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Executive Intelligence Review

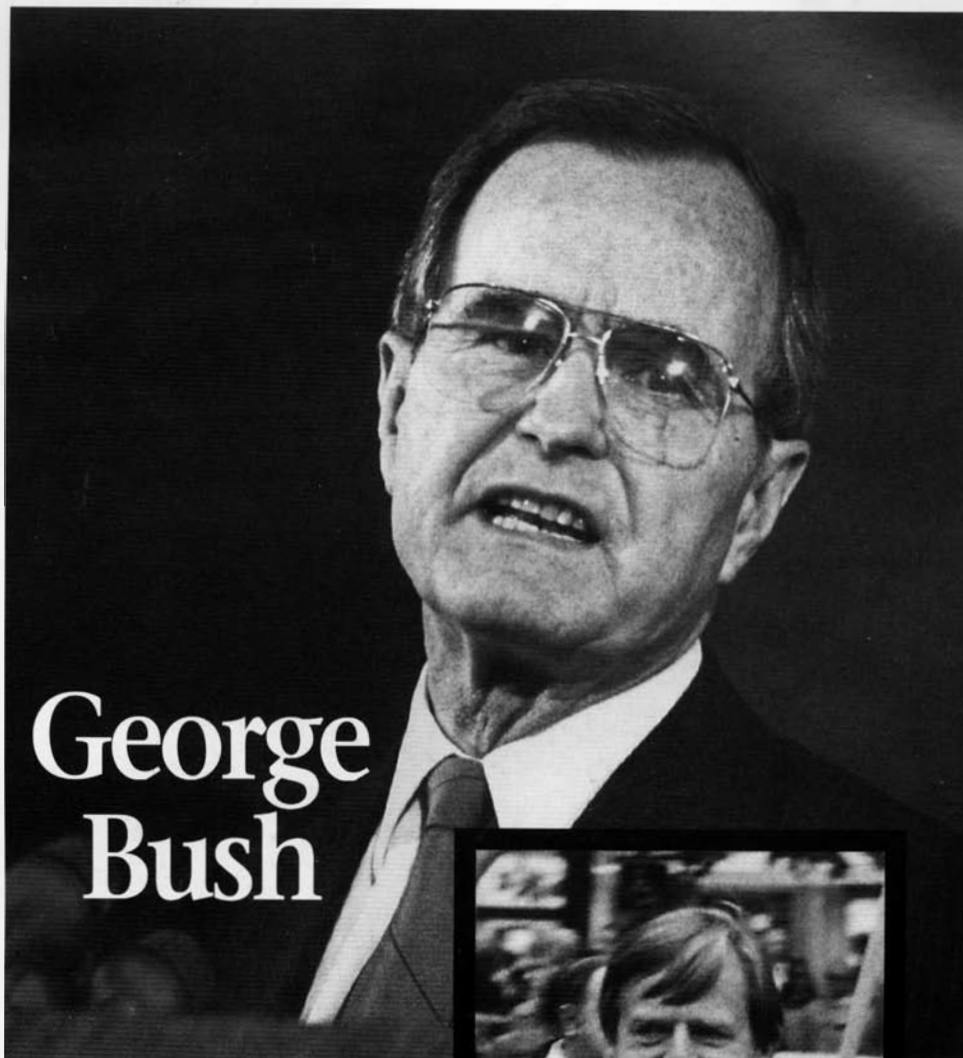
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LaRouche: On November 6, reality strikes!
British geopolitics on the march against Zaire
What's behind the attacks on Indonesia

**The Anglo-French patrons
of Syria's Hafez al-Assad**





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From the Associate Editor

Do yourself a favor: Turn right away to page 68, and read Lyndon LaRouche's assessment of the situation facing the United States and the world: "On November 6, Reality Strikes!" Here are the marching orders for a nation struggling to emerge from the media-orchestrated virtual reality of the 1996 election campaign.

Elsewhere in this issue, we chronicle the battle between oligarchism and republicanism, as it is taking place in several formerly colonial countries:

The *Feature* analyzes the case of **Syria's** Hafez al-Assad, guard dog of the Anglo-French imperial combine, patronized by George Bush and Henry Kissinger. Do you want to know why the promise of the Oslo Accords, to bring peace to the Mideast, has been all but lost? A large part of the blame rests with the Syrian dictator and his sponsors. Joseph Brewda and Linda de Hoyos provide an in-depth historical treatment, a sequel to such *EIR* cover stories as "The Coming Fall of the House of Windsor" (Oct. 28, 1994), "London Sets the Stage for a New Triple Entente" (March 24, 1995), "New Terror International Targets South Asia" (Oct. 13, 1995), and "British Monarchy Rapes the Transcaucasus—Again" (April 12, 1996).

Next is the case of **Zaire**, where British-backed marcher lords from Rwanda, Uganda, and Burundi have launched a new round of genocide, while the world's governments and the United Nations yawn.

Indonesia, Mongolia, and the Dominican Republic are all being subjected to a British-backed assault against their national sovereignty and their potential for economic development. This operates through several interrelated channels: the free-trade mafia of Harvard's Jeffrey Sachs; the UN's non-governmental organizations and "human rights" mafia; the neo-conservative circuit of think-tanks and "quangos," notably the International Republican Institute, whose operations in Russia have been exposed in recent *EIR* articles by Roman Bessonov.

Looking at the controllers of these global oligarchical operations, you will find the intertwined family trees of George Bush and William Weld in the United States, and new outrages from Sir Jimmy Goldsmith and Lord William Rees-Mogg in Great Britain. We'll have more to say about these nasty fellows in the weeks to come.

Susan Welsh

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World Bank agro-science won't solve the food crisis

by Marcia Merry Baker

The Consultative Group on International Agricultural Research (CGIAR) held its 25th annual meeting on Oct. 29-Nov. 2, in the auditorium of the World Bank in Washington, D.C. This is the group associated with agencies that backed the "Green Revolution" in agriculture of the 1960s and '70s. This year's conference, the largest in CGIAR's history, generated international publicity for the viewpoint that backing for agricultural research and development can feed billions of people.

This point was stressed by many notables, including former World Bank President Robert McNamara, who specifically referred to providing food for the projected world population of 8 billion people 30 years from now, through adequate funding for agricultural researchers today. One week earlier, McNamara gave the World Food Prize award to a CGIAR scientist, Gurdev Singh Khush, and a fellow researcher, Dr. Henry Beachell, for work on developing "miracle rice."

Sound good? Here's the hitch. The sponsors and controllers of the CGIAR agriculture drive are the very international agencies and private financial interests deliberately preventing agricultural infrastructure development, and the utilization of other essentials (inputs, processing, transport) that would allow nations to achieve food security through the development of their economies. The CGIAR backers interconnect with the world agriculture commodities cartels of companies controlling agricultural trade, including seeds and livestock breeds. They are demanding sweeping patents and "intellectual property rights" for any and all agro-science breakthroughs, in order to tighten their financial and political control. For example, a small cartel of seven companies now dominates all major world seed production and sales. They include Cargill, ICI Garst (Imperial Chemical Industries, of

the U.K., whose board includes former U.S. Federal Reserve chairman Paul Volcker), Monsanto, and Ciba Geigy/Sandoz.

The Federal Reserve Bank of Dallas stressed the point of private patent rights in a new publication ("Agriculture, Technology and the Economy," Fall 1996), whose release was timed to coincide with the CGIAR conference. It notes, "Today's stronger intellectual property rights for agricultural innovations have spurred private sector research, which has increased to nearly \$4 billion annually" in the United States.

Thus, CGIAR backers may talk about agro-science, and appear to be pro-progress, but this is just one side of a controlled debate over whether technology can feed billions more people in the world. Emblematic of the other side, is the "zero growth" view, presented by Lester Brown of the Washington, D.C.-based Worldwatch Institute. The two sides of this controlled debate can be expected to be played up at the Nov. 13-17 World Food Summit in Rome, the headquarters of the UN Food and Agriculture Organization, for which the CGIAR event served as a pre-summit meeting. The topic of the Rome summit is food security. In December, the World Trade Organization will hold a similar conference in Singapore.

Therefore, we present here relevant background and profiles on some of the false friends of science in agriculture. The local researcher working on a better plant cultivar may be a well-meaning individual, and contribute to a food "miracle," but the controllers of the World Bank's CGIAR system at the top are thwarting agricultural advances and national food security.

History of CGIAR

The Consultative Group on International Agricultural Research is a World Bank consortium of 16 international agricul-

tural research centers, each with a board of trustees, and separate operations. They include such institutions as Peru's CIP (Centro Internacional de la Papa), specializing in potatoes; Mexico's CIMMYT (Centro Internacional de Mejoramiento de Maiz y Trigo), which was the center of the early Green Revolution breakthroughs; and the Philippines' IIRRI (International Rice Research Institute), home to improved rice varieties now in use on 70% of world's rice-growing land.

CGIAR was established in 1971, by the World Bank, the UN Food and Agriculture Organization, the United Nations Development Program, and nine governments, with money from the Ford and Rockefeller foundations.

What are their stated objectives? "Sustainable agriculture" is the current theme, repeated as needed for every climate and culture. For example, page 91 of CGIAR's 1995-96 Annual Report reprints a CGIAR news release from Aug. 4, 1996, which warns, "Half of Remaining Tropical Forests Considered at Risk." It states that "ICFRAF [International Center for Research in Agroforestry], CIFOR [Center for International Forestry Research], and national and international institutes, NGOs [non-governmental organizations], and universities have joined forces in a global effort to combat unsustainable slash-and-burn practices in a CGIAR systemwide program . . . to reduce global warming, conserve forest biodiversity, alleviate poverty, and increase food security by developing sustainable alternatives to slash-and-burn agriculture."

One full chapter of the CGIAR Annual Report is devoted to the issue of "gender" in the staffing of CGIAR.

World Bank control

The current chairman of CGIAR is Ismail Serageldin, who is also vice president of the World Bank for Environmentally Sustainable Development. The first chairman of CGIAR, in 1971, Richard H. Demuth, had worked for the World Bank for 25 years before CGIAR was formed. Former World Bank President Robert McNamara is on the World Food Prize Council of Advisers, associated with CGIAR Nobel scientist Norman Borlaug, of "miracle wheat" fame.

Speaking of the Washington, D.C. CGIAR conference—attended by scientists, farmers, NGOs, charities, and funding agencies—Serageldin, said, "This is the first time all these actors are coming together on such a scale." And Serageldin found a way, in his many media interviews, to stress all kinds of benefits of agriculture research, but to avoid the question of national economic development. Serageldin identifies agricultural research as relevant to solving three problems in poor nations: achieving food security, protecting the environment, and ending poverty. He stresses high returns on investments in agricultural research, from larger crop output, by making food easier to produce. Higher-yielding crops reduce pressure on farms to expand into marginal areas. And, Serageldin points to prospects for breeding plants that allow farmers to cut down on use of farm chemicals.

Anything but national economic development

The agenda for the CGIAR six-day "centers week," as its annual meeting is called, covered a wide variety of topics, with the conspicuous exception of national economic and food development questions.

The first day's sessions began with remarks from World Bank President James Wolfensohn, who likes to bill himself as a fan of agriculture, followed by Maurice Strong, a top environmentalist and former chairman of the 1992 UN "Earth Summit" in Rio, who delivered the "Sir John Crawford Memorial Lecture."

Oct. 29 was dedicated to "Focus on Regional Challenges," with reports from the heads of the research institutes in each area of the world: sub-Saharan Africa, Asia, Ibero-America and the Caribbean, and West and North Africa.

Oct. 30 focussed on "Opportunities in Agricultural Research," with the emphasis on collaboration among NGOs, the private sector, and other research institutions outside the CGIAR orbit.

Oct. 31 covered agricultural science in the UN, the World Bank globalist view, with the agenda topic, "Toward a Global Action Plan for Research Partnership." Then the CGIAR business meeting took place, which included a presentation on "CGIAR Participation in the World Food Summit" in Rome.

The business meeting continued for the next two days, and included the issue of biotechnology, as well as CGIAR efforts in central and eastern Europe, and the former Soviet Union.

What marks the history of activities of the CGIAR's 16 research stations? According to CGIAR coordinators, it's the development of "super-crops." The Green Revolution's production of "miracle rice" varieties, and "miracle wheat," is legendary. There is also a "super"-cassava, and improved wheats and potatoes that can be planted in warmer climates.

However, the World Bank strategists counterpose this kind of goal—whose benefits are obvious for increasing food supplies—to the goal of building up the national agricultural sectors of nations (including water, power, transport, inputs, and other infrastructure), which the World Bank and food commodities cartels oppose.

CGIAR Chairman Serageldin gave out plenty of World Bank jargon in press interviews at the conference, playing down national economic development, and playing up "magic bullet" food-supply research. He said that, at a certain stage, agriculture development in a nation gets "more complex." The idea is to find ways to improve the crop yields of poor soils, to improve farm output in areas where some of the world's poorest people live; and that this should be done (*not* by infrastructure construction), but by means such as making plants more tolerant to poor weather, pests, and disease. And thus, says Serageldin, improved crops and farming techniques—but not infrastructure and national development—will improve the lot of small farmers.

IMF declares banking 'red alert' in Peru

by Luis Vásquez Medina

The latest report on the Peruvian economy, put together by an International Monetary Fund technical team and presented by IMF Secretary General Leo Von Houtven in mid-October, fell like a bath of ice water on Peruvian businessmen, financiers, and the government.

The financial weekly *Sólo Negocios*, linked to the banking system and stock exchange, published a front-page warning that the IMF has issued a "red alert." The ultra-liberal daily *Expreso*, on its main page, declared, "IMF Warns Government of Danger in Peruvian Financial System." The subtitle read, "Leveraging, loss of control, and risk: a cocktail that could prove dangerous."

The sudden alarm being heard by all those who had bet on the IMF model, is more than justified. According to the conclusions of the IMF report, "Peru is going through a difficult moment, reflected in a certain worsening of the economic and financial indicators of the banking system." This, says the report, is due to the fact that the fragile national banking system has only been able to support its "heavy portfolio" through two forms of coverup: first, by issuing "subordinate bonds" tied to its more precarious holdings, in a "leverage" that will prove suicidal in very little time, and second, through multimillion-dollar remittances to its Cayman Islands branches, representing some \$1.2 billion a year that has both evaded taxes and the reserve requirements of the Peruvian central bank.

Roots of the problem

What everyone knows, but few have dared to publicly admit, is that the Cayman Islands remittances are laundered narco-dollars. In other words, the only thing keeping the bubble of the Peruvian banking system inflated, is drug money. In this sense, Peru is a microcosm of the international financial system.

There are other aspects of the Peruvian banking crisis which the IMF has not dared to raise, even as it continues to pressure the Alberto Fujimori government to apply credit and monetary restrictions, and reforms of the banks and public sector, as recommended in the letter of intent signed with the IMF last May. For example, the imminent banking crisis will drag the entire Peruvian financial system down, including the private pension funds system. The Peruvian Pension Funds Administrations, which are owned by the banks, have nearly 80% of their money either directly or indirectly financing these troubled banks. Their bankruptcy would mean that the

pensions of more than 1.5 million Peruvian workers would go up in smoke. At that point, the problems of the Fujimori government would begin for real.

Given these revelations, the astute newspaper commentator knew what he was talking about when he said: "The ineffable Minister [Jorge] Camet must have been under the influence of tequila, when he said at the recent IMF meeting that there was no 'tequila effect' in Peru." While in New York, the Peruvian economics minister had stated that thanks to the "freezing" of the economy over the past 11 months, "the dangers of the tequila effect have dissipated for Peru." However, the latest forecasts of the trade and current accounts deficits by year's end, significantly surpass those of last year, possibly reaching the unmanageable figure of \$4 billion.

For all these reasons, it comes as no surprise that Camet's job security is a bit shaky. Indeed, the signs of confrontation with President Fujimori are growing increasingly more visible. Camet, of whom one could say that he is an IMF employee who serves as Peru's economics minister, has been demanding that the terms of the IMF's letter of intent be applied with maximum rigor. But, he was recently slapped down by the President himself, in two economic matters which he has ardently promoted.

The first confrontation took place in mid-October, when Camet blithely announced that the government was preparing to fire 200,000 employees, in order to meet its goals of "fiscal cutbacks and restructuring," as agreed with the IMF. The labor protests that followed were only calmed when President Fujimori, through his prime minister, disallowed the plan—and Camet.

Although it was announced at the time that Camet would not lose his post over the matter, a week later the President called him on the carpet again. What occurred is that Camet had sabotaged the government's planned rescue of the more than 75% of Peruvian businesses that are facing insolvency, with tax arrears surpassing \$5 billion.

In enabling legislation for a law to recover taxes owed by businesses, Camet had included a demand that all businesses present mortgages or letters of credit 200% higher than what they owed to the government. As expected, the protests from businesses, and especially from the National Business Society (SIN), were massive. SIN President Eduardo Farah took the lead in attacking Camet for blocking the President's plan, and charged that there were foreign interests trying to buy up the few Peruvian industries still remaining, at extremely low prices. The Presidential response was virtually immediate, and once again Camet had egg on his face.

Thus far, however, nothing has been resolved. The banking system is on "red alert." The IMF continues to insist on mass layoffs and other "structural adjustments." And Fujimori continues to walk a tightrope between the neo-liberal policies his government is applying, albeit with some reluctance, and the recent protests of business, labor, and others, in the face of the growing crisis.

Brits push free trade, drugs on Dominicans

by Carlos Wesley

A significant increase in heroin and cocaine coming into the United States, and a growing instability in the Caribbean that could set off a renewed wave of "boat people," are the likely results if the U.S. State Department and the British government get their way in the Dominican Republic. For the past few weeks, both have been trucking in a number of free-trade gurus, to sell the new President of the Dominican Republic, Leonel Fernández, on the virtues of privatization and the need to do away with "big government," the Armed Forces, and other institutions of the nation-state.

Sources say an invitation has been extended to Jeffrey Sachs, the Harvard flea-market economist who admits that his "shock therapy" policies forced unemployed Bolivian tin miners to turn to cocaine production to make a living.

Already, two libertarian ideologues from the satanic Mont Pelerin Society, which advocates drug legalization and other perversions, were brought in on Oct. 8, by U.S. Ambassador Donna Jean Hrinak and the U.S. Agency for International Development, a branch of the State Department, to lecture President Fernández and his cabinet. The two consultants (whose fees the Dominicans were forced to foot) were the University of Chicago's Arnold Harberger, responsible for the disastrous "Chilean model," and Carlos Boloña.

As economics minister of Peru from 1991 to 1993, Boloña presided over the privatization of the social security system, and then turned around and set up his own Pension Fund Administration (AFP) to soak up those funds. (A class action suit was brought against Boloña, on Oct. 23, by Peruvians who lost their pensions and medical benefits to his policies. Undeterred, on Oct. 29, Boloña proposed to abolish free public education, because "government does not have the resources to provide primary, secondary, and university studies. . . . Private investment in education must be encouraged.")

Then, on Oct. 14, the British Embassy and the British-Dominican Chamber of Commerce sponsored a seminar in Santo Domingo, on "Privatization, the British Experience" (under Margaret Thatcher). They brought in their own Peruvian, Carlos Montoya, the self-proclaimed architect of Peru's privatization. But, the keynote was delivered by Peter Benson, partner and vice president of the British accounting and consulting firm Coopers and Lybrand.

Benson, who is also chairman of the International Privatization Group of Great Britain, said that the British government saved billions of pounds sterling in subsidies by selling

off most public agencies. But he was careful not to mention to his Dominican audience the horrors caused by Thatcher's policies, such as the heart attack victim who had to be flown 90 miles last January for intensive care, because there were no beds available in eight nearby hospitals. Nor did Benson mention that the city of Cambridge plans to use rickshaws to deal with its traffic problems.

The LaRouche factor

The full-court press on the 42-year-old President Fernández was attacked by Jorge Meléndez, the Schiller Institute's representative in the Dominican Republic, in an Oct. 24 television appearance on the "Revista 110" news and commentary program. He noted that Montoya and Boloña were coming into the Dominican Republic, at the time their policies are being declared a failure in Peru. The Mont Pelerin Society is not a school of economic thought, he said. "They are a cult based on the satanist Bernard Mandeville and Jeremy Bentham, two of whose best-known works are *In Defense of Usury* and *In Defense of Pederasty*."

The interview came one day after a televised address by Lyndon LaRouche, on the economic problems facing Ibero-America and the world, and on how to solve them, had been broadcast by the same Dominican television network.

The British interest in the Dominican Republic is primarily geopolitical: The Dominican Republic shares with Haiti the island of Hispaniola, which straddles the key passages between the Atlantic Ocean and the Caribbean. In 1994, then-President Joaquín Balaguer warned the Dominican Congress that the British were plotting to merge both nations into one; sources say that the island would then be placed under supranational control.

Colombian drug traffickers are using the island to transship "increasing amounts of heroin" and cocaine into the United States, said the head of the Dominican anti-drug agency, Julio César Ventura Bayonet, according to the Oct. 29 *Listín Diario*. The comment was made following a meeting to coordinate anti-drug work, with U.S. and Puerto Rican authorities.

But the anti-drug effort will be made more difficult because of a campaign against the Dominican Armed Forces, following a recent visit by Juan Rial, one of the co-authors of the so-called "Bush Manual" to destroy the militaries of Ibero-America. On Oct. 28, Fernández purged 24 generals from the Army and the police. The next day, *Listín Diario* dedicated a full page to an interview with Haiti's Jean-Bertrand Aristide, saying that Haiti had saved 40% of its budget by getting rid of its Army, and implying that the Dominican Republic should do the same. And, on Oct. 31, Dominican Armed Forces Minister Lt. Gen. Juan Rojas Tabar submitted to questioning by the Attorney General, on trumped-up charges of human rights violations brought by a so-called "truth commission," with the aid of the Organization of American States Inter-American Commission on Human Rights.

Gingrichites promote 'Contract on Mongolia'

by Michael O. Billington

Mongolia is a country of just over 2 million people, spread sparsely over a vast expanse the size of western Europe. But, because it sits strategically between Russia and China, the British and the fanatics in Newt Gingrich's "Conservative Revolution" circle in the United States, have put considerable effort into operations to control and manipulate this impoverished nation of nomads.

Consider the damage already done to the U.S. economy by the "Contract with America," and the potential devastation if the Nazi-like policies are not thoroughly rejected by the voters on Nov. 5. Then, imagine if the same approach were applied to one of the poorest, most backward countries on Earth—then you have a picture of Mongolia today.

The headline of the report on Mongolia in the fall 1995 newsletter of the International Republican Institute (IRI) reads: "Mongolians Use 'Contract with America' to Develop Election Strategy." Below the headline is a message from Newt Gingrich to the Mongolians:

"IRI's cooperation in providing 'Contract with America' experts will be most useful to you as you conduct your work." This "contract" is well on its way both to destroying Mongolia, and creating yet another crisis on China's border—part of the British plan to dismember China and break up the potential for railroad-based development policies, linking China with Russia and the nations of Central Asia and Europe—the "land-bridge" approach to Eurasian development. The U.S. government-funded IRI is actively running destabilization programs in Russia, Myanmar, Cambodia, Vietnam, and within China itself, in the service of British geopolitical objectives (see last week's issue for Roman Bessonov's report on programs in the former Soviet Union).

The IRI report describes how, in 1992, they began building a coalition of opposition parties to take power from the party associated with the previous Communist leadership, which had won the 1992 elections by an overwhelming majority. The IRI succeeded in getting their chosen candidate, Punsulmaagiyn Ochirbat, elected to the Presidency in 1993, and, in the June 1996 parliamentary elections, took 48 of the 76 seats. George Bush's secretary of state, James Baker III, recipient of the IRI's Freedom Award, was very active in "election monitoring" in Mongolia.

To reveal the actual beneficiary of the IRI's efforts, the *Times* of London editorialized on the "Mongolian Renaissance" following the June election, including a box entitled,

"Ulan Bator's Love Affair with Britain." Said the *Times*: "Mongolia has triumphantly confirmed its place in the vanguard of peaceful democratic change in Asia." The British are proud of their "special position" in Mongolia, as a result of the fact that for 25 years, after 1963, they were the only western country that maintained an embassy in Soviet-allied Mongolia. The IRI, run by the hard-core Republican Anglophiles of the Bush and Kissinger apparatus, is proud to do service for this British "special position."

Sachs and shock therapy

The IRI began their operations in Mongolia in 1992 in collaboration with Jeffrey Sachs, the Harvard punk who is credited with imposing shock therapy on the ex-Soviet republics and eastern Europe. Shock therapy, while providing enormous profits for international speculators and other criminals, also "succeeded" in transforming the economic crisis left by the fallen Soviet leadership into a total collapse, and probable civil war.

Sachs and a team of his Harvard yuppies were also brought in to direct Mongolia's economy. The crucial Soviet supply of oil and other necessities had been terminated with the sudden 1991 collapse of the Soviet Union and Mongolia's independence. Sachs's "solution" was austerity: a 30% cut in the government budget, massive price increases, and the creation of a stock market! Of the 2,600 state factories, 2,200 were rapidly privatized. Every citizen was offered a chit worth \$250, as a voucher to purchase stock—supposedly transforming the nomads into "capitalists," without ever having to leave their yurts.

The results were to be expected. A country which had exported meat to the U.S.S.R. was soon facing a collapse in agriculture, and massive food shortages. A few of the Mongolians who had been trained at Harvard, still in their 20s, were put in charge of the economy under Sachs's direction, and proceeded to lose nearly \$100 million in the foreign exchange markets. While this is a paltry sum for the world speculators in the class of Sachs's sponsor, George Soros, it represented 80% of the total national budget for the impoverished nation.

Enter the IRI. Insisting that the problems were the result of "half measures" in raising prices, privatizing, and cutting government services, due to the resistance to shock therapy by the elected government, the IRI organized a coalition between two opposition parties—the National Democratic Party and the Mongolian Social Democratic Party. The chairman of the coalition credited IRI with their success in winning the Presidential election in 1993, and said, "We feel continued support from IRI will allow us to gain control of the parliament in 1996. Without it, the democratic process could wither and die." Apparently, "democracy" depends upon multimillion-dollar foreign sponsorship and direction of one party over the others.

When the "Contract with America" spurred the Republican sweep of the U.S. Congressional elections in 1994, the

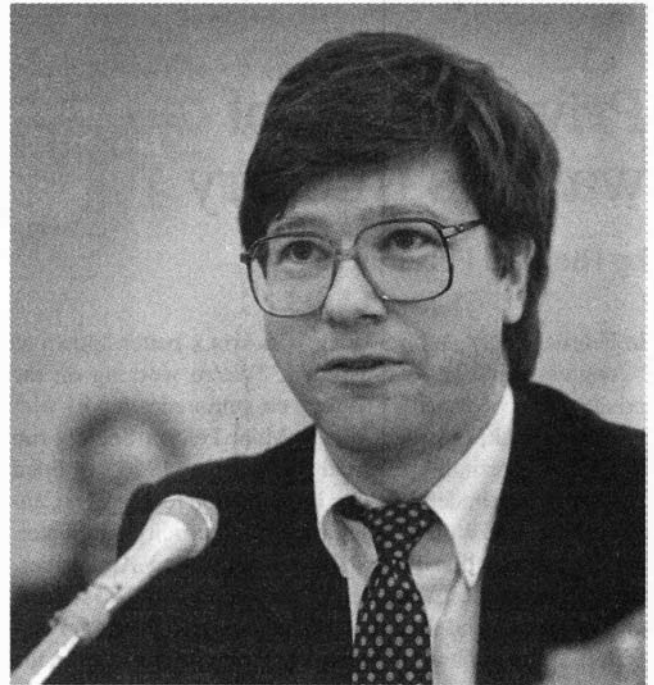
IRI dropped all pretenses and wrote up a parallel "contract" for the Mongolian coalition to use in the 1996 parliamentary elections. The contract's 200 sound-byte promises included privatizing 60% of the remaining state property, price "reform," tax cuts of 20-30%, and the "right" for the nomad herders to use barter trade. With IRI-funded media operations to sell their scheme, the sophisticated voters of Mongolia voted in the "contract."

By September of this year, the country's largest coal mine was forced to shut down, when it could not pay its freight bills to the railroads. With winter setting in, all five coal-fired power plants are reporting low coal supplies and may have to shut down. Much of the country depends on small generators scattered across the country, which depend on fuel oil imported from Russia—but the \$30 million cash needed to buy it may not be available this year. Many of the small stations have already closed, and energy is being rationed. The "contract" mentality of the IRI controllers of the new government rules out any "big government" solutions, such as upgrading the energy system; instead, they have implemented a 50% increase in energy prices.

There is little available for the international speculators to steal in Mongolia. The interests of the British are purely geopolitical, as evidenced by the *cultural* aspect of the operation. The same *Times* of London editorial quoted above, praising the outcome of the June 1996 elections, also states: "Revived patriotism and political reform [have] rapidly become firmly entwined in the popular mind—a process in which the rehabilitation of Genghis Khan, the great 12th-century Mongolian conqueror, played an important part." The *Washington Post* went so far as to name the barbarian Genghis Khan as "man of the millennium" in January 1996.

The message is not lost in Beijing. Although Europeans' memory of Genghis Khan is generally restricted to the devastation and genocide spread across Europe, the Middle East, and Central Asia by his Mongol hordes, the Chinese remember the Mongol occupation of their country for over a century, that resulted in general depopulation and the destruction of the greatest creative epoch of Chinese history, the Confucian Renaissance of the Sung Dynasty.

Although Mongolia certainly represents no aggressive threat today, the adulation of the Mongol Empire kindles ambition for a "Greater Mongolia"—ambitions easily manipulated by British geopoliticians. There are three areas which have significant Mongolian populations today—the Russian republic of Buriyatia, the Chinese autonomous region of Inner Mongolia, and the Mongolian Republic itself, called Outer Mongolia in China. Since the 1991 independence of Mongolia and the virtual takeover by the IRI apparatus, ethnic Mongolian "nationalists" in Inner Mongolia have launched underground opposition movements against the Chinese, demanding reunification with the Mongolian Republic. In a 1994 report issued by London's International Institute for Strategic Studies (IISS), calling for China to be split up into



Jeffrey Sachs, the "shock therapist" who destroyed the economies of Bolivia, Poland, and Russia, also launched the "free market" assault on Mongolia, in collaboration with the International Republican Institute.

several regions, Inner Mongolia, like Tibet and the northwestern region of Xinjiang, were slated to be removed from Chinese sovereignty. Violence by the minority Mongolian separatists in Inner Mongolia has increased over the years, leading to arrests and severe warnings from Chinese government officials.

The British are also using the Dalai Lama to fan the flames of separatism and "Greater Mongolia." The Dalai Lama, who ruled over one of the most backward, impoverished, and dictatorial regimes in history, before the Chinese occupation of Tibet in 1951, has been used ever since as a tool in British operations against China. In August 1995, the Dalai Lama spent a week in Mongolia, with support from London's Tibet Foundation, holding meetings to revive Tibetan Lamaism, the religion of the genocidal Khans of the 13th century.

The Chinese have monitored the "Greater Mongolia" movement—and its foreign sponsorship—since at least the 1992 arrival of Sachs and the IRI. A March 1992 internal circular of China's State Security Bureau, leaked to the press, accused foreign-sponsored activists in Ulan Bator of advocating the unification of Inner Mongolia, Outer Mongolia, and Buriyatia, and of sponsoring dissidents inside China. The circular also reported that the Dalai Lama advocated the "Greater Mongolia" scheme during one of his visits. The IRI's parent body, the National Endowment for Democracy (NED), is one of the foremost sponsors of the Dalai Lama's operations internationally.

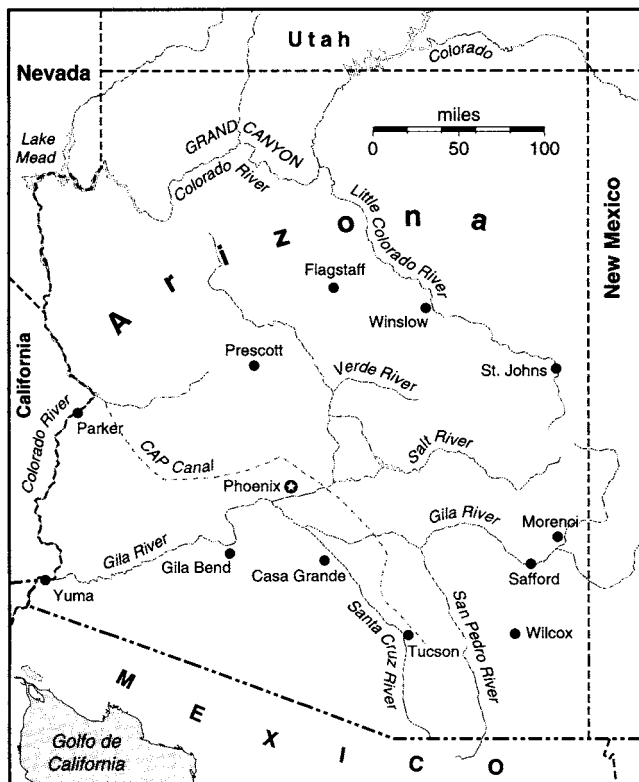
Privatization of water is thievery

by Richard Freeman

In February, Rep. John Shadegg (R-Ariz.), better known as “Congressman ValuJet,” asserted, “We’re working on the privatization of water.” Shadegg co-authored a report with Michael Block, president of the Mont Pelerin Society-run Goldwater Institute, released in August 1996. Entitled “Lights Out on Federal Power: Privatization for the 21st Century,” it calls for the privatization of electricity and water. Shadegg wrote that federal Power Marketing Authorities, which provide electric power to the nation, should be sold off to Wall Street, and that the “sale might also include powerhouses, dams, locks, land around the reservoirs—or even the water itself (provided that ownership of water is not already defined by water rights).”

Shadegg is a leading spokesman for the Nazi-like agenda

FIGURE 1
Arizona’s main rivers and canals



of the Conservative Revolution, serving as head of GOPAC. As we go to press, he is being challenged by LaRouche Democrat María Elena Milton in Arizona’s 4th C.D.

For more than two centuries, America’s growth has depended on the dirigistic role of federal, state, and local government in developing water management systems, through the construction of water infrastructure projects: from waterways, dams, canals, reservoirs, and levees, to waste sewage and water purification systems, to underground piping and water mains. Much of this is still under the control of government, with the result that water is still delivered at a comparatively low price. The value of water infrastructure structures exceeds \$1 trillion. The privatization crowd wants to buy up these assets at fire-sale prices. Instead of “artificially low water prices,” which they contend now exist, a new regime of “opportunity cost pricing” would be shoved into effect. What is the “opportunity cost” of water? Whatever the private holder of the water supplies can get away with charging.

Robert Poole, president of the Los Angeles-based, Mont Pelerin Society-run Reason Foundation, told a reporter on Oct. 29, “Free market pricing is a way to bring about conservation and rationing, but without big government. You don’t set up controls or regulations. The market does it. If water is scarce, then, the price rises. The cost of taking a shower, or watering your lawn, or using water for agriculture goes up. Thus, pricing causes you to conserve water.” When told that this sounded like arguments of Prince Philip’s World Wide Fund for Nature, Poole replied, “Well, yes. We are working with the Environmental Defense Fund in trying to get privatization of water adopted.”

As an example of how high the price of water could go, an article in the Feb. 23, 1981 *Fortune* magazine asserted that the replacement cost of water is 50 times what farmers are currently paying for it, implying that the price of water should be jacked up 50 times. Shadegg’s plan would help establish “opportunity prices” for water projects. As Poole complained, “until you get most of the water facilities privatized, you can’t institute free-market pricing, because the government utilities will hold the price down.”

Privatization would set off a Malthusian downward spiral: Cuts in water consumption lead to cuts in agricultural and industrial production, and falling population growth, because everything in an economy depends on water. Thus, under the plan, as the British oligarchy wishes, water would grow scarce, and would become “the oil of the 20th century.”

Dirigism versus privatization

The plan of Shadegg and other privatizers would wreak havoc, especially in the 16 arid western states of the United States, such as in Arizona, which has the one of the lowest natural precipitation levels of all 50 states. By looking at the western states, one can see the destructive features of Shadegg’s plan as a whole.

The U.S. Geological Survey separates the United States

into 18 hydrologic regions for the 48 coterminous states. Arizona (which is the sixth largest in the United States in land area) comprises most of region 15, called the "Lower Colorado" region. The total average natural runoff in this region (i.e., precipitation of all kinds) is 3.2 billion gallons per day, the lowest level of all 18 regions. Then, how does Arizona get enough water to support thriving agriculture, mining, industry, two metropolitan areas greater than 1 million people each (Phoenix and Tucson), and so on?

The history of Arizona's water supply typifies the dirigistic principle of America's development as a nation. In 1902, the U.S. government, through an act of Congress, created the U.S. Bureau of Reclamation. Although it had some environmentalist undertones, the Bureau built large multi-purpose water projects, involving dams, reservoir storage basins, and irrigation and water diversion systems. This developed the West, by moving water to where it was needed. Imperial Valley, California, the largest vegetable-producing region in the nation, is a product of this work.

The Colorado River (see **Figure 1**), the chief river in Arizona, starts in Colorado, flows across the northwest corner of Arizona, and through the Grand Canyon. At the Nevada border, the Colorado River is dammed by the Hoover Dam to form Lake Mead, which is the largest artificial lake in America, producing vast amounts of hydro-electricity. Almost all of the lakes in Arizona are man-made reservoirs, including Lake Powell (Glen Canyon Dam), Lake Mojave (Davis Dam), and Lake Roosevelt Apache (Horse Mesa Dam).

Much of the water supply was developed with the aid of canals, physical conveyances, pumps, and so on, constructed at the expense of the state and local governments. According to the Arizona Water Resources Department, Arizona draws off annually 8.6 million acre-feet of water (an acre-foot is 325,851 gallons). Three-quarters of this water depends on government.

The latest project, the Central Arizona Project canal, is a \$4.7 billion, 337-mile canal which brings water from the Colorado River to Phoenix and Tucson (when fully operational, it will bring 1.5 million acre-feet annually). President Lyndon Johnson authorized the project in 1968, but President Jimmy Carter tried to stop it in the 1970s, and various lunatic free market Republicans repeatedly slashed its appropriations. Yet, pro-development forces saw to it that it was built.

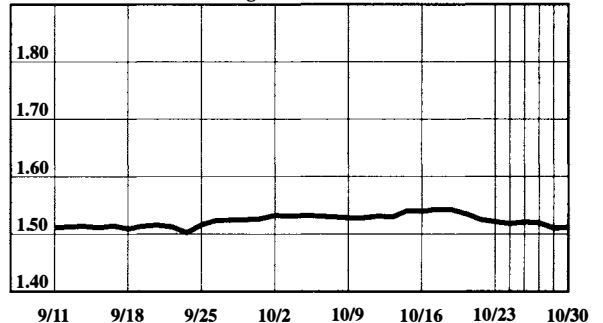
Shadegg now wants to sell these water projects for a song to privatizer sharks. Without these projects, Arizona would be like the bone-dry free enterprise paradise Nevada, which opted to make gambling the basis of its "economy."

What can be expected under water privatization? Shadegg's paradigm is water privatization in England in 1989, under Prime Minister Margaret Thatcher. Recently, the London *Financial Times* stated that "water privatization is a ripoff, a steal, a plunder, legalized mugging, piracy, licensed theft, a diabolical liberty, a huge scam, a cheat, a snatch, and a swindle." Still, Shadegg supports it.

