "There's no doubt that they're using union-busting tactics," and attempting to set welfare recipients against union labor.

Weld says Massachusetts must sink with his ship

Massachusetts Gov. William Weld, acting more and more like the doomed privateer, unfurled a plan to take the state down with him at a news conference Nov. 1. Weld calls his proposal to eliminate as many resources and necessary functions of government as possible, the "Stronger Commonwealth" plan, according to the *Boston Globe*.

The blueblood pirate demanded that Massachusetts: eliminate five cabinet-level departments, 76 state agencies, and 263 boards and commissions, which will result in the firing of 7,500 state workers; eliminate county governments altogether, but retain their sheriff's departments; privatize the Massachusetts Bay Transportation Authority (which includes the entire public mass transit system for the Greater Boston area); privatize prison services, some highway and airport services, and the management of two higher education institutions; create a voucher system for all public school students, effectively wrecking the first system of public education established in America; and eliminate teacher certification.

With the loot Weld expects from this orgy of savage budget cuts, he plans to dispense a record \$500 million tax cut, leaving

Briefly

● **THE FOUNDING FATHERS** showed great wisdom, President Clinton declared Nov. 2. "They understood that there would be times in the history of our republic . . . when elections would produce unintended consequences and extreme conduct, and the President was given the veto because only [he] has the responsibility to look after all the people of this country, and to look into the future, to imagine that future, and to keep the country on the right path."

● **THE CITYVOTE** urban primary straw poll on Presidential candidates was conducted in 18 cities on Nov. 7. Out of 21 candidates, President Clinton came in first with 91,763 votes (43.8%), compared to his closest rival, Colin Powell, who had 18%. Lyndon LaRouche garnered roughly 0.5%, comparable to nationally known figures such as Gov. Lowell Weicker (R-Conn.) and Sen. Arlen Specter (R-Pa.).

● **VIRGINIA** Gov. George Allen announced plans Nov. 2 to use prisoners and welfare recipients to "beautify and refurbish Virginia's state parks, state agencies, and local communities." During his press conference at Pocahontas State Park, he told prisoners who were breaking up rocks, "Thank you-all for doing this! You're saving the taxpayers money."

● **PRESIDENT CLINTON** has formed a Cabinet-level task force with local leaders from the District of Columbia to address the city's financial crisis, according to the Nov. 2 *Washington Times*. During a private meeting with African-American newspaper columnists Nov. 1, Clinton reportedly declared he would no longer keep a low profile on the issue, and that "nobody believes the city is" Newt Gingrich's "laboratory."

● **SIX HOSPITALS** in the Pittsburgh area may have to shut down, says Moody's Investors' Service. The agency said Nov. 2 that proposed Medicare/Medicaid cuts would eliminate 73-78% of the hospitals' income, leading to lower ratings.

the suckers to fight over it among themselves.

During the night of Nov. 1, meanwhile, Weld added Massachusetts to the list of states dealing in the prison slave-labor trade, when 299 state prisoners were rousted from their beds, shackled in groups of three, and shipped off to Texas. The Texas prison system, which has become the gulag of America, currently houses prisoners from Virginia, Colorado, Oregon, Utah, Missouri, and Alaska.

Catholic bishops address '96 Presidential issues

The U.S. Catholic Bishops issued their quadrennial statement on Presidential politics Nov. 5, declaring that it "reflects the themes and values articulated by Pope John Paul II in his October visit to the United States." In an accompanying release, the bishops urge Catholics to "act on their values in the political arena . . . to help shape a society more respectful of the life, dignity, and rights of the human person, especially the poor and vulnerable."

The bishops warn that "widespread public cynicism and disenchantment with politics is an ominous trend which threatens to undermine this nation's democratic traditions," and urge "broad participation in the electoral process."

The document, issued exactly one year before the 1996 Presidential election, is entitled "Political Responsibility: Proclaiming the Gospel of Life, Protecting the Least Among Us, and Pursuing the Common Good." It decries the "growing temptation to blame our sense of economic insecurity and moral decline not on cultural disarray or the failures of political and economic leadership, but on too much compassion."

"To listen to some, our nation is in trouble because of too many immigrants and welfare mothers, not enough birth-control, abortions, prisons and executions, and too much foreign aid and affirmative action. Our problems are far more fundamental. They cannot be blamed only on people who are poor and powerless."