Currency Rates

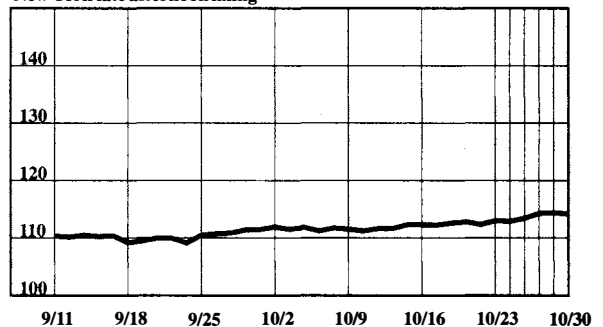
The dollar in deutschemarks

New York late afternoon fixing



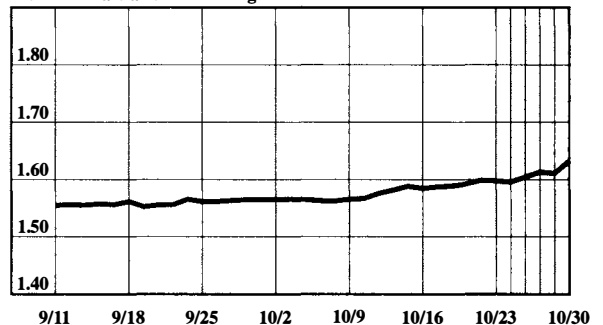
The dollar in yen

New York late afternoon fixing



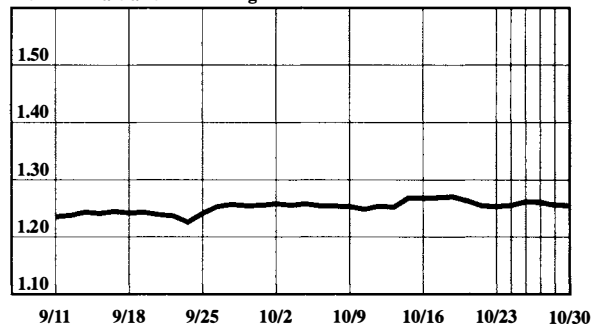
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Managed health care grows in Germany

The budget-cutters view the health care budget as an "untapped" monetary reserve.

The Bonn government plan for the "third part of the health reform," is expected to start on Jan. 1, 1997. Several other "reforms" have already been carried out, but this time, the budgetary attack no longer just aims at cutting here and there. This time, the core of the public health care system as Germany has known it, is in the sights of the budget-cutters.

The substance of the project is to remove the main responsibility for the health care sector, from the shoulders of the public health insurance system. That system is now secured by law, with 90% of the German population contributing to the system through taxes, and being its beneficiaries.

The basic idea behind the system, which was established in Germany 100 years ago, is to ensure that the public's health is not left to the cannibalistic dynamics of the free market. But now, the neo-conservative "reformers," who have studied the "reforms" in the United States and Britain, want to hand the public health sector—with its annual revenue from contributions, of 300 billion deutschemarks (roughly \$190 billion)—over to free market forces.

The state-linked health insurance companies are already more or less bankrupt, which is the case especially because of their falling revenue, which in turn is a result of the generally worsening economic situation in Germany. With more and more unemployed, the number of welfare recipients rising, and individuals' earnings stagnating or even being reduced, the health insurance fund has less money, because

the amount of the insurance contribution (half of which is paid by the employees and the other half by the employers) is proportional to earnings.

In this crisis, in which no economic recovery is in sight, these health insurance funds therefore have to increase their enrollment memberships if they want to maintain their level of health services. But, because, beginning next year, everybody can choose which health insurance fund he or she wants to be a member of, health insurance companies will fight each other in a price-cutting competitive race. If members, therefore, decide to look for an insurance program with low premiums, the result will be that health insurance programs will have to cut services to patients, and payments to doctors, hospitals, and so on.

But, if they increase premiums, in order to maintain the level of service, they are punished by the government, because increases would run against the "spirit of budget-cutting."

Some health insurance companies have warned that they can no longer cover certain services (such as special treatments and long-term rehabilitation programs), if they are unable to increase premiums. At a press conference in Bonn on Oct. 28, the Federal Association of Private Clinics exposed the disastrous effects of budget-cutting measures, such as those passed by the parliament in mid-September for fiscal year 1997.

The cuts of DM 3.2 billion in state support for treatment, rehabilitation programs, and special care for chronically ill patients, will reduce such pro-

grams by 20%, and in some case by even more, said Raimund Freund, chairman of the clinics association. Because many treatments are preventive in nature, cuts in this area are short-sighted, because they now will only burden society with higher expenses later on, when the health sector will be faced with many more seriously ill patients, whose suffering could have been reduced or averted at an earlier stage of treatment.

The immediate effects of the FY 1997 cuts are that clinics are already being forced to impose short-work periods of 15%, because there are fewer patients who will be treated under the budget-cutting regimen. Some 67% of the 1,600 clinics which are members of the association, have reported losses of up to one-third, Freund said. He warned that 170 clinics are faced with the decision to close down their operations in the near future. This implies that 22-25,000 jobs will be lost in this sector in 1997.

Given that the earlier "reforms" have already affected very sensitive areas in health care, the new "reform" may deal the public health system a death blow. This is the intention of neo-conservative ideologues, who have increased their propaganda for the alleged "benefits of a private insurance system." The most extreme ideologues have even recommended that people speculate with their savings on the world's offshore banking markets, in order to "earn" their personal health budget.

That would throw Germany back to the time before the public health system was introduced, 100 years ago: The free market does not care about the poor, the long-term sick, and the unemployed, which means a death sentence for them. The free market is only interested in those who have enough money with which to speculate.

Relax! It's only an earthquake!

Cardoso's best-laid plans for re-election may go awry, if latest economic developments are any indication.

The global bonds which Brazilian President Fernando Henrique Cardoso and his economic team had hoped to place so successfully in the international capital markets, turned out to be a failure. The hiring of the Warburg and J.P. Morgan investment houses didn't help, any more than did the announcement that the Queen of England would be receiving Cardoso in 1997 to invest him with a knighthood. The \$750 million worth of bonds were only placed after the government added another 10% yield to that originally offered.

This failure confirms that the international financial interests will be demanding ever greater guarantees to keep up the flow of speculative funds upon which Cardoso's monetary stabilization program, and his Presidency itself, depends. They are demanding with special urgency that the giant mining complex Vale de Rio Doce, be immediately privatized, together with the electrical energy and telecommunications companies.

The government plan to launch the international bonds was part of a political and economic strategy, whose intent was to try, on the one hand, to reduce real interest rates on its internal debt of nearly \$220 billion, from the current 12% a year, to an international rate of 8-9%. At the same time, the idea was to use the expected success of the bonds to quiet the growing opposition to Cardoso's economic program, and especially the widespread opposition to privatization of the Vale de Rio Doce complex. All this, it was hoped, would then be leveraged into

boosting President Cardoso's re-election.

In preparation for issuing the bonds, the government announced a fiscal austerity package which includes eliminating 30,000 public sector jobs, in addition to salary cutbacks which, according to the government itself, would yield a savings of slightly more than \$6 billion for the 1997 budget, and a reduction of the public deficit from the 4% of the GNP projected for this year (some \$35 billion) to 2.5% in 1997. As part of this same package, the government announced that absolutely all revenues from privatizations would go toward easing the internal debt. In 1997, the government hopes to garner more than \$10 billion from privatizations, including the \$6-7 billion said to represent the value of the government's portion of Vale do Rio Doce.

In addition to victimizing the public sector workers even further, and looting the national patrimony, the package, as it is conceived, is absurd, since the source of the growing fiscal deficit is the galloping internal debt, especially that portion denominated in treasury and central bank notes. For example, the growth of debt in federal government paper increased during the two years of Cardoso's *Real Plan* by \$100 billion, meaning a weekly growth of \$1 billion! Take into account that the savings of \$16 billion from looting the workforce and national patrimony represents a mere 16 weeks' worth of increase in internal debt bond holdings.

The reality of the fiscal deficit can

be found in the axioms of the economic plan itself, which depends on a flow of foreign capital to cover both the balance of payments deficit and the lack of tax revenues due to destruction of the productive economy under the economic "opening." The government failed in its efforts to reduce this year's \$18 billion balance of payments deficit, the result of a sudden increase in the trade deficit which could reach \$5 billion. The payments deficit could reach as much as \$20 billion this year.

By next year, expectations are even worse, since the trade deficit is expected to reach between \$6 and \$8 billion, while the payments deficit could reach something in the order of \$25 billion, precisely the path Mexico followed as it headed toward its 1994 blowout. The reality is that the country is submerged in a recession, with growing rates of unemployment and, above all, a process of generalized insolvency which could put the entire banking system in check.

Journalist Elio Gaspari commented in his Oct. 30 *O Globo* column:

"This contraction could mean many different things, and whoever interprets it correctly could make big bucks. One thing is certain: It took place after IMF director Michel Camdessus's intriguing pronouncement in late September, in Washington, where he stated: 'I am frequently asked when we will have the next international crisis, the next Mexico, and my answer is that I don't know, but that it could well start with a banking crisis.' . . . Shocks like this do not mean that the Brazilian economy's ability to sustain itself with foreign capital is about to disappear. What it does mean is that it would be advisable for there to be more doubts and fewer certainties in the government's calculations."

Relax! It's only an earthquake!

Business Briefs

Taiwan

Speculators may get control of major funds

Taiwan may be preparing to turn over both its foreign reserves and its pension funds to international speculators, as part of its drive to become a "regional financial center," a carrot held out to everyone in the region by the British, with Hongkong's return to the People's Republic of China coming up next year. A government spokesman said Taiwan will consider allowing banks, including foreign banks, to manage the \$86 billion foreign exchange reserve, the *Asia Times* reported Oct. 16.

James Ho, director of the Asia-Pacific Regional Operations Center, which is "marketing" Taiwan as a financial hub, said the plan is intended to entice foreign banks to set up branches in Taipei. He said that the government is looking at turning the pension funds (no dollar amount was given) over to "fund managers," a decision that would be aptly termed the "piratization" of pensions.

Finance

Worldwide crash about to hit, London Times admits

The London *Times* admitted on Oct. 29 that a "worldwide financial explosion" is about to hit, in a column by Anatole Kaletsky entitled "Watch Out for the Explosion." This will put the past period's "bull market" in "mortal danger," he wrote. "You have been warned." Kaletsky often speaks for the interests behind speculator George Soros. Whatever their bizarre explanations for, or "solutions" to, the crisis, they acknowledge the reality of Lyndon LaRouche's view, that we are heading into a decisive new phase in the process of financial disintegration.

"The lunatics have taken over the asylum. The Fat Lady has hit high C. It's all over, bar the shouting. Add or subtract clichés at will: You can grasp my meaning," Kaletsky said. "Bonds round the world and Anglo-Saxon currencies have entered the kind of wild speculative period, when even

aggressive investors may be well advised to stand aside—and stock markets cannot ignore a shock in bonds and currencies."

Kaletsky is sure the bull market "is due for a nasty shock." Why? "Because there are signs of wild speculation and rumblings of alarming policy changes that most of the pundits have chosen to ignore." Primarily, what worries him is the wild "speculative behavior" on the bond markets in Italy and Spain, which has been going on while "the experts have been looking to Wall Street" for such speculative behavior. This betrays an "over-confidence in Club Med markets," which is "absurd," in view of the recent warnings from the Bundesbank, that Italy, Spain, and other Mediterranean countries are not eligible for the European Monetary Union.

Infrastructure

South Korea active in China 'Silk Road' port

Lianyungang, China, the major Pacific port terminus of the Eurasian land-bridge, or the ancient Silk Road, "has given the go-ahead to 14 projects this year, with investment from the Republic of Korea (R.O.K.), in China's economic and technological development zone. Local officials say that the newly approved R.O.K.-funded enterprises involve a combined investment of \$100 million," Xinhua news agency reported on Oct. 17. "The city has already approved the establishment of 10 other R.O.K.-funded enterprises. So far, R.O.K.-funded enterprises in the city make up one-third of the city's total number of foreign-funded businesses."

South Korea now sends large volumes of consumer and industrial goods exports to Europe via Vladivostok on the Russian Trans-Siberian Railway, but officials have told *EIR* that they are looking to shift some of the volume to Lianyungang and the Trans-China Railway.

"Local officials attribute the increased R.O.K. investment in the development zone to increasingly frequent trade activities between the two countries," Xinhua reported. "Lianyungang held a series of investment promotion events to attract more investors from the R.O.K., and the events have pro-

duced positive results. Lianyungang, situated in the middle of the Chinese coast, and at the eastern end of the Eurasia continental bridge, is only 514 nautical miles away from Pusan City in the R.O.K. From January to September this year, a regular container marine route from Lianyungang to Pusan transported 4,888 standard containers from the R.O.K., accounting for 90% of the total number of containers shipped to China from R.O.K.

"In its 'Outline of the Ninth Five-Year Plan (1996-2000) for National Economic and Social Development and Long-Term Goals for the Year 2000,' the Chinese government wants to see a plan calling for the establishment of an economic belt along the new Eurasia continental bridge, and lists Lianyungang in a priority plan... which will greatly promote the development of Lianyungang City."

Industry

German firms oppose 'radical' free market

The German chemical industry association, BAVC, representing 1,800 companies with 600,000 employees, including Bayer, Hoechst, and BASF, protested over the weekend of Oct. 19-20 against the assault on the welfare state by some of their colleagues in other industrial sectors.

In view of the mass protests in France and Belgium, the 10-point "Rheingau manifesto" states that "the pursuit of radical economic concepts is unrealistic." In respect to the threatened disintegration of traditional wage contracts, the BAVC emphasized, "Changes in social entitlements have to be achieved with as much social consensus as possible in a highly developed welfare state such as the Federal Republic. Only strong social partners, capable of reforming themselves, are in the position to bring about the necessary balance of interests."

The rhetoric of some industry associations is creating a "distorted picture" of Germany, in particular in "English-speaking countries," which has negative effects for the German economy, says the declaration.

Meanwhile, unnamed "experts of both

the Justice Ministry and the Interior Ministry" say that additional cuts in unemployment benefits would be "unconstitutional," the financial daily *Handelsblatt* reported Oct. 21. The Christian Democratic economics council and the Free Democrats have proposed an additional 3% cut in benefits, and also a one week delay in benefits after an individual has been laid off. Bavarian Gov. Edmund Stoiber, in an interview with the Lower Saxony daily *Neue Presse*, rejected these proposals as a "serious injury to the social state."

China

Coordinated development to help western regions

In what is believed to be the "first large-scale economic coordination" of its kind, Chinese authorities have recently begun to expand large-scale economic cooperation between the country's economically developed and backward regions, the Hongkong *Ming Pao* daily reported Oct. 14. The State Council (cabinet) has issued a circular identifying the provinces and cities which should offer "support-the-poor coordination," to 10 provinces and poorer cities. It rejected the "theory of gradient development," that held that China's development should gradually shift from the east to the west.

A source said that the State Council transmitted to all provinces and cities a report submitted by the State Council's Support-the-Poor Leading Group, which called for "supporting-the-poor coordination" between the economically developed and underdeveloped regions. The regions in the "coordination" effort include 3 municipalities, 16 provinces and autonomous regions, 3 coastal open cities, and a special economic zone, which covers more than half the country.

This is the first time in more than 40 years that Beijing has applied administrative means to organize such large-scale economic coordination. In recent years, the Chinese authorities have made arrangements for all localities to support Tibet, and some localities to support the Three Gorges Dam area, but the scope of the effort has been lim-

ited. Despite China's high economic and social growth since the introduction of reform and opening up in the 1980s, development between various regions has been uneven.

Reportedly, Beijing is to support Inner Mongolia; Tianjin is to support Gansu; Shanghai, Yunnan; Guangdong, Guangxi; Jiangxi, Shaanxi; Zhejiang, Sichuan; Shandong, Xinjiang; Liaoning, Qinghai; Fujian, Ningxia; and the four cities of Dalian, Qingdao, Shenzhen, and Ningbo are to support Guizhou.

Philippines

Sugar producers warn: Invest, or face uprising

Manual Lamati, president of one of the largest sugar associations, a group which calls itself the "Don Quixotes," is warning that without improvement in rural infrastructure and cheaper credit, the industry faces widespread bankruptcy as the Philippines, and the rest of Southeast Asia, move to slash import tariffs to zero in the next 10-15 years under the Uruguay Round of the General Agreement on Tariffs and Trade, the Oct. 22 London *Financial Times* reported. Otherwise, Lamati says, growing incidents of rural banditry could lead to a Zapatista-style rebellion.

The Philippines was the second-largest exporter of sugar in the 1970s, but today is a net importer, bringing in almost 1 million tons of cheaper Thai sugar every year.

Nearly half the Filipino workforce is employed in agriculture, yet agriculture accounts for less than 25% of Gross National Product, and that share is falling. David Nellor, International Monetary Fund representative in Manila, says that agriculture is the anchor slowing the growth of the economy, but given the Ramos government's IMF-dictated privatization and liberalization program, little change is expected. The governor of the "sugar island" of Negros says that Thai sugar is significantly cheaper because Thai producers are charged only 6% interest, and capital goods imports are duty free. In the Philippines, capital goods imports are prohibitively expensive, and interest rates are at 20%.

Briefly

BRIDGING the Malacca Straits was discussed by Malaysia's Prime Minister Mahathir Mohamad and Indonesia's President Suharto, in their meeting in Kuala Lumpur on Oct. 7. They agreed it was "a good idea," and set further plans in motion. Indonesia is also planning to bridge the Sunda Strait between Sumatra and Java. The two projects would extend the Eurasian land-bridge to Bali.

A KOREA-CHINA 25-year car-parts joint venture, worth almost \$1 billion, is proceeding smoothly, according to Gen. Kong Fanshu of the Chinese company, Xinhua reported Oct. 17. The project will sell some of the products on the Chinese market for the first 15 years, and then all products will be exported to Korea.

SINGAPORE'S non-oil exports were down 6.2% in September over levels one year ago. The drop is mainly due to the collapse of electronics exports, especially telecommunications, which was down 23.7%. Electronics and related sectors account for 60% its non-oil exports.

CHINA and other member countries of the Consultative Commission of the Tumen River economic development program, have agreed to invite Japan to become an official, full member of the commission, Xinhua reported Oct. 22.

HILMAR KOPPER resigned as chairman of Deutsche Bank, effective May 1997, German radio reported Oct. 30. Rolf E. Breuer, the bank's top expert on futures and derivatives, activities which have added to the bank's problems in recent years, replaces him.

IRAN has an historical opportunity to help reconstruct Africa, President Hashemi Rafsanjani said Oct. 19, in his report on his six-nation African tour. "Africa, in view of its vast territory, abundant water resources, and cheap and hardworking manpower, has all the potential for economic development," he said.

The Anglo-French patrons of Syria's Hafez al-Assad

by Joseph Brewda and Linda de Hoyos

Cerberus, cruel and uncouth monster, there
Stretches his three throats out and hound-like bays
Over the people embogged about his lair.

Such is Dante Alighieri's description of the three-headed monster-dog, Cerberus, who guards the gates of the third circle of Hell—that place “eternal, cold, accurst, and charged with woe,” whose “law and quality ever the same remain.”

Today, 675 years after Dante wrote his *Commedia* prelude to the Golden Renaissance, a modern-day Cerberus can be found in the person of Syrian President Hafez al-Assad.

For more than a quarter of a century, Assad has devoted himself to one task: to guard the Middle East against any possibility of peace. At each twist and turn in the labyrinth of Mideast diplomacy, Assad has unleashed his terrorist provocateurs to undo the work of well-meaning political leaders on all sides of the Arab-Israeli conflict, to provoke new wars, and to slaughter innocent civilians, turning an environment of negotiations into one of revenge. The result today, three years after the groundbreaking Oslo Accords between the state of Israel and the Palestine Liberation Organization, is that the Mideast appears to be locked back into its relentless cycle of terror, counterterror, homelessness, poverty, and war—“its law and quality ever the same remain.”

For this, as we shall show, the citizens of the Mideast nations can give a fair share of the thanks to Syria's Assad.

Assad has faithfully carried out his task, not in the national interests of Syria, but in obeisance to the former French colonial masters of Syria, whom his family, elders of Syria's Alawite sect, begged to be owned by. And during his 26 years in power as Syrian President, Assad has also been at the service of France's British partners in the Mideast, particularly as mediated through Henry Kissinger—who pledged his own loyalties to the British Foreign Office in his May 1982 speech



The U.S. Army's Khoban Towers in Dhahran, Saudi Arabia, bombed by terrorists in June 1996. Keeping the Mideast in constant turmoil, through terrorism and war, has been Britain's and France's method of rule throughout the century. Syrian President Hafez al-Assad is one of their primary instruments.

before the Royal Institute of International Affairs—and former British Prime Minister Baroness Margaret Thatcher's tag-along, George Bush.

Anomalies in the 'Rejection Front'

Hafez al-Assad has earned a reputation in many in the Arab world for his leadership in the Rejection Front, which takes the stance that there should be no negotiations with Israel. Surveying Assad's record, however, shows sharp deviations from this official posture.

- Why did Hafez al-Assad bring Syria into the coalition, led by Baroness Margaret Thatcher and George Bush, to demolish the nation of Iraq in 1990? Enmity toward Iraq itself does not supply the answer, as Iran, which had just fought a bloody, decade-long war with Iraq, did not join the coalition. In November 1990, George Bush met with Assad in Geneva, and emerged to state:

"Mr. Assad is lined up with us with a commitment of force. They are on the front line, or will be, standing against [Iraqi] aggression. Syria has been part of the Anglo-American military task force in the Persian Gulf since early September." (Bush had already been accused of ties with Assad in regards to the case of the 1988 Pan Am 103 bombing.)

Syria bolstered Bush's coalition by moving 50,000 troops to its border with Iraq.

- If Hafez al-Assad has risked his nation for the rights of Palestinians, then why did he act to aid the Black September massacre of Palestinians in Jordan in 1970, as *EIR* docu-

ments below?

- If he is a crusader for the Palestinian cause, why did he conspire with then-U.S. National Security Adviser Henry Kissinger, to instigate the Israeli invasion of Lebanon in 1982, whose ultimate and desired result was the ouster of the Palestine Liberation Organization from Lebanon, and the further shattering of the Palestinian population?

- If he is a supporter of the Palestinian cause, then why does he actively harbor and aid such groups as the death-squad Abu Nidal Organization, whose major targets were not Israelis, but leaders of the PLO?

- If Assad is opposed to all negotiations with Israel, then how is it possible for Israeli Foreign Minister David Levy to relate, as he did in an interview on Israeli TV with Shlomo Ganor, on Oct. 18, 1990, that Israel has tacit agreements with Assad's Syria? Asked to comment on the Syrian occupation of Beirut in 1990, Levi, a Likud leader who opposes the Oslo Accords, answered: "Israel has certain parameters which it regards as a red line, insofar as its security is concerned. The Syrians know this too. . . . I believe the Syrians have so far acted responsibly and have honored the confines of these parameters. . . ."

"**Ganor:** Could these agreements with Syria—which were at least tacit—lead, instead of confrontation and the issue of strategic parity, to something more positive in the direction of the peace process?

"**Levi:** This has been the policy of all of Israel's governments."

Who benefits from terror?

Granted, Assad has never claimed to be a man of peace. So it is not surprising to see that the provocateur organizations under his protection in Syria and Lebanon have carried out the most spectacular terrorist attacks, perfectly timed to derail any diplomatic initiative for a comprehensive peace in the region. Syria is home to:

Abu Nidal, the would-be assassin of Israeli diplomat Shlomo Argov, which incident precipitated the 1982 invasion of Lebanon by then-Israeli Defense Minister Ariel Sharon;

George Habash, whose hijacking spree in 1970 gave King Hussein of Jordan and Henry Kissinger the pretext to carry out their bloody crackdown against the PLO; and

Ahmad Jibril, which introduced the blind-terror suicide bombing technique into Lebanon, working with the Hezbollah.

But despite the succor Assad grants to terrorist organizations, whose primary targets have been citizens of the United States, Europe, and Israel, Assad is openly endorsed by London, Paris, and Washington.

In May 1986, after Assad and General al-Kouli, chief of Syrian Air Force intelligence, had been linked by Italian authorities to the Rome Airport massacre of December 1995, Kissinger exonerated Assad in a statement to the *Los Angeles Times* of May 24: "I believe that the Syrian leader limits himself to closing his eyes to the groups that plot in his country. I don't believe he supports terrorism. I have a great appreciation for his ability for calculation."

As usual, Kissinger was echoing the word from the British Foreign Office. As the London *Times* very candidly put it in an editorial on Feb. 15, 1982, entitled "The Best Assad We Have": "There is a temptation to argue that since President Assad has adopted a radical stand in the Arab world and is in formal alliance with the Soviet Union, his departure from the scene might ease matters. In fact, the reverse is almost certainly the case. . . . His record shows him to be a man of straightforward dealing and statesmanlike behavior; very far from the doctrinaire radical some imagine him to be."

It is the sponsorship from London, Paris, and their allied networks in Washington, that has made Hafez al-Assad a "survivor" for the last 26 years. His actions and those of his "dogs of war" fit precisely the geopolitical aims of his masters—not of his nation or his allies in the Mideast. For London, and for Paris, in its current Entente Bestiale arrangement with Britain, a comprehensive peace settlement in the Mideast is a strategic disaster. If the Oslo Accords were to be carried out—*complete with their economic protocols calling for nuclear power, desalination, and transport development in the region*—then the Mideast would cease to be the foremost proxy arena for major power geopolitical manipulation. Instead, the Mideast assumes its rightful place as the crossroads between East and West, a linchpin in the community of nations for the economic reconstruction of Asia, Africa, and

eastern Europe. It is precisely that eventuality, that Hafez al-Assad guards against.

Assad waits it out

This is why Hafez al-Assad has been one of the most crucial behind-the-scenes players in wrecking the Oslo Accords. Intensive diplomacy was initiated to bring Assad into the peace process, beginning mid-November 1995, only days after the Nov. 4 assassination of Israeli Prime Minister Yitzhak Rabin. According to recent reports, Rabin had said that he was willing to give up the Golan Heights to Syria. Shimon Peres, sources reported, was also ready to return the Heights, along with concessions encompassing economic ties, energy cooperation, and water management. During a Dec. 11, 1995 White House meeting with Prime Minister Peres, President Clinton had a 12-minute phone conversation with Assad. All to no avail.

Assad's recalcitrance resulted in the highly publicized "stall" in the peace process. This was then the signal for what would soon occur: three successive blind suicide bombing attacks on Israeli citizens in Jerusalem and Tel Aviv, on Feb. 25, March 3, and March 4. At the same time, the Hezbollah and Israeli military low-intensity warfare escalated, with missiles being lobbed on both sides of the Israeli red line in Lebanon.

Coming in the middle of an impassioned national election campaign, the terror atrocities and Lebanon crisis shifted the climate enough away from Shimon Peres, that Benjamin Netanyahu's anti-peace coalition could credibly win by a very slim margin in the elections on May 31. Netanyahu's negotiating posture suits both Assad *and* his masters: Israel will not give up the Golan Heights.

Was Assad informed by traitors to President Clinton's peace efforts, that all he had to do was to "wait it out" for an Israeli government to come in to power that would be more amendable to "tacit agreements," rather than peace? Is there any connection between the fact that George Bush showed up in Damascus on a "private visit" in March 1996 to meet with Assad, and that his British-led neo-conservative confrères in the Republican Party were the strongest opponents of the Oslo Accords in the United States?

And, over the last months, as President Clinton's hopes for peace in the Mideast have become ever more tenuous, who should arrive on the scene to pick up the pieces, but Assad's old partner, France. In a lovefest before reporters in Damascus on Oct. 20, Assad told reporters that French President Jacques Chirac's "mission in Syria has been successful. . . . It is common knowledge that the ties and cooperation between Syria and France go back a long way. This cooperation is now growing."

Thus, Assad has survived the latest peace-danger. How long will he be able to portray himself as the friend and ally of the Arab world, on the one hand, while serving as the dutiful Cerberus for London and Paris, on the other?

I. The Lebanon War

Services delivered, and received

In 1992, British intelligence official Bernard Lewis wrote an article in the fall issue of *Foreign Affairs*, entitled “Rethinking the Mideast,” which foretold a dire future for the region. Lewis was the architect of the “Arc of Crisis” policy which guided the Carter administration’s overthrow of the Shah of Iran, and the installation of Ayatollah Khomeini in his place. In his new forecast, Lewis said that all of the Mideast would soon be subject to a process he dubbed “Lebanonization.”

“Most of the states of the Middle East,” he analyzed, “are of recent and artificial construction and are vulnerable to such a process. If the central power is sufficiently weakened, there is no real civil society to hold the polity together, no real sense of common national identity or overriding allegiance to the nation-state. The state then disintegrates—as happened in Lebanon—into a chaos of squabbling, feuding, fighting sects, tribes, regions and parties.”

Lebanon was, in fact, destroyed through the process Lewis described. Beginning with a civil war in 1975-76, which claimed 100,000 lives, Lebanon fell victim to a Syrian and an Israeli invasion, and a continuing, orchestrated proxy war of parties and sects, which thoroughly destroyed every major city, and all industry. By 1990, Lebanon was divided between Syria and Israel, and, as a country, had ceased to exist.

But the death of Lebanon was not some sociological phenomenon, expressing the irrational nature of the Arab people, as Lewis, among others, would have it. Nor was it a result of the artificial origins of the Lebanese state in the aftermath of World War I, or the inequities that characterized Lebanese society. Rather, it was a result of an Anglo-French-directed conspiracy, employing agents such as Henry Kissinger, George Bush, Israeli Gen. Ariel Sharon, and Syrian President Hafez al-Assad.

The conspiracy had several objectives besides destroying Lebanon. Chief among them was the destruction of the Palestine Liberation Organization, because the elimination of the PLO would destroy the possibility of a comprehensive peace settlement in the Mideast. Ever since World War I, Britain and France have ruled the Mideast through keeping it in unending conflict. Ethnic and sectarian violence remain their primary instruments.

There were two phases of the Lebanonization process.

The first was “Black September,” the 1970 Kissinger-organized slaughter of the Palestinians in Jordan, which forced the PLO to move its forces to Lebanon. The second was the Lebanese civil war itself, and the ensuing Syrian and Israeli invasions, which forced the PLO out of Lebanon, and reduced the country to a Syrian province.

Through this process, the Anglo-French forces behind both Sharon and Assad ensured increasing, debilitating radicalism in the Arab world, in which terrorists on both sides could prevent peace. And through this process, Assad took over Syria, while Kissinger took over U.S. foreign policy.

Black September

On Dec. 9, 1969, U.S. Secretary of State William Rogers, in a speech in Washington, announced a dramatic, and workable, plan to settle the Mideast conflict once and for all. In outlining what became known as the “Rogers plan,” the secretary of state demanded that Israel withdraw to its pre-1967 borders with Egypt, in exchange for diplomatic recognition from Egypt, and an end to the state of war. He also called for a more broad-based settlement in the region, through negotiations between Israel and Jordan over the West Bank, the future of Jerusalem, and the Palestinian refugee problem.

The Rogers plan caused hysteria in Israel, which had not received any official or even unofficial notification of his speech. The Israeli cabinet met in emergency session the next day, and rejected it. The U.S. Zionist lobby was equally alarmed, and condemned it.

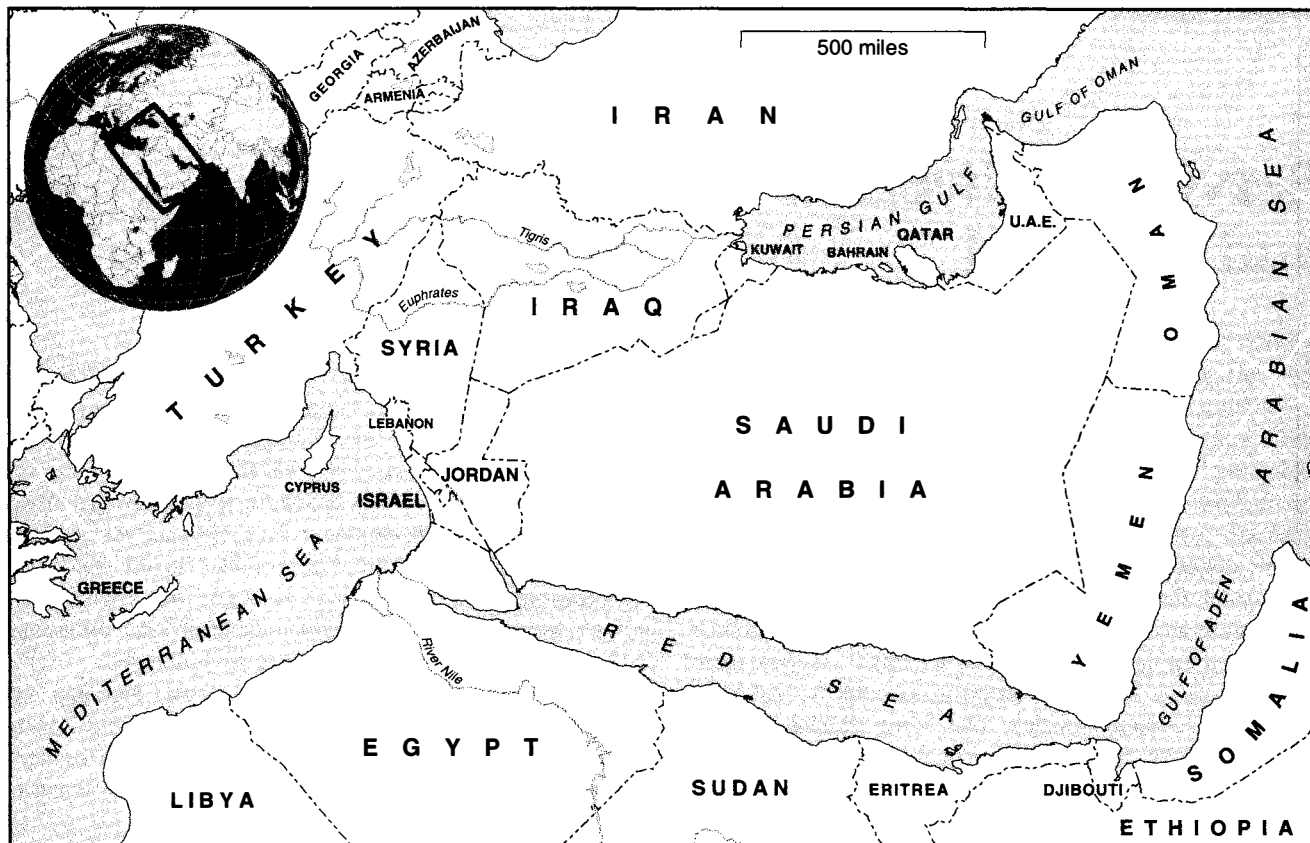
But, most importantly, the Rogers plan provoked a violent response from U.S. National Security Adviser Henry Kissinger, who denounced the proposal at a National Security Council meeting. After several huddles with President Richard Nixon, Kissinger reportedly succeeded in convincing Nixon to undercut the plan. But by then, it had a life of its own. Egypt, in particular, expressed interest.¹

Consequently, Kissinger orchestrated the Black September slaughter, to drown any possibility that the plan might succeed. The basis for his counter-initiative was the turbulent situation in Jordan in the aftermath of the 1967 Arab-Israeli war.

The 1967 war had thrown Jordan into a chaotic situation. It lost the “West Bank,” its richest province, to Israel. Large numbers of Palestinians living on the West Bank, fled to Jordan. There, they joined refugees who had been living there since the 1948 Arab-Israeli war. By 1970, the PLO had created a virtual state within a state in Jordan. PLO raids into Israel from Jordanian territory, increased tensions between the Jordanian government and the PLO, because the government feared Israeli retaliation. In June, a Palestinian radical tried to assassinate King Hussein.

1. On Kissinger’s efforts to sabotage the Rogers plan, see Seymour M. Hersh, *The Price of Power; Kissinger in the Nixon White House*, (New York: Summit books, 1983), pp. 213-34.

The Mideast region today



This created the context for Kissinger to move. He employed the services of Hafez al-Assad, then Syria's defense minister, who in turn called on George Habash, head of the Popular Front for the Liberation of Palestine (PFLP). As a first step in the destabilization, the PFLP hijacked one Swiss and two American passenger planes on Sept. 6, 1970. Three days later, it seized a British airliner. Nearly 500 passengers from the latter plane were flown to an airport outside of Amman. The PFLP declared that they would be held hostage until their comrades in Swiss, German, British, and Israeli prisons were freed.

The PLO Cental Committee moved quickly against the PFLP, and, on Sept. 12, suspended its membership in the PLO. It condemned the PFLP actions as ones "that could affect the safety and security of the Palestinian resistance."²

As international tensions mounted over the PFLP hijackings and hostage taking, King Hussein formed a military government, and ordered the Palestinians to disarm. On Sept. 15, Jordanian artillery and tank units suddenly attacked Palestinian camps around Amman, beginning what has been called

2. *Ibid.*, pp. 234-250.

the Black September massacre.³

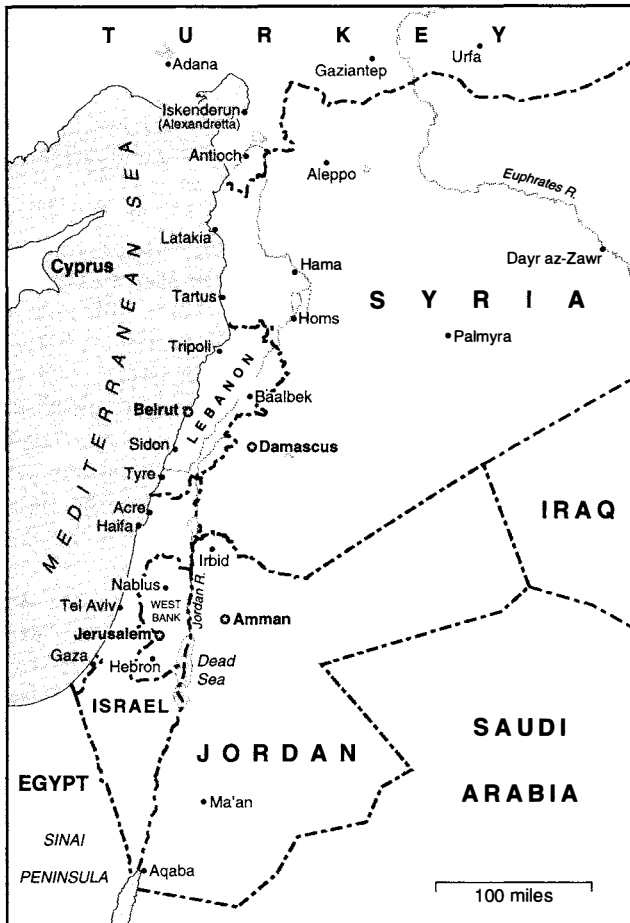
Egyptian President Gamal Nasser sent a delegation to Jordan to take stock of the situation. The delegation returned "shaken by what they had seen," Egyptian Foreign Minister Mohammad Heikal later reported, because the size and scope of the massacre indicated that it was planned far in advance. "By then," Heikal noted, "Nasser had information that the operation had been planned in cooperation with the CIA and some Jordanians, including [Jordanian Prime Minister] Wasfi Tel." Nasser soon died of a heart attack.⁴

Syrian strongman Salah Jadid was also upset. Responding to Palestinian pleas for assistance, Jadid ordered 200 Syrian tanks, commanded by his brother, to invade Jordan to support the Palestinians. But Assad, who was then Syrian defense minister, refused to provide air cover for the tanks. As a result,

3. For background on Black September: Hersh, *ibid.*; Mahmoud Riad, *The Struggle for Peace in the Middle East* (London: Quartet Books, 1981), pp. 158-170; Umar F. Abd-Allah, *The Islamic Struggle in Syria* (Berkeley, California: Mizan Press, 1983), pp. 57-63; Patrick Seale, *Assad: The Struggle for the Middle East* (Berkeley: University of California Press, 1988), pp. 154-165.

4. Hersh, *op. cit.*, p. 241.

Syria today



the Jordanian Air Force and armored brigades inflicted devastating losses on the tanks, forcing their return to Syria on Sept. 23-24, in total disgrace.

On Nov. 23, within two months of this humiliation, Assad overthrew Jadid, and took power in a military coup.

It was only much later, that it emerged that Assad had been in secret contact with Prime Minister Wasfi Tel in Jordan all along, and that Tel had been reporting back to Kissinger. Assad had reassured King Hussein, in advance of the Syrian tank invasion, that the Syrian Air Force would not retaliate, if the Jordanian Air Force attacked the tanks.⁵

Speaking of these events in his *White House Years*, Kissinger reports his satisfaction at the rise of Assad: "Another less noticed significant result of the autumn crises [of 1970] was the accession of Hafez al-Assad to power in Syria in November 1970. Less visionary than [Egyptian President] Sadat, he nevertheless gave Syria unprecedented stability and, against the background of the turbulent history of his

people, emerged as a leader of courage and relative moderation."

Kissinger had reason to be very happy with the combined effects of the massacre and Assad's accession to power. Rogers was thoroughly discredited in Nixon's eyes. Within a year, Kissinger was named secretary of state in his place, while still maintaining control over the National Security Council.

How Kissinger gave Assad Lebanon

The wiping out of the Palestinian movement in Jordan, its expulsion to Lebanon, and Assad's takeover of Syria, prepared the ground for the destruction of Lebanon. This began in April 1975, when Kissinger, the British, and the French, triggered a civil war between the Phalange militia of the Roman Catholic Maronites, and the PLO-aligned Lebanese National Front, which represented the Muslim majority. The civil war claimed 100,000 lives that year.

A primary reason for the manipulated conflict, was to create the conditions for the Syrian takeover of Lebanon, and, in the process, the elimination of the PLO.

This was already known to many in the region.

On May 31, 1976, Raimun Iddah, an important Lebanese-Christian leader, told a Lebanese press conference, that he had heard in Washington that Kissinger believed that "peace would not come to the Middle East until Syria had taken administrative control of Lebanon." The next day, Syria invaded Lebanon with 20,000 troops. The invasion was necessary, Assad said, in order "to protect the Palestinian resistance, and to renew Lebanese unity, and keep the country from becoming divided."

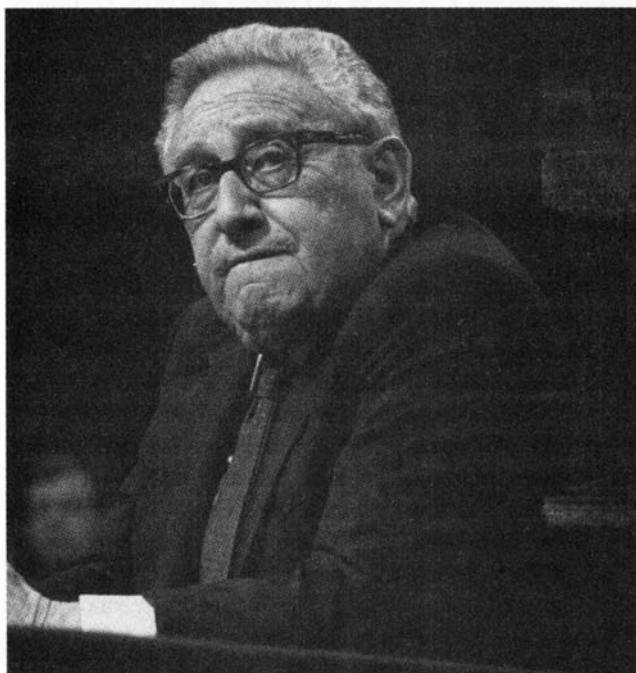
A joint French-Syrian declaration on June 19, 1976 said that the Syrian intervention had the purpose of "facilitating the return to peace, order, and security," that would make a "political solution" of the conflict possible.

Although Assad said he was acting in support of the Palestinian cause, his immediate concern was to protect the Maronite militias (which he was later to annihilate). Syrian forces brought an end to the Muslim siege of Zahlah, a Maronite stronghold on the verge of falling, and aided the Phalangist siege of the Palestinian camp of Tall az-Zatar, which fell Aug. 12. The intervention led to an uneasy cease-fire in the civil war in October 1976.

In order to defray the cost of the Syrian intervention—which was about \$1 million a day—the United States government, together with Saudi Arabia and Kuwait, pledged sizable increases in their annual aid to the Syrian regime. On June 6, Kissinger announced full U.S. support of Assad's intervention, at his meeting with UN Secretary General Kurt Waldheim.

But Assad did not only require U.S. and French support, in order to launch the invasion. He also needed Israeli guarantees, because the deployment of Syrian troops into Lebanon, left Damascus—only a short drive from the Israeli-occupied Golan Heights—highly vulnerable to Israeli attack.

5. Hersh, *op. cit.*, pp. 242, 247.



Henry Kissinger triggered the civil war in Lebanon in 1975, and handed that nation over to Syria and Israel.

Because of these concerns, Kissinger brokered a Syria-Israel "red-line" agreement, prior to the invasion. Syria would not enter the region between the Litani and Zahrani rivers; would not attack the Phalange in Beirut; and would not introduce anti-aircraft missiles into the theater, which might threaten Israeli aircraft flying over Lebanon. In return, Israel gave its blessing to the Syrian takeover. Soon, Syria occupied most of the country.

Israel gets a cut

The understanding also allowed Israel to invade southern Lebanon on March 15, 1978, with 10,000 men and 300 tanks, in order to "save its Christians." There was no resistance from Syria. The Israeli government announced that Israel would "never withdraw until the existence of the Palestinian commandos had been eliminated," which was also Assad's objective. The region was turned over to Phalangist leader "Major" Haddad, an Israeli partner in the hashish trade. In May, two months after the Israeli invasion, U.S. State Department official Harold Saunders praised Syria for "its positive, although hidden role, in solving the problem of southern Lebanon."⁶

The same deal allowed the Israeli Army, under the command of Defense Minister Ariel Sharon, to launch a massive invasion of Lebanon on June 4, 1982, with only token Syrian resistance. The day before, a member of Syria's Abu Nidal gang supplied the pretext, by shooting an Israeli diplomat in London. By the end of August, the Israelis had killed 19,000

6. Abd-Allah, *op. cit.*

people, mostly civilians.

On Aug. 21, the PLO began evacuating Beirut, after a 10-week Israeli siege, because, PLO officials said, "the destruction of Beirut over the heads of a half a million Muslims is not a mere possibility, but has become a reality." The first of 16,000 Palestinians left Lebanon for good, under a U.S.-sponsored cease-fire accepted by the Israelis, since one of their main aims had been achieved.

But on Sept. 15, Israel broke the cease-fire, invaded West Beirut, and encircled the Palestinian refugee camps of Sabra and Shatila. Sharon sent units of the Phalange militia into the camps on Sept. 16, with orders to "purify them." The militia remained there until Sept. 18, with the backup of the Israeli Army, and killed 1,500 men, women, and children.

The creation of the Hezbollah, to fill the vacuum left by the PLO's expulsion, was Israel's other major success. Hezbollah carried out suicide-bombings against U.S. targets, and fought any Muslim group which advocated allying with Christians to expel the Israelis from Lebanon. It soon became Syria's major narco-terrorist group there.

Israeli Foreign Minister Yitzhak Shamir was quite explicit that the invasion was intended to radicalize the Palestinians. He told Israeli television in June 1983: "It is good for Israel that there are domestic quarrels, breakups, and divisions within the organization of the PLO. This is one of the results of Operation Peace for Galilee [Israel's name for the invasion]. I am not afraid of the radicalization of the entire organization. The differences within the PLO, to the extent that they are connected with political problems, are merely tactical. Tactically speaking, it may be that Arafat's tactics are sometimes more dangerous for us."

The Israeli invasion also went a long way toward creating the basis for Lebanon's "final solution," its 1990 division between Syria and Israel. In the interim, both Syria and Israel had abandoned their former Maronite allies, and moved to eliminate them.

The countdown began with the October 1989 Taif Accords, which were drafted in the Saudi Arabian town of that name, with the blessings of George Bush. The accords declared the Lebanese government of Gen. Michel Aoun, which still ruled a portion of the Maronite region of the country, illegitimate. The accords recognized a Syrian puppet government, in its place.

The main reason for the move, was Aoun's spring 1989 declaration of a "war of liberation" against Syria, which began with closing the ports that Syria used to ship drugs to the U.S. and European market.

On Sept. 12, 1990, Bush met with Assad in Geneva, and gave the go-ahead to the Syrian takeover of all of Lebanon not already occupied by Israel. The pretext was Assad joining the "Gulf coalition" against Iraq. On Oct. 13, Syrian troops stormed Aoun's headquarters, and massacred 700 of his followers. Aoun was expelled to France, where he remains to this day, under house-arrest.

Assad's dogs of war

Hafez al-Assad has been the primary protector of three terrorist legends: Abu Nidal, George Habash, and Ahmad Jibril. The record of carefully timed blind-terrorist acts and targeted assassinations by these three well-heeled and well-shielded terrorists, is a history of the provocations that have worked to keep the region in a maelstrom over the last two decades. In the case of Abu Nidal and Habash, protection has also been extended from London and Paris.

Abu Nidal—Treks to London

Abu Nidal, *nom de guerre* of Sabri al-Banna, is the leader of the Syrian-based Revolutionary Council, which has been responsible for some of the most spectacular terrorist incidents concerning the Middle East.

Born in 1937 to one of the richest Palestinian landlord families, Abu Nidal became a Palestinian activist as a youth. He emerged as the head of the Iraqi section of the Palestine Liberation Organization (PLO), and was elected to the 15-member inner council of the Fatah, Arafat's group and the most important group within the PLO coalition.

Abu Nidal broke with the PLO during Black September in 1970, accusing Arafat of being soft on Jordan's King Hussein. He was expelled from the PLO after his unannounced 1974 attack on the Saudi embassy in Paris. The PLO soon condemned him to death *in absentia*, after he was caught organizing an assassination plot against Arafat.

Since his break with the PLO, Abu Nidal has emerged as the most famous, and dangerous, Syrian-backed Palestinian terrorist. His targets have often been PLO leaders, especially those advocating a comprehensive peace with Israel, and Jewish civilians, especially during the midst of Mideast peace negotiations. In 1978, his group murdered Said Hammami, the first PLO leader to advocate recognition of Israel. In 1983, his group murdered PLO leader Isam Sartawi, when he attempted to secretly negotiate with Israeli representatives in Portugal.

Sartawi had told the Paris daily *Le Monde* a year earlier that Abu Nidal was not really "a maximalist of the Rejection Front, but a traitor who is working for the Israeli services. . . . Whose interest is it to discredit the Palestinian resistance by committing anti-Semitic crimes? We do not even ask ourselves these questions anymore, since members of the Abu Nidal group that we are detaining in Beirut are known to have been recruited by the Mossad."

Three weeks after Arafat paid a 1981 visit to Pope John

Paul II, and was received by the Italian President and foreign minister, in a major PLO diplomatic success, Abu Nidal's followers attacked a Rome synagogue, killing 3 people, and wounding 30. In June 1982, Abu Nidal's group attempted to assassinate Israeli diplomat Shlomo Argov in London—the incident that became the pretext for Ariel Sharon's decision for Israel to invade Lebanon the next day. The invasion succeeded in expelling the PLO from Lebanon.

On Jan. 14, 1991, Abu Nidal's group assassinated Abu Iyad, the head of PLO intelligence, in Tunis, on the eve of the Gulf War against Iraq. The PLO was then supporting Iraq.

Details about Abu Nidal's own curious ties with Israel emerged in an April 6, 1984 *Jerusalem Post* interview with his brother, Mohammed Khalil al-Banna of Nablus. Despite his brother's notoriety, Mohammed Khalil al-Banna was, the paper wrote, "the biggest fruit wholesaler in the West Bank," with extensive business ties to Israeli kibbutzim. "My father, Haj Khalil, was the wealthiest man in Palestine," he explained. "He used to market 10% of all the Palestinian produce to Europe." Part of the reason for the family wealth was its friendly ties with the Zionist movement. "My father was friendly with Avraham Shapira [the founder of the first Zionist terrorist organization, Hashomer] and with Chaim Weitzmann [later the first President of Israel]."

Although Syria is Abu Nidal's primary sponsor, his banking operations are tracked—naturally—to London. According to the London *Times* of July 21, 1991, Abu Nidal financed his terror campaign through the London branch of the Bank of Credit and Commerce International (BCCI), the bank that Bush and Thatcher had used to funnel arms to Iran, and to arm the Afghan mujahideen.

According to the statements of BCCI London official Ghassan Qassem to the Associated Press on Aug. 2, 1991, Abu Nidal opened an account at the bank in 1981. Qassem added that Abu Nidal visited London regularly, and that bank officials accompanied the terrorist on his shopping tours, and also arranged phony export licenses to allow arms to be sent to his group. According to the BCCI official, Britain's MI-5 intelligence service knew all about Abu Nidal's presence in London, and his arms purchases there, but took no action against it.

According to the London *Times*, Ben Banerjee, a London-based arms trafficker, was Abu Nidal's key intermediary for weapons transactions. Banerjee has been identified by the Iran-Contra hearings before the U.S. Congress as a business partner of Oliver North. The German magazine *Der Spiegel* of Oct. 7, 1991, further reported that the East German arms network run by East German Deputy Minister of Foreign Trade Alexander Schalck-Golodkowski, which supplied North with arms for the Contras in 1986, also supplied Abu Nidal, and that the BCCI was the mediator in those deals.

In the aftermath of the scandal, the British government ordered an investigation, under the direction of Lord Justice Bingham. "Having made detailed enquiry of all the intelli-

gence agencies,” the Lord Justice reported, “the inquiry has found no evidence to suggest that the management of BCCI at any level above that of bank manager knowingly held or handled accounts of the Abu Nidal Organization or its front companies.”

George Habash—In Paris for health reasons

George Habash is the leader of the Syrian-based Popular Front for the Liberation of Palestine (PFLP), which was formed in December 1967, with the intent of creating a Marxist “revolutionary party.” Habash had been a Palestinian leader since the 1950s.

Upon its inception, the PFLP embarked on a terror spree that successfully wedded the image of “Palestinian” with “terrorist” in public opinion. In 1968, the group carried out the first modern air hijacking, when it took over an Israeli El Al plane flying from Rome, and forced it to Algiers. The group also pushed for a Palestinian confrontation with Jordan, coining the slogan, “The road to the liberation of Palestine goes through Amman.” The group’s hijacking antics in September 1970, gave Kissinger the pretext to order a Jordanian bloody crackdown on the PLO—known as Black September—even though the PLO had expelled the PFLP from its ranks.

In 1974, the PFLP established the Syrian-based Rejection Front, which attempted to stop PLO participation in any negotiated settlement, particularly through the Geneva Conference.

In order to discredit negotiations, the PFLP, like Abu Nidal, targeted Israeli civilians for violence. In May 1972, it launched a machine-gun and grenade attack at Israel’s Lod Airport, employing Japanese gunmen, who killed 26 people, and wounded 76. In June 1976, the PFLP hijacked an Air France jetliner to Entebbe, Uganda, which provided a pretext for Israel’s commando raid there. In May 1978, it carried out a machine-gun attack on passengers at Israel’s El Al airlines at Orly Airport in Paris, killing five people.

The PFLP has also worked with other terrorist outfits. In 1988, it held a joint press conference with the Kurdish Workers Party and the Armenian Secret Army for the Liberation of Armenia, in Sidon, Lebanon, to announce a common front. Both groups had been particularly active in France.

Evidence of French and Israeli patronage of Habash, emerged publicly on Jan. 30, 1992, when it was revealed that Habash had entered France that day, with a valid visa, to obtain a medical checkup. According to press accounts, Habash had suffered a stroke two days before. “Habash’s transfer to Paris for medical treatment followed an official and political agreement with the French government, which involved the Foreign and Interior ministries, as well as the Elysée [Presidential] Palace,” Abdel-Rahim Malluh, a PFLP official, told Reuters.

Although French President François Mitterrand expressed “shock” over his government’s decision to allow Habash into the country, and fired three senior officials, no

attempt was made to arrest and try Habash, despite the fact that he was formally wanted for dozens of murders on French soil.

Nor did Israel demand Habash’s extradition to Israel, for the numerous murders the PFLP had carried out there. “I am not making this a personal issue,” Israeli Prime Minister Yitzhak Shamir told the French daily *Le Figaro*. “George Habash is a sick man, physically speaking. I think the French will find a solution to this misunderstanding. It is not a major problem.”

The Bush administration showed similar sympathy. “France’s decision to admit Mr. Habash was its own decision. We don’t have any comment on that,” State Department spokesman Joe Snyder told the press.

Habash returned to Damascus later that month, where he continued to mobilize against the PLO. He predictably denounced the PLO for striking a comprehensive peace deal with Israel at the Oslo talks in the summer of 1993. The Palestinian people, Habash told Reuters on Sept. 8, 1993, “will realize in the medium and long run that the agreement was a sell-out of the Palestinian cause, and a betrayal of the bloodshed to advance this cause.” He pledged that, despite the agreement, the fight against Israel would continue “unrelentlessly through the Intifada, and armed struggle, until we achieve all our goals.”

Ahmad Jibril and Pan Am 103

Former Syrian Army Capt. Ahmad Jibril is the founder and leader of the Syrian-based Popular Front for the Liberation of Palestine-General Command (PFLP-GC). The group was created as a splitoff from the PFLP, a few months after Jibril joined it in 1968. It has operated as a wing of the PFLP, nonetheless, ever since.

The group began suicide operations against Israel in 1974-75. It overtly supported Syrian operations in Lebanon in 1975-76. It has worked closely with Hezbollah, which was created by Syria and Iran in Lebanon in 1982, and has aided Hezbollah clashes with the Israeli Army.

Jibril’s group was accused by ABC News in the United States of assisting Syrian arms- and drug-trafficker Monzer al-Kassar, in placing a bomb aboard a Pan Am jet that exploded over Lockerbie, Scotland on Dec. 21, 1988. The plane carried on board several CIA officials based in Lebanon, who were returning to the United States with specific information on Bush’s ties to al-Kassar’s narcotics trafficking out of Germany.

The PFLP-GC, Hezbollah, Islamic Jihad, and Hamas also played a prominent role in an October 1991 Teheran conference, whose purpose was to organize a common front against the Madrid Israeli-Palestinian peace conference which began later that month, and which culminated in the Oslo accords between Israel and the PLO. Terrorist operations by the four groups played an instrumental role in electing Benjamin Netanyahu prime minister of Israel in May 1996.

II. French Imperial Roots

The Alawite sect's service to France

In 1921, in the aftermath of World War I, France added Syria to its empire, by virtue of the Sykes-Picot accord, which provided for the division of the Mideast between Britain and France. In 1936, six leaders of the Alawite sect of Syria sent an urgent petition to French Prime Minister Leon Blum. The leaders stated that the overwhelming majority of their sect rejected their proposed attachment to a French-ruled Syrian republic, and wished to remain under separate French administration. Among these six was Sulayman al-Assad, the father of current Syrian dictator Hafez al-Assad.

“We, the leaders and dignitaries of the Alawite sect in Syria,” they said, represent a people who “are different from the Sunnite Muslims.” The Alawites “refuse to be annexed to Muslim Syria,” because in Syria, “the official religion of the state is Islam, and according to Islam, the Alawites are considered infidels.” They reported that “the spirit of hatred and fanaticism imbedded in the hearts of Arab Muslims, against everything that is non-Muslim, has been perpetually nurtured by the Islamic religion.”

The Alawites, as we shall detail below, are neither Muslim nor Christian; some believe that they have their origins in ancient Babylon.

The dignitaries compared their plight to that of the Jews of Palestine: “These good Jews contributed to the Arabs with civilization and peace, scattered gold, and established prosperity in Palestine, without harming anyone or taking anything by force, yet the Muslims declare holy war against them, and never hesitated in slaughtering their women and children, despite the presence of England in Palestine, and France in Syria.” Imploring France to come to their aid, they emphasized that the Alawites are “a loyal and friendly people threatened by death and annihilation, who have offered France tremendous services.”¹

France did not comply with the Alawite request, this time around, and the minority was attached to Syria, despite

1. The original letter from the Alawite leaders to Prime Minister Blum, was on file at the French Foreign Ministry archives (E. 412.2, file 393,8) until the ministry discovered in the late 1980s that it had, somehow, inexplicably disappeared. The full text of the letter is reproduced in *The Extremist Shiites: the Ghulat Sects*, by Matti Moosa (Syracuse University Press, 1983, pp. 280-291).

their protests.

But the letter, indicating the Alawite relationship to imperial France, goes a long way toward explaining how Hafez al-Assad came to power in 1970, and how he has remained in power for the past 26 years. The reason is that Assad is not a leader of the Arab world, but rather a legacy of French imperialist domination of the Mideast, which continues to dominate Syria to this day.

But the French, of course, are not the only imperial power in the region. There are also the British. They, too, as the record shows, had great interest in the Alawite sect, and the Assad family.

In 1942, the Arab Bureau of British Intelligence, headquartered in Cairo, sent one of its top officers to wartime Lebanon, Capt. E.E. Evans-Pritchard. Evans-Pritchard, who would become famous as the profiler of southern Sudan, and author of the bogus concept of the “Nilotic peoples,” was asked to do an in-depth study of the Alawite sect. Following British SOP in such matters, Evans-Pritchard compiled a detailed profile of the sect’s leaders. Among them, he cited Hafez al-Assad’s father. In order to do the study, Evans-Pritchard relied on a prominent informant, a friend of Hafez al-Assad’s father, who was also the son of the sheikh who ruled the Assad family’s village, and another co-signer of the Alawite dignitaries’ letter.²

How the Alawites took over Syria

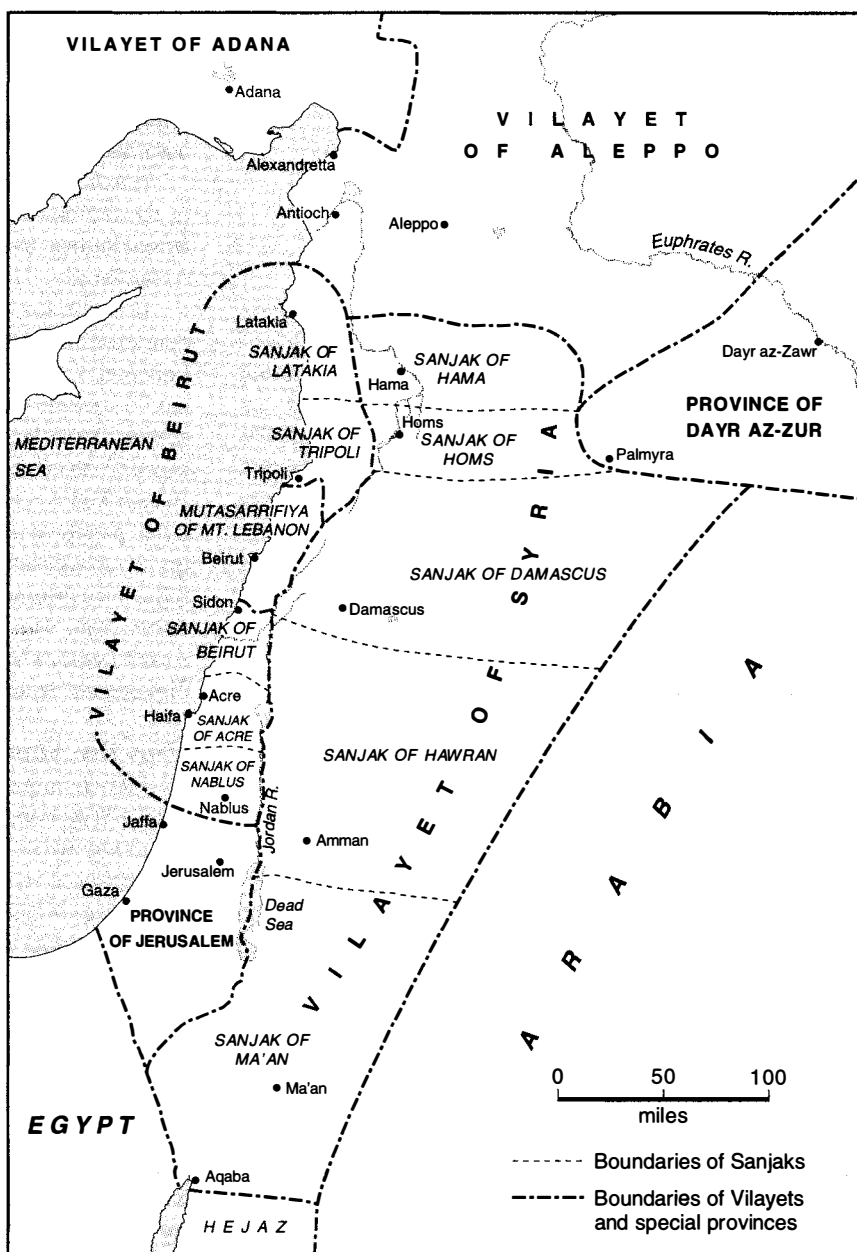
French imperial policy toward Syria during its post-World War I occupation, followed the standard practice of inflaming ethnic and religious divisions, to prevent unified opposition to its rule. Carving out minority states from the Syrian region it had seized, and favoring oppressed minorities in their conflict with the majority, was one way to accomplish this.³

Even before its 1921 Mandate, the French had singled out the Alawites, as important future clients. The future French governor of the Alawite state, which the French carved out of its Syrian lands, had already emphasized that they “could be extremely useful, perhaps even indispensable. They are all armed and possess weapons, and if they wished could put up a stiff resistance to us. We have the greatest interest in gaining their good feelings and even favoring them.” They were, he added, “perfect musketeers, even in their pillage and brigandage one finds among them a well-tempered soul, a virile char-

2. Evans-Pritchard’s unpublished intelligence report is cited in *Assad: The Struggle for the Middle East*, by Patrick Seale (University of California Press, 1988, pp. 13, 497). Seale reports that Evans-Pritchard was aided by Ahmad al-Ahmad, the son of the village sheikh. How Seale acquired access to the unpublished intelligence report is not explained.

3. For a general history of French colonial policy, see *The History of French Colonial Policy, 1870-1925*, Sir Stephen H. Roberts (London: Cass, 1963, 2nd edition). For a diplomatic and administrative history of the mandate, also see *Syria and Lebanon under French Mandate*, by Stephen Hemsley Longrigg (London: Royal Institute of International Affairs, 1958).

MAP 3
Pre-World War I Ottoman Syria



During the Ottoman Empire, the eastern Mediterranean coastal region was divided into the three governates (*vilayets*) of Syria, Aleppo, and Beirut, further divided into districts (*sanjaks*). The province of Jerusalem was separately administered by Istanbul directly. Because of French pressure, the Mutasarrifiya of Mt. Lebanon, dominated by Roman Catholic Maronites, had a special status within the *vilayet* of Beirut. The region as a whole, comprising what is today Syria, Lebanon, Israel, and Jordan, was a coherent economic and geographic unit known as Syria.

acter, something dignified.”⁴

Acting according to this policy, the French heavily recruited the Alawites and other minorities, into their native military units, while virtually banning the recruitment of the

Sunni Arab majority.

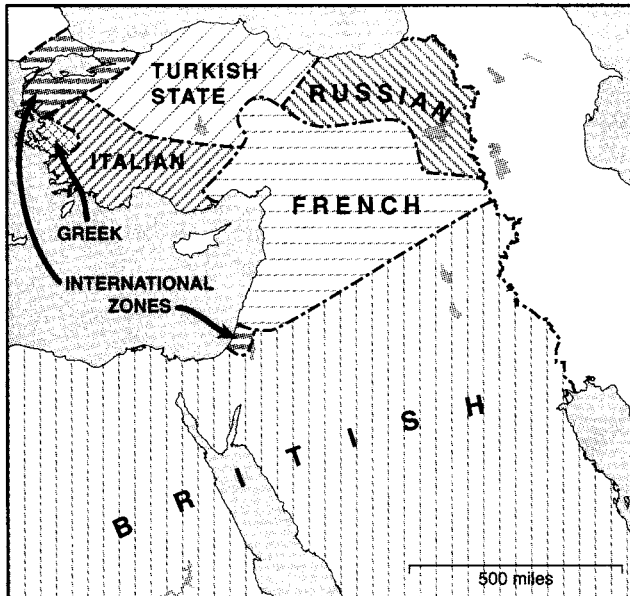
French Foreign Ministry statistics tell the story:

The Alawites and Christians comprised 46% of all the soldiers in the Auxiliary Troops (Troupes Auxiliaries), for example, one of the three native units, in the years 1924-28. According to the Foreign Ministry, “the majority of [native] officers were Christian.” The total Alawite plus Christian population among the general Syrian population at the time, was 22%. Similarly, three of the eight infantry battalions in an-

4. “The Syrian Armed Forces in National Politics: The Role of the Geographic and Ethnic Periphery,” by Alasdair Drysdale, pp. 53-73, a chapter in *Soldiers, Peasants, and Bureaucrats*, edited by Roman Kolkowicz (London: Allen and Unwin, 1982).

MAP 4

Sykes-Picot agreement plotted breakup of Ottoman Empire



Under the 1916 Anglo-French war-time agreement negotiated by Sir Mark Sykes and George Picot, Britain and France, along with Italy, Greece, and Russia, intended to carve up the German-allied Ottoman Empire after the war. France would take present-day Syria and Lebanon, a huge region of present-day Turkey, and oil-rich northern Iraq. Britain would take Egypt (which it already effectively controlled), Arabia, the present-day Persian Gulf states, and southern Iraq. The strategic Bosphorus Strait and Palestine, were to be put under “international,” that is, joint Anglo-French, administration. The rest of Asiatic Turkey was to be carved up by Russia, Italy, and Greece, relegating a new Turkish state to a small section of the Anatolian peninsula.

other native unit, the Special Troops (*Troupes Speciales*), were composed mainly or entirely of Alawites, during the entire 1921-45 Mandate period. None of the battalions were Sunni in composition. And out of the 12 cavalry squadrons on which data are available for those years, 9 were composed of Alawite, Druze, Circassian, Armenian, Assyrian, or Ismaili minorities. Only three were made up of Sunni Arabs, and of these Sunnis, all were drawn from isolated border regions.⁵

The method by which the French put down the 1925-27

5. “Some Observations on the Social Roots of Syria’s Ruling Military Group and the Cause of Its Dominance,” by Hanna Batatu, *Middle East Journal*, vol. 35, no. 3 (Summer 1981), pp. 331-44; and “Minorities in Power: The Alawites of Syria,” by Peter Gubser, in *The Political Role of Minority Groups in the Middle East*, edited by R.D. McLaurin (New York: Praeger Press, 1979), pp. 17-47. See also Drysdale, *op. cit.*

MAP 5

Post-World War I Mideast



France and Britain did not get all that they wanted, because Mustafa Kemal Ataturk created the Turkish republic out of the remains of the Ottoman Empire, and kept control of much of the region which Britain, France, and their allies had intended to seize. Nonetheless, Turkey lost the Ottomans’ Arab lands. Britain took over present-day Iraq, Jordan, Palestine, the Arabian peninsula, and Egypt. France’s gains were much less than it expected. In addition to France losing vast amounts of present-day Turkey, to Ataturk, Britain betrayed the Sykes-Picot agreement, and grabbed northern Iraq, which had been promised to France. Britain also seized Palestine, which, under the plan, was supposed to be put under joint British-French control.

Sunni revolt against their rule, is instructive. Among the shock troops used, were the Supplementary Troops (*Troupes Supplétives*), which had been specially raised to crush the revolt. The force included six Druze, eight Circassian, three Kurdish, and several Alawite units, but no Sunni units at all. Over 6,000 people were killed during the revolt, and over 100,000 people (mostly Sunni Arabs) were left homeless. The bloodbath deeply embittered the Sunnis against the French, but also deflected some of that rage against France’s native collaborators.⁶

However, French “minority politics” was not the only reason that the French championed the Alawites. There was also a religious fascination, since French and British officials believed the Alawites were, or could be made into, Freema-

6. Batatu, Gubser, *op. cit.*

Post-World War I division of Greater Syria

Key to Map 6

One of France's first objectives after occupying Syria and Lebanon, was to reorganize the region, in order to provoke its population into internecine conflict. Accordingly, Gen. Henri Gouraud, of the French High Commission, established four French-administered "autonomous states" in the seized region within six weeks of his forces' entry into Damascus in July 1920. These states were:

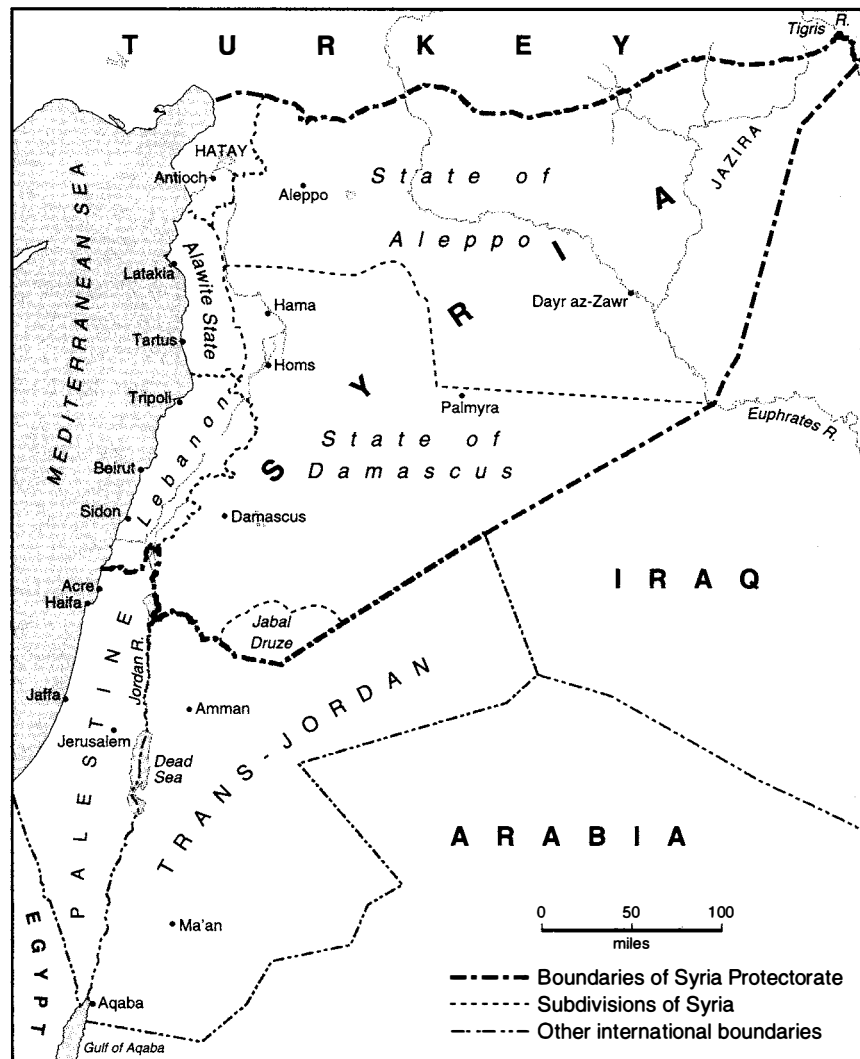
Greater Lebanon: The original Mount Lebanon *sanjak* was a relatively homogeneous district inhabited by Roman Catholic Maronites, who had been French clients for a century. Greater Lebanon, on the other hand, included many other areas that had never been under Maronite control, and were inhabited by populations which had been in conflict with the Maronites for, in some case, hundreds of years. Among the lands added to this new mini-empire were the half-Muslim city of Beirut; most of Tripoli, the overwhelmingly Muslim, natural gateway to Syria; and the whole of the Bekaa Valley, where Muslims outnumbered Christians two to one. It also included the districts inland from Sidon and Tyre, where Christians were a distinct minority. The new Maronite overlords constituted the largest community, but one which was less than half of the whole population.

The Alawite state: This isolated coastal region, north of present-day Lebanon, was carved out of the old *sanjaks* of Latakia and Tripoli, and handed over to the Alawites, a despised Muslim heretical sect, as their own, French-administered nation. The Alawites were almost entirely impoverished peasants, who lived in remote enclaves in the mountainous interior, and barely comprised a majority in the new state. The towns, the traditional seat of power and the residences of the Alawites' landlords, were largely Greek Orthodox or Sunni. The result was necessarily tumultuous.

The state of Aleppo: The old *vilayet* of Aleppo, named after the powerful merchant city which was its capital, also became a separate state, but was shorn of almost all of its old northern Kurdish territory, which had been lost to the new republic of Turkey. The Kurdish area that remained in Aleppo (Jazira) was separately administered by the French as a "military territory," as was its inland-desert that was inhabited by bedouin tribes. Aleppo's coastal district of Antioch (Hatay),

with its large Turkish population, was also placed under French administrative control, and was later lost to the new Turkish republic.

The state of Damascus: The old *sanjak* of Damascus also received a new status as a state, but was shorn of much of the Syrian *vilayet* of which Damascus had been the capital. The Druze mountains to the south (Jabal Druze) were severed, and put under separate French administration, while some of the eastern districts, such as the Bekaa Valley, were given to Greater Lebanon. Moreover, southern Syria, as per the Sykes-Picot accord, was severed from the rest of Syria, put under British colonial administration, and made into the new state of Transjordan and the Mandate of Palestine. This further inflamed the Sunni population of Damascus, in particular, because Britain made clear that it intended to turn over Palestine



to European Jews. As a result, Damascus, which viewed itself as the capital of the entire Syrian region, including present-day Lebanon, Jordan, and Israel, was left as a landlocked, desert territory.

The creation of these four states within French-held Syria was enthusiastically favored by the minority Alawites and Maronites, but was bitterly opposed by the Sunnis, who comprised two-thirds of the total regional population. Such conflict also served French interests.

Having set this turmoil into motion, the French changed gears and, in July 1922, suddenly proclaimed the "Federation of the Autonomous States in Syria," which created a single federation of Damascus, Aleppo, and the Alawite state, while preserving their autonomy. Lebanon was not included, and its status as a separate, French-administered state was finalized. By the end of the year, the French changed course again, dissolved the federation, and combined Damascus and Aleppo into one state, with a parliament. The state of the Alawites, on the other hand, was declared fully autonomous, and no longer linked with the rest of Syria.

Syria's 'compact minorities'

When France took over Syria and Lebanon, its population (estimated in 1912) was 3.2 million, of whom 1.8 million were Muslim, 1 million Christian, and 400,000 members of various sects. The overwhelming majority of the population was Arab. Although detailed census data on the population living within current Syrian borders at that time are not available, an estimate of the relative strength of minorities can be made, based on later data, because the comparative change would have been minimal. In 1964, for example, 80% of Syria was ethnically Arab. Its principal ethnic minorities were Kurds (9%), Armenians (4%), Turcomans (3%), and Circassians. Religiously, Syria was 70% Sunni Muslim. The principal religious minorities were the Alawites (11%), Druze (3%), Ismailis (2%), and various Christians (14%, of which the largest component, comprising one-third, was Greek Orthodox).