The statement adds, "We regret public attitudes which dismiss the legitimate role of government and ridicule public officials in misguided frustration with all politics. We need more, not less public participation." The bishops also offered some critical comments on the U.S. news media (which generally blacked them out). "We urge the news media to cover campaigns in ways that tell us more than who's ahead, or whose commercials are more clever. The nation needs more thorough and unbiased coverage of the positions and qualifications of the candidates and the major issues facing the nation."

Minnesota paper prints LaRouche policy outline

The St. Paul *Pioneer Press* printed a guest column by Lyndon LaRouche Nov. 1, entitled, "Measures that saved the nation after Depression needed again." In preparation for St. Paul's participation in the Nov. 7 CityVote straw poll, the paper had invited all 20 announced and potential Presidential candidates to "lay out the urban agenda they would implement if elected." Five candidates accepted the offer, including LaRouche and Jesse Jackson, whose statement appeared earlier.

LaRouche's reply, printed almost in full, lays out the problem of the nation's collapsing, per-capita tax revenue base, noting that the "market-basket of income and productive output per capita of the labor force has collapsed to about half of what it was a quarter-century ago." He traces the radical change introduced into national economic policy at that time, and the consequences of those "post-industrial" policies.

The measures needed to reverse this decline are "no different in principle than the kinds of measures we employed to rebuild the nation after the Great Depression of the 1930s," says LaRouche. "The 1996 election-campaigns may be the last good chance to mobilize the majority of this nation, behind a leadership dedicated to address both the physical problem and the equally deadly deterioration of popular morale," he writes. "The alternative would probably be unthinkable. Think about it."

Editorial

On the question of leadership

The assassination of Israeli Prime Minister Yitzhak Rabin was an outrageous criminal act. At the least, it should hopefully strengthen the resolve of those in power, to move decisively against British sponsorship of the use of terrorism as a form of irregular warfare. Even from the tragedy of Rabin's death, good can come.

Rabin's death was a tragedy, but his life was not. He was a statesman who served his nation well; but he served us all at the end of his life. Born in 1922 in Jerusalem, he had an impressive career as a military specialist.

Rabin was no *peacenik*, but, rather, he was known as a hard-liner on the Arab question. Yet, he had come to the point in his life at which he realized that the policy of the mailed fist, which had been pursued by Israel with his full support, had been wrong, or at least was no longer correct. His greatness lay in the fact that he recognized this before it was too late, and was willing to act on that recognition. Fully cognizant of the climate for assassination that was being generated against him by the extremist wing of the Zionist movement, his resolve proved unshakable. Thus, he demonstrated his stature, both as an Israeli patriot and a world leader.

Peace is *the* strategic option for the future of Israel. On the basis of his hard-nosed, statesmanlike understanding of this, Rabin acted. He changed his policy for the benefit of his country, as a true patriot often does. And he did so with full knowledge of the threat to his life. It was this quality of the man which was especially noted by PLO Chairman Yasser Arafat and President Bill Clinton, both of whom had an intimate association with Rabin in the last period of his life.

On Nov. 5, the day after the assassination, Arafat, in an interview with CNN, mourned the loss of the man whom he called "one of the most important religious men in Israel." Describing the murdered Israeli prime minister as his partner, with whom he was engaged in the peace process, Arafat said that together, they were making "the peace of the brave. . . . So this loss is not

only a loss for the Israelis and the Palestinians, but the whole world."

We are reminded of a similar crucial partnership in the post-World War II period, between German Chancellor Konrad Adenauer and French President Charles de Gaulle, a partnership which embraced President John F. Kennedy as well. Like Rabin, Kennedy, too, was assassinated, and attempts were made on the life of de Gaulle, as they have been most recently on President Clinton.

In his address at Rabin's funeral, President Clinton spoke from his heart when he said, "Every moment we shared was a joy, because he was a good man, and an inspiration, because he was also a great man."

Clinton expressed his determination to further the effort for which Rabin gave his life, affirming, "Now it falls to all of us who love peace, and all of us who loved him, to carry on the struggle to which he gave life, and for which he gave his life."

President Clinton pointed to the parallel between the assassination of the Israeli prime minister and the list of Americans also victim to the same evil forces, saying, "I ask you, the people of Israel, on behalf of my nation that knows its own long litany of loss, from Abraham Lincoln to President Kennedy, to Martin Luther King, to . . . stay the righteous course. As Moses said to the children of Israel, when he knew he would not cross over into the Promised Land, be strong and of good courage, fear not, for God will go with you. He will not fail you. He will not forsake you."