The sectarian and ethnic minorities have typically lived in small enclaves, within which they comprised the majority. Even in 1964, some 75% of the Alawites of Syria lived in the Latakia region on the northern coast, where they comprised 60% of the population (and where the Greek Orthodox constituted another 15%). Similarly, 90% of the Druze lived in the southern province of al-Suwayda (roughly the same as the old province of Jabal Druze), where they constituted 90% of the population. The Kurds were a majority in the northeastern province of Jazira, where the Christians were also strongly represented. Roughly 80% of the Ismailis lived as a minority in the central province of Hama, which is another Christian stronghold.

sons. That certainly was the view of Rev. Samuel Lyde of England, who lived among the Alawites from 1853 to 1859. According to his 1860 *The Asian Mystery*, which later served as one of the handbooks of the French occupation, the Alawites' secret handshakes, passwords, and ceremonial regalia, all attest to a possible link with the masonry.⁷

Part of the reason for that view is that the Alawite sect is a secret society, which does not reveal its canonical books to non-believers. The hidden doctrines of the sect's higher grades, are not even revealed to the general body of the faithful.⁸

The Alawites are so named, because they worship Ali as the incarnation of God, in contrast to the most basic tenets of Islam. (Another name for the group is the Nosairis, after their ninth-century founder.) According to their doctrine, God revealed himself in the form of a Holy Trinity on seven occasions. In his final emanation, God created Ali, who, in turn, created Muhammed. According to the sect, the first Alawites were stars in the world of light, into which an Alawite is transformed at death. If an Alawite sins, he is reincarnated as a Jew, Christian, or Muslim. The sect also syncretically incorporates various non-Islamic rituals. For example, it celebrates Christmas and Easter, and uses wine in its services.⁹

The French and British were particularly entranced by the "Moon sect," the largest Alawite denomination. According to their studies, the Moon sect's belief that Ali lived in the Moon, as well as their rituals, proved that the sect, and the Alawite religion in general, was pre-Islamic in origin, with possible ties to ancient Babylon. One of the six notables who sent the 1936 letter to Prime Minister Blum, was the leader of the Moon sect. Assad's village was the sect's traditional headquarters.¹⁰

Independence, but not quite

In 1946, Syria became an independent nation, but like many newly independent former colonies, it faced an enraged,

7. Moosa, *op. cit.*, pp. 409-418.

8. For such reasons, the Alawites are condemned by Muslims as *al-batiniyah*, referring to the esoteric nature of their cult.

9. Discussion of Alawite religious doctrine and practices is available in several works. The most comprehensive is Moosa, *op. cit.*, in which pp. 215-418 are devoted to a detailed analysis of the sect's doctrine and history.

The Sunnis and Shia have repeatedly issued religious opinions against the Alawites, because of their doctrine and practices. For example, the twelfth-century Shiite theologian Ibn Shahr Ashub, condemned the Alawites as "nihilists who relinquished Islamic worship and religious duties and permitted immoral and forbidden acts." The fourteenth-century Sunni Sheikh al-Islam Ibn Taymiyya ruled that "those people who are Nusayriyya [the derogatory name for the Alawites], together with the Qaramita, are more infidel than the Jews and Christians; nay, they are more infidel than many polytheists." The nineteenth-century Sheikh Ibrahim al-Maghribi issued a ruling that it was lawful for a Muslim to kill an Alawite and confiscate his property—which no Muslim could lawfully do to a Jew or Christian. See Moosa, *op. cit.*, pp. 277, 414-415.

10. Seale, *op. cit.*, pp. 19-20.

separatist, minority bloc, which had enjoyed special privileges under the empire. Revolt soon followed. The Alawites, led by Sulayman al-Murshid, rose in armed revolt. Al-Murshid was another of the six dignitaries who had sent the 1936 letter to Prime Minister Blum. His forces were soon crushed, and he was executed. In 1952, Murshid's son led another uprising, also crushed. In 1954, the Druze revolted. The suppression of the Druze revolt succeeded, temporarily, in making Syria a unified nation.

But, in a stunning irony, by 1963 the French-patronized Alawite secessionists had succeeded in taking over all of Syria, and rule it to this day. How was this possible?

A Syrian government study of the Syrian Army in 1949, gives an insight. The study found that "all units of any importance, as well as the important parts [posts], stood under the command of persons originating from religious minorities."¹¹ Even after independence, the Alawites still joined the military at much higher rates than the Sunni majority, where they were secured advancement by their officer brethren. In 1955, the Sunni head of the Army intelligence bureau, Col. Abd al-Hamid al-Sarraj, found to his reported astonishment, that 65% of the Army's non-commissioned officers were Alawites.¹²

On the civilian front, the Alawites scored increasing advances through their political front, the Baath (Renaissance) Party.

The Baath Party was founded in Damascus in 1940 by Michel Aflaq, a member of a Greek Orthodox grain-trading family, and Salah al-Din Bitar, a Sunni Muslim. Both had studied at the University of Paris, where they had been indoctrinated in the radical social theories that the French had used to undermine traditional society within their colonies. The Baath Party called for creating a socialist, secular society, through unifying the entire Arab nation, all the way from Morocco to Iraq.

Following independence, the party became a cloak for the reemergence of Alawite power in Syria. The party's advocacy of a secular state and society, particularly appealed to repressed religious minorities; their utopian call for unifying the Arab world, served to undermine the Syrian nationalist organizations, which tended to be dominated by the Sunni majority. Their call for class conflict helped mobilize the Alawite masses, many of whom were exploited peasants under the thumb of Sunni landlords.¹³

The main Syrian nationalist political parties were natu-

11. *The Struggle for Power in Syria: Sectarianism, Regionalism and Tribalism in Politics, 1961-1980*, by Nikolaos Van Dam (London: Croom Helm, 1981), p. 41. This exhaustive study, by a Dutch Foreign Ministry official, gives a detailed account of Syria's demographic and tribal structure, and its relationship to its political history, and especially the history of its army.

12. Moosa, *op. cit.*, pp. 294-295.

13. The use of the Baath Party as a vehicle for Alawite advance is detailed at great length in Van Dam and Moosa, *op. cit.*

rally dominated by the Sunni Arab majority, who made no secret of their view that the minorities were untrustworthy French collaborators.¹⁴

Syrian politics was turbulent and violent from its independence, as was the politics of the region as a whole. In 1952, the coming to power of Gamal Abdel Nasser in Egypt, however, gave new promise to the Mideast. Nasser's Pan-Arabism found powerful support within Syria, especially after the 1956 Suez crisis, when Egypt, because of its backing by the Eisenhower administration, defeated the combined military forces of Britain, France, and Israel. In 1958, Syria merged with Egypt to form the United Arab Republic. Although the union reflected Pan-Arabist principles that the Alawites claimed to espouse, the Alawites within the Baath Party opposed the union. The union, however, was supported by the Sunni population.

The United Arab Republic, however, did not function, and, in 1961, it broke apart after a military coup in Syria. By 1963, however, after a confusing period of turmoil and purges, the Baathists took power in a military coup, establishing the regime which later brought Hafez al-Assad to power.

How Hafez al-Assad earned his leash

Hafez al-Assad was born in 1930 to a family of French collaborators, and from a village that was the seat of one of the principal religious dignitaries of the Alawite sect, who was also a French collaborator.

In 1939, Assad moved to the port city of Latakia, to attend a *lycée*, which was then administered by Vichy France. Latakia, the main city in the Alawite region, was then a center of contending radical political movements. Assad fell under Baath Party influence, and joined the party there in 1947, after

14. The Sunni Arab nationalist movement in Syria, however, was under no less foreign imperial manipulation, than the minority separatist movements it fought. But the Sunni organizations tended to be under British, rather than French, control. The leading Sunnite organization in Syria, the Syrian-Palestinian Congress, formed in 1918, was a product of the Anglo-French-created Young Turks—who ran the Ottoman Empire during 1908-19, and Sheikh Muhammad Abduh of Egypt, a protégé of the Egyptian viceroy, Lord Cromer. All of the Syrian Sunni factions were controlled or manipulated by Lawrence of Arabia or his networks. See *Syria and the French Mandate: The Politics of Arab Nationalism 1920-45*, by Philip S. Khoury (Princeton, N.J.: Princeton University Press, 1987), pp. 514-534; and "Factionalism among Syrian Nationalists during the French Mandate," by Philip S. Khoury, *International Journal of Middle East Studies*, vol. 13, no. 4, 1981.

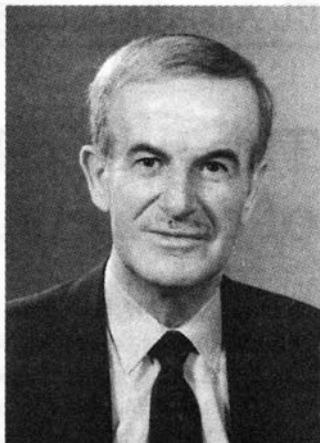
it was made legal. In 1951, Baathist student leader Assad was elected president of the nationwide Union of Syrian Students. He also entered the Military Academy in Homs that year, which had served as the springboard for military Alawite advancement.¹

In 1955, the Syrian government sent Assad, then a young Air Force officer, to Egypt, for further training. He returned to Syria in 1958, where he married into the prominent Makhluḥ family.

By 1959, Assad was back in Egypt, at which point he conspired with four other young officers stationed there, to form the Military Committee, a secret society within the Baath Party. Its other members were future Syrian President Salah Jadid and Muhammad Umran, both Alawites; and Abd al-Karim al-Jundi, the future head of Syrian intelligence, and Ahmad al-Mir, both Ismailis. In 1963, Umran, Salah, and Assad would oversee the military coup that brought the Baath Party to power.²

The initial blueprint for the coup, however, was not made at party headquarters, but at a 1960 meeting of Alawite religious leaders and elders in Assad's family village of Qardaha. Attending were Assad, Jadid, and Umran, now returned to Syria. The first step, it was decided, was to strengthen Alawite officer dominance of the Baath Party, in preparation for taking power. The elders decided to grant Umran the rank of *bab*, the highest degree in the sect; while Jadid was given the rank of *naqib*. At the follow-up meeting in 1963, immediately prior to the coup, Jadid was assigned the responsibility of leading the Alawites within the Army, while Assad was granted the rank of *naqib*.³

Once in power, the Baath Party systematically began to purge Sunnis from the officer corps. Sunnis were also discriminated against in recruitment to the Baathist military party organization; to the Baathist National Guard, the political branch of the military; and to the intelligence services—while



Alawites, and also the Druze, Ismailis, and Greek Orthodox, were given preferential treatment. Moreover, Sunni officers were transferred to less important posts, while Alawite officers who were their subordinates by rank, held virtual dual power in the regiments.⁴

By 1966, the Alawites were strong enough to run another coup to deepen their power over the Sunni nationalist parties, and over the military. Hafez al-Assad, who had been head of the Air Force since 1964, became minister of defense. Soon, Assad and Jadid held undisputed power in Damascus.⁵

Countdown to Assad's coup

The 1966 coup and its aftermath had succeeded in putting France's old clients, the Alawites, in power in Syria. But, at this point, a power struggle between the Assad and Jadid factions broke out, over who would gain total control.

The two factions put forward differing party programs. The Jadid group argued that Syria's priority had to be the "socialist transformation" of society. Jadid advocated closer ties with the Soviet Union to accomplish this, and rejected military and political cooperation with Jordan, Lebanon, or Iraq, which he termed "reactionary," rightist, and pro-Western. Jadid argued that the rejection of such cooperation was necessary, even if it were to be at the expense of the struggle with Israel.

The Assad group, on the other hand, argued that armed struggle against Israel had to be Syria's top priority, even at the expense of Syria's socialist transformation. It advocated military and political coordination with Jordan, Iraq, Egypt, and Saudi Arabia, despite their reactionary nature, as long as this benefitted the struggle against Israel.⁶

Despite the Assad group's fulminations against Israel, its actions were not exactly the most brilliant during the 1967 Arab-Israeli war. Assad's Defense Ministry announced the fall of the Golan Heights before it had actually occurred, leading to a rout of Syrian forces there.

The 1967 Arab-Israeli war turned out to be a repeat of the Suez imperialist adventure, but this time with the United States joining the French, British, and Israelis, against Nasser's Egypt.

The conditions for the war were laid, when Syrian jets engaged in provocative dogfights with Israeli jets on the Syrian/Israeli border, raising tensions to a fever pitch. Nasser was foolishly lured into ordering the blockade of Israeli

1. Patrick Seale, *Assad: The Struggle for the Middle East* (Berkeley: University of California Press, 1988), pp. 24-40.

2. Nikolaos Van Dam, *The Struggle for Power in Syria: Sectarianism, Regionalism and Tribalism in Politics, 1961-1980* (London: Croom Helm, 1981), pp. 43, 49-50; Matti Moosa, *The Extremist Shiites: the Ghulat Sects* (Syracuse: Syracuse University Press, 1983), pp. 296-97.

3. Moosa, *op. cit.*, pp. 297-303. David Roberts, the British ambassador to Syria and Lebanon in the 1970s and 1980s, also references this meeting, citing confidential diplomatic sources. See David Roberts, *The Baath and the Creation of Modern Syria* (New York: St. Martin's Press, 1987), p. 50.

4. Van Dam, *op. cit.*, pp. 43, 52-53; Moosa, *op. cit.* p. 229.

5. Statistics again tell the story. The Alawites, who constituted 11% of the general population, soon constituted 38% of the officer corps. The Druze and Ismailis (who constituted 3% and 2% of the general population, respectively) soon constituted another 9% each. Reflecting the Alawite dominance of Latakia, 63% of the officer corps came from there (whether Alawite, Christian, or Sunni). See Van Dam, *op. cit.*, pp. 101-102, Moosa, *op. cit.*, pp. 294-95.

6. Van Dam, *op. cit.*, pp. 83-84.

access to the Red Sea, in response. The blockade entrapped Egypt into an act of war with Israel.

Israeli Prime Minister Levi Eshkol was reluctant to retaliate with full-scale war against Egypt and the other Arab states. But, he was overruled by a war party, led by Shimon Peres, Moshe Dayan, Ezer Weizman, and Chaim Herzog, who ran a cold coup against Eshkol, and placed their operatives in the key positions of power. Israel launched a surprise attack against Egypt on June 5.⁷

The actions carried out by Syrian Defense Minister Assad during the war, are inexplicable from a military point of view.

First of all, during the critical first 22 hours of the war, Assad took no action against Israel—and this was at a point when Israeli forces were overwhelmingly concentrated in the south, on the Egyptian and Jordanian borders. Assad completely ignored Egyptian pleas for military aid, and stood back while the Israeli Air Force systematically destroyed the Jordanian and Egyptian air fleets on the ground. Moreover, Assad took no action to protect Syria's own Air Force, which remained on the ground, and was later destroyed there.

Even after losing air cover, Assad could have ordered an armored land invasion of Israel. The Israeli Army was then locked in combat on its southern front, and a Syrian invasion would have preempted any Israeli move on the Golan Heights. Instead, one day prior to the June 10 Israeli attack on the Golan Heights, Assad's brother Rifaat, then a tank commander in the Golan Heights, and Jadid's brother Izzat, turned their tanks around in retreat to Damascus, in order to "protect the revolution." Their action stripped the strategic Golan Heights of most of its tanks.

The next day, the Israeli Army invaded. Radio Damascus broadcast a report that the Golan had fallen, before it had occurred, triggering a rout that ensured defeat.

In 1968, the former Syrian ambassador to France, Sami al-Jundi, supplied some insight into Assad's strange behavior. In an interview with *al-Hawadith*, al-Jundi reported that he had met with Israeli Foreign Minister Abba Eban in Paris, two weeks before the war, on instructions from Damascus. Eban assured him that "the Israeli forces will not go beyond Qunaytira [the Golan Heights], even though the road to Damascus will be open."⁸

Although both Jadid and Assad were implicated in these disastrous actions, only Jadid seemed to suffer from them politically. On Feb. 25, 1969, Assad made his first coup attempt, which was not successful, but which did not weaken his own position.

It would take Black September to clinch the deal.

7. Umar F. Abd-Allah, *The Islamic Struggle in Syria* (Berkeley, Calif.: Mizan Press, 1983), pp. 57-63. Also see Moosa, *op. cit.*, pp. 307-309, and Seale, *op. cit.*, pp. 117-141.

8. See Moosa, *op. cit.*, p. 308.

III. Assad's Drug Franchise

The narco-history of the Lebanese war

On Nov. 23, 1992, the House Subcommittee on Crime and Criminal Justice, under the direction of Rep. Charles E. Schumer (D-N.Y.), issued a preliminary staff report entitled *Syria, President Bush and Drugs—The Administration's next Iraqgate*. The report, based on an exhaustive review of classified and unclassified information, accused the Bush administration of having systematically whitewashed the role of the Syrian government in making Lebanon into a center of the international dope trade.

"The U.S. Government now possesses extensive intelligence information implicating many Syrian Government officials in the Lebanese drug trade," the report states, "although the Administration acknowledges that a few Syrian officials are involved in the Lebanese drug trade, it simply refuses to admit the extent to which drug corruption has been institutionalized in the Syrian military forces now occupying Lebanon. Without Syrian military participation, the present system of growing, producing, and transporting drugs in Lebanon today would simply collapse."

According to the report, "the level of drug corruption rises much higher than a few low-ranking Syrian soldiers. President Hafez Assad's own brother Rifaat; Syrian Defense Minister Mustafa Tlass; General Ali Dubah, Commander of Syrian Military Intelligence; and General Ghazi Kenaan, Commander of Syrian Military Intelligence in Lebanon, are all intimately connected with drug traffickers operating out of Lebanon."

The report concluded: "The present administration refuses to recognize overwhelming evidence and admit that the Syrian government benefits from the [Lebanese] Bekaa Valley drug trade. . . . It is clear from the record that this Administration's failure to prosecute the drug-running Syrian generals is consistent with, and apparently driven by, its current attempts to court the Assad regime."

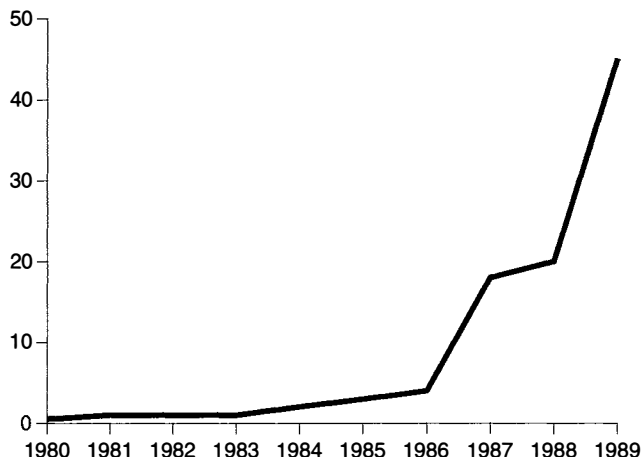
In fact, as *EIR*'s investigations have determined, Lebanon emerged as one of the world's most important dope plantations during the 1980s, because Vice President and then President George Bush handed Lebanon over to Hafez al-Assad, and protected his narcotics business.

As a direct consequence of these policies, Lebanon's dope production skyrocketed. By 1989, it was producing over 900 metric tons of hashish and 4.5 metric tons of heroin annually. Syria's potential revenue from the dope trade that year was \$7.9 billion, while the official total value of all of Syria's

FIGURE 1

Opium production in Lebanon

(metric tons)



Lebanese opium production, which zoomed from 0.5 tons in 1980, to an estimated 45 metric tons in 1989, has been overseen by the occupying Syrian Army, which introduced extensive cultivation of opium poppy into the Bekaa Valley in 1983. All of the opium is refined into heroin, with about 20% exported to the United States, and the rest to western Europe. The data are taken from U.S., Lebanese, and UN statistics. Since George Bush gave all of Lebanon to Assad in 1990, the U.S. government has fraudulently claimed that Syria has ceased all drug production in Lebanon, making estimates based on U.S. data impossible. U.S. government officials report off-the-record, however, that opium production continues there on the same level as in 1989.

exports stood at only \$1.6 billion.¹

As of 1989, Lebanon was producing over half of the world's hashish, a highly concentrated form of marijuana, and had become a significant heroin producer as well. According to Schumer's committee, based on a review of U.S. government data, "at least 20% of the heroin consumed each year in the U.S. is from Southwest Asia—a good portion of which is from Lebanon."

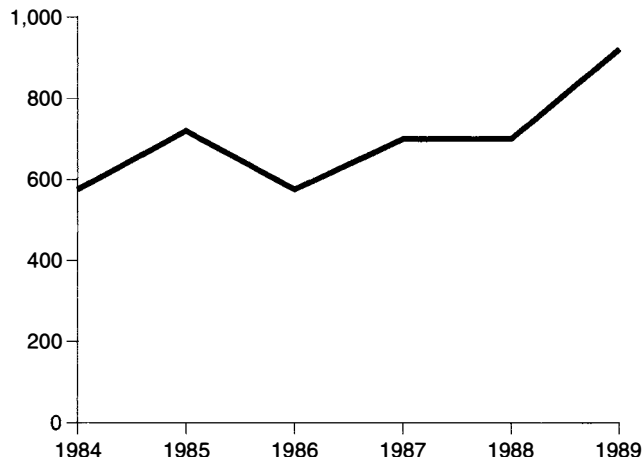
Throughout the 1980s, Lebanon became a safe haven for international terrorist organizations. According to the head of the Syrian-based Kurdish Workers Party (PKK), the Syrian government provided assistance to no fewer than 73 "libera-

1. See *EIR*, July 26, 1996, "Britain's Dope, Inc. Grows to a \$521 Billion Business," for the method and source of data used in *EIR*'s estimates of worldwide narcotics production. We are confident that we err on the conservative side. Where not otherwise indicated, information in this article is taken from interviews with sources in the region, former Lebanese Narcotics Authority records, documentation assembled by the National Alliance of Lebanese Americans (NALA), and newspaper articles, of which the most informative have been by freelance journalists Ralph Cwerman and Remi Favret.

FIGURE 2

Hashish production in Lebanon

(metric tons)



The Syrian Army vastly increased Lebanese marijuana plant cultivation in the late 1970s, all of which was converted to hashish. The data available (beginning in 1984), show that hashish production increased by 50% by the end of the decade. Half of the drug went to western Europe, and the rest served the Mideast market.

tion" organizations during that decade.² This assistance not only meant safe-housing, training, and funding; it also meant giving them a cut in the dope trade. As a result, the PKK, for example, is now the biggest heroin distributor in Europe.

A new dope bonanza

It is the case, however, that narcotics played an important role in the Lebanese economy even before Syrian occupation. Lebanon was traditionally a major refiner of Turkish and Iranian heroin, and the major regional producer of hashish. But it was only following Syrian occupation, that Lebanon became a dominant factor in the world's narcotics trade.

The first region which the Syrian Army occupied after its invasion in 1976, was the Bekaa Valley, a 75-mile-long strip of land, on the average 10 miles wide, in the northeast of the country. Before the occupation, the valley had been Lebanon's breadbasket. It soon became the base for 30,000 of the 40,000 Syrian troops stationed in the country, and the site of Syria's dope fields.

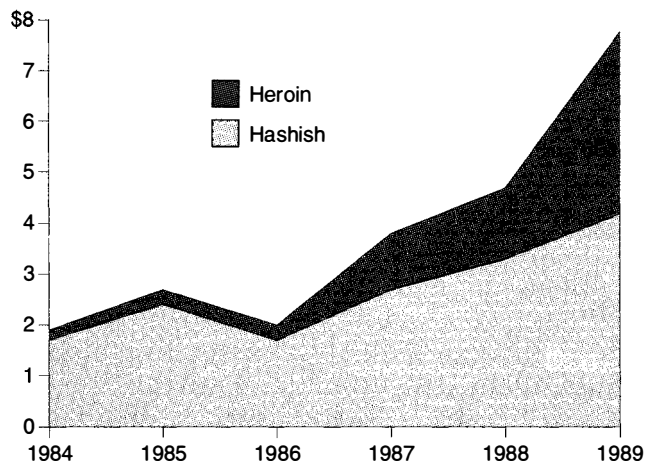
The Syrian Army immediately ordered the peasants in the Bekaa to cultivate marijuana rather than potatoes, and, in order to ensure quality dope harvests, introduced mechanized agriculture there for the first time. By 1980, marijuana fields covered nearly 90% of the agricultural land of the valley.

2. Abdullah Ocalan interview with journalist Mehmet Ali Birand, published in the Turkish daily *Milliyet* on March 23, 1991.

FIGURE 3

Value of Lebanon's hashish and heroin production

(billions \$)



Under Syrian occupation, Lebanon has become one of the world's biggest drug plantations. If all of the heroin and hashish produced there in 1984 were sold, Syria would have reaped \$1.9 billion; in 1989, Syria would have raked in \$7.9 billion. Syria continues the same level of production today—while the U.S. and other governments look the other way—and is making even more money, due to increased drug prices. Now, would anyone in his right mind, think that Assad would readily be willing give up this drug bonanza, in exchange for the return of the Golan Heights from Israel?

In 1982, the Syrian Army began to introduce opium poppy to the valley for the first time, and brought in Turkish poppy growers to teach local farmers how to cultivate the unfamiliar crop. The Army also built heroin refineries there. Soon, opium poppy fields began to displace marijuana fields. By 1990, some 30% of the farmers in the valley were growing opium poppy, producing about 45 tons of opium in a normal season (in turn converted into 4.5 tons of heroin).

This narcotics business was in no way covert. Every harvest season, for example, Beirut's newspapers published the local and international price of hashish, opium, and heroin.

Narco-terrorism

While the Bekaa Valley dope business was expanding during the 1980s, the rest of Lebanon was being systematically destroyed by warring sectarian militias. Every major city and every major factory was ruined. The aggregate destruction to the nation's infrastructure was several hundred billion dollars.

But, the civil war hardly touched the Bekaa. There, Catholics, Greek Orthodox, Sunnis, Shia, Druze, Kurds, and Palestinians, lived relatively at peace. Each group's militias were busily engaged in cultivating and refining narcotics.

It was only *outside* the production and refinement zones in the Bekaa, that these groups fought each other. And there, the fight typically took the form of a struggle over control over narcotics routes and ports. The reason that the militias fought over the routes and ports was economic. Dope sold for ten to a hundred times the price at the ports, compared to the price at its source, in the valley.

In order to ensure that the warring clans had the funds necessary to continue their civil war, Assad handed out dope franchises.

For example, Assad gave Hezbollah extensive opium plantations in Nabi Chit and Hermel. His brother Rifaat provided his own private security force to guard the plantations. According to Schumer's subcommittee, Hezbollah was taking in \$100 million a year in the heroin trade as of 1992.

Assad had the same policy toward non-Lebanese terrorist organizations that flocked into Lebanon in this period. For example, Abu Nidal's Palestinian terrorist sect was given a choice dope plantation in Bar Elias. Among others, the Kurdish PKK, the Armenian Secret Army for the Liberation of Armenia (ASALA), the Popular Front for the Liberation of Palestine (PFLP), and the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), were based in the valley, attached to tracts of marijuana and opium poppy fields.

The profit from this trade was enormous, and financed the Syrian Army's occupation of Lebanon, and the operations of its militias and terrorist sects as well.

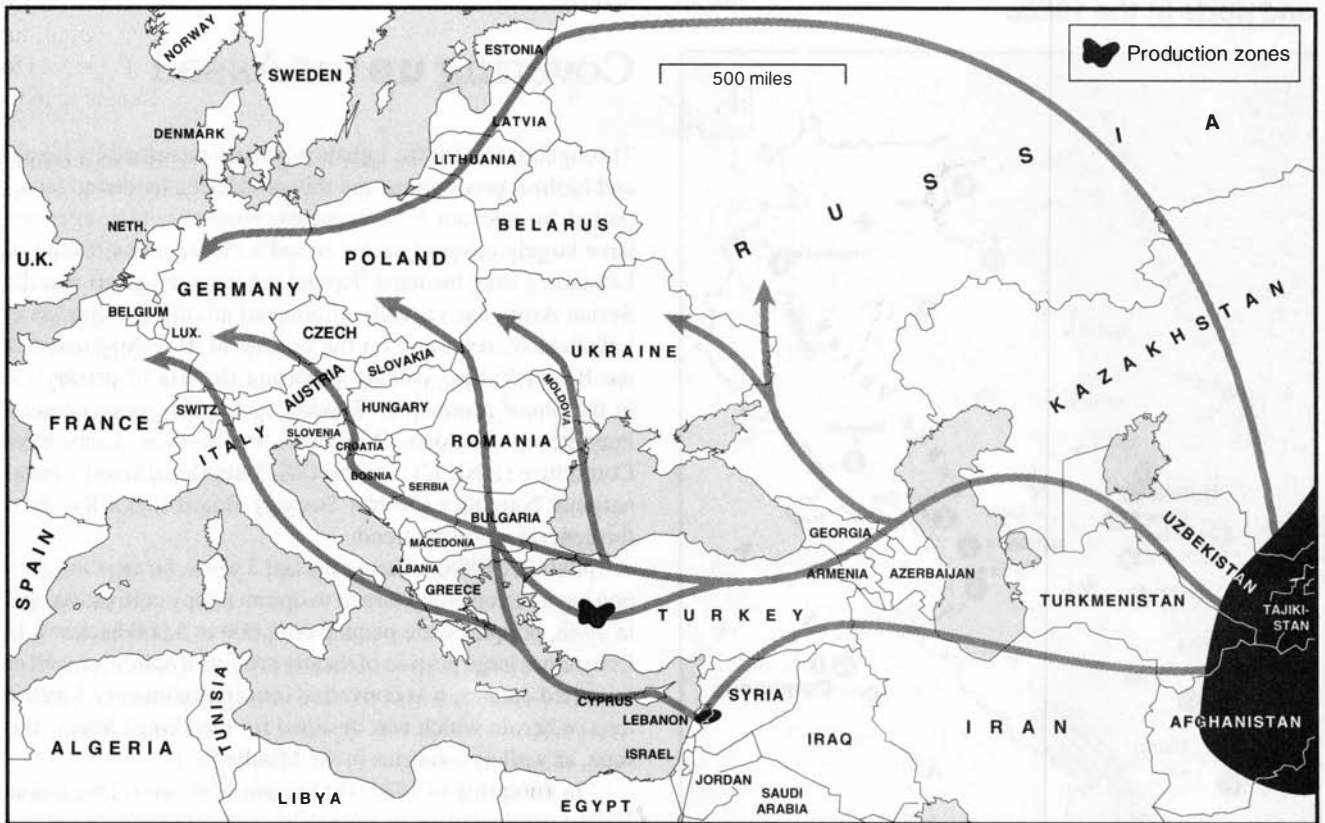
In 1990, the Lebanese Narcotics Authority, which operated in the small section of Lebanon which was then still independent, issued a report on its investigations of where the drug money went. According to their estimate, 40% of the profits went to Syrian Army intelligence, to finance the occupation. Another 45% went to finance the Syrian Army's smuggling network (which often employed terrorist sects as traffickers), local Syrian-backed militias, and terrorist training camps. The rest went to sustain local planters, and maintain infrastructure. Even according to the authority's very conservative estimate of a total income of \$1.3 billion annually, that comes to about a half-billion a year for the terrorist sects.

Assad also used the trade to extend Syrian influence into new areas.

Lebanese heroin soon became a medium of exchange for European terrorists' arms purchases. The Irish Republican Army, the Corsican National Liberation Front, and the Italian Red Brigades, among other groups, used Lebanese heroin to buy arms. All these groups developed a Syrian connection.

Second, the Bekaa emerged as a training ground and safe haven, for groups with no previous Mideast tie. For example, the Tamil Tigers of Sri Lanka. And, at the same time, the U.S., French, British, Greek, Bulgarian, Russian, Cuban, and East German intelligence agents and mercenaries who moved to the Bekaa to train terrorist groups there, became part of Syria's narco-terrorist nexus.

Central Asia-Mideast narcotics routes



Post-1990 reorganization

From 1976 through 1989, Syria emerged as the overlord of Lebanon. But a small portion of the country remained under the control of the legitimate Lebanese government, run in 1989 by Prime Minister Gen. Michel Aoun.

In the spring of 1989, the Syrian forces launched a massive assault against Aoun's forces, crushing them. Within a year, Lebanese sovereignty had been extinguished. According to knowledgeable sources, one reason for this assault, was that Aoun had begun to take over the various, competing militias' drug ports, since he saw that as the only way of stopping the civil war. No drug exports, no money to buy arms for the militias. Accordingly, the Bush administration began a major mobilization against Aoun, as did the French government of President François Mitterrand.

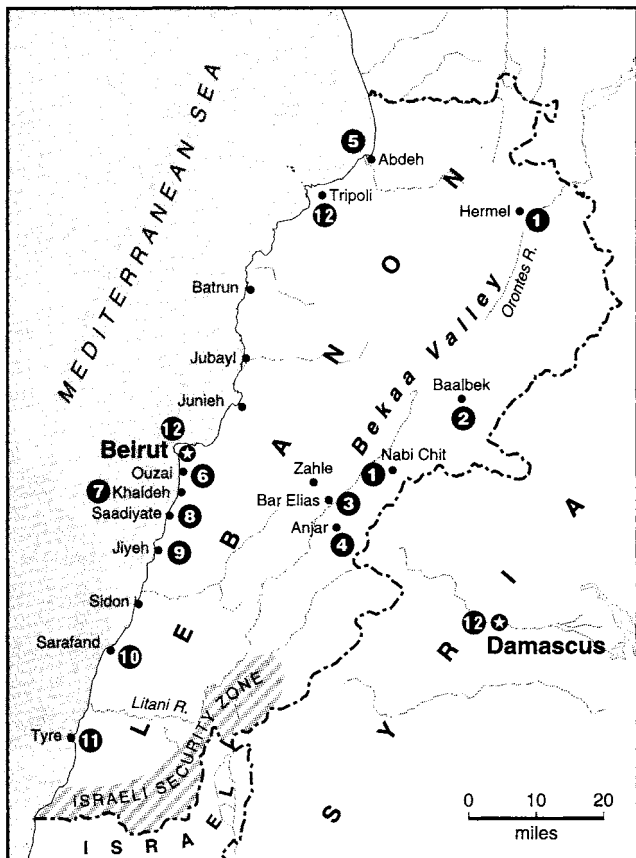
Jean-François Deniau, deputy head of the French National Assembly's Foreign Affairs Committee, pointed the finger at then-President George Bush: "The eruption of fighting in Beirut recently followed the decision of General Aoun to close the illegal ports, through which drugs were transiting," he told *Journal du Dimanche* in 1990. "The Americans know that Syria and the militia rake in huge profits from the poppy fields in the Bekaa Valley, where terrorist training camps are situ-

ated. The United States condemns drugs and terrorism worldwide, but makes an exception for the Syrians in Lebanon."

As a result of U.S., British, and French support, Assad soon was master of all of Lebanon. No sooner had Lebanon come firmly under Syria's control, than Assad began a reorganization of Lebanese narcotics production. Production itself was shifted from the valley to the Shouf Mountains, which flank the valley on its west. Opium production there, according to U.S. Drug Enforcement Administration sources, is at the same level that the Bekaa Valley reached in 1989. Assad also built new refineries to process opium grown in Afghanistan and Central Asia, increasing his role as a middleman.

This shift in Syria's narco-profile did not decrease its narco-revenues—far from it—but it did give the Bush State Department a pretext to whitewash Assad, and to even praise the Syrian Army for its "highly effective" efforts to eliminate Lebanese drug cultivation—pretending that dope could only be grown in the Bekaa. Continuing this Bush legacy, the State Department today fraudulently classifies Syria/Lebanese opium and marijuana production as "negligible." It admits that heroin refineries are still active, but it claims that these refineries, by being located in Hezbollah regions, are outside of Syrian Army control!

Lebanese narco-militias' plantations and ports in the 1980s



Key to Map 8

1. Hezbollah controlled the drug plantations in Hermel and Nabi Chit.
2. The Iranian Revolutionary Guard controlled the plantations in Baalbek.
3. Abu Nidal's organization controlled the plantations in Bar Elias.
4. ASALA controlled the Anjar plantation.
5. The port of Abdeh was used for Syrian Army drug export.
6. Ouzai was controlled by the Amal militia.
7. Khaldeh was controlled by the Druze militia.
8. Saadiyate was jointly controlled by the Druze and pro-Syrian Palestinians.
9. Jiyeh was run by the Druze.
10. Sarafand was run by Hezbollah.
11. Tyre was run by the Palestinians.
12. The major port cities of Tripoli and Beirut were used by the Syrian Army to export drugs, as were the airports in Beirut and Damascus.

Documentation

Covering up for Assad

Throughout the 1980s, Lebanon greatly increased its heroin and hashish production, and this production tended to be reported by relevant U.S. agencies. However, U.S. agencies have largely covered up for Assad's 1990 reorganization of Lebanon's drug business. Recent reports even assert that the Syrian Army has virtually eliminated all drug production in Lebanon, by reporting on the decline in drug production in the Bekaa Valley, without reporting the rise of production in the Shouf Mountains. Reports by the U.S. government's interagency National Narcotics Intelligence Consumers Committee (NNICC), and the U.S. State Department's International Narcotics Control Strategy Board (INCSB), show the general reporting trend.

NNICC, 1988: "During the last 3 years, farmers in Lebanon have increasingly turned to opium poppy cultivation, and in 1988, poppies were planted on 2,000 to 5,000 hectares. In Lebanon, a large portion of locally produced opium, as well as imported opiates, was converted into approximately 5 metric tons of heroin which was destined for the United States, Europe, as well as countries in the Middle East. . . .

"In the spring of 1987, the Syrians who control the Bekaa Valley conducted an operation to eradicate opium poppies; however, the results were negligible."

NNICC, 1990: "Lebanon supplies regional demand for heroin and ships drugs to Australia, Canada, Europe, and the United States. Most of the warring factions in the country, as well as some known terrorist organizations, are involved in one or more aspects of the illicit narcotics trade. Sixty-five percent of the country is controlled by Syria. Periodic reporting suggests Syrian army control over drug production in the Bekaa Valley. Almost all opium is converted locally to heroin. Large amounts of heroin may be smuggled to the United States."

NNICC, 1991: "Lebanon remained a major illicit narcotics production and trafficking country in 1991. About 37 tons of opium were produced in 1991 from 8,398 acres of opium poppy. Numerous credible reports suggested that some Syrian military officers protected drug activity in the Bekaa Valley and provided transportation for the export of narcotics produced in the region. . . .

"Syrian forces assisted Lebanese government elements in limited eradication operations directed against opium poppy cultivation in Lebanon. The Syrian government cooperated in international investigations of alleged drug trafficking."

NNICC, 1992: "Opium poppy cultivation in Lebanon was significantly reduced due, principally, to bad weather but also due to some eradication undertaken by Lebanese and

Syrian forces. However, heroin production from opium and morphine imported through Turkish brokers from Afghanistan and Pakistan continued apace.”

NNICC, 1995: “In the Middle East, opium poppy cultivation in Lebanon significantly declined. As a result of eradication campaigns, less than 90 hectares were available for harvest. In 1994, an aggressive joint eradication program was conducted by Lebanon and Syria, but pre-eradication production levels were maintained by using imported drug supplies.

“To block the flow of hashish from Lebanon, Syrian and Lebanese government forces aggressively increased efforts to eradicate cannabis in 1994. During the spring and summer of 1994, Lebanese officials, in conjunction with Syrian counterparts, mounted a large and effective eradication program. As a result of this program, cannabis cultivation in Lebanon dropped 50%, from 15,700 hectares in 1993 to 8,100 hectares in 1994. Production similarly decreased from 565 metric tons in 1993 to 275 metric tons in 1994.”

INCSB, 1996: “Illicit opium and cannabis cultivation in Lebanon remains significantly diminished due to strict enforcement and highly effective continued eradication efforts

by joint Lebanese-Syria authorities. As a result, there was an appreciable decrease in domestic cannabis cultivation, and almost no opium cultivation in 1995. Nevertheless, Lebanon did not successfully reduce the amount of narcotics imported into the country for purposes of process conversion and re-export. The joint Lebanese-Syrian effort to eradicate cultivation of illicit crops in the Baalbek-Hermel region, which was initiated in 1992, has produced notable results . . . the almost total eradication of these crops and no re-cultivation.

“The almost 20 years of large-scale unimpeded narcotics production activity in Lebanon appears to have ended. The focus now must be set on the downstream aspects of the narcotics trade as opium and morphine base continue to enter Lebanon from Southwest Asia through Syria for conversion into heroin. The heroin labs in the Bekaa Valley are small, mobile, well hidden, and consequently difficult to detect. Further complicating the already difficult efforts at lab discovery is the fact that they are largely in Hezbollah territory.”

According to the same report, Lebanon’s production of opium was 45 metric tons in 1989, 32 in 1990, 34 in 1991, 0 in 1992, 4 in 1993, 0 in 1994, and 1.5 in 1995.

Syria’s Monzer al-Kassar was Bush’s arms partner

Monzer al-Kassar, together with his brother Ghassan, were two of the Syrian regime’s primary arms- and drug-traffickers throughout the 1980s, according to the book *Godfather of Terror*, by a German police investigator writing under the pseudonym Manfred Morstein. The duo were low-level pushers, until Ghassan married the daughter of Gen. Ali Dubah, the head of Syrian Intelligence, who also supervised narcotics production in occupied Lebanon.

In the United States, Monzer al-Kassar was under investigation by the FBI, CIA, Drug Enforcement Administration (DEA), Bureau of Alcohol, Tobacco and Firearms, and the U.S. Customs Service, for crimes ranging from arms- and drug-trafficking to airline-hijacking and kidnapping. Nevertheless, Vice President George Bush routinely used Monzer al-Kassar to sell arms to the Contras and the Iranians. The arrangement is just one indication of the secret Bush and Assad dope and terror partnership.

As of 1984, the DEA had identified Monzer al-Kassar as the Syrian drug-lord responsible for distribution of heroin and hashish in France, Italy, and Spain. The DEA, other U.S. agencies, and other governments were investigating the al-Kassar family-owned Banco de Bilbao of

Spain. Syria’s General Dubah, Hafez al-Assad, and Rifaat Assad all maintained sizable accounts in the bank.

The DEA and other agencies were also investigating al-Kassar’s ties to Colombian cocaine barons Jorge Luis Ochoa and Gonzalo Rodríguez Gacha, who were then rapidly expanding their European operations, in partnership with Syria.

However, at the same time as al-Kassar was wanted by the DEA and other law enforcement agencies, he was a business partner with Lt. Col. Oliver North in shipping East bloc-made assault rifles to the Contras, on behalf of the Bush-directed secret support apparatus established under National Security Decision Directives 2 and 3. Al-Kassar’s other partners in the venture were Maj. Gen. Richard Secord (ret.), and former CIA official Thomas Clines—both longtime subordinates of former CIA official and Bush Presidential campaign speechwriter Theodore G. Shackley. A number of front companies of the Special Air Services (SAS), the British elite “anti-terrorist” commando force, with Mideast headquarters in Oman, were also involved.

Al-Kassar also proved helpful to Bush in selling arms to Iran. A 1987 investigation into the Italian firm Borletti, on suspicion of running arms to Iran, revealed that the operation was coordinated from Barcelona, Spain by the Bovega company, a front company of Monzer al-Kassar, on behalf of Rifaat al-Assad and his son, Firaas al-Assad.

Monzer al-Kassar later figured as the principal suspect in the 1988 downing of Pan Am Flight 103.

IV. Profiles

Assad's terrorists and drug-runners

In the 1970s and 1980s, Syria and Syrian-occupied Lebanon emerged as the safe haven for the most important Mideast terrorist organizations. All the Palestinian "Rejection Front" sects opposing the PLO are based there. So are the Kurdish and Armenian sects that are warring against Turkey. Assad has even provided a safe haven for groups as far away as the Tamil Tigers of Sri Lanka.

Even the U.S. State Department, in a rare display of honesty, has acknowledged this reality. "From the mid-1970s through 1983," its November 1986 *White Paper on Syrian Terrorism* reads, "Syrian personnel are known to have been directly involved in terrorist organizations. These organizations were primarily directed against other Arabs, such as Syrian dissidents, moderate Arab states such as Jordan, and pro-Arafat Palestinian as well as Israeli and Jewish targets. By late 1983 Damascus had curtailed use of its own personnel. Instead, it began to rely more heavily on terrorist groups made up of non-Syrians. As long as Syria does not stop terrorism from its own territory, or areas of Lebanon under its effective control, the security of all the states in the region is jeopardized."

This remains the case 10 years later, because no action has been taken against Syria for its protection of these groups.

Two of the most important terrorist groups that Assad protects are the Kurdish Workers Party (PKK) and the Hezbollah of Lebanon. We provide profiles of these below. Both are deeply involved in the dope trade, and are currently and accurately classified as "narco-terrorist," by the U.S. government.

The PKK and Hezbollah are not merely supported by Assad; both also find support in the capitals of Europe, and among Bush's circles in the United States.

Since 1983, the PKK has been leading a brutal civil war in southeast Turkey, which has claimed 18,000 lives. Its actions, in the border region of Turkey, Iran, and Iraq, have provided a nice handle for the imperial powers to block any economic development of the region. Without the continuous support provided by the French and British governments, especially, as well as from key factions in Russia and the United States, the PKK would not exist. French President François Mitterrand's widow, Danielle Mitterrand, is one of the PKK's patrons. Her objective is frankly imperial: It is to use the PKK to create the conditions for implementing those features of

the Sykes-Picot accords, which had been blocked by Turkish leader Kemal Ataturk back in the 1920s. Among her allies in this venture, are Lord Avebury of Britain, Newt Gingrich of the United States, and numerous parliamentarians from throughout Europe.

The Hezbollah, which was created by Syria and Iran in Lebanon, in the aftermath of the 1982 Israeli invasion, is another one of these terrorist pawns. It has been especially used to prevent a comprehensive peace in the region. Hezbollah has been instrumental in keeping Lebanon in a state of turmoil, through its militarily senseless rocket attacks on northern Israel. Its 1980s kidnapping spree against Americans, gave Bush and Thatcher the pretext to arm Iran, in exchange for the hostages' release. Last spring, it teamed up with Islamic Jihad and Hamas, to launch a series of rocket attacks and bus bombings, which created the hysteria in the Israeli population needed to put Benjamin Netanyahu and Ariel Sharon in power.

The narco-terrorist Kurdish Workers Party

Name of group: Kurdish Workers Party (PKK).

Headquarters: Bekaa Valley, Lebanon; Damascus and Latakia, Syria; important representative offices in London, Paris, Brussels, Moscow, Athens, Teheran, Washington, and throughout Germany.¹

Founded: The PKK was formed in 1974, as the offspring of the Federation of Revolutionary Youth (Dev Genc) of Turkey, which was banned following the 1970 military coup. Abdullah "Apo" Ocalan, the PKK founder who still leads the group, was a political science student at the University of Ankara. The group moved out of the universities and into the Kurdish marshes in 1975, and became a formally distinct revolutionary party in 1978. Its military arm, the People's Liberation Army of Kurdistan (ARGK), was formed in 1984. The PKK formed the Kurdish Peoples Liberation Front (ERNK) in 1985, whose European center of operations was in Cologne, Germany until Germany banned the PKK and ERNK in 1993. In 1994, the PKK formed the Kurdish Parliament in Exile, headquartered in Brussels, Belgium. It has also

1. Unless otherwise indicated, sources include interviews, PKK literature, and press accounts. Other published sources, of varying reliability, include "Transnational Sources of Support for the Kurdish Insurgency in Turkey," a speech delivered at the 25th annual meeting of the Middle East Studies Association of North America, on Nov. 24, 1991, by Prof. Michael M. Gunter; *The Kurdish struggle*, by Edgar O'Ballance (St. Martins Press, 1996); and *Modern History of the Kurds*, by David McDowell (London, Minority Rights Group, 1966).

established "Kurdish Information Bureaus," or similar front groups, throughout Europe and the United States.

Location of operations, areas active:

Primary operations:

- *Turkey:* The PKK is primarily active in the Southeast Anatolian region of Turkey ("Kurdistan"), especially in the provinces of Van, Hakkari, Bitlis, Siirt, Sirmak, Batman, Marden, Diyarbakir, Bingol, and Tunceli. The PKK has led a brutal civil war there since 1984. The region is infiltrated from PKK bases in neighboring Syria, Iran, and northern Iraq.

"Kurdistan" is a vast, largely mountainous area straddling Turkey, Iraq, Syria, and Iran, with a total population of some 20 million ethnic Kurds. The number of Kurds living in Turkey is about 12 million, out of a total of 65 million people in Turkey. The Kurds are an Iranic people divided into over 50 primary tribal confederations, who speak mutually incomprehensible dialects. Most of the Kurdish population are exploited peasants and shepherds, who work for the sheikhs and aghas (feudal landlords) of their tribe. Since the beginning of the civil war in 1984, many of these peasants and shepherds have fled to the rapidly growing cities of the region, where most are unemployed. Smuggling, banditry, and mercenary activities are other primary occupations.

Regional operations:

- *Syria:* Since the Turkish military coup in 1980, Syria has provided a haven for PKK founder and leader Abdullah "Apo" Ocalan and the PKK, and has allowed the PKK to launch raids on Turkish territory. Without Syrian support, the PKK would not exist. In 1985, Turkey constructed an electrified wire fence along its entire border with Syria, protected by mine fields and patrols. Somewhat less than 10% of the Syrian population is Kurdish, primarily living on the border with Turkey.

In July 1987, Turkey's Prime Minister Turgut Özal signed a security protocol in Damascus. Syria agreed to prevent the PKK from raiding Turkey from its territory, and to close down the PKK camps. Turkey, which in the meantime had nearly completed the Ataturk Dam on the Euphrates, which flows into Syria, agreed to supply Syria with no less than 500 cubic meters of water per second. A request for the extradition of Ocalan, however, was refused.

Syria's compliance with the accord, however, took the form of moving PKK camps to the Syrian-controlled Bekaa Valley in Lebanon, supposedly outside its legal control, where they remain to this day. Since September 1992, Syria has claimed that these camps have been closed down. According to an October 1989 Turkish government statement, Ocalan is a good friend of President Assad's brother, Rifaat Assad, one of the regime's top narcotics capos.

In January 1995, Turkey's Prime Minister Tansu Ciller admitted, for the first time, that Turkish Armed Forces had recently entered Syrian territory while on "anti-terrorist" missions. Syrian support of the PKK is a primary cause of Turkey's tense relations with Syria.

MAP 9

PKK area of operation



PKK terrorism has led to emergency rule in 10 Turkish provinces.

- *Iran:* Iran has provided support for the PKK, but covertly, and at a much lower level than Syria. In 1989, Apo Ocalan's brother, Osman Ocalan, established a liaison office in Teheran, and in the following year negotiated the creation of 20 operational bases on the Iranian border with Turkey, targeting especially the Turkish provinces of Van, Agri, and Kars. Simultaneously, the PKK, which is ideologically opposed to Islamic fundamentalism, began to publicly praise the Iranian revolution for the first time. Turkish government sources in 1991 reported that the PKK had important camps in Selvana, Rezhan, and Ziveh in Iran.

In the aftermath of Turkish attacks on PKK bases in Iraq in summer 1995, the PKK established eight more camps in Iran, close to the border with Turkey, according to the Turkish daily *Sabah*. The PKK reportedly now has several offices and safe houses in Teheran. The paper reports that the Iranian agency responsible for aiding the PKK is the Komiteh ye Panahandehgan, a committee established to aid those who want asylum in Iran.

- *Iraq:* The 1991 Anglo-American war against Iraq eliminated the Iraqi government's control over its northern, ethnic Kurdish region. Since that time, Britain and France, with the support of the Bush administration, established and administered a Kurdish enclave in northern Iraq, under the provisions of the UN's "Operation Comfort." The enclave has also provided safe haven for the PKK.

This Kurdish region has always been a problem for Iraq, and was a target of Iranian-organized insurrection, even prior to the Iranian revolution, under the Shah. During the 1980-88 Iran-Iraq War, Iran armed the Barzani clan's Kurdish Democratic Party (KDP), which occupied much of the 550-mile Iraqi-Turkish border. Iran also armed the Talabani clan's Patriotic Union of Kurdistan (PUK), which operated around Kirkuk. The Iran-instigated attacks on oil pipelines and the like, were used to pin down Iraqi troops in the north.

Simultaneously, Iranian ally Hafez al-Assad established

PKK camps in northern Iraq, on the border with Turkey, in the same general area dominated by the Barzani clan, which has since been allied with the PKK. As a result, virtually the entire border region between Iraq and Turkey fell under the control of Kurds controlled by Syria and Iran. It is unclear what effect the Barzani clan's September 1996 ouster of Talabani forces from northern Iraq will have on the PKK, and whether Barzani will continue his alliance with the PKK.

International operations:

The PKK deploys a vast network throughout western Europe, which is used to safehouse cadre, raise funds through narcotics trafficking, and engage in propagandistic operations.

- *Germany:* The external base of PKK operations (outside of its regional safe haven in Syria) is Germany. There are some 1.6 million Turkish nationals in Germany, of which 400,000 are ethnic Kurds.

PKK headquarters in Germany is located in Frankfurt. There are also important offices in Mainz, Offenburg, Rüsselsheim, Olderburg, Cologne, and Dortmund. In 1989, the PKK began publishing a newspaper, *Serxwebun (Independence)*, in Germany. Its front organization in Germany, the Kurdish Peoples Liberation Front (ERNK), began publishing *Berxwedan (Defense)*. Copies of both publications were smuggled back to Turkey. Germany is also a primary source of PKK income, through narcotics trafficking, and through extortion of the Kurdish ethnic population. According to German police (BKA) statistics, the PKK has a \$27 million war chest in Germany at its disposal.

In November 1993, the German government declared the PKK to be an illegal organization, in the aftermath of PKK-coordinated attacks on Turkish diplomatic and commercial facilities in 18 European cities on June 24, and then again on Nov. 4. As a result, the PKK moved its external command center to London, Brussels, and Paris. Nonetheless, the main PKK cadre force remains in Germany.

Turkish government officials have, on occasion, condemned Germany's handling of the PKK. For example, Gen. Kenan Evren, the former President of Turkey, told the Turkish daily *Milliyet* on Nov. 13, 1991: "The country that offers the best sanctuary to this organization [PKK] is; unfortunately, Germany, with whom we have historically friendly ties. During the time that I was President, 700 million marks were raised for the PKK in Germany. I spoke about this to German President [Richard von] Weizsäcker and expressed our dismay. They were cautioned repeatedly, but they always gave their constitution as an excuse. He said: 'We cannot stop them as long as they are not engaged in violence here.' They do not engage in violent acts in Germany. They do it here, but organize it there."

- *Britain:* The movement to create "Kurdistan" has been based in Britain since the 1890s. In the recent period, operations of the Kurdish insurrectionary movement in general, and the PKK in particular, have been coordinated by Lord

Avebury (Eric Lubbock), who is routinely in touch with all of its leaders. In October 1994, the European representative of the PKK, Kani Yilmaz, was arrested in Britain, en route to meet Lord Avebury, on German charges that he conspired to commit arson in Germany.

British support became more overt in 1993, after Germany had banned the group. Britain gave the PKK access to the satellite TV broadcasting station MED TV, which broadcasts every day into Germany between 5 and 11 p.m. The yearly budget of the station is estimated at \$7 million. The station routinely airs interviews with Ocalan from his headquarters in the Bekaa Valley, and issues marching orders to PKK cadre. Programs of the station are, in part, produced by the so-called "exile council" of the PKK, which was established in the Netherlands in spring 1994. According to the German press, the Bonn Interior Ministry stated, in respect to the station: "We have requested our colleagues in neighboring countries in Europe to put measures into effect in order not to compromise internal security in our country." In a March 1996 interview with the station, Ocalan called for the assassination of German Chancellor Helmut Kohl and Foreign Minister Klaus Kinkel.

- *United States:* The PKK has maintained an office in Washington, D.C. since 1993, under the name American Kurdish Information Network, which has been used to lobby Congress, often drawing on propaganda published by Amnesty International and Human Rights Watch.

On April 12, 1996, the head of the PKK's U.S. office, Kani Xulam, was arrested for holding a false passport, and for entering the country illegally. On April 26, Ocalan denounced the arrest of his "friend," in an interview on MED TV, saying it "may shed light on the U.S. position." He said that the arrest indicated that the United States "will want to accelerate the Turkish-Israeli strategy, pressure will be applied to Syria."

One of Xulam's collaborators is U.S. Rep. John Porter (R-Ill.), who is also a top advocate for the U.S. Greek and Armenian lobbies. Porter's wife, Katherine, defended Xulam's use of false papers, in comments to the press on April 16, saying that such activities were necessary to protect his relatives back home from Turkish government reprisal. She also testified as a character witness for Xulam. According to his personal papers, seized by police, Xulam had been scheduled to have lunch with Speaker of the House Newt Gingrich (R-Ga.) the week following his arrest.

The Turkish government, and Turkish media, have occasionally condemned U.S. support for the PKK.

On Aug. 17, 1991, the Turkish daily *Hurriyet* carried a government leak entitled "Aid Dropped to the PKK by Air," which reported that on Aug. 15, 1991, a Turkish mobile gendarmerie unit saw a U.S. C-130 transport aircraft drop supplies by parachute in the foothills of Mount Cudi, Turkey, where the PKK is known to be active. The paper reported:

"Several of the PKK militants captured during recent operations in the region were carrying U.S. aid supplies, which

they claimed to have received from American troops in the region. It is believed that this information, as well as other factors, was behind State of Emergency Governor Hayri Kozakciolu's statement that foreign elements were active in the region and that the 'area was full of agents.' According to various allegations, several foreign elements contacted the PKK militants shortly after arriving in the region. It has been established that the Ministry of Internal Affairs and the General Staff had been receiving information on these contacts with the PKK militants for some time before they asked the command headquarters to take appropriate action."

The "appropriate action" decided upon included a temporary ban on U.S. military flights in the region, unless their cargo was inspected by Turkish military authorities.

In February 1992, Prime Minister Suleyman Demirel met with President George Bush in Washington. According to a Turkish State Radio and TV network report on Feb. 16, 1992, Demirel raised charges about U.S. support of the PKK. "Demirel indicated that both President Bush and other officials firmly denied allegations about U.S. aid to the PKK," according to the report.

- *Russia:* The PKK's Parliament of Kurdistan in exile convened its third session in Moscow on Oct. 30-Nov. 1, 1995, in the context of increasing Russian anger over Turkish covert military and logistical support for Chechen insurgents. Viktor Ustinov, chairman for the committee on geopolitics of the State Duma (parliament), called on Kurds and Russians to engage in "joint work" to create an independent Kurdish state.

The U.S. State Department immediately issued a sharp blast at Russia for hosting the session: "The activity of the Kurdish Parliament in Exile is financed and led mainly by the PKK, an organization composed of inveterate separatist terrorist elements, whose operations in Turkey and Western Europe represent a threat to the lives of citizens of the U.S., Turkey, and other countries. We have stated repeatedly our unequivocal position, which is that, owing to their terrorist focus, neither the PKK nor the KPI [Kurdish Parliament in Exile] should be recognized as legitimate entities."

A few months earlier, on July 10, 1995, the newly founded Russian-Kurdish Friendship Society held a press conference at the Moscow Kurdish House. The Ekspresskhronika press agency reported that "the society's purpose is to inform Russians as to the problems of the Kurds living in Russia, the CIS countries, and abroad and also as to the Kurdish peoples' national liberation struggle for the creation of the independent state of Kurdistan. Another purpose of the creation of the society is assistance to Kurdish refugees from the zones of armed conflicts." The meeting was organized by Makhir Belat, the Moscow-based "representative of the Kurdistan National Liberation Front," a PKK front.

On Oct. 20, the PKK established its own Radio Voice of Media radio station in Moscow, at the old site of the Soviet TV and Radio agency, complementing its broadcasts from London. The stated purpose of the station, which broadcasts

in Kurdish, Turkish, and Arabic, is "the unification of the 40 million Kurdish people."

- *Greece:* In the spring of 1995, the deputy speaker of the Greek Parliament, Panaviotis Sgouridis, led a Greek delegation to the Bekaa Valley to meet with PKK leader Ocalan. Accompanying Sgouridis were Pasok party operatives Costas Bantouvas, Dimitris Vounatsos, and Leonardos Hatziandreous; Ionnis Stathopoulos, a deputy from the New Democratic Party; and Mari Machaira, a deputy from the Political Spring Party.

Athens News Agency reported in May that "an informal inter-party parliamentary committee responsible for issues concerning Hellenism and Orthodoxism visited Kurdistan National Liberation Front President Abdullah Ocalan at his hideout several months ago. The Kurdish leader told the Greek deputies that Turkey's effort to quell the Kurds' struggle not only failed, but showed Ankara's intransigence over the Kurdish issue. Mr. Ocalan said he would not allow an oil pipeline to cross through Kurdistan unless the parties involved negotiated with the Kurdish leadership."

In April 1996, the Clinton administration raised the issue of Greek support of the PKK, during the visit of Greek Prime Minister Costas Simitis. At a press briefing on April 10, State Department spokesman Nicholas Burns confirmed that these concerns were raised with the prime minister, and added: "There's no evidence that the Greek government supports the PKK . . . with logistical or financial support . . . but we are concerned that private groups in Greece may be supporting the PKK. That there are PKK operatives in Greece is a source of concern to us."

- *Armenian diaspora:* On April 6, 1980, the PKK, the Armenian Secret Army for the Liberation of Armenia (ASALA), and the Popular Front for the Liberation of Palestine (PFLP) held a press conference in Sidon, Lebanon, to announce a "declaration of cooperation" between the three Syrian-based terrorist organizations. Armenian guerrillas joined with the PKK in battles against Turkish troops who were trying to oust them from their northern Iraqi sanctuary in May 1983 and October 1984, according to the *Armenian Reporter*, a New York City-based ASALA mouthpiece.

ASALA, which was formed in Lebanon in 1973 and was headquartered in Syria, assassinated 30 Turkish diplomats or their family members at Turkish embassies and offices throughout the world, between 1975 and 1985. The group, which is now defunct, was financially based on heroin smuggling.

This Kurdish-Armenian alliance was editorially endorsed by the London *Economist* in its June 18, 1983 issue, in an article entitled, "The Common Enemy": "It may be that a tactical alliance between Kurds and Armenians, said to have been concluded three years ago, is in operation on the ground. Armenian brains and world-wide links combined with Kurdish military experience would produce a formidable guerrilla liberation movement."

This is not the first time that the British have promoted a Kurdish-Armenian link. In August 1927, Dashnag, the Armenian Revolutionary Federation (which was set up by British intelligence in the 1890s), sent an envoy to French Lebanon to participate in the creation of the "Khoybun," a Kurdish separatist organization which soon led an uprising in the Mount Ararat area of Turkey. The purpose of the revolt, which was coordinated by Lord Cornwallis, was to bring down the new Turkish republic of Mustafa Kemal Ataturk. The Dashnag actively participated in this Kurdish revolt in hopes of creating a Greater Armenian state.

• *France:* The British movement to create Kurdistan, which dates back to the nineteenth century, also involved Britain's junior partner, France, operating out of French Syria. Reflecting this tradition, the government of President François Mitterrand was instrumental in providing propagandistic, diplomatic, and military support to Kurdish insurgency against Turkey and Iraq, including to the PKK. Among France's operations on the Kurds' behalf, was its authorship and sponsorship of UN Security Council Resolution 688, which established "Operation Provide Comfort" in March 1991.

The resolution created a PKK-dominated Kurdish enclave in northern Iraq, under Anglo-French patronage, outside of the control of the Iraqi (and Turkish) governments. Mitterrand Humanitarian Affairs Minister Bernard Kouchner was the author of the resolution.

Danielle Mitterrand, the widow of President Mitterrand and the head of the "Fondation France Libertés," has long aided the PKK. In the winter of 1995, Mitterrand testified before the U.S. Congress Human Rights Caucus, on a foundation report which was an account of her so-called fact-finding trip to "Kurdistan" in August 1994. Katherine Porter, the PKK-supporting wife of Representative Porter, was one of four officials who accompanied Mitterrand on the trip.

The Mitterrand report complains that "after the collapse of the Ottoman Empire, the Treaty of Sèvres in 1920 recognized the Kurds, and promised them their own state. However, this was not implemented." (Ataturk made the treaty a dead letter.) However, "since this time, the Kurds have battled to achieve some form of self-determination." The report demanded that Turkish, Iraqi, and Iranian "Kurdistan" be protected from "genocide" carried out by their respective governments, and called for the creation of an International Criminal Court to try Turkish, Iraqi, and Iranian government officials.

Major terrorist actions: Since 1984, the PKK has carried out a terrorist, guerrilla war in southeast Anatolia, involving hundreds of small incidents per year. Thousands of villages have been evacuated, fields abandoned, and schools shut down.

According to Turkish Interior Minister Nahit Mentese, speaking in June 1995, more than 19,000 people have been killed in the war since 1984—most since the 1991 Anglo-American war against Iraq. In 1993, there were 7-10,000 full-

time PKK fighters, supported by another 50,000 part-time militia, according to unofficial Turkish government estimates. In October 1994, a PKK spokesman in Athens estimated its total guerrilla force at 30,000. The government estimates the PKK's total sympathizer-base at 375,000.

Beginning in the early 1990s, the PKK also began to carry out arsons and bombings in western Europe, often targeting Turkish sites there. In November 1993, the German government declared the PKK illegal, after it attacked, and in some cases briefly seized, Turkish diplomatic sites in 18 European cities on June 24, and again on Nov. 4. In March 1996, one hundred and fifty policemen in Dortmund, Germany were injured in a PKK-instigated riot. Banners of the rioters termed Germany "the number-two enemy," after the number-one enemy, Turkey.

The PKK has also increasingly integrated its operations with those of a new generation of German terrorist organizations, particularly that of the Anti-Imperialist Cells (AIZ). The AIZ has carried out numerous bombings and arson attacks against selected politicians, and it has threatened, in a manifesto in 1995, to "carry the war unto the doors of the private homes and working-places of the power elites." According to October 1996 reports of German Channel 2 TV news and the Germany weekly magazine *Focus*, the PKK has been training AIZ members in Lebanon. Some are sent back to Germany for actions there; others remain in the region to take part in PKK operations against Turkey.

Leaders' name and aliases: Abdullah Ocalan (nicknamed "Apo"—uncle) has led the group from its 1974 inception, when he was then working in the Political Science department of the University of Ankara.

Groups allied to nationally and internationally:

The PKK has relations with a number of other narco-terrorist organizations and front groups, and anti-Turkish parties. These have included the ruling PASOK party of Greece; the Greek terrorist EOKA-B; the Party for Democratic Socialism of Germany (former East German SED); the Greens of Europe; the now-dormant Armenian ASALA; and the Turkish Workers Party Marxist-Leninist, with which, however, the PKK is occasionally involved in shoot-outs over control of narcotics-trafficking routes.

The PKK was a founding member of the London-based Revolutionary Communist Party's Revolutionary International Movement, which had been established by former Kissinger National Security Council agent and Maoist ideologue William Hinton.

The PKK's involvement in the Central Asian-Afghan narcotics trade has also brought it into business relations with the diverse Islamic- and Turkic-formatted terrorist organizations, including groups hostile to Kurds. For example, the PKK has business ties with the Grey Wolves and the Nizami Alem, both "Pan-Turkic" terrorist organizations, which often kill Kurds. All three groups are involved in arms- and drug-trafficking operations in the former Soviet Caucasus, aiding the

Azeri and Chechen separatist movements.

Motivating ideology: The PKK is Marxist-Leninist in ideology, calling not only for freedom for "Kurdistan," but also freedom from "feudalism, colonialism, and class distinction." It is the only Kurdish party (of which there are at least a dozen) which does not have a tribal chief on its central committee, or is not merely a mouthpiece for a particular clan or tribe.

An April 21, 1996 interview with PKK chairman Ocalan, broadcast on London's MED TV, is illustrative. "What is important is that the struggle being waged against the peoples since the 1960s is continuing. The PKK emerged from the fire of this struggle. Just as the special war incorporated the counter guerrilla and the civilians in the aftermath of the 1960s, so have the peoples established their army. The Turkish Peoples Liberation Army is one step taken in that direction. So are the Turkish Revolutionary Youth Federation, and the Turkish Worker Peasant Liberation Army and Marxist-Leninist Youth. Instead of viewing them as opposing movements or movements within an ideological chaos, I believe that they should be assessed as individual movements with the class struggle that developed in the aftermath of the 1960s. I would like to add that the PKK is a manifestation and sum of all these movements."

Current number of cadres: An estimated 7-10,000 full-time fighters in the region, supplemented by a 50,000-man militia, according to unofficial Turkish government sources. There are an additional 4,000 cadre abroad, mostly in Europe, according to estimates of the Turkish defense minister in April 1995.

Training: The PKK is trained in Syria, the Bekaa Valley in Syrian-controlled Lebanon, and Greek Cyprus. It also receives secondary training in Iran.

The primary training camps for the PKK since 1980, have been in Syria and the Bekaa Valley in Lebanon. Instructors at these sites are composed of Syrian military personnel, and, previously at least, instructors from the Syrian-based Democratic Front for the Liberation of Palestine, led by Nayif Hawatmeh. According to a 1988 Turkish government press statement, the PKK has also received instruction at these sites from Soviet, Bulgarian, and Cuban instructors. In 1989, the Turkish press quoted a former PKK member saying that the PKK maintained a training camp on the Greek island of Lavrion, and that General Matafias, a former commander of the Greek Cypriot National Guard, trained the PKK in Syria. The Russian press reports that the PKK continues to maintain training camps in Greek Cyprus.

Drug connections: The PKK is one of the few groups formally classified as a "narco-terrorist" organization by the U.S. government. It has one of the most important cannabis and opiate production and distribution networks in Europe.

- At a March 1, 1996 State Department press conference, U.S. Assistant Secretary of State for International Narcotics and Law Enforcement Affairs Robert Gelbard said, "We are

quite concerned about the involvement of the PKK in trafficking in heroin. And, as you're well aware, I have said that before, in some previous years. But I think there has been some reliable information that has been developed over the course of this last year, which really proves it."

- According to a Turkish government statement of May 17, 1995, "The PKK smuggles narcotics brought from South-east Asia and the Middle East to Europe. Surprisingly, perhaps for the first time, a terrorist organization is involved in all aspects of the drug connection, namely, the acquisition, importation, and distribution of drugs, mainly to Europe. The money generated from drug trafficking amounts to hundreds of millions of U.S. dollars. Some of this amount is used to purchase firearms and other equipment, while the rest is pocketed by those who carry out these illegal activities on behalf of the PKK. The PKK exerts sustained efforts to keep its involvement in the drug trafficking under cover, in order not to attract public reaction, particularly in Europe. However, the evidence suggesting the PKK's involvement in drug trafficking is continuously increasing."

- In January 1994, the Turkish commissioner in charge of anti-narcotics activities stated that narcotics smuggling into western Europe was dominated by the PKK, and that in 1993, Kurds had been involved in 70% of the cases in which heroin had been seized on its way from Turkey to western Europe.

- Vox TV, Germany, February 1993: "The estimated figure the PKK earns from the narco-trade is more than 56 million deutschemarks [more than \$35 million]."

- *Focus* magazine, Germany, Oct. 24, 1994: "In the last eight years, 315 PKK members were involved in drug trafficking around Europe, 154 of whom were captured in Germany."

Turkish police reports, according to the Turkish government, indicate:

- "Some Afghans in Iran cooperate with the PKK to provide drugs from Afghanistan and hand the drugs to PKK members in the border between Iran and Turkey."

- "The police have strong evidence that a network composed of PKK militants is involved in drug trafficking in Zaho, northern Iraq [under U.S./British/French occupation]. . . . During the operation against the PKK, the Turkish Army discovered a large farm where the terrorists cultivated hemp . . . near the PKK's Pivela camp in Bihara Valley. . . . The amount of drugs captured during the operation in northern Iraq reached 4.5 tons."

- "Turkish Police found that hemp seeds had been cultivated by the order of the PKK in villages and hamlets of Hakkari, Diyarbakir, Van, Sirnak, Bingol, and Batman."

Arms suppliers: Arms are supplied from Iran, Armenia, and Syria, but are primarily purchased on the open market in Europe, the Mideast, and Central Asia, through the proceeds earned from narcotics trafficking.

Known political supporters, advocates: The PKK is historically a "derivative" operation of British, NATO,

French, and Russian intelligence, with added input from Israel, Greece, Iran, and the United States—all of which work through Syria.

This support was increased in 1995, when the PKK formed a government in exile. The main external support for the PKK is provided by Britain, with propaganda coordinated by Lord Avebury and his Parliamentary Human Rights Group.

The so-called Kurdish Parliament in Exile held its founding meeting in The Hague, Netherlands, on April 12-16, 1995, and established its headquarters simultaneously in Brussels, Belgium, (also headquarters city of NATO). The group reports that it held elections for seats for its parliament in Russia, Kazakhstan, Azerbaijan, Armenia, Georgia, North America, and Australia, electing 65 delegates.

Sixty members of parliament and party figures from Europe attended the founding parliament, and another 100 sent messages of support. The following list includes the more important individuals; those who personally attended are in bold type.

- **United Kingdom:** Lord Hylton, Parliamentary Human Rights Group; Marc Philips, parliamentarian, Wales; Lord Avebury, chairman, Human Rights Group; Baroness Gould; Alice Mahon, member of Parliament (MP); David Martin, member of the European Parliament (MEP); Peter Crampton, MEP; Harold Pinter, writer.

- **Germany:** Martin Seelig, parliamentarian, Party for Democratic Socialism (PDS); Matthis Gartner, parliamentarian, PDS; Sigrun Steinborn, parliamentarian, PDS; Stefan Trippach, MEP, PDS; Anke Biesterfeld, manager, Green party; Hans Branscheidt, manager, Medico International; Angelika Beer, MP; Angelika Graf, parliamentarian; Christa Maria, the Greens; Eva Bulling Schrater, MP; Friedel Grotzmacher, state legislator.

- **Serbia-Yugoslavia:** Dobrica Cosic, former President, Yugoslavia

- **Greece:** Panayotis Sgouridis, deputy speaker, Greek Parliament, Pasok; Dimitris Vunatsos, parliamentarian, Pasok; Kostas Badouvas, parliamentarian, Pasok; Leonardos Hatziandreu, parliamentarian, Pasok; Kostas Hatzidimitrius, parliamentarian; Nikolas Ikonomopoulos, parliamentarian; Panaiotis Kammenos, parliamentarian.

- **Cyprus:** Christos Mavrokordatos, parliamentarian, AKEL; Demetris Eliades, parliamentarian, EDEK; Demtris Odyseos, parliamentarian.

- **Belgium:** Claudia Roth, leader of the Green faction of the European Parliament. Roth is also vice president of the EU's Turkey Committee, and in September 1995, opened an office in Istanbul to deal with the "Kurdish question"; Jan Meesters, senator; Jef Sleenck, parliamentarian, SP; Michel Maertens, senator; Nelly Maes, senator; Paul Pataer, senator, MP; Yves de Seny, senator, PSC; Rob van de Water, external affairs secretary, Party of European Socialists; Leo Tindemans, MEP; Leoluca Orlando, MEP; and Ursula Schleicher,

MEP.

- **Italy:** Angela Bellei Trenti, parliamentarian, Rifondazione Comunista (Party of Communist Refoundation); Danieli Franco, parliamentarian, La Rete (The Network); Massimo Marino, CRDP; Maurizio Menegon, MP; Theodore Pangalas, MP, Socialist Party.

- **Sweden:** Karin Starrin, MEP; Per Gharton, MEP; Per-nilla Frahm, parliamentarian.

- **France:** Alain Callès, general secretary, MRAP; Etienne Pinte, National Assembly; Alain Boquet, GR, Communiste.

- **India:** Romesh Chandra.

- **Spain:** Joaquim Xicoy, chair of the Catolnya Parliament.

Thumbnail historical profile: The PKK was created as an offspring of the Federation of Revolutionary Youth (Dev Genc) in 1974, and by 1978 was involved in significant terrorist operations in southeast Anatolia.

Abdullah "Apo" Ocalan, the founder of the group, was a Turkified Kurd, who did not even speak Kurdish at the time the group was founded. During the 1970 military coup, he was a student in the political science department of the University of Ankara, and was involved with Dev Genc, which had been founded in 1969, and served as a mother organization for most of the revolutionary movements of the 1970s. He was also involved in the Ankara Higher Education Association, another leftist sect. Dev Genc was closed down by the coup, but its adherents regrouped; the PKK is one of those regroupings.

Following the amnesty of 1974, Ocalan formed what became the PKK, as a Marxist-Leninist Kurdish liberation movement. In 1975, Ocalan and his first followers concentrated on the regions of Urfa, Elazig, Tuceli, Gaziantep, and Maras. Unlike the other Kurdish separatist and revolutionary groups, Ocalan's initial recruits came exclusively from the working class, rather than the peasantry.

The 1980 Turkish military coup, and the declaration of martial law in the Kurdish provinces (in some cases remaining to this day), sharply curtailed PKK activities. At that time, the PKK moved many of its operations to western Europe (especially Germany and Belgium), as well as to Syria and the Syrian-controlled Bekaa Valley in Lebanon. Germany and Lebanon remain its main bases today.

From its bases in Syria, the PKK attacks Turkish military installations and other Kurds. Since 1980, the PKK has also received help from the Barzani clan's Kurdish Democratic Party of Iraq, and established bases in northern Iraq, used for launching operations into Turkey.

During 1984-91, Turkish military operations against the PKK had some success. However, the 1991 U.S.-British-French war against Iraq, and the elimination of Iraqi authority from northern Iraq, under the guise of Operation Provide Comfort, led to a massive expansion in Kurdish insurgent operations there, especially that of the PKK.

In mid-April 1995, former Turkish Prime Minister Bulent Ecevit called for a new military alliance with the United States, replacing Provide Comfort, and expelling British and French forces. According to *Hurriyet*, which interviewed him on April 16, "The British and French forces serving the Provide Comfort force would leave, since the [proposed U.S. defense] agreement pertains only to American forces. With the departure of the British and French forces from Provide Comfort, it will be possible to control the attempts to set up a Kurdish state in the region that would be independent of the central administration in Baghdad. Behind the suggestion that the British and French forces should be left out is the uneasiness Ankara feels in the activities in northern Iraq of the non-governmental organizations. These organizations, benefitting from the security umbrella provided by Provide Comfort, are claimed to be attempting to establish an independent Kurdish state using 'humanitarian relief work' as a pretext."

The Hezbollah

Name of group: Hezbollah (Party of God).

Alias: Hezbollah is a federation of some 13 different organizations, including Jundallah (Soldiers of God) and Islamic Amal (a split-off from Amal, a Shiite militia). It is a political party which currently holds 8 seats in the 128-seat Lebanese parliament; a militia, engaged in combat with Israeli forces occupying southern Lebanon; and a terrorist organization, which operates under the name Islamic Jihad.¹

Headquarters: Hezbollah's political headquarters are in Beirut; its military headquarters are in the northern Bekaa Valley, in Baalbeck and the Hermel district, which is also the center of its opium plantations. It also has important military bases in southern Lebanon, where many of its heroin refineries are located. Historically, Hezbollah has been directed out of its representative offices in Damascus, Syria and Teheran, Iran.