It is incumbent not only on those given a unique opportunity for world leadership, but on all of us to take upon ourselves the same responsibility for defeating evil and working toward a just peace for all men. This is the heritage of Rabin, Lincoln, Kennedy, and King. Yitzhak Rabin's contribution as a *world leader* will stand, unchallengeable. But it is up to us, to see that the forces which took away his life, have not robbed him or us of the victory of the peace for which he gave his life.

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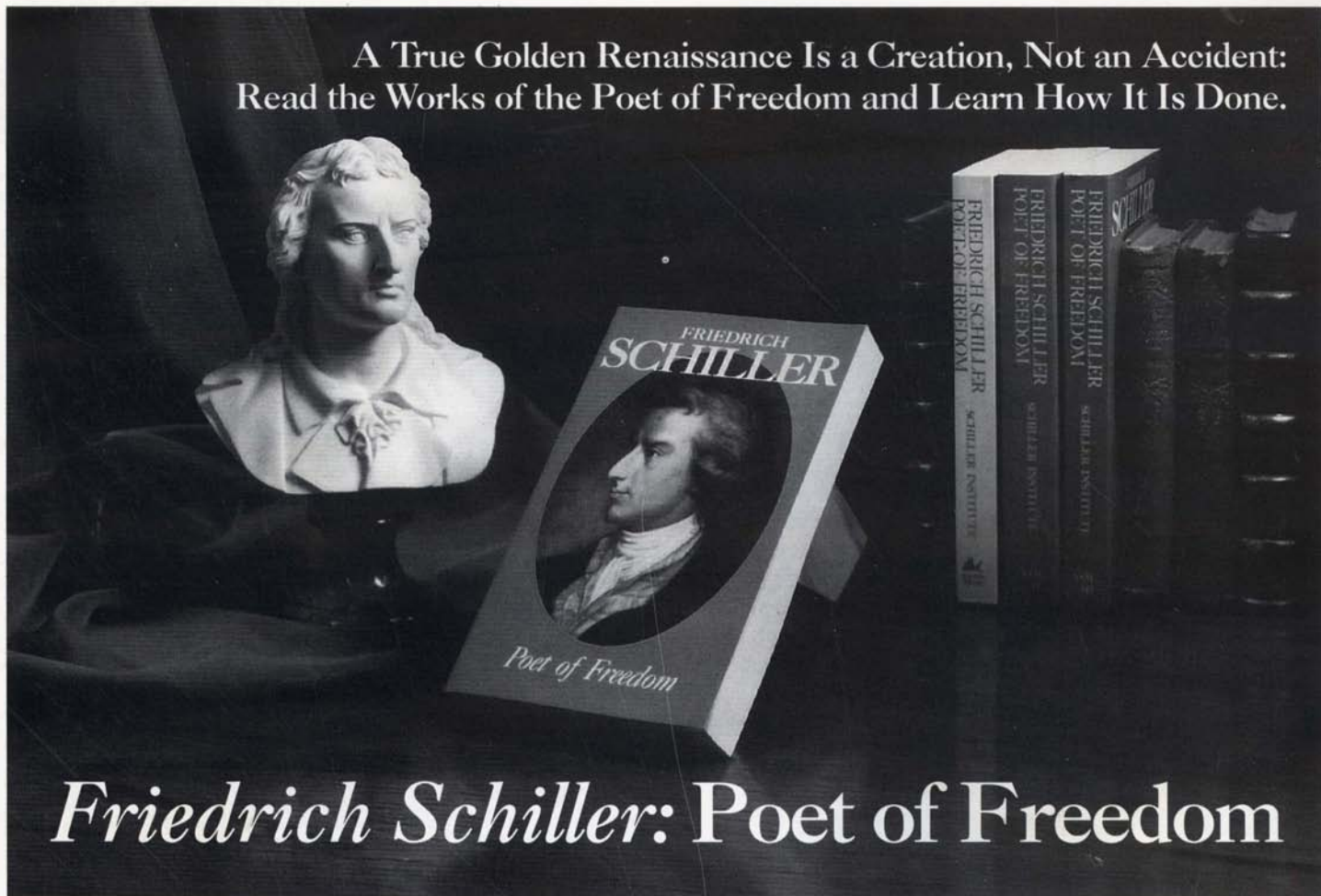
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