Founded: June 1982, in the aftermath of the Israeli invasion and occupation of Lebanon.

Location of operations, areas active: Lebanon and Israel, with sporadic activity in Kuwait. According to unconfirmed reports, Hezbollah may have also been responsible for

the July 18, 1994 bombing of the Buenos Aires headquarters of the Argentine-Israeli Mutual Association, which killed over 100 people.

Major terrorist actions: Hezbollah has been the primary Syrian-run terrorist group active in Lebanon, targeting U.S. diplomatic and military installations, and kidnapping U.S. diplomatic personnel.

- April 18, 1983: Suicide car-bombing of U.S. embassy in Beirut, killing 63 (including 17 Americans). The dead included R.C. Ames, the CIA's top Mideast expert, and four of his deputies, who had arrived that day from Washington for a meeting with the CIA Beirut station chief and four other CIA officials (who were also killed).

- Oct. 23, 1983: Suicide truck-bombing of U.S. Marine barracks in Beirut, killing 245 and wounding 146.

- Oct. 23, 1983: Suicide truck-bombing of French military headquarters in Beirut, killing 58 and wounding 15.

- January 1984: Saudi diplomat kidnapped (released May 1985).

- Jan. 18, 1984: President of American University of Beirut (AUB), Malcolm Kerr, assassinated.

[February 1984, U.S. evacuates Marines from Beirut.]

- February 1984: AUB professor Frank Regier kidnapped, rescued in April.

- March 1984: CNN bureau chief Jeremy Levin kidnapped (escaped February 1995).

- March 16, 1984: CIA Beirut station chief William Buckley kidnapped, and killed in June.

- May 8, 1984: Rev. Benjamin Weir kidnapped (released September 1985).

- Sept. 20, 1984: U.S. Embassy Annex in Beirut car-bombed, killing 14.

- December 1984: Kuwaiti flight hijacked to Teheran; two USAID officials killed.

- Jan. 8, 1985: Father Lawrence Martin Jenco kidnapped (released July 1986).

- March 16, 1985: AP bureau chief Terry Anderson kidnapped (released December 1991).

- March 22, 1985: Marcel Carton and Marcel Fontaine, consuls at the French embassy, kidnapped.

- March 26, 1985: British journalist Alex Collet kidnapped (killed in April 1986).

- May 28, 1985: AUB professor David Jacobsen kidnapped (released November 1986).

- May 22, 1985: Two French citizens, Kaufmann and Seurat, kidnapped (one killed in March 1986, the other released).

- June 10, 1985: AUB professor Thomas Sutherland kidnapped (released November 1991).

- June 14, 1985: A TWA flight from Athens to Rome is hijacked, and flown back and forth across the Mediterranean. A U.S. Navy diver on board is killed. The hijackers demand the release of detainees, mostly Lebanese Shiites, from an Israeli detention camp. Thirty-nine U.S. citizens held as hos-

1. Sources for this report include interviews, Hezbollah literature, and newspaper accounts. Other sources, of varying reliability, include: *Militant Islamic Movements in Lebanon*, by Marius Deeb (Center for Arab Studies, Georgetown University, November 1986); *Terrorism: National Security and the Homefront*, Stephen C. Pelletiere, editor (Carlisle Barracks, Pennsylvania: Strategic Studies Institute, U.S. Army War College, 1995); *Amal and the Shia*, by Augustus Richard Norton (Austin: University of Texas Press, 1987); *The Islamic Threat: Myth or Reality?* by John Esposito (London: Oxford University Press, 1992).

tages for 17 days.

- July 1985: Hezbollah claims credit for a bombing of a synagogue in Copenhagen, Denmark.
- Sept. 9, 1985: American educator Frank Reed kidnapped (released in April 1990).
- Sept. 12, 1985: AUB accountant Joseph Ciccipio kidnapped (released December 1991).
- Oct. 21, 1985: American writer Edward Tracy kidnapped (released August 1991).
- April 17, 1986: American hostage Peter Kilburn is murdered.
- Jan. 30, 1987: British “Iran-Contra” intermediary Rev. Terry Waite kidnapped (released November 1991).
- January 1987: AUB professors Jesse Turner, Alan Steen, Robert Polhill, and M. Singh kidnapped (released October 1991, December 1991, April 1990, and October 1988, respectively).
- February 1988: Col. Richard Higgins, a U.S. member of the UN military observers office is kidnapped, and subsequently murdered.
- April 1988: Kuwaiti airliner hijacked; two U.S. hostages murdered.
- August 1990: Hezbollah claims credit for Ankara car-bombing which wounds a Saudi diplomat.
- October 1990: Saudi diplomat in Beirut murdered.
- March 1991: Hezbollah claims credit for Ankara car-bombing which wounds an Iraqi diplomat.

Trademark terror signatures: Suicide bombings and kidnapping supplement its conventional military actions. Since suicide is explicitly condemned as a grave sin in the Koran, Hezbollah’s decision to carry out suicide bombings required a complex exegesis.

Leaders’ names:

Sheikh Muhammad Husayn Fadlallah is its founder and spiritual leader.

Sheikh Hassan Nasrallah is its current secretary general, replacing Abbas al-Musawi, who was assassinated in 1992.

Sheikh Subhi al-Tufayli, one of its founders, left Lebanon for Iran in 1992, because of his opposition to participating in the elections.

Known controllers/mentors/theoreticians:

Hezbollah is a product of the Shiite theological academy in Najaf in southern Iraq, which the British also used to organize the 1979 overthrow of the Shah of Iran. All of Hezbollah’s leaders were trained there, many when Ayatollah Khomeini held court there as the academy’s most prominent theorist. According to Sheikh Tufayli, in an Aug. 20, 1985 interview with the Iranian newspaper *Ettelaat*, “Our relationship with the Islamic revolution [in Iran] is one of a junior to a senior . . . of a soldier to his commander.”

Hafez al-Assad is the other controller of the group. “As long as Hafez al-Assad is the director of the orchestra, Hezbollah does not have to worry,” Hezbollah Secretary General Hassan Nasrallah said in 1993, when the United States was

involved in brokering an Israeli-Hezbollah deal, with Syrian assistance, restricting weapons fire to military targets.²

The primary Iranian coordinators of Hezbollah have been the Karrubi brothers, both of whom have worked with George Bush and company since at least 1980. They have been aided in this capacity by their close associate, Ayatollah Ali Akbar Motashemi.

Ayatollah Hassan Karrubi was a top Khomeini adviser, who had lived with him in exile for 15 years prior to the revolution. He was one of the figures who oversaw the taking of the U.S. hostages at the U.S. embassy in Teheran in 1979. He reportedly met with then-Reagan campaign director Bill Casey, and vice presidential candidate George Bush in October 1980, in Paris, in order to ensure that the hostages would not be released before the elections. Karrubi later was a primary negotiator with the Reagan-Bush administration, over the release of the American hostages seized by Hezbollah in Lebanon. Hezbollah hostage-taking also provided the pretext for constant meetings between Bush operatives and Hafez Assad, and was later used as the pretext to justify arming Iran—allegedly to get the hostages released.

Ayatollah Mehdi Karrubi, his brother, oversaw foreign operations of the Iranian Revolutionary Committee, and later became speaker of the parliament. His Martyr’s Foundation, Iran’s largest, was Hezbollah’s primary funder. Mehdi Karrubi also reportedly met Casey, Bush, et al., beginning in 1980.

Ayatollah Ali Akbar Motashemi was the Iranian ambassador to Syria, in the immediate post-revolutionary period, where he oversaw funding of Hezbollah, among other tasks.

According to the Reagan-Bush administration account, as presented before the Congressional “Iran-Contra” hearings, Hassan Karrubi led the “moderate faction” in Iran, while his brother Mehdi was one of the leaders of a centrist faction potentially inclined toward the moderates, and opposed to the “extremists.”

Iran-Contra testimony confirms that the administration considered Hassan as someone with great influence over Hezbollah. On Oct. 27, 1985, Karrubi told U.S. National Security Council official Michael Ledeen that he and his group were ready to commit themselves to halting terrorist actions against the United States, and to put pressure on Hezbollah to release the hostages. The meeting occurred in the context of the spring 1985 Hezbollah hostage-taking spree. Karrubi repeatedly traveled to Lebanon during that period, meeting with Hezbollah, according to contemporary press accounts.³

2. As quoted in *Al Quds* of London, April 25, 1996.

3. Information on the Karrubi’s dealing with the Reagan-Bush administration is found in *Iran-Contra Affair* (Washington, D.C.: Report of the Senate and House Committees [S. Rept. No. 100-216, H. Rept. No. 100-433, and depositions thereto, November 1987]). Also see *A Very Thin Line—the Iran-Contra Affairs*, by Theodore Draper (New York: Simon and Schuster, 1991); and *Profits of War; Inside the Secret U.S.-Israeli Arms Network*, by Ari Ben-Menashe (New York: Sheridan Square Press, 1992).

In 1992, the Karrubi brothers, and Motashemi, were swept from power, with Mehdi Karrubi, then speaker of the parliament, even losing his individual seat in the elections that year. However, in October 1996, after four years of dormancy, Mehdi Karrubi announced the reactivation of his party, the Militant Clerics Society. President Akbar Hashemi Rafsanjani's term of office ends July 1997, and he is barred by the Constitution from another term. The Karrubi faction is expected to soon regain much influence.

Groups allied to nationally and internationally:

Internally: Hezbollah has allied with (and has also fought with) Amal (Groups of the Lebanese Resistance). Amal was formed in 1974 by Imam Musa al-Sadr, a pro-Syrian operative, who disappeared in Libya in 1978. Al-Sadr's cousin and mentor, Sheikh Muhammad Baqir al-Sadr, was a dominant figure at the Najaf theological academy in southern Iraq, and a decades-long collaborator of Khomeini. Amal played an active role in the first, 1975-76 phase of the Lebanese civil war, acting on Syria's behalf.

Amal split apart in 1982, after al-Sadr's successor, Nabi Berri, advocated limited collaboration with the Maronite Catholic militia, in order to fight the Israeli invasion. Husayn al-Musawi, Amal's liaison officer with Iran, opposed this collaboration, and formed a breakaway group, Islamic Amal, which soon joined Hezbollah.

Rivalry between Amal and Hezbollah broke out into violent clashes in 1988-90. Amal defeated Hezbollah in southern Lebanon, and expelled it from the area. Syria and Iran simultaneously backed both competing organizations, but Syria tilted in favor of Amal at that time. Hezbollah was only allowed to return to southern Lebanon after Iran brokered a cease-fire between the two groups in January 1989. Since then, Hezbollah, with Syrian support, has emerged as the hegemonic Shiite militia in southern Lebanon.

Externally: Hezbollah external allies include: the Islamic Jihad of Palestine (reportedly distinct from the Islamic Jihad of Lebanon), Hamas, and the Palestinian Front for the Liberation of Palestine-General Command (PFLP-GC), run by former Syrian Army Capt. Ahmad Jibril. All three groups are part of the Syrian-steered Palestinian rejection front. PFLP-GC cadre joined with Hezbollah in clashes with the Israeli Army in July 1993.

Delegates from all four organizations attended a conference in Teheran, Iran, in October 1991, whose purpose was to organize a common front against the upcoming Madrid Israeli-Palestinian peace conference which began later that month. The conference was chaired by Ayatollah Mehdi Karrubi, then speaker of the parliament. Ayatollah Ali Akbar Motashemi, then head of the parliament's Defense and Revolutionary Guard committee, also played a prominent role.

Islamic Jihad, Hamas, and Hezbollah also teamed up in the spring of 1996, to launch rocket attacks against northern Israel, and bus bombings in Jerusalem and Tel Aviv, which ensured Benjamin Netanyahu and the Likud's election vic-

tory. The Islamic Jihad of Palestine has its main offices in Damascus, London, and Tampa, Florida; Hamas is controlled out of London, England and Amman, Jordan; the PFLP-GC is merely a Syrian Army front.

Motivating ideology: Liberation of Lebanon from Israeli occupation, and the ultimate creation of a Lebanese Islamic Republic modeled after Iran.

The group explains its origins in the 1982 Israeli invasion and the "Zionist-Phalange [Maronite militia] coordination" that betrayed the country. It calls for military and terrorist actions to end Israeli occupation, and Phalangist domination.

"Our people could not withstand all this treason, and decided to confront the imams of infidelity of America, France, and Israel. The first punishment against these forces was carried out on April 18, and the second on Oct. 23, 1983," the group has said, referring to the bombing of the U.S. Embassy and Marine barracks, respectively.

It lists its objectives as: "Israel's final departure from Lebanon as a prelude to its final obliteration . . . ; The final departure of America, France, and their allies from Lebanon . . . ; Submission by the Phalange to just rule, and their trial for the crimes they have committed."

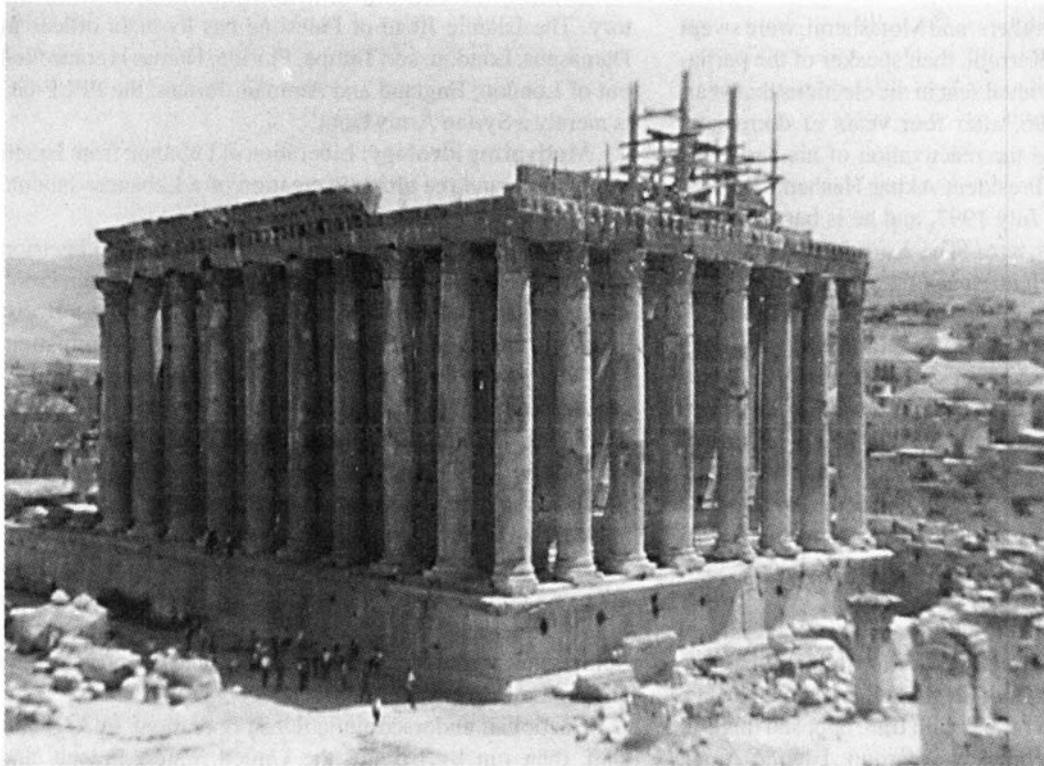
Hezbollah endorsed mujahideen operations in Afghanistan, then run by Britain, the United States, France, and Israel: "We stand against any western or eastern imperialist intervention in the affairs of the oppressed. . . . While denouncing America's crime in Vietnam, Iran, Nicaragua, Grenada, Palestine, Lebanon, and other countries, we also denounce the Soviet invasion of Afghanistan, the intervention in Iran's affairs, the support for Iraqi aggression, and so forth."⁴

Current number of cadres: An estimate of a militia base of 5,000 (whether or not including reservists) is standard. The Hezbollah militia is lightly armed, with automatic rifles, mortars, rocket-propelled grenades, and Katyusha rockets.

Training: The Iranian Revolutionary Guard's Zabadani base in western Syria, and its Sheikh Abdullah Barracks in the Bekaa Valley, have been Hezbollah's main training centers.

Evidence of Hezbollah's training by Israel, using Russian nationals, emerged in 1993. On Feb. 11, 1993, the Algerian newspaper *Liberté* reported that a group of Russian officers who trained Hezbollah forces in Lebanon, was executed in the fall of 1992, after it was established that they were working for the Israeli intelligence service, with the aim of establishing mole cells inside Hezbollah, and assassinating its leaders. The paper said the officers arrived in Lebanon via Teheran, and that Hezbollah is now recruiting former East German officers for the same purpose. It said the Iranian authorities, who

4. The complete text of the Hezbollah document, entitled "Open Letter Addressed by Hezbollah to the Downtrodden in Lebanon and the World," dated Feb. 16, 1985, is reprinted in Norton, *op. cit.*



Ruins of the Roman Temple of Bacchus in Baalbek, in Lebanon's Bekaa Valley (photo taken before the Lebanese civil war). Today, the military headquarters of Hezbollah is located in Baalbek, which is also the center of the region's opium plantations. In Lebanon's long history, Baalbek has often been a center of oligarchism: from the Phoenician cult of Baal, to the Roman cult of Bacchus, to the lunatic narco-terrorists today.

strictly control the passage of equipment to Hezbollah and examine each new recruit, approved of the recruitment of the officers.

According to a statement in the Israeli Knesset (parliament) by former Israeli Deputy Defense Minister Mordechai Gur, Hezbollah also has training camps in the trinational Iguazu national-park region on the borders of Brazil, Paraguay, and Argentina.

Drug connections: Hezbollah has been heavily involved in opium and marijuana cultivation, and heroin refining, since its inception.

Hezbollah's headquarters in Baalbeck and the northern Bekaa Valley, are in the traditional center of Lebanese marijuana cultivation, and, since 1983, the center of Syrian-Lebanese opium cultivation and heroin refining.

According to Lebanese Narcotics Agency 1990 reports, Hezbollah ran extensive opium plantations in Nabi Chit, Hermel, and Qasr in the Bekaa Valley, operating under the protection of Rifaat Assad's private militia. According to a 1992 report by U.S. Rep. Charles Schumer's (D-N.Y.) office, Hezbollah's "income from drug trafficking reportedly exceeds \$100 million a year."⁵

The Hezbollah remains headquartered in the Hermel dis-

trict in the northern Bekaa, cultivating and refining opium-heroin. Its product is shipped to Europe by the Kurdish Workers Party (PKK).

In addition to refining Lebanese opium, Hezbollah is also a primary refiner of Central Asian and Afghani opium, shipped there via Iran and Turkey.

Arms suppliers: Iran, via Syria; and Syria.

Funding: Its funds are derived mostly from narcotics sales, but Iran also reportedly provides it about \$60 million annually. Iranian funds for Fadlallah, used to establish Hezbollah militias, were channeled through the Martyr's Fund, run by Ayatollah Mehdi Karrubi, George Bush's "Iran-Contra" negotiating partner.

By 1987, Hezbollah was reportedly receiving \$120 million annually from Iran. Some Lebanese officials say Iranian aid to Hezbollah has been as high as \$300 million per year.

Because of these funds, Hezbollah has been able to deliver social services, unlike the paralyzed Lebanese government. Its hospitals, schools, discount supermarkets, and so on, are an important basis for its 1992 electoral victory, and popularity in general. Some of these latter functions are also funded by Saudi Arabia.

Known political supporters, advocates: Hezbollah has broad popular support within the Islamic world. Unlike many other regional organizations, however, it is not prominently supported, in an overt way, in the non-Islamic world.

Thumbnail historical profile: Hezbollah was one of a number of Islamic-formatted military and terrorist organiza-

5. *Syria, President Bush, and Drugs—the Administration's next Iraqgate*, staff report of the Subcommittee on Crime and Criminal Justice of the Committee on the Judiciary, chaired by Rep. Charles E. Schumer (D-N.Y.), issued on Nov. 23, 1992, p. 14.

tions that emerged in Lebanon in 1982, in the aftermath of the Israeli invasion, and the expulsion of the Palestine Liberation Organization. Prior to 1980, there were no Islamic-formatted political organizations in Lebanon of importance, except for Amal.

The origin and proliferation of Hezbollah, and related sects, is based on several factors:

- *The Israeli invasion of Lebanon:* The June-September 1982 Israeli invasion of Lebanon, and its subsequent occupation of the southern half of Lebanon (until 1983), was the major factor in the creation and growth of Hezbollah.

Most importantly, the Israeli Army selectively obliterated the PLO's infrastructure, and forced its leadership, and some 10,000 cadre, to leave Lebanon that summer. Syria finished off the job by the end of 1983. According to eyewitness accounts, the southern Lebanese Shiite population initially welcomed the Israeli invasion, thinking it would clean out the PLO, which then dominated the region.

The elimination of the PLO also broke the back of the Lebanese National Movement (LMN), the coalition of secular leftist anti-Syrian parties which had been hegemonic among Lebanese Muslims prior to the invasion. The Syrian- and Iranian-funded and -armed fundamentalists of Hezbollah sprung up in their place, rising to prominence in the same areas that had been the PLO bases of power, notably: Beirut, Tripoli, Baalbek, Sidon, and Nabatiyya.

- *The Islamic Revolution in Iran:* The rise of Khomeini's regime inspired many Lebanese Shiites, and served as their model. Hezbollah was formed in same Bekaa region where 1,500 Iranian Revolutionary Guards (Pasdaran) were based. Hezbollah's leaders were all clerics trained at Najaf. The Iranian embassy in Damascus, then run by Ali Akbar Mojtahedi, coordinated Hezbollah operations, working closely with Gen. Ali Dubah, head of Syrian military intelligence. Its leaders regularly traveled to Iran.⁶

- *Syrian intervention:* Syria invaded and occupied the Bekaa Valley of Lebanon in 1976, under the pretext of stabi-

6. On June 8, 1981, the Iranian parliament approved legislation authorizing "volunteers" to go and fight Israel in southern Lebanon. In November, Khomeini established an Islamic Revolutionary Council assigned to oversee Shiite revolutionary activities in Lebanon, Iraq, and the Gulf states.

The day after Israel invaded Lebanon, a high-level Iranian delegation, led by Col. Sayyed Shirazi, traveled to Damascus. On June 10, Iranian Prime Minister Mir Hussein Mussavi called for "war until victory in el-Quds [Jerusalem]," and asked parliament to budget funds for the war. In the aftermath of these events, 1,300 Revolutionary Guards, led by Sheikh Emami, established a base in Baalbek. Eventually, Iranian Deputy Foreign Minister Hossein Zadeh was de facto made high commissioner for Lebanon, acting in coordination with Gen. Ghazi Kanan, a Syrian intelligence officer stationed in Beirut. Others involved included the Iranian ambassador to Damascus, Ayatollah Ali Akbar Mojtahedi, and Mahmoud Nurani and Issa Tabatabai, who had been appointed by the Revolutionary Guards to oversee Palestinian refugee camps in the Tyre and Sidon regions. See *The Iranian Triangle: the Untold Story of Israel's Role in the Iran-Contra Affair*, by Samuel Segev (New York: The Free Press, 1988).

lizing the country, and ending the civil war. Since that time, until it finalized its control of Lebanon in 1990, Syria pursued a policy of arming and deploying numerous ethnically or religiously based militias, most notably the Shiite minorities. From its inception in 1982, in the Syrian-controlled Bekaa Valley, Hezbollah has opposed any collaboration with Christian militias, even in limited pacts directed against Israel. It has also fought Muslim-based groups advocating such collaboration.

Najaf origins

The idea of creating Hezbollah reportedly goes back to the first phase of the Lebanese civil war in 1975-76. Already at that time, Sheikh Fadlallah, its future founder, complained about the ascendancy of the Lebanese National Movement secular parties, and called for Muslims to organize their own, religiously based, party. Fadlallah's importance within Lebanon was based on his position as general representative of Abu Qasim al-Khui, one of the leading Shiite clerics of his day. Al-Khui, Fadlallah's former teacher, was then the leading Shiite cleric in Najaf, Iraq, together with his close friends, Ayatollah Ruhollah Khomeini and Sheikh Muhammad Baqir-Sadr. Fadlallah was also the Lebanese representative of Islamic Call, a Najaf-based covert organization involved in preparing the Khomeini coup.

Fadlallah, Hezbollah's founder, was born in Najaf in 1934 to a family of Lebanese clerics. He studied under Khui as a youth, and moved to Lebanon in 1966. He founded Hezbollah in 1982. By 1984, he was reportedly considered one of the three most prominent Shiite clergymen in Lebanon.

Hezbollah's other co-founders were also trained at Najaf. These include:

- Sheikh Subhi al-Tufayli, who was born in 1948 in Baalbek, in the northern Bekaa Valley. He studied theology at Najaf for nine years, as a student of al-Sadr. He also studied at Qum. Tufayli objected to Hezbollah participating in the Lebanese elections, and now resides in Iran.

- Abbas al-Musawi (deceased), who was born in 1952 in Nabi Chit in the northern Bekaa Valley. He studied religion in Tyre, and then in Najaf for eight years, where he was also a student of al-Sadr. He returned to Baalbek in 1978.

- Ibrahim al-Amin, who was born 1953 in the northern Zahleh region of the Bekaa Valley. He also studied theology in Najaf, but mostly at Qum, the Iranian holy city south of Teheran. He was Amal's representative in Teheran, until he broke with them in 1982.

- Sheikh Hasan Nasrallah, the current head of Hezbollah, who visited Khomeini when he was teaching in Najaf. Nasrallah is from southern Lebanon, and later served as Hezbollah's chief mobilization officer in the Bekaa. He was also Hezbollah's representative in Iran.

Other Hezbollah leaders included Sheikh Muhammad Ismail Khaliq, who was Ayatollah Montazeri's representative in Lebanon.

British geopolitics stokes fire of African holocaust

by Uwe Friesecke

The war in eastern Zaire, which was started during the third week of October by invading forces from Burundi and Rwanda, has all the potential to engulf the entire region of Africa's Great Lakes in genocidal war. Besides Zaire, Rwanda, and Burundi, the conflict could involve Uganda, Tanzania, Kenya, and southern Sudan. What most of the press tried to portray as yet another "tribal war" in Africa, in reality is the calculated aggression of an alliance among the rulers of Uganda, Rwanda, and Burundi, against Zaire.

The conflict exploded, because they were playing the ethnic card of "Tutsi against Hutu." The Tutsi groups of these three governments are using the instability in Zaire, whose President, Mobutu Sese Seko, is presumably deathly ill in a hospital in Geneva, Switzerland, to further their ambitions for the establishment of a "Tutsi Empire." In this endeavor, they are supported by the geopolitically motivated British government and by parts of the American government. U.S. Secretary of State Warren Christopher on Oct. 11 gave a virtual go-ahead to the Rwandan government, when he declared that it would be safe for Rwandan refugees in eastern Zaire to return home. Only two weeks earlier, U.S. Deputy Commander in Chief for Europe Gen. James Jamerson held talks with Ugandan President Yoweri Museveni in Kampala, Uganda, on the need for increased military cooperation between the United States and Uganda.

The aggressors

The Rwandan government continued to lie, saying that it had nothing to do with the conflict and was only giving moral support to the oppressed Banyamulenge people. But the fact is that, starting around Oct. 20, more than 2,000 Rwandan Army troops backed up the so-called rebels invading Zaire. In previous weeks, other well-equipped rebel commandoes had already infiltrated Kivu province from Rwanda, Burundi,

and Uganda, stirring up tensions between the Banyamulenge (who are regarded as belonging to the Tutsi grouping), and both the Zairean authorities and the Hutu refugees from Burundi and Rwanda, about 1 million of whom were living in camps near Uvira, Bukavu, and Goma. The attacks immediately forced more than 250,000 people to flee. Some reached the camps near the provincial capital of Bukavu, only to be uprooted once more, when Rwandan troops took the town one week later. In the meantime, by Nov. 1, after attacks on Goma, Zaire, up to 1 million refugees were in flight, in a desperate search for shelter, food, water, and safety.

The archbishop of Bukavu, Zaire, Mwene Ngabo, only one week before he was to be murdered, gave the following account of the nature of the war on Oct. 22: "In fact, this war that the mass media ascribed to the Banyamulenge, is an invasion coming from Uganda. The invaders' army is composed of Ugandese, Rwandese, and Burundese soldiers and other mercenaries. Compared to the Zairean Army, they are super-equipped. This invasion was carefully prepared over a long period of time in order to occupy part of Zaire. The soldiers who are here speak English, although the Zaireans, including the Banyamulenge, speak French. They can be seen settling into strategic places and digging up weapons hidden underground a long time ago, in villages inhabited by Banyamulenge."

The military leaders in Rwanda, Uganda, and Burundi, who directed those attacks, knew full well that the refugees had no chance of surviving in the hills and forests, where they were cut off from all supplies. Those who attacked the refugee camps, cold-bloodedly took into account, that hundreds of thousands of innocent civilians might die in eastern Zaire. Therefore, their argument, that they were chasing after "Hutu genocidalists," stands exposed as a cynical fraud. Although it is true that some people guilty of crimes during the genocide

of 1994 in Rwanda were among those in the camps, still, more than 80% of the camps' residents were elderly people, women, and children, and there can be no justification for holding them hostage for the others.

The greater 'Tutsi Empire'

In preparation for the war, the Ugandan and Rwandan secret services created a Banyamulenge People's Democratic Alliance, whose spokesman, Muller Ruhimbika, declared openly that the aim of the war was to take over Kivu province. Rwandan President Pasteur Bizimungu explained that the Banyamulenge would be quite welcome in Rwanda, but they would have to bring their land with them! In other words, Kivu should be annexed. Bizimungu even called for a second Berlin Conference, to redraw the region's map in the tradition of the 1885 Berlin Conference, at which the imperial powers divided up Africa.

Most of the military and political initiatives for the region come from the circles of President Museveni of Uganda. He took power in 1986 by breaking an agreement for a government of national unity. His power was based on his guerrilla army, comprised mostly of Tutsi refugees, who had fled Rwanda after the 1959 Hutu uprisings. For a long time, Uganda's opposition has accused Museveni of plotting to establish a Tutsi Empire, having promised to bring the refugees and their children back to power. Museveni regards himself as belonging to the Hima group of Tutsi—like Paul Kagame, the strongman of Rwanda, and Pierre Buyoya, the dictator of Burundi.

Museveni had created the military force which invaded Rwanda in 1990, out of the cadre of his former guerrilla army. They called themselves the Rwandan Patriotic Front (RPF), and set into motion a process which ultimately destroyed the state and government of Rwanda, and which, by 1994, gave them power over Rwanda. As criminal as was the genocide committed in the summer of 1994, by elements of the Habyarimana regime against Tutsi and Hutu opposition people, it cannot possibly justify the dictatorial regime that Museveni's friends of the RPF established in Rwanda afterwards.

In Burundi, Museveni supported a "creeping coup" organized by a Tutsi group that had controlled the Army since 1993. The coup began by killing the first democratically elected Hutu President, Melchior Ndadaye, in October of that year. There can be no doubt that Maj. Pierre Buyoya, who had been the military dictator of Burundi until June 1993, was involved in the plot. In the last two years, Museveni's Tutsi allies have managed to paralyze the Burundian state and parliament—of whose 81 members, only 31 are left in the country, while 22 were killed, and the rest were forced to flee for their lives—all to prepare the ground for the Buyoya coup this July. This eliminated all opposition from power in Bujumbura, and prepared the ground for the war against Zaire.

The triple alliance among Museveni, Kagame, and Buyoya is faced with a dilemma. The war in Zaire is further

proof, that they are not interested in finding peaceful solutions for the conflicts of the region, but only in promoting their own power. For this purpose, however, they adopted a strategy of playing the ethnic card of racial "superiority" of Tutsi over Hutu. The more they do this, as they are currently doing in Zaire, the more they will provoke hatred and the desire for revenge among the people who are their victims. Thus, in the long run, their strategy is suicidal. For them, the way out is to crush all potential opposition militarily. In this war in Zaire, they are trying to destroy the base of the Burundian opposition within the National Council for the Defense of Democracy, whose military arm now controls most of the Burundian countryside. For Rwanda, the aim is to destroy all political and potential military opposition among the refugees outside the country.

London's policy

As so often in recent years in Africa, governments of the NATO countries and the United Nations have simply looked on, while a human catastrophe is in the making. Two weeks after the first 250,000 refugees left their camps, 1 million people were in motion, and the head of the United Nations High Commissioner for Refugees, Sadako Ogata, had nothing but cynical remarks for the desperate refugees. UN Secretary General Boutros Boutros-Ghali has not even tried to push for an initiative in the UN Security Council to bring relief to the area. And the Western governments have offered only excuses, why they would not commit forces to help save human lives in Zaire. We may very well experience the same thing we did in Somalia in 1990 and in Rwanda in 1994, when governments and the UN did nothing to stop the deaths of hundreds of thousands—or even millions—of Africans. What is the motivation?

The British government and its Minister of Overseas Affairs Lynda Chalker have the closest relations to President Museveni of Uganda. Besides Britain, the U.S. Pentagon has military advisers in Uganda and Rwanda. Paul Kagame was trained by the U.S. military, and Pierre Buyoya is the darling of the World Bank. The German government has significant influence in Kampala (Uganda), Kigali (Rwanda), and Bujumbura (Burundi). Why was nothing done to prevent the war? Why could the governments in Kigali and Kampala buy the weapons to wage war, with such impunity?

It is colonial policy coming out of London. Those forces that continue in the tradition of the British Empire have openly declared, that they want to recolonize Africa. For this, they want African rulers, who implement International Monetary Fund (IMF) Structural Adjustment Programs without mercy, such as in Uganda, and who, through privatization, open up the region to even more shameless looting of raw materials. That is the significance of the Banyamulenge rebels announcing that rebels from Zaire's rich Shaba province—formerly Katanga—have joined them. Further, from the British standpoint, the manipulated ethnic conflicts are regarded as a useful instrument for population reduction.

Rwandans appeal to UN: Help refugees in Zaire

The statement excerpted here was addressed to the president of the UN General Assembly on Oct. 22, by the Group for the Return of Refugees and for Democracy in Rwanda, in the name of Claver Kanyarushoki, vice president.

Mr. President:

The Group for the Return of Refugees and for Democracy in Rwanda (RDR), an organization representing millions of refugees and voiceless people in Rwanda, wishes to appeal to you to urgently intervene on behalf of more than 1 million Rwandan refugees who are victims of the war developing in East Zaire.

Since last weekend, more than one quarter of a million Rwandan and Burundian refugees were forced to leave their camps to try and flee from the combat zone. They left everything behind them.

They left, not only to get away from the combat zone of the so-called Banyamulenge war, but also because they were dying of hunger, since they had not received food aid for more than two weeks, as the HCR [UN High Commission for Refugees] itself has acknowledged. Therefore, they left in too weak a condition, and hundreds if not thousands will probably die on the road from starvation.

These hundreds of thousands of refugees may, unfortunately, never find rest, if the international community does not quickly oblige the aggressor to end this war.

In fact, as the RDR has repeatedly pointed out and denounced, the war in East Zaire is not the Banyamulenge war that some claim it to be, but a much more far-ranging war, that aims at destabilizing all of East Zaire, from south to north. We warned about preparations for this war in our memorandum drawn up for the Round Table of Rwanda's creditors, organized in Geneva on June 20-21, 1996, and again in the memorandum addressed to the OAU heads of state and of government during their 32nd Summit in Youande in July 1996.

At that time (in the latter memo), we warned the international community of the Rwandan regime's intention to internationalize the Rwandan conflict, in the following terms: "The FPR regime, together with its regional and overseas allies, have been waging for some time a vigorous campaign to destabilize Rwandan refugees and to internationalize the conflict. In this way, they try to implicate Rwandan refugees in every incident that breaks out anywhere in the Great Lake

region, especially in Rwanda, Burundi, or Zaire. They have even been accused of taking part in attacks on Ugandan territory!"

The Rwandan refugee has become an easy, ideal scapegoat, whom minority regimes in the region blame for their internal problems, rather than seeking courageous solutions that must involve serious and prompt negotiations with their adversaries, if they truly wish to cut short the suffering of innocent populations, which has lasted so long.

The international community should examine in detail how its aid has been used by the Kigali regime. It is said that this regime takes a good part of the aid to maintain and over-arm its abundant army, which many estimate to be made up of more than 50,000 men. . . .

Unsatisfied with the massacres done in Rwanda, the FPR regularly sends commandos to massacre people in refugee camps in Burundi and Zaire.

Moreover, information persistently received indicates that the Kigali regime and its allies are preparing a coordinated invasion of all of East Zaire in order to spread death and desolation in the camps containing over 1 million refugees. The international community is thus informed, and should increase protection for these populations.

The RDR claims that this plan has become operational because the war fomented and coordinated out of Kigali is not limited to the sole region of Uvia. It is not the Banyamulenge who bombed the city of Bukavu from Cyangugu last month.

Infiltration of armed men coming from Rwanda into this region, has also been going on for months in North Kivu, and there have been countless attacks from infiltrated men, on refugee camps and on humanitarian convoys. The latest was carried out on Oct. 21, 1996 against the Katale refugee camp, north of Goma. The only supply route remaining for the refugee camps, in North Kivu, is regularly under attack, especially at the Ugandan-Zairean border point of Bunagana.

In addition to the reasons given by the Zairean government, especially in the Declaration of the vice prime minister and interior and decentralization minister of the Zaire Republic, during the 47th Session of the HCR's Executive Committee, the Kigali regime wants to destroy and displace the refugee camps through force. The worst is that this regime does not seek to repatriate the refugees, but rather that they be massacred and Zaire destabilized. The attacks in this whole region are also aimed at blocking supplies to the refugee camps and at spreading panic among humanitarian organizations, to get them to withdraw their staff and, in that way, starve the refugees.

Given all that has gone before, the RDR, in the name of Rwandan refugees, asks you to urgently place this question on the agenda of the Security Council, in order that measures be taken to stop the war, to condemn the Kigali regime, and to protect the physical integrity and other basic rights of refugees recognized by the relevant international Conventions.

Goldsmith's Referendum Party: agents of chaos

by Scott Thompson and Mark Burdman

On Oct. 21, Club of the Isles member Sir James Goldsmith founded the Referendum Party in London. Its first convention revived the most shrill Germanophobia of the Margaret Thatcher years, when Germany, hoping to reunify, was branded a new "Fourth Reich," and was subjected to every imaginable sort of geopolitical attack by the British oligarchy, including the assassination of leading national figures.

Wrote Robert Peston in the Oct. 21 *Financial Times*: "Anyone attending the first annual conference last Saturday of Britain's Referendum Party could have been forgiven for mistaking the whirr of the air conditioning for the hum of Messerschmitts crossing the English Channel. Germanophobia was everywhere in the speeches, in the video shown on two giant screens, and in the casual conversations of the glitterati, attending pre-conference soirees and dinner parties."

Goldsmith himself, speaking to an audience of some 4,000, ranted that the idea of a "European super-state" that would emerge through the Maastricht Treaty was a "German blueprint," supported by the higher echelons of "French administration." All of Europe was to be subjected to the same process by which Germany itself was unified as a nation, namely, the subordination of smaller units to Prussia. The philosophical mastermind of all this was the German philosopher Hegel, "who believed in the state, and despised the people."

Another speaker was John Aspinall, the lifetime Goldsmith buddy who is a rabid, racist Malthusian. According to former high-ranking British Secret Intelligence Service sources, Aspinall had set up a posh London casino, linked to the Syndicate's top money-launderer and boss, Meyer Lansky, through which he financed the earlier efforts of Sir James ("Jimmy") Goldsmith's eco-fascist brother "Teddy" (Edward René David Goldsmith) to run for Parliament in 1974 for the Ecology Party, and the European Parliamentary elections in 1979. Not only did Aspinall hire circus elephants for the political campaigns, but he later worked with Jimmy and Teddy to set up "pocket zoos" and vast game preserves holding strategic precious metals.

At the founding of the Referendum Party, Aspinall pronounced: "In this century, a million Englishmen have given up their lives, so that we should remain free, free from a German-dominated Europe."

The domestic agenda

The Referendum Party, which is financed by Jimmy Goldsmith's billions, is not being created just to contain Germany, as his French party, L' Autre Europe (The Other Europe), earlier sought to do. As the higher levels of the British oligarchy, like Lord William Rees-Mogg, have said, the Referendum Party will help usher in the Labour Party, which other analysts see as fascism with a corporatist face, defeating the Conservative Party in the elections that must take place before autumn 1997. Nazi-like fascism is on the agenda of Sir Jimmy and his associate Lord William Rees-Mogg (see article, p. 54).

According to the *Washington Times* on Oct. 6, the eve of the Conservative Party's annual convention, the former party deputy chairman and treasurer, Lord Robert McAlpine, announced that he would be joining the Referendum Party. Even before this defection, Goldsmith won the agreement of Alan Walters, who had been Prime Minister Thatcher's monetarist guru, to run in the election district of the current Chancellor of the Exchequer, Kenneth Clarke. Walters agreed that he would oppose Clarke's "soft" policy toward Europe. As of now, Sir Jimmy has lined up 1,600 potential candidates for elections around the U.K., and 25,000 campaign workers.

Some shady characters

Among those involved in the Referendum Party are a strange assortment of people linked to the underworld of dirty intelligence operations.

On Oct. 21, the South African *Mail and Guardian* reported that the campaign manager of the Referendum Party is Mark Gordon, who had been executive director of the London office of the International Freedom Foundation, a British Secret Intelligence Service interface with security establishment elements involved in destabilizing southern Africa.

Another influential figure is Carla Powell, wife of Sir Charles Powell, who was an adviser to Prime Minister Thatcher. Mrs. Powell, born Carla Bonardi, is of Italian origin, and runs one of the more active "salon" circuits in Britain. Whenever she is in the United States she meets with former President Sir George Bush, Grand Cross of the Order of Bath (GCB), and on regular trips to Sir James Goldsmith's hacienda in Mexico, she meets with Sir Henry Kissinger, Knight Commander of the Order of St. Michael and St. George (KCMG). Her husband, Sir Charles, is the author of the infamous "Chequers Memorandum," a complete fabrication that attributed "Fourth Reich" views to six German experts. Sir Charles's brother, Jonathan, who had been senior political adviser at the British Embassy in Washington, D.C., is now the chief political adviser to Tony Blair.

Sir Jimmy himself has both personal and operational ties to Sir George Bush, with whom he has been involved in some nasty secret intelligence programs, including the coverup of the South African connection to the assassination of Sweden's Olof Palme.

U.S. election is also a referendum on Britain's Lord Rees-Mogg

by Mark Burdman

The U.S. Presidential and Congressional elections will have an impact far beyond the borders of the United States. One dynamic to be watched closely, is the effect on the factional battles in the British establishment, and on the policy brawls that can be expected to heat up, as Britain approaches its own national elections, to be held by May 1997, at the latest. In particular, the influence of Lord William Rees-Mogg, former chief editor of the London *Times* and now a *Times* commentator, in the balance.

Often (and mistakenly) characterized as representing a "far-out fringe" of the British establishment because of his extreme views on certain issues, Rees-Mogg is, in fact, a chief spokesman for the British monarchy and at least a faction of its powerful Privy Council. He is on the board of Jacob Rothschild Holdings, together with billionaire Anglo-French wheeler-dealer Sir James Goldsmith. As he acknowledged in an Oct. 28 discussion with a Washington-area journalist, he is "sympathetic to" Goldsmith's new Referendum Party in the U.K. (see accompanying article).

For approximately the last three years, Rees-Mogg has been the chief promoter, within the British establishment, of a vicious slander and defamation campaign against U.S. President Bill Clinton, a President who has, on various occasions, acted to the disadvantage of British "geopolitical" interests. The populist milieu in American political life is familiar with the slanderous barrage, through the pages the *Strategic Investment* newsletter, co-owned by his lordship. The British authorship of the slanders was fully documented by the LaRouche campaign, in spring 1994, in its widely circulated *Assault on the Presidency* report.

While writing for the Rupert Murdoch-owned *Times*, Rees-Mogg has entered into a working alliance, in this anti-Clinton war, with Ambrose Evans-Pritchard, Washington correspondent for the London *Sunday Telegraph*. The *Sunday Telegraph* is a flagship newspaper of the Toronto, Canada-based Hollinger Corp. Hollinger owner and chief executive Conrad Black swims in the same waters as does Rees-Mogg. His Hollinger International Advisory Board includes Lord Rothschild, Goldsmith, and Rees-Mogg's heroine, Baroness Margaret Thatcher. Some years back, Black was inducted into the Canadian Privy Council, in a ceremony presided over by

Queen Elizabeth II.

Black and Rees-Mogg both profess to be Catholics, yet both are devotees of the anti-Christian worldview of "free trader" Adam Smith. In recent days, Rees-Mogg has issued diatribes against the "Catholic social doctrine" of Pope John Paul II and his predecessors, Pope Leo XIII and Pope Paul VI, and has explicitly attacked those papal encyclicals of the last 100 years that have reaffirmed this doctrine.

This is hardly a "theoretical" or "abstract" matter. Battles over fundamental questions of economic and social doctrine will increasingly come to the fore, as the Western world enters a conjuncture of social and economic crisis, similar to that which brought down the Soviet communist system in 1988-91. Policy elites, as well as populations in general, will be forced to begin to call into question the "Thatcherite" free market axioms that have reigned supreme in recent years. Rees-Mogg and his ideological cohorts could find themselves the target of the ire of those victimized by their policies.

'The shades of derision will finally gather'

On Oct. 25, a leading figure in the British liberal establishment, London *Guardian* chief editor Peter Preston, affirmed that the American elections would be as much a referendum on Rees-Mogg and Evans-Pritchard, and their friends in the "Oliver North talk show" circuit, as it would be on other issues.

In an article entitled "A Double-Barrelled Assassination," Preston wrote: "The real ticket to watch in days hence, isn't Clinton/Gore or Dole/Kemp. No such terse euphony, alas. The ticket I'll be watching, as the results come in, fires on all double barrels. Evans-Pritchard/Rees-Mogg. Either they'll win big, or the shades of derision will finally gather. Ambrose Evans-Pritchard is Washington correspondent of the *Sunday Telegraph*. Lord Rees-Mogg is Lord Rees-Mogg. Together, over the past four years, they've been *de facto* world chairpersons of the Bill Clinton Non-Fan Club."

Preston stressed that this pair has not been involved simply as passive *rappoteurs* of events. Evans-Pritchard, he noted, has often acknowledged being deeply involved in anti-Clinton investigations, and his "Presidential revelations echo back across the Atlantic and into American consciousness."

Meanwhile, Rees-Mogg, from his position within the establishment structures, has given these findings an aura of “respectability.”

Preston reviewed their various blaring predictions of recent years, with the theme always being, that Clinton was on the verge of being brought down, by this or that scandal. “The point, as shrewd readers may already realize, is not that Bill Clinton has never done anything wrong—but that, for the EP/RM ticket, he is, and always has been, incapable of doing anything right. Now we are about to find out what the American voters think.” The truth, of course, would only be known early on the morning of Nov. 6. Should Bob Dole win, “the Ambrose/Mogg ticket will be Pundits of the Millennium. But if they should, by chance, be wrong—what then?”

He answered that his question is relevant “not only for America,” since it touches upon a type of journalism that is like a “thin screech of outrage, which makes some of the facts into all of the facts. There is more to U.S. political life than the tiny world of talk-radio stations (run by Oliver North), and little magazines. November’s vote is, in its way, a referendum on that world. We shall see. We shall see what ordinary people, not narrow ideologues, actually care about. . . . Certainty can be a kick in the pants waiting to happen.”

Attack on Pope Leo XIII

His lordship, meanwhile, was launching some offensives on other fronts. Here, too, he may soon come to regret his ideological obsessions.

On Oct. 21, he declared war on the 1891 papal encyclical *Rerum Novarum*, authored by Pope Leo XIII. This is entering on very sensitive terrain. After all, as his lordship noted, in one of his few non-lying statements, this encyclical forms the basis of the “economics of Catholic social doctrine.” It was formulated by Leo XIII, to defend workers and the poor against the ravages of unfettered British-style “liberal” capitalism. To this day, it inspires not only the current pope, who has incorporated its core ideas into various of his own encyclicals, such as *Centesimus Annus* and *Sollicitudo Rei Socialis*. It is also an inspiration for such militant union leaders as AFL-CIO President John Sweeney in the United States.

In his article, self-professed “Catholic” Rees-Mogg sneered that the economics of *Rerum Novarum* is not based on the teachings of “economists” such as Adam Smith or Lord John Maynard Keynes, but rather on the “canon law and the philosophy of Thomas Aquinas,” and is therefore “medieval” and “corporatist” in content. For Aquinas and his followers, “it may be obvious that a minimum wage will contribute to justice and welfare in society, and prevent employers from exploiting the weakness of their employees’ bargaining position.” These may be “powerful arguments,” but an economist would immediately object, saying that “raising the minimum price of labour would reduce its marginal sale.”

The “defensive corporatism” of *Rerum Novarum*, he raved, “will certainly not be relevant to the global economy

of the next century. . . . In the 1980s, Britain managed to move away from the corporatist economy it had adopted as a wartime measure. Catholic Europe under the *Rerum Novarum* doctrine, moved further toward the corporatist system. The result has been rising corruption, rising unemployment, and declining competitiveness, relative to America and Asia. European corporatism in the 1980s and 1990s has been an economic disaster. Yet the Catholic Church is still wedded to it, and will not consider the arguments against it. . . .”

In discussion with a journalist on Oct. 28, Rees-Mogg stated that the objections to *Rerum Novarum* extend to such other encyclicals as Paul VI’s 1967 *Populorum Progressio*, which proclaimed that “the name for peace is development.” Said his lordship: “I do not like that whole tendency within the Church, but went to the beginning of it [by attacking *Rerum Novarum*]. Pope John Paul II is part of it.” He castigated the pope, for striving to discover a “Third Way,” between capitalism and socialism.

Against the ‘common good’

What has his lordship so unnerved, is that there is something of a *revival* of “Catholic social doctrine” going on in Britain, at this moment. This is because, in direct contradiction to his glorious portrayal of Britain’s economic success, the country has become a destroyed heap under “Thatcherism,” and growing segments of the population are fed up.

Hence, it was with considerable relief, in various quarters of the country, that a “pre-election manifesto” by the British Catholic Church, entitled *The Common Good*, was released. The very use of the term “Common Good” is exceptional in Britain, as it potentially converges on the concept “General Welfare” that is in the Preamble to the American Constitution.

While the British Catholic Church document makes obeisances to certain Fabian concepts such as the notion of a “stakeholder society” promoted by Labour Party leader Tony Blair, it also condemns “the unlimited free market,” warns about the dangers posed by the continuing decline in trade union membership, demands that workers not be treated as commodities, and rejects the Thatcherite “trickle-down” theory, that wealth creation automatically benefits the poor. It also attacks the policy of “downsizing” workforces, ostensibly to boost “shareholder profits.” One section of the “manifesto” warns employers: “If employers do not [pay a just wage] voluntarily, Catholic social teaching would allow the state to make them do so, by means of a statutory minimum wage, either nationally or in some sectors. It is not morally acceptable to seek to reduce unemployment by letting wages fall below the level at which employees can sustain a decent standard of living.”

Reflecting the factional brawls at the top in Britain, the Oct. 22 *Times* editorial drew attention to Rees-Mogg’s objections to aspects of Catholic social doctrine, but then welcomed the new manifesto, for reaffirming the ideas in various recent papal encyclicals, and concluded that “the document is a

worthwhile contribution to a widening debate.” An accompanying *Times* editorial drew attention to the strength of “the precepts of mainstream Roman Catholicism,” as the key factor driving the social/political protests now in Belgium.

All of this was obviously too much for his lordship. The next day, he attacked not only *The Common Good* document, but also the very concept of “the common good.”

He accused the British Catholic Church of promoting “corporatism.” The manifesto, he said, is a call for “regulation in the name of the common good,” and is, therefore, an attack on the “open market economy. . . . I believe in democracy and the free market, and I view the bishops as supporters of bureaucracy and regulation.”

Echoing the propaganda of the U.S.-based Christian Coalition, he expressed horror that the Catholic bishops who authored the manifesto in Britain had gone to great lengths, to discourage voters from treating abortion as a “single issue,” and to advise that a candidate should be judged on his or her overall merits, and whether the candidate’s views are generally aligned to Catholic social doctrine, whatever his or her position on abortion might be.

‘The appeal of fascism’

Having attempted to rip to shreds the moral bases for economics and social life, Rees-Mogg is obliged to come to

the obvious conclusion: The return of fascism is “inevitable” in Western societies.

He had sounded the clarion call, in an article published Oct. 17 in the *Times*, under the title, “Europe’s Fascist Spectre”:

“For the last 50 years, it has been embarrassing for people to express even the most qualified admiration for fascism, so horrible were the crimes of European fascism in the 1930s and 1940s. Yet some of the attributes of fascism have always been popular. . . .

“In fact, these policies led to the war, the Gestapo, the concentration camps and the Holocaust. But that does not mean that they had no appeal at the time, or that similar arguments have no appeal now. Some of the Nazi arguments were, indeed, true. . . . If Hitler had not been responsible for the Holocaust, he would probably be a hero to many people in Europe today, just as Napoleon was a hero in France 50 years after Waterloo. . . .

“Suppose that in the early years of the next century, there is a systemic failure of the European economy. . . . A Europe-wide systemic failure of democracy would open the way for neo-fascism in the national electorates. We do not need to fear fascism because it is weak and repulsive, but because many people find it strong and attractive. Like the Devil himself, fascism is strong, attractive but deadly.”

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Chattanooga	1700	St. Louis	1600
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
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Attacks on Indonesia aim to dismantle its nationalist development policies

by Michael O. Billington

A drumbeat of international attacks and denunciations against Indonesia over the past weeks, all emanating from sources with a well-established British pedigree, raises the question of what Indonesia is doing *right*, which so angers the global financial oligarchy. Indonesia has become a major obstacle to London's drive to re-establish the power of the British Empire, with East and Southeast Asia as the "jewel in the crown" this time around. London is fully conscious of the fragile state of the global financial bubble, and wants to assure financial looting rights in Asia, the last remaining area of productive economic activity in the world.

The process was officially launched at the March 1996 meeting in Bangkok of the founding of the Asia-Europe Meeting (ASEM), an organization initiated by the new Entente Cordiale between London and Paris, in collaboration with London's favorite comprador in Asia, Singapore's Lee Kuan Yew, known as Harry Lee, "the best bloody Englishman East of Suez." The purpose of ASEM was to lock the Association of Southeast Asian Nations (ASEAN) into a free-trade regimen under British (including Hongkong and Singapore) financial control; to block any nationalist development policies in the region, which would threaten that regimen; and to force the acceptance of private (British) control over all large infrastructure projects in the region.

London's primary concern is China, but China has also offered the most resistance to the policies of the new British Empire. Indonesia, however, has been increasingly forthright in its refusal to relinquish its ambitious national development policies; it also threatens to lead the rest of Southeast Asia by its example. It has refused to concede to dismantling the constitutionally mandated role of the military in the civic and social affairs of the nation, which particularly angers the "world government" advocates in London and at International Monetary Fund (IMF) headquarters (see box). If Indonesia is to succeed in countering the destabilization, it must identify and defeat the real source of the attack on its sovereignty.

Roots of Indonesian nationalism

A summary of the physical, geographic scope of Indonesia makes clear the challenge of establishing and maintaining

national unity. Indonesia is an archipelago consisting of 13,000 islands, stretching some 5,000 kilometers (3,125 miles) between the Indian Ocean and the Pacific, a distance comparable to that between San Francisco and Boston, or between London and Baghdad. Physical land mass is comparable to that of Mexico, but including the surrounding territorial waters, the area is four times larger. In terms of population, with 180-190 million, Indonesia is the fourth-largest country in the world, after China, India, and the United States. Approximately 60% of the population is concentrated on the volcanic island of Java, which is comparable in size to Arkansas or England. Half of the Indonesian islands are unpopulated; only a third have more than a tiny population. Across the archipelago, there are hundreds of spoken dialects and cultural subgroups, including at least three "indigenous" movements against the center in Jakarta, those in Irian Jaya, East Timor, and Aceh. The vast majority of people are Muslim, making Indonesia the largest Muslim country in the world.

Indonesia, in the colonial period, had to contend with two colonial powers, the Dutch and the Portuguese, while Britain, based in Malaya, was undoubtedly the *primus inter pares*, keeping the others, including Spain in the Philippines, in check. Indonesia fought a five-year war of liberation against colonial armies (which enjoyed American and British support), and sabotage from within by a powerful communist movement. The head of the independence movement, President Sukarno, led Indonesia from independence in 1950 until 1966, through an uneasy balancing of the still strong Communist Party (PKI), the Muslim majority, and the military. In a still highly contentious and controversial series of events in 1965, a PKI-linked faction in the military launched a failed coup attempt, killing several generals. General Suharto directed the suppression of the coup, and subsequently the elimination of the PKI, facilitated by a massacre of tens of thousands—perhaps hundreds of thousands—of reputed communists by mobs of civilians and soldiers across the nation. President Sukarno was suspected of complicity in the failed coup, and, when he refused to disband the PKI in early 1966, General Suharto forced him to relinquish power. General Suharto has led the nation since then, with

Indonesia's 'Dwifungsi' military use policy

One of the primary targets of Indonesia's enemies is the system of "dual function" (*Dwifungsi*) for the Indonesian military. Under *Dwifungsi*, there are two divisions within the military, of equal stature: one, for military affairs; another, for civic affairs. Although the military remains under civilian control, military officers are given positions in most of the major civic institutions of the nation, alongside non-military personnel. This includes mayors, ambassadors, governors, ministers, the judiciary, business, labor unions, and so on.

This is decried as "anti-democratic" by the UN's non-governmental organization (NGO) apparatus, but it is particularly disliked for the model it provides for the governments in Myanmar and Cambodia, which are both in formative stages. Both of these nations face powerful domestic narco-terrorist armies, which have historically been controlled by foreign interests. British efforts to maintain control over the Golden Triangle drug supply require the dismantling of military influence in government policy, both in Myanmar and Cambodia. And yet, both of these nations have had considerable support and advice from Indonesia's government and its military, and

are able to defend the necessity of a strong military role in government and society by pointing to the success in Indonesia.

Indonesia, unlike the rest of the "tiger" economies of Southeast Asia (Thailand, Malaysia, and Singapore), has *not* participated in massive arms purchases over the past few years. U.S. Assistant Secretary of State for East Asia and Pacific Affairs Winston Lord told the Subcommittee on East Asia and the Pacific of the Senate Foreign Relations Committee, on Sept. 18, that "although the military plays a leading governing role, Indonesia's defense expenditures as a percentage of GDP total 1.5%, ranking it 119th in the world, between Guyana and Guatemala." He quoted a senior Indonesian official: "We would rather spend the money on economic development."

Indonesia recognizes that its military strength and preparedness depend, not on the quantity of weapons on the shelf, but on the in-depth productive potential of its economy. When Suharto set up the Council for Strategic Industries within B.J. Habibie's BPP Teknologi in 1983, a major goal was to guarantee that the nation could avoid dependence on outside sources for defense supplies. The European and American "Conservative Revolution" ideologues, who have cried the loudest about "democracy" in Indonesia, are often speaking both for the arms exporters and the financial institutions which profit from arms sales and speculation. Indonesia's military remains a major roadblock to such looting, and a defense of both economic and military sovereignty.

the government party, Golkar, winning every election by wide margins.

The current emergence of Sukarno's daughter, Megawati Sukarnoputri, as the rallying point for the youth-based opposition, with significant input and direction from London-based non-governmental organizations, led by Lord Avebury's Tapol, must be seen in the context of her father's contradictory history and status in the country. Sukarno is honored as the founder of the nation, and author of the five guiding principles of the nation, called Pancasila, which are still followed today. His complicity in and responsibility for the 1965 coup attempt is purposefully left unsettled, although his ties to the PKI are considered a weakness that nearly destroyed the country. Megawati admits that she is more of a symbol than a leader. The youthful supporters know little or nothing of the poverty and instability of the Sukarno era, nor of the chaos of 1965, which resulted in Suharto's "New Order."

Suharto's record of economic development is, in fact, remarkable. Once the world's largest importer of rice, Indo-

nesia became self-sufficient in 1984. Universal primary education has been achieved, even in the most remote islands. Poverty has been reduced from 60% in 1970 to less than 15% today, although the chasm between rich and poor plagues Indonesia, as it does every other nation, including the United States. The Suharto regime has always maintained strict limitations on opposition parties, but the specter of a revived "Sukarnoism," with all the communist and populist implications, has provoked particularly severe countermeasures. These include the recent government-supported removal of Megawati as leader of one of the two official opposition parties, the Indonesian Democratic Party (PDI) and the reinstatement of the previous leader, Surjadi, which has become the cause of international howls of displeasure from the human rights mafia at the United Nations and in London.

The real target of these (and other) attacks on the Suharto regime, however, is its economic nationalism and its rejection of IMF demands, especially since the 1993 consolidation of power in the cabinet by nationalist leader B.J. Habibie.

Nationalists vs. technocrats

The history of Suharto's New Order has been one of contention between two forces, popularly (and accurately) labelled the nationalists and the technocrats. Following the 1973 leap in oil prices, oil-rich Indonesia was provided the opportunity to break from the restrictions of IMF and World Bank policies. The World Bank had discouraged the investment of Indonesia's oil wealth in industrialization, which was considered "inappropriate" for a poor nation.

Suharto thought otherwise. He transformed the national oil company, Pertamina, into an overall industrial engine for the economy, using the \$4 billion per year windfall in oil revenues to create national industries in steel, cement, chemicals, aluminum, machine tools, and more, including rice estates and other advanced agricultural projects.

President Suharto called on his old friend, B.J. Habibie, then resident in West Germany, who agreed to return to his homeland as the assistant to Pertamina director Ibnu Sutowo, and personal adviser to the President.

One report says that Suharto told Habibie that he could do whatever he wanted, short of fomenting a revolution. In Germany, Habibie had been the vice president in charge of applied technology for Messerschmitt Bulkow Blöhm (MBB). He was a graduate of the Technische Hochschule in Aachen in aeronautical engineering, and had been with MBB since 1965. His views of the technocrats, who carried out the IMF dictates for free trade and deregulation, were not secret: He compared them to the Dutch colonialists, trying to keep Indonesia as a pawn to be looted by international capital.

Industrial and infrastructural development took off under Pertamina's direction. The defunct Krakatau steel project in West Java, begun by the Soviet Union in the 1950s, but stalled in 1965, was restarted. Whole new industries were created. Batam Island, a small island across from Singapore, was designated to become the site of a new industrial entrepôt to rival Singapore.

But Pertamina's director, Sutowo, in two years, ran up a debt of over \$10 billion, and the company went bankrupt. The IMF technocrats drooled over the opportunity to dismantle the entire operation, and many of the industries were taken over by "economists" and scaled back or eliminated. Habibie, however, had been assigned the task of creating a long-term scientific and industrial capacity, and Suharto would not allow that to collapse. The operations under Habibie's direction at Pertamina were merged with an Air Force industry to form a national aircraft industry. In 1978, Habibie was named both minister for research and technology and chairman of BPP Teknologi, the Agency for Assessment and Application of Technology.

Habibie had a direct role in virtually every critical industry, and oversaw a staff of thousands of scientists, engineers, and economists in a network of scientific and planning agencies. His capacity to implement policy was limited—partially

due to the drop in the oil price, but also because of the opposition of the technocrats grouped at the National Development and Planning Agency (NDPA). Habibie, nonetheless, has held the structure together. When the 1979 oil crisis again drove the price of oil up, he was situated to launch an even more dramatic expansion.

Between 1979 and 1981, oil revenues more than quadrupled, leaping from 42% of government revenues to 61%. Suharto, with Habibie in charge of operations, was determined to establish a permanent and irreversible industrial infrastructure program with the oil windfall. BPP Teknologi became a super-ministry, with (eventually) nine ministries under its direction, including all military, industrial, and infrastructural departments. It was the sole shareholder in all strategic industries.

When the oil price dropped in 1986, Indonesia was faced with competition from other Southeast Asian nations, especially Thailand, which had accepted the IMF-dictated policy of opening up to low-technology, export industries and financial deregulation. Thailand had become a center for hot money, through a combination of exploiting its cheap labor, and the drugs, prostitution, and black-market proceeds, which boomed in the deregulated economy. These short-term results were heralded as proof of the correctness of Thailand's IMF model and the failure of Indonesia's national industrial policies.

The technocrats again gained an upper hand, which lasted until 1993. Technocrat Radius Prawiro, minister of finance in the late 1980s, bragged that "we abandoned our own earlier vision of mercantilism and, instead, discovered the 'wisdom of the marketplace.'" Although Habibie held the industrial sector together, hot foreign money flowed in, creating a flood of cheap-labor export industries, such as the Nike shoe factory, which has been targeted by organized labor in the United States, as an example of U.S. jobs lost to cheap labor abroad.

Of course, financial "reforms" were part of the IMF package. Due to the partial deregulation of banking, the money supply increased 250% between 1989-92, as credit card debt brought Indonesians into the world of the "bubble economy." Foreign debt leaped to \$80 billion, and by 1992, the ratio of debt service to exports rose to 32% (even the IMF admits that anything over 25% is a problem). While foreign debt was 29% of GNP in 1982, by 1992, it was 72%!

Habibie responded by building a new organization, the ICMI (Indonesian Association of Muslim Intellectuals). Its purpose was to organize the population, and especially the schools, behind the importance of science and technology. He emphasized that the only "competitive advantage" with any value was that which derived from technological progress, not from cheap labor, since only technology can increase the productivity of labor, creating a multiplier effect throughout the economy. Similarly, he insisted that the government

must invest in research and development, since private firms cannot—or will not—invest enough themselves. Technology, he said, must be viewed as a crucial “infrastructure” of the economy.

When the technocrats complained that the strategic industries under Habibie’s control accounted for about half of the losses in the state sector, Habibie associate Tamara said: “It all depends on how you look at the money that has been spent. If you look at it as a *cost*, yes, it is expensive. But we should look at it as an *investment in the future*.”

In 1993, the same year that the Chinese government put the brakes on their own hot-money “export zones” and began the current drive for nationwide and Eurasian-wide development, Indonesia’s cabinet was almost totally taken over by Habibie’s allies. The World Bank issued a direct, but lame, attack on Habibie’s policies in their 1993 “Indonesia: Sustaining Development”:

“Policies centered on a ‘technological leapfrogging’ strategy, involving the development of targeted high-tech indus-

tries supported by direct public investment or subsidies and high levels of protection, have proven costly and ineffective in most countries.”

The truth is otherwise. Precisely because Indonesia has invested in real industrial infrastructure, and in the increase in the productivity of the workforce, it may be better positioned to absorb, but certainly not immune to, the shockwaves of the collapse of the global financial bubble, despite the vulnerabilities created by the speculative policies before 1993. Habibie has expanded the national aircraft and other industries, and launched a national car program, much to the consternation of the free-trade advocates at the IMF and the World Trade Organization (WTO). Projects for bridging the Malacca Straits, as well as the islands of Java and Sumatra, are being planned. The next, and necessary, direction, must be to break out of the current Java-centric emphasis, toward the development of the outer islands, and the integration of Indonesia and the rest of Southeast Asia into the broad Eurasian-wide development programs now supported by China

Nobel Prize causes trouble in East Timor

On Oct. 11, the Swedish Nobel Committee awarded this year’s Peace Prize to two individuals at the center of the difficult, often tragic saga of Indonesia’s occupation of East Timor: Catholic Bishop Carlos Filipe Ximenes Belo, and the exiled head of the East Timor Liberation Front (Fretilin), Jose Ramos-Horta. Nobel Committee chairman Francis Sejersted said, “This was about to become a forgotten conflict, and we wanted to contribute to maintaining momentum.” He added that he was aware the prize could trigger violence.

The award to Ramos-Horta is widely viewed as a provocation. In the Oct. 15 *International Herald Tribune*, Philip Bowring attacked the peculiar Nordic “political correctness” of the selection, pointing out that this is the third time in eight years the Peace award has gone to Asians opposing their governments: Burma’s Aung San Suu Kyi, Tibet’s Dalai Lama, and now Ramos-Horta.

Robert L. Barry, U.S. ambassador to Indonesia (1992-95), assessed the award to Ramos-Horta in an op-ed in the Oct. 29 *Washington Post*. He reviewed the history of the Portuguese sudden abandonment of East Timor in 1974, and the bloody civil war which followed, among parties which advocated immediate independence (Fretilin), and two others that advocated gradual progress to indepen-

dence or integration with Indonesia, before Indonesia took control in 1975. Barry said the divisions that caused the civil war remain, making East Timor “a tinder box not unlike the West Bank or Gaza.” To promote Fretilin, is to inflame a situation that could precipitate “a new Bosnia.”

Often overlooked in Indonesia’s takeover of East Timor, is the blessing given to Jakarta’s invasion by Henry Kissinger, who accompanied President Gerald Ford to Indonesia shortly beforehand. That “blessing” included the deployment of a U.S. AID team from South Vietnam to East Timor, where it kept track of Indonesia’s imposition of the same “strategic hamlets” policy which the U.S. learned from Britain’s counterinsurgency war in Malaya. The UN still does not recognize Indonesia’s sovereignty over East Timor, but designates Portugal as the administrative power.

In February 1992, Indonesian Foreign Minister Ali Alatas, in an address at the National Press Club in Washington entitled “Debunking the Myths around a Process of Decolonization,” charged that Fretilin “never opposed, let alone participated in the struggle against Portuguese colonialism. . . . In fact, the Fretilin has always played exactly the opposite role, that of a favorite collaborator of the colonial administration. As a curiously concocted melange of, on the one hand, a small group of young radicals, and, on the other, the worst elements of the Portuguese colonial army (the Tropaz). . . .”

Ramos-Horta will spend his Nobel Prize money setting up a foundation in Lisbon, to promote the independence of East Timor. Portuguese President Jorge Sampaio has agreed to head it.—*Gail Billington*

and others. Viewing the South China Sea as an “Asian lake,” and building the necessary transportation and related industries to achieve that goal, will remove the vulnerabilities to London’s subversion.

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British policy behind the attack on Clinton

by Gail G. Billington

U.S. government policy toward Asia emerged as the “hot topic” in this year’s Presidential election, thanks to the Republican Party’s race-baiting attack on the relationship of President William Clinton, and current and former administration employees, especially former Deputy Assistant Commerce Secretary for International Economic Policy John Huang, to an Indonesian conglomerate, the Lippo Group, of Mochtar and James Riady. What is really at stake here, is not “ethics” in government, but, rather, U.S. foreign and economic policy.

Whether the Republicans retain control of the Congress after Nov. 5, will go a long way in determining how far the Conservative Revolutionaries will succeed in using this story in their continuing assault on President Clinton, and the Presidency itself. At the rate at which House Speaker Newt Gingrich is orchestrating Congressional committee investigations into this matter—four at last count—with parallel support from the Republicans in the Senate, there is little doubt that the “Lippo” connection is being used to hamstring the Clinton White House.

The real issue of the campaign lies outside of what either side is saying. The Republicans are suffering short-term memory loss when it comes to campaign financing and “sweetheart” deals, related to trade or other policy, with corporate and individual donors. Democrats, on the other hand, have been defensive about Huang’s activities as Democratic National Committee Finance Committee deputy chairman, and have failed to identify adequately what the attack is all about.

Marching orders from London

The relationship between President Clinton and the Riady family is not new. However, it gained attention in anti-Clin-

ton, neo-conservative circles, following the publication of an article in the November 1995 *American Spectator*, mouthpiece of the most rabid Clinton-phobes in the British political-financial elite, the circles of former London *Times* editor Lord William Rees-Mogg. Author James Ring Adams threw a fit over the success of the late Commerce Secretary Ron Brown’s trade missions to Indonesia and China in 1994, which lined up \$40 billion in contracts.

As *EIR* reported at the time, the Brown mission represented a fundamental change for the better in U.S. policy toward Asia. On Aug. 29, 1994, Brown stated that, with this trip, the United States “has junked a 12-year tradition of laissez-faire government.” Later, in Beijing, Brown outlined Washington’s intent to use “commercial diplomacy . . . to set the stage for a new era of cooperation, growth, and progress.” Through such a newly defined partnership for development, Washington laid the basis for constructively addressing problematic areas, such as “human rights” and “labor practices.”

Brown’s approach explicitly rejected the “outsourcing” of U.S. productive capacity, to profit by exploitation of cheap labor, and promoted U.S. export of “high-technology” capital goods, participating in meeting the enormous requirements for infrastructure development in energy generation, transportation, and telecommunications.

In this way, the Clinton administration signaled a change in policy, fundamentally opposite to British promotion of radical freetrade liberalization, privatization, and the splitting up of China. The Brown trip was the strongest indication yet, of how the Clinton administration might approach the most ambitious regional development program in history, the linking of China, through Central Asia, to the Middle East and Europe, by a grid of rail and road transport, along the old Silk Routes. Stopping the “Eurasian land-bridge” is the centerpiece of British geopolitical policy, which the Republicans have willingly embraced.

The vehemence with which the Republicans have attacked Clinton’s “Indonesian connection,” is inexplicable without understanding the rage such a shift in U.S. Asia policy engenders in the British, and the role that Indonesia plays as the largest and perhaps most stable economy in Southeast Asia. Mochtar Riady, family patriarch and head of the Lippo conglomerate, whose holdings include insurance, banking, and real estate in Asia and the United States, formerly headed the Bank of Central Asia, of Indonesia’s leading Chinese industrialist and President Suharto’s closest business associate, Liem Soie Liong. James Riady met Clinton in 1977 in Arkansas, when Clinton was state Attorney General and James was an intern, training at the Stephens, Inc. investment bank. James Riady’s 19-year friendship with the Clintons and their closest circle of business associates in Arkansas, and what, if any, service the Riadys, and Huang, brought to effecting that positive change in U.S. Asia policy, provide the mere pretext for attacking the policy itself.

India and Bangladesh make moves toward a new beginning

by Ramtanu Maitra and Susan Maitra

The announcement by Bangladesh Prime Minister Sheikh Hasina Wazed, that she stands by her decision to link Bangladesh with the Asian Highway in Myanmar (Burma), through India's northeast, points to the distinct possibility of an improvement in the security environment and economic conditions in a highly volatile region. She was speaking to the central working committee members of the ruling Awami League party on Oct. 12.

Sheikh Hasina's feisty defense followed a barrage of criticism by the main opposition party, the Bangladesh Nationalist Party (BNP), and the orthodox religious-political group, the Jamaat-e-Islami, accusing the prime minister of endangering Bangladesh's security by allowing the Indian government overland facilities to transfer troops and military hardware to India's northeastern region, where a number of ethnic and tribal secessionist forces have been waging war against New Delhi for decades.

A fresh wind

The Bangladesh prime minister's decision to allow New Delhi to have access to its northeast region, and beyond that, to southeast Asia, through Bangladesh, and her willingness to participate in ensuring regional security through the broadening of trade and economic linkages, is the first fruit of a noticeable change of attitude on the part of the two recently installed governments in New Delhi and Dhaka.

Indo-Bangladesh bonhomie, which followed the liberation of Bangladesh in 1971 and evaporated with the assassination of Bangladesh President Sheikh Mujibur Rahman in 1975, is once again in the air.

The most important development in this context was the victory of the Awami League in the general elections in August, and the appointment of Sheikh Hasina Wazed, daughter of Sheikh Mujibur Rahman, as the prime minister of Bangladesh. After two decades of military-civilian regimes, which drew succor from anti-India campaigns under the pretext of promoting nationalism, the new civilian government seems willing to break with the past and make a fresh beginning with its weighty neighbor.

Across the border in India, the newly installed United Front government, with no axe to grind against the Bangladesh government in Dhaka, has shown eagerness to give up an attitude which the elites of Bangladesh consider as "big

brotherly" and "hegemonistic." There is no question that since the brutal assassination of Sheikh Mujibur Rahman, and a large number of his family members and close associates, by a posse of Army officers with anti-India leanings, New Delhi has been deeply suspicious of all the military leaders who donned civilian garb and ruled Bangladesh. Even the duly elected BNP leader and former prime minister, Begum Khaleda Zia, the widow of slain former President and Chief of Army Staff Gen. Ziaur Rahman, was considered in New Delhi as no more than a civilian front for the anti-India military faction within Bangladesh.

Dispute over water

At the same time, credit must be given to both Dhaka and New Delhi for not allowing the differences in the perceptions of their roles in the region to cause permanent damage to the two nations' relationship. In most of the international fora, the two nations have been sensitive enough not to hurt each other's interests.

However, despite the "civil relationship" maintained during these two decades by both governments, two issues had become bones of contention, which neither could address without acrimony.

The most widely recognized, and publicized, of all the differences between the two, is the issue of sharing of the waters of the Ganga (Ganges) River. In fact, the issue has been so thoroughly politicized in Bangladesh, that it is now a top priority on the national agenda and is often used by tendentious politicians to attack India in any given forum, domestic or international.

Briefly, in 1971, India constructed the Farakka Barrage, to augment the flow of the Hooghly River, with the purpose of lessening the siltation of the Calcutta Port. This led to Bangladesh's complaint that India is not only not supplying the promised volume of water to Bangladesh, particularly during the dry season, but is the culprit behind the drying up of the Ganga basin in Bangladesh, which supports 40 million people by providing them the water for irrigation and industrial consumption. Expert panels have been set up from time to time, but the issue remains unresolved. The differences are simple: While the Indians claim that an adequate amount of water is being released from the barrage, Bangladesh insists that the volume flow measured indicates that the amount re-

leased is not what was promised.

The problem is clearly political, and no engineering or technological measure can provide what Bangladesh needs. More importantly, New Delhi has consistently been bull-headed about the issue, paying scant attention to the misery that the lack of water causes. Much too often, "tough" Indian politicians have talked about "reciprocity" as the key to the resolution of the problem. They have failed to notice the damage the non-resolution of the problem has done to a large part of Bangladesh and an even larger part of India.

Since India's entire northeast, which consists of seven states with about 37 million people spread over 254,000 square kilometers, is connected to the mainland through a narrow land-corridor running east to west, north of Bangladesh, the linkage between the northeast and the rest of India is frail. In addition, the hilly terrain of the northeast poses serious challenges to building railroads. The obvious solution is to emphasize rivers and highways.

Drugs and terrorism

The second contentious issue is the growing infiltration of Bangladeshis into India. Leaving the most densely populated country in the world, poor Bangladeshis are moving into the wide open spaces of northeast India, dominated by tribals and people with strong ethnic identities. Since more than 90% of Bangladeshis are Muslims, and very few in India's northeast have embraced Islam, this infiltration has caused serious problems, leading often to widespread violence. It is also evident from the lay of the land, that neither Dhaka nor New Delhi can stop such infiltration alone. A joint effort is required.

The infiltration is not one-sided: During the Liberation War of 1971, India was the haven of Bangladeshi freedom fighters, and top political leaders, who took shelter along the Indian borders to make forays against the Pakistani Army. The scene has reversed since.

Now, the ethnic and tribal terrorists of northeast India, such as the members of the United Liberation Front of Asom (ULFA) and National Socialist Council of Nagaland (Muivah faction), have found shelter in Bangladesh from the stalking Indian Army personnel. In fact, a major Indian Army operation is in full swing now, along the banks of the Brahmaputra River, to subdue the terrorists belonging to the ULFA and Bodo secessionists. There are reports that Army personnel have come across Muslim militia of Bangladeshi origin during the operation.

Although the Bangladesh government denies the existence of the terrorist camps, they were set up during the previous regime of Begum Khaleda Zia. While it is likely that Dhaka could not control the rogue anti-India elements within its Army, which continue to maintain a confrontational posture toward New Delhi for whatever reasons, still, New Delhi's less-than-generous attitude toward Bangladesh, a nation with myriad problems, may in fact have encouraged Dhaka to allow the terrorists to camp along the border areas

and harass the Indian authorities.

In addition, the troubled northeast and the impoverished population of Bangladesh have become the carriers, and users, of opium derivatives flowing in from adjacent Myanmar, and the arms brought in by the terrorists of various origins from the arms bazaar in Cambodia. The heroin and arms find their way into the subcontinent, and even to the Persian Gulf, nurturing the terrorists in northeast India, the Naxalites in the southern Indian province of Andhra Pradesh, and the Tamil Tigers of Sri Lanka.

Diplomatic efforts

Prime Minister Sheikh Hasina Wazed's announcement, which has already enhanced the danger to her security, is the result of a positive approach of New Delhi toward Dhaka, which came in the form of a successful visit to Dhaka by Indian External Affairs Minister Inder K. Gujral. Gujral, a very able diplomat, promised that New Delhi would settle the water issue to Dhaka's satisfaction before the next lean season sets in.

If the forces that cause acrimony and confrontation, which are plentiful in this subcontinent and elsewhere, can be contained through political determination, India and Bangladesh may succeed in stabilizing a highly volatile area and reap the benefit from it in the form of trade and commerce.

DO YOU KNOW

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- that Washington and Franklin championed Big Government?
- that the Founding Fathers promoted partnership between private industry and central government?

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International Intelligence

Portillo: NATO will face 'high-intensity' wars

Britain's Defense Secretary Michael Portillo told the Belgian Royal Institute of International Relations on Oct. 23 that NATO must be geared up for "high-intensity conflict" and listed 53 potential wars. The Balkans bloodletting (which Britain and France had done so much to keep going), had never presented NATO with a real threat, he said. "There are many armies in the world more capable than the Bosnian factions." Rather, he said, "future high-intensity conflicts may be short and sharp. There will be no opportunity for us to generate conscript reserves, or to manufacture new weaponry. The equipment is too sophisticated. You cannot build it fast, or quickly train people to use it. We must plan on the basis that what you start with, is all you'll get."

Portillo continued: "The likelihood of conflict is, if anything, increasing. . . . The last assessment I read had 53 entries, including the Balkans, the Transcaucasus, Algeria, Libya, Iraq. Seventeen of the potential trouble spots are within 200 miles of NATO's borders. . . ." The speech coheres with Britain's concept of a reorganized NATO, centered on an Anglo-French Entente Cordiale, leading the London *Independent* to characterize it disingenuously as stressing "the importance of NATO as the link between a greater European defense identity and the U.S."

Algeria referendum to rubberstamp dictatorship

In a statement issued from Germany on Oct. 18, the Islamic Salvation Front (FIS) abroad, denounced the continuing civil war in Algeria, which it described as rapidly degenerating day by day. The communiqué further denounced the "referendum" to be held on Nov. 28, called by the military-installed President, Liamine Zeroual. The referendum seeks approval for a set of constitutional amendments to legitimize the dictatorship installed in 1992, after the 1991

elections were annulled.

According to the FIS communiqué, the country has been divided into "colonial" sectors: "One finds the zones 'under high-level protection,' constituted by the military zones and the cities reserved for the nomenclatura, and the 'high-surveillance zones,' which cover those poorer neighborhoods in the big cities, where there was a very high vote for the FIS candidates in the free and pluralist parliamentary elections of 1991. There are also the 'exclusion zones,' formed around the oil and natural gas sites, as well as free zones created to be given over to foreign capital interests. The Algerians who live within these exclusion zones are allowed to move about with a special pass, and are known as 'natives.' The 'natives' are not allowed to go outside these 'exclusion zones.' The rest of the country has been left in a condition where one finds again the famous *bled essiba* [zones of rebellion] of the colonial era, left outside the control of the central power."

Aleksandr Ruts koy elected governor of Kursk

Former Russian Vice President Aleksandr Ruts koy was elected governor of his native Kursk region on Oct. 20. Ruts koy received 78.9% of the vote, according to Itar-Tass wire service. He registered as a candidate only on Oct. 17, after the Supreme Court overruled the decision of the Kursk Electoral Commission to disqualify him because he did not meet residency requirements, and easily defeated his main opponent, Gov. Vasil Shuteyev. Ruts koy was helped by the fact that the Communist and Agrarian Party candidates, whose parties have had good showings in previous elections, withdrew in his favor on the eve of the polling.

Ruts koy will automatically receive a seat in the Federation Council, the upper house of the national parliament. Sergei Belyayev, head of the Our Home Is Russia caucus of the lower house, the Duma, howled that Ruts koy's victory was "a serious defeat for democracy": a bit of double-speak, since Ruts koy was forced from office in October

1993 in a hail of bullets, when he, as elected vice president, stood with the elected parliament of that time, the Supreme Soviet, in defiance of Yeltsin's dissolution of the Constitution and the parliament.

ASEAN holding firm on admitting Myanmar

Reports from the senior ASEAN officials' meeting in Kuala Lumpur, Malaysia on Oct. 19, strongly suggest that the Association of Southeast Asian Nations is not having second thoughts on Myanmar's membership in the regional organization. ASEAN had come under heavy pressure from the intense global campaign against Myanmar (Burma) from the George Soros/International Republican Institute circles (see *EIR*, Oct. 25, "Myanmar and the Opium Trade"). Malaysian Foreign Ministry Secretary General Abdul Kadir Mohamad told reporters at the end of the two-day meeting that neither the Philippines, which had signaled some doubt, nor any other member, had expressed reservations.

On Oct. 21, Malaysian Prime Minister Mahathir Mohamad arrived in Yangon (Rangoon) for a state visit, where conditions for Myanmar's membership were to be discussed. Malaysia has consistently said it would maintain ties with Yangon, despite the global campaign. Mahathir's trip began two days after a highly successful state visit by Myanmar's senior military officer, Gen. Than Shwe, to Cambodia, as a result of which Cambodia gave Myanmar a full endorsement to enter ASEAN "very soon."

China affirms commitment to peace between Koreans

Following the September incident in which a North Korean mini-sub became lost and ran aground in South Korean waters, China officially reaffirmed its friendship with both North and South Korea and its commitment to peace on the peninsula. In an Oct. 15 broadcast, China Radio International explained that China had not vetoed a UN Security Council "presidential statement" critical of Pyongyang, because the statement

Briefly

had not censured North Korea, and had "urged both North and South Korea not to take any action that might aggravate the emergency situation."

Initially, the broadcast explained, "the Chinese delegation did not consent in principle to a presidential statement, or any other action by the Security Council, because this was not necessarily beneficial to peace and stability on the Korean peninsula."

However, "the statement urged the two sides to fully abide by the Korean Armistice Agreement and to not take any action that might aggravate the emergency situation on the Korean peninsula or destroy peace and stability. . . . It called on the two sides to peacefully resolve unsettled issues through dialogue."

A member of the Chinese UN delegation told Radio China International that the submarine affair was "an isolated incident" which should not stand in the way of the peace talks.

Does a British 'tailor' run U.S. Panama policy?

In the latest espionage novel, *The Tailor of Panama*, by longtime British spook John Le Carré, the title character is a British intelligence operative, posing as a tailor to the Panamanian elites, whose mission is to ensure that the United States retain its military bases in Panama past the year 2000, when the current treaty expires.

With imperial smugness, the Oct. 5-6 *Financial Times* of London wrote in its review that, "The book's conceit . . . centers on a Britain that continues to 'punch above its weight' in international affairs, a Britain of global significance, but above all a Britain still sorely needed—though Washington may not know it—by the U.S."

The plot fits the current situation closely: In real life, British-born John Dimitri Negroponte has just been appointed a U.S. special envoy to negotiate an extension of the U.S. military presence in Panama. Negroponte, who was born in London, is a Bush protégé. As U.S. consul in Honduras from 1981-85, he was one of the key figures in the narco-Contra scandal, at the height of the Contra

resupply operation, run by Vice President George Bush. After a stint as Colin Powell's deputy at the National Security Council, President Bush appointed him ambassador to Mexico, as "a reward for past services," where he presided over the efforts of Bush ally President Carlos Salinas de Gortari (now a fugitive from Mexico), to dismantle his country's economy.

Negroponte's wife, Diana Mary Villiers, a British aristocrat related to the earl of Clarendon, is herself a former intelligence operative of the Tory Party.

Burundi bishop greets World's Day of Atonement

The President of the Burundi International Peace Committee, Bishop J. Alfred Nduricimpa, sent greetings to the 100,000 people gathered at the World's Day of Atonement outside United Nations headquarters in New York on Oct. 16; the bishop also held an Atonement Prayer Service in Nairobi, Kenya, attended by 1,000 Burundians and Rwandans. The World's Day of Atonement celebrated the first anniversary of the Million Man March in Washington.

Bishop Nduricimpa told the rally: "There are different ways of killing, but many people see killing in one way. I personally see killing in two ways: There are those who use spears, machetes, stones, bamboos, arrows, and sophisticated weapons. We find this everywhere in the world, particularly in Africa. . . . We find the second way in industrialized nations. These nations give loans accumulatively and when they give such loans, they send their own technicians to come into our countries to spend that money. Our nations pay them more than what a national can get, yet we are expected to pay back such loans. . . .

"As our theme is: 'I do not want to kill, therefore I do not want to be killed,' let me add that I do not want to oppress others, therefore I do not want to be oppressed. . . . We are here to invoke our Almighty God to give peace to Africa, particularly our countries in the Great Lakes Region and especially Burundi, Rwanda, and Zaire."

PRINCE PHILIP is resigning as chairman of the World Wide Fund for Nature after 25 years. For the last time, he presided over the WWF conference, held in Berlin on Oct. 21-23. Prince Philip is being replaced by Sayed Barbar-Ali, a Pakistani businessman who founded the WWF branch in his country.

100,000 ARMENIANS marched in Yerevan on Oct. 25 to support the opposition's demand that the recent national elections be invalidated because of vote fraud. The case has also been brought to the Supreme Court, which accepted it on Oct. 25. One of the three opposition speakers before the court was Hrant Khachatrian, who has been frequently interviewed in *EIR*.

HSIEH CHANG-TING, who was the vice-presidential candidate of Taiwan's Democratic Progressive Party last March, has been exposed as a member of the Sung Chi-li Transmogrification Society. The group's guru, Sung Chi-li, has confessed that he tricked people into believing he had healing powers and could make himself appear in several different places simultaneously, taking over \$100 million from his duped followers. The DPP backs Taiwan's independence, and is tied into the U.S. "Project Democracy" mafia.

GERMAN Defense Minister Volker Rühe made the first visit ever by a German defense minister to India on Oct. 24. His talks with Indian Defense Minister Mulayam Singh Yadav serve the "intensification" of a "security dialogue" with the "biggest democracy of the world," Rühe's office told the German press.

PAKISTAN'S special envoy Zafar Helali met Iranian Foreign Minister Ali Akbar Velayati in Teheran Oct. 21, and expressed his country's readiness to cooperate with Iran to establish peace in Afghanistan. Helali also carried a message from Prime Minister Benazir Bhutto to Iranian President Rafsanjani.

EIR report smokes out Bush-Perot dirty tricks

by Our Special Correspondent

On Oct. 30, *EIR* intelligence directors Jeffrey Steinberg and Edward Spannaus, and *EIR* historian Anton Chaitkin, held simultaneous press conferences in Boston and Washington, D.C. to release the publication's latest multi-client special report, "George Bush and the 12333 Serial Murder Ring." The report, provoked by new revelations about a British-South African connection to the 1986 assassination of Swedish Prime Minister Olof Palme, details a string of high-level political murders during the 1980s and '90s, all linked to efforts to cover up the crimes of the George Bush "Iran-Contra" apparatus.

Steinberg's press conference in Boston provoked a serious blunder by former President Bush, who has been quietly attempting to pull together the political combinations to get his son, Texas Gov. George W. Bush, the Republican Party Presidential nomination in the year 2000. Aware that the Boston *EIR* event was going to expose the role of William Weld, a longtime Bush protégé and family intimate, in some of the most serious Bush-league political crimes of the 1980s, the ex-President dispatched Ross Perot up to Boston to stage a "media event" to preempt significant "mainstream" news coverage of the *EIR* report's release. Perot made a last-minute, previously unscheduled, appearance at Boston's Faneuil Hall to endorse Weld, in his race for the U.S. Senate against incumbent John Kerry (D-Mass.).

George Bush has a strong personal vested interest in destroying Senator Kerry. Beginning in 1986, Kerry launched the only serious Congressional effort to uncover the role of the Bush-sponsored Nicaraguan Contras in smuggling tons of illegal drugs into the United States. As *EIR*'s September 1996 multi-client special report, "Would a President Bob Dole Prosecute Drug Super-Kingpin George Bush?" documented, Bush presided over the Reagan administration's co-

vert program in Central America, which helped launch the crack-cocaine epidemic in America's urban centers.

Three partners in crime

The fact that Perot is now in bed with George Bush is a scandal in its own right. Now, Perot's claims that he is a crusader against political corruption are exposed as pure fraud. Weld, as Steinberg detailed in two separate, well-attended speaking engagements in Boston, is one of the most corrupt politicians in America. In 1986-88, Weld oversaw the U.S. Justice Department's coverup of the role of the George Bush-Oliver North "secret parallel government," in flooding the streets of the United States with cocaine and heroin, to finance the not-so-secret wars in Central America, Africa, and Afghanistan. Weld used his position as head of the Criminal Division, to block the Kerry investigation. Details of Weld's role in that coverup were cited during the Oct. 23 hearing held by the Senate Select Committee on Intelligence (see last week's *EIR*), and they are now the subject of a probe by Justice Department Inspector General Michael Bromwich. The role of Weld and other top officials of the Justice Department in that effort was also documented in a 20-page appendix to the final report of Senator Kerry's Foreign Relations Subcommittee study of government complicity in Contra drug trafficking, released in December 1988.

Already in 1985, Weld had demonstrated his value to the Bush-led patrician crime syndicate, by sabotaging the prosecution of the Bank of Boston, after it was caught, by Treasury Department investigators, laundering over \$1.2 billion in drug money into overseas accounts.

In his weekly nationally syndicated radio interview with "EIR Talks" on Oct. 30, Lyndon LaRouche had the following to say about the Perot-Bush-Weld troika: "So, the news is,

of course, that Ross Perot has been bought, in a sense, by George Bush, that is, bought politically. It's not the first time it happened. I recall that Perot actually operated, got in bed with, Bush and Kissinger, when Perot was on the President's Foreign Intelligence Advisory Board; and Perot was actually implicated, by that action, in endorsing the 12333 covert operation, which was run against me and my friends by Kissinger and Bush, back in the 1980s. So it looks like Ross has dropped the mask, and the slime is well exposed. It's going to be—this is going to have very interesting effects, the fact that Perot has been exposed as a four-flusher in this degree, and is nothing but a Bush hack. That's going to be very interesting.”

Drugs and guns

In the Washington press conference, Edward Spannaus noted that, in the six weeks since the release of the first *EIR Special Report* on Bush, it has had a significant impact around the world, and has helped to focus the political ferment generated by the *San Jose Mercury News* series on the crack cocaine epidemic.

“Now we drop the other shoe,” Spannaus said, with the release of the second *Special Report*, exposing the Bush-linked arms trade and international killer apparatus.

The arms smuggling is simply the international side of the same Bush “secret government” apparatus which was responsible for the importation of huge amounts of drugs into the United States, as a result of its covert wars in Central America (cocaine) and Afghanistan (heroin). This is not the CIA, Spannaus said. He quoted how Sen. Daniel Inouye (D-Hi.), the chairman of Senate Iran-Contra committee, had described it, in his statement at the end of the Iran-Contra hearings in August 1987: “a secret government—a shadowy government with its own air force, its own navy, its own fund-raising mechanism, and the ability to pursue its own ideas of the national interest, free from all checks and balances and free from the law itself.”

The “charter” of Bush's secret government, Spannaus said, was the 1981 Executive Order 12333, under which U.S. intelligence agencies can enter into contracts with private companies or institutions. Spannaus pointed out that many operatives, formerly associated with the CIA in covert operations, resigned or were purged from the CIA in the 1970s, but stayed in the same business in the 1980s—just not as employees of official government agencies. E.O. 12333 also provided that other agencies, besides the CIA, could conduct covert operations.

“With the privatization of intelligence, you could set up many CIAs, using private networks, and using the Pentagon and sections deep in the Joint Chiefs of Staff,” Spannaus explained. The arms trade is a key source of support for the private “asteroid” apparatus, to the tune of an estimated \$10-15 billion a year.

This is a global network, spanning East and West. Span-

naus described the irony that weapons purchases would be made from the East bloc, by the Bush-North-Secord apparatus, supposedly to arm anti-communist guerrillas. The Swedish arms manufacturer Bofors would ship arms to Iran or Iraq through East Germany, to hide their real destination. Before he was assassinated in 1986, Olof Palme was head of the commission enforcing the arms embargo against the Iran-Iraq War. Yet, Swedish companies were exporting arms and explosives to Iran, and this was an important part of the Swedish economy. This is the key to Palme's assassination, Spannaus said.

Spannaus summarized the the new leads on the Palme assassination, involving South African mercenaries linked both to British Special Air Services (SAS), and to the Bush secret government apparatus in the United States. Spannaus pointed to the case of Sir Jimmy Goldsmith, who took over the World Wildlife Fund-sponsored Operation Lock in southern Africa, a paramilitary covert operation set up by British SAS founder Sir David Stirling. Craig Williamson, one of those recently identified in South Africa as involved in the Palme assassination, played a key role in Operation Lock. Around 1990, after the death of Stirling, the operation was taken over by Goldsmith, who had worked closely with the “Public Diplomacy” group run out of the U.S. National Security Council during the Reagan-Bush administration.

As Spannaus described it, the “Public Diplomacy” group was run by Walter Raymond, a longtime CIA propaganda specialist who was put in this position by George Bush's national security adviser, Donald Gregg. Public Diplomacy became a sort of “Ministry of Propaganda” for Bush's secret government, specializing in planting articles or broadcasts in the news media, to support secret-government programs such as the covert wars in Afghanistan and Central America, and also to attack and defame opponents of these policies and enemies of the secret government.

The ‘Get LaRouche’ task force

Out of this Bush/NSC Public Diplomacy unit came the formation of the “Get LaRouche” task force, a combined public-private effort. Wall Street investment banker John Train, financially linked into the Swedish explosives cartel, organized a series of meetings which planned and coordinated the media defamation of LaRouche, setting the groundwork for the eventual federal frame-up and imprisonment of him and a number of his associates.

LaRouche and his associates were branded as Soviet disinformation agents by the Train salon and government agencies such as the FBI. Yet, they used an East German Stasi disinformation agent, Herbert Brehmer, to plant the disinformation that LaRouche was behind the Palme assassination.

In addition to the Palme assassination, Spannaus detailed some of the mysterious deaths and assassinations linked to this international arms- and drug-smuggling apparatus, which are chronicled in the latest *EIR Special Report*.

On November 6, reality strikes!

by Lyndon H. LaRouche, Jr.

Date: Nov. 1, 1996.

Beginning Wednesday morning, Nov. 6, 1996, the United States will grope its way out of the year-long, news-media generated, virtual reality of the 1996 national election-campaign, into a world gripped by what is already the worst crisis of the Twentieth Century. The Congress and the Executive branch, must prepare those early U.S. actions, through which a semblance of stability can be restored to both the internal affairs of the United States itself, and to a world outside the U.S.A., a world, most of which now appears to be in the process of disintegrating.

The International Monetary Fund (IMF) has warned the U.S. and other governments, that the present international financial system faces a global banking crisis. For once, IMF Managing Director Michel Camdessus is right: the presently accelerating banking crisis expresses an underlying economic and financial crisis, worse than anything experienced in the Twentieth Century to date. The entire world economy would disintegrate if the U.S. government did not act immediately, once the banking collapse begins, to put the world's monetary and financial systems into government-supervised bankruptcy-reorganization.

The worsening financial and economic crisis adds its energy to social and political crises in every region of our planet. The Middle East is on the verge of blowing up. The most-intensive genocide of the Twentieth Century, against the Hutus of Central Africa, is in progress at this moment, conducted through the British puppet-dictator of Uganda, Lady Lynda Chalker's (President George Bush-backed) General Museveni. Central Asia is ready to explode under the ricocheted impact of London's Taliban operations in the Pushtun sectors of Pakistan, Afghanistan, and Kashmir.

While Italy struggles to reverse a years-long process of disintegration launched by a plot hatched on the British Royal Family's yacht *Britannia*, a political mass-strike wave like that which brought down the Communist regime in East Germany, is already under way in Belgium, and intersects persisting mass protest in neighboring France. Echoes of the same mass-strike impulse have erupted, once again, in the eastern part of Germany, and elsewhere. Central and South America are in various stages of a general explosion. Russia lurches at the brink of dictatorship or chaos. So, it goes, on and on,

around the world.

Although the U.S.A. and China are relatively the most stable nations of the world today, here, inside the U.S., medium-term prospects are not much better than those for Eurasia or Ibero-America. If this nation escapes safely from our present distress, future historians will look back at the recent thirty years as the most perilous period in our Federal republic's history up to the present date. Even during the time of the short-lived Confederate States of America, the estrangement of our citizens from their government had not fallen to such a hateful state of affairs as emerged out of the Reagan and Bush years.

The spread of the militia movement, based in those social strata which have either fought our nation's wars, or were prepared to do so, merely symptomizes the accelerating disaffection of the citizenry from their government, at all, local, state, and Federal levels. The economy, health-care and retirement issues, housing issues, and the past twenty years' pattern of deepening corruption of the justice system, are driving a growing, large ration of our citizens from among ethnic minority groups, senior citizens, and others, to view government on both the state and Federal level, as their mortal adversary.

Even more ominous than the citizens' growing enmity against state and Federal government, is the bitter resentment setting the citizen suffering from governmental abuses, against the other citizen whose merciless indifference to truth and justice is rooted in what senior economist John Kenneth Galbraith has accurately portrayed, as a flight into the virtual unrealities of the "entertainment society."

It is time to get down to some very serious business. Beginning the weekend of Nov. 9-10, the recently established FDR-PAC will launch the process of rallying groups of concerned citizens into policy-shaping caucuses. The first of these, to be convened in Washington, D.C., on Nov. 9, will hear and discuss expert reports on the subject of health-care policy. Two additional sessions will be convened in Washington, on drug policy, and housing policy, during November, and two more during December. This will overlap sessions held on topics of foreign policy. FDR-PAC activities will be echoed by meetings in various parts of the nation, some co-sponsored by the PAC, but many more besides.

The best news of this moment, pending hoped-for results

of the Nov. 5 general election, is that the Autumn phase of the 1996 election campaigns, has awakened a fresh spirit and force within the Democratic Party. The revived role of organized labor on the scene, has become a major part of the change, but only a part. There are, of course, still those Democrats who wish the Party to be what this country does not need, what Senator Edward Kennedy (D-Mass.) ridiculed, in a January 1995 address, as a second "Republican Party"; but, despite virtual Republicans, and even a few racists, such as outgoing Democratic National Chairman Don Fowler, there is something afoot in the Democratic Party today, which evokes memories of the mobilization under President Franklin D. Roosevelt.

What is now on the move, is the force within the Democratic Party, and among the constituencies rallied against "Gingrichism" during this election, which represents the popular base for those policy-deliberations which must begin almost as soon as the election-polls have closed. That is the popular base which the FDR-PAC is addressing with its program of policy-caucuses.

The strategic crisis

The one issue which will make or break the U.S. government during the months ahead, is the onrushing, global financial crisis. Put to one side the looney tunes sung by types such as Libertarian candidate Browne and Senator Phil Gramm: during the election-campaign period, even none among the sane leading figures in official Washington has been willing to risk a major news-media lynching, by discussing alternatives to the presently institutionalized, national and global financial and trade policies. Now, with the election behind us, and the onrushing global banking crisis, they have no choice but to face up to the reality of the situation, and that very soon. There is no way in which the United States government can continue the past twenty years' trends in economic, financial, deregulation, and trade policies, and survive.

Presuming the Democrats, in collaboration with sane, non-Gingrichite Republicans, control the Congress, the United States could survive the onrushing crisis. Otherwise, come 2000, George Bush might discover, that Kuwaiti money can no longer buy the Presidency for his goofy Governor son, for the simple reason that the United States has come apart during the meantime.

The politicians who continue the present posture of stubbornly ignoring the reality of the onrushing financial and economic crisis, will soon be crushed, and swept aside politically, by the reality they ignore. Then, the present writer's objective authority as a policy-shaper, is unique, not only inside the United States, but world-wide. To parody the title of James Carville's delicious book, "They have been wrong, and *EIR* has been right."

The ongoing global economic and financial collapse is key to most other strategic issues.

Russia, for example. Credit Ambassador Vernon Walters with preventing perennially foolish President George Bush

from making as much a British ass of himself on the issue of the post-1989 reunification of Germany, as Bush did on most other issues of his 1989-1993 U.S. Presidency. On every other key issue of post-1989 Central and Eastern Europe, and the Middle East, knuckle-dragger Bush was a stooge for Prime Minister Margaret Thatcher's "Fourth Reich" geopolitical doctrine. The practice, and intent, of Thatcher-Bush policy toward the former Comecon sector, was to exploit the momentary moment of greatest vulnerability of the former Soviet power, to ensure that the entire region of the former Comecon was so thoroughly destroyed, economically, so depopulated

What is now on the move, is the force within the Democratic Party, and among the constituencies rallied against "Gingrichism" during this election, which represents the popular base for those policy-deliberations which must begin almost as soon as the election-polls have closed.

and demoralized, that no political power should ever arise again in that part of the world in the foreseeable future. This Orwellian, Thatcher geopolitical doctrine was called "the reform."

Unfortunately, the Clinton Administration, so far, has failed to overturn the Thatcher-Bush "conditionalities" imposed upon Russia under the "Newspeak" label of "reform." It was inevitable, that, unless that reform were discontinued, Russia would either collapse into chaos, or explode into an enraged dictatorial regime, brimming with hatred against the West, especially against the United States. We have now reached that point: Russia is on the verge of an explosion. That does not mean global thermonuclear war; nonetheless, the world-wide ricochet of destabilization and homicidal chaos from within the region of the former Warsaw Pact, would approximate the aftermath of a general war, throughout the planet. This must change immediately, before it is too late to reverse the effects.

In the Middle East, for example. The success of the Oslo accords between Israel and Chairman Yassar Arafat, depended upon the delivery of economic assistance, especially to Palestine, especially the large-scale public infrastructure development upon whose foundation any healthy development of a Palestine private sector depended absolutely. This was never delivered. The donor nations promised aid, but accepted the conditionalities which empowered the World Bank never to deliver that aid, and to prohibit the infrastruc-

ture development without which the peace effort would die of economic strangulation. Thus, the way was prepared for the bloody intervention of London-directed, and Brooklyn-based thugs into Israel, to topple the Labour government, virtually to obliterate the peace process.

In Africa, especially sub-Sahara Africa, the U.S.A. has no clear and consistent policy. The former colonial powers, notably the British and French, are successfully orchestrating genocide throughout most of sub-Sahara Africa, all with the complicity of the UNO Security Council, the Secretary General, and the locust-plague of UNO's Non-Governmental Organizations (NGO) camp-followers, which facilitate the subversion. The crucial issues here, are issues of economic, financial, and trade policies; what the U.S. continues to support, on these accounts, are pro-genocidal policy-relics of the Bush administration.

In Central and South America, virtually every nation below our Rio Grande borders is either disintegrating, as Colombia and Argentina are being disintegrated, and as every other nation of the region is either at the verge of disintegration, or, close to that point. This is a result of a lunatic U.S. policy toward this entire region, especially since 1981, which a Bush-whacked Clinton Administration has not seen itself free to change. Acknowledging that Bush's politically-motivated, and London-steered Starr-chamber techniques have sabo-

tagged the functioning of the Executive branch, these past eighteen months: the crucial issues here, are issues of a continuing, fatally wrong-headed U.S. economic, financial, and trade policy toward the region.

The same foolish, counterproductive policy-thinking shown toward these foreign sectors, is the crux of the internal problems of the United States itself. The U.S.A., too, is the victim of the same ruinous policies which the U.S. Governments of the past quarter century have imposed upon Ibero-America, Africa, most countries of Asia, and, more recently, the former Comecon.

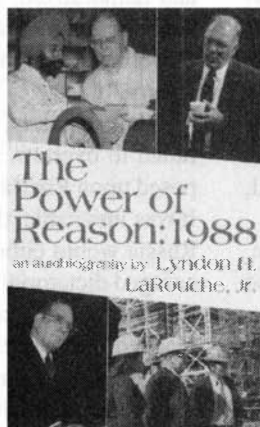
The FDR-PAC's initial focus of attention, in sponsoring the "transition phase's" policy-caucuses, will be on those kinds of social-policy issues which tended to dominate the election period: Health-care policy, anti-drug and related policies, housing policy and related matters of urban policy, will dominate November. Key issues of entitlements policies will be featured during December.

During the same period, *EIR* will be assembling a major Special Feature on the subject of the global food shortage, which will be published in the Nov. 29 issue. In addition to *EIR*'s continuing focus upon economic, financial, and strategic issues, our coverage of the health-care, housing, and justice policies will be ongoing throughout the transition period leading into the seating of the next Congress.

Books by Lyndon H. LaRouche, Jr.

The LaRouche case "represented a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the federal government than any other prosecution by the U.S. Government in my time or to my knowledge."

—Former U.S. Attorney General
Ramsey Clark

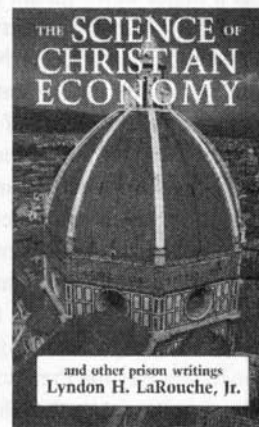
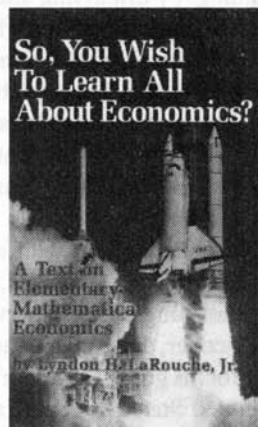


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The Bush, Weld families in the spook world

by Anton Chaitkin

The political and family alliance of former President George Herbert Walker Bush and Massachusetts Gov. William F. Weld, little known to the public, is an important factor against the interests of American law enforcement and national sovereignty. This alliance has boosted Weld and shielded Bush from criminal prosecution. In previous articles (see *EIR*, Oct. 18, p. 68, and Oct. 25, p. 64), we reported that:

- As chief of the Justice Department Criminal Division, Weld blocked the investigations of drug trafficking and other crimes by the “Iran-Contra” operatives of Vice President Bush. Weld was also protecting his own family’s ties to the *Crédit Suisse* bank, the financial center of Iran-Contra criminal arrangements.

- Weld and other Bush allies lost a 1988 power-play against Reagan loyalists, and were forced out of Justice.

- President Bush’s White House aide Ron Kaufman ran a Gestapo-style 1990 disruption of the Massachusetts Democratic Party, helping Weld to become governor. Bush insider Kaufman is now the Republican National Committeeman for Massachusetts and a strategist for Weld’s Senate campaign against Democrat John Kerry.

We now focus on the Bush-Weld family alliance, as it extends into the realm of the intelligence agencies, oil, and global looting operations of Bush and associates.

The Bush-Weld merger and Harken Energy

Some time after the 1972 death of William Weld’s father, David, the Bush family’s private bank, G.H. Walker and Co., began merger negotiations with the Weld family’s private bank, White, Weld and Co., of which David Weld had been chief executive. During 1973, two White Weld account executives who, up to 1972, had been employees of David Weld, incorporated a strange oil company which was to be a vehicle for Bush’s international intrigues: Its corporate name, “Harken Energy,” was an abbreviation of the names of the two founders, *Harry L. Mulligan* and *Phil Kendrick, Jr.*

George Bush’s uncle and personal financier, G.H. Walker, Jr., moved his executives into leading positions in the merged Bush-Weld organizations. Perhaps the key Bush man who now took up a White, Weld address was G.H. Walker managing partner Thatcher Brown, Jr. Brown was a high-level British Crown representative; his New York household had been the lifelong U.S. base for Montagu Norman (Bank of England governor 1920-44), an avid Hitler

supporter and banking partner of Brown’s father.

The otherwise insignificant Harken, would come in handy for the Bush forces in a struggle which soon broke out for control of Australia’s natural resources. In 1975, Australia’s Prime Minister Gough Whitlam came into conflict with the British Crown, when he proposed that Australians, rather than London and New York cartels, should control the country’s oil and mineral wealth. In December 1975, Queen Elizabeth II’s official representative, Governor General Sir John Kerr, in collaboration with U.S. Secretary of State Henry Kissinger and CIA officer Ted Shackley, ordered the firing of Whitlam and his government.

During the British-led attack on Australia, President Gerald Ford fired CIA director William Colby. Kissinger’s choice, George Bush, was appointed the new CIA director, and Bush made Shackley head of covert operations.

With a new, compliant Australian government, and Bush at CIA, Harken Energy moved in, buying mineral rights for at least 35 million acres of oil and gas lands. A Harken-led consortium got control of 50 million acres.

In 1983, the two former David Weld employees sold Harken, while Bush was vice president and chief of covert operations. The main new owner was South African billionaire Anton Rupert, a political partner of Britain’s Prince Philip, and a sponsor of South African fascists allied to British military intelligence and to Bush’s Iran-Contra network.

In January 1990, Harken Energy, in which President Bush’s son George W. Bush, was a director and highly paid consultant, made a huge oil development agreement with Bahrain in the Persian Gulf.

On June 22, 1990, the younger Bush secretly sold 212,140 shares, two-thirds of his Harken stock holdings, for \$848,560. He criminally failed to file a report with the Securities and Exchange Commission on the sale.

A month later, on July 25, 1990, President Bush’s ambassador to Iraq, April Glaspie, told Iraqi President Saddam Hussein, “We have no opinion on the Arab-Arab conflict, like your border disagreement with Kuwait. . . . I have direct instructions from the President to seek better relations with Iraq.” A week later, Iraqi troops entered Kuwait, and the price of Harken stock plunged nearly 25% below the price the President’s son had gotten for his shares. President Bush’s appointees at the SEC found no reason to prosecute his son.

The G.H. Walker firm which merged with White, Weld, was a Bush home base. Witness the career of longtime G.H. Walker partner Scott Pierce, the brother of George Bush’s wife, Barbara. Pierce became president of E.F. Hutton (1975-87), and led that firm into a \$4.35 billion check-kiting scheme for which his company pled guilty to 2,000 felony counts in May 1985. Pierce was not punished, and left the firm only after it was disclosed that the “Pizza Connection” and other heroin money had been laundered through E.F. Hutton. By this time, William Weld was chief of the Justice Department Criminal Division, and all the Bushmen were safe.

The Bush-Weld criminal alliance: covert ops and money laundering

by Anton Chaitkin

As a federal prosecutor and as a top Justice Department official, William Weld perverted his office to block prosecution of world-spanning crimes, including narcotics trafficking and other acts related to the "Iran-Contra" ring. Weld protected perpetrators in his own family and his family's banking business, and many others in then-Vice President George Bush's runaway "national security" apparatus.

Bush's confidence in Weld as a criminal shield, may be better understood by studying the Bush and Weld family histories, which are presented here in capsule form. Both men's careers were sponsored by their families' international banking enterprises. The Bush and Weld family organizations joined forces during George Bush's rise to the apex of political power.

The firms in question were private investment banks, which served historically as financial and political agencies of the City of London and the British Empire: Brown Brothers Harriman, G.H. Walker and Co., and Walker's merger-partner, White, Weld and Co.

Annotation for Figure 1: The Weld family

1. William Fletcher Weld, brother of Gov. William Weld's great-great-grandfather, was a shipowner, who made the family fortune. In the 1840s, the leading British ironmasters Thomson and Forman made him their sole agent for importing their iron rails into the United States. Weld's clipper ships sailed to China as well as Africa and the West Indies, and certainly participated in the opium trade, as Gov. William Weld admits. (Note that the governor is named William Floyd Weld, not William Fletcher Weld.)

William Fletcher Weld married Mary Bryant. One of the Weld ships was named the *William Sturgis*, after the most famous opium captain whose firm, Bryant and Sturgis, carried half of the U.S. participation in the British-led opium trade.

William Fletcher Weld's family became a political agency for the British in America, versus the nationalist-protectionist faction, while Weld's imports drained the United States of gold and undercut the American iron manufacturers. William Fletcher Weld was a co-owner of railroads (not a builder of railroads) with opium magnates John M. Forbes and Thomas Jefferson Coolidge; they fought and eventually defeated the actual builders for control of U.S. industry.

William Fletcher Weld was an investment and political partner of the Coolidges, the most notoriously criminal

Americans in the opium business. When the Chinese banned the British from bringing in opium in 1839, Joseph Coolidge took a commission of around \$10 million per year to smuggle the British dope in for Jardine Matheson, and thus the Coolidges entered global finance as a branch of that British criminal firm.

2. Stephen M. Weld, 1842-1920. Nephew of William Fletcher Weld, T.J. Coolidge's partner. Stephen Weld was a director of Old Colony Trust Co., the Coolidge family organization. In 1929, the Coolidges merged Old Colony with the Bank of Boston. In 1899, Thomas Jefferson Coolidge and his son started the United Fruit Co. Old Colony Trust and Bank of Boston then became completely interlocked with United Fruit. The Boston owners came to share United Fruit Co. with New Orleans gangsters, for purposes of Ibero-American intrigues and narcotics trafficking.

T.J. Coolidge wrote in his autobiography that Stephen M. Weld went to President William McKinley and asked him to appoint Coolidge U.S. treasury secretary, which McKinley would not do. After McKinley was assassinated, Theodore Roosevelt's Presidency gave the British faction control over U.S. strategic policy.

3. Alexander Moss White, organized White, Weld and Co., with junior partner Francis Minot Weld, who married White's sister Margaret.

4. Alexander M. White, Jr., senior partner of White, Weld into the 1950s. Longtime official of the American Museum of Natural History in New York, whose racist Malthusianism he helped guide.

5. Ogden White, partner of White, Weld 1954-71.

6. David Weld, father of Governor Weld, succeeded first cousin Alexander M. White, Jr., as senior partner of White, Weld. Through his partner, Swiss financier Robert Genillard, David Weld amalgamated White, Weld with *Crédit Suisse* to form the world's premier money-laundering organization. David Weld died in 1972; the Swiss criminal-money haven he pioneered would be used by his family members and the "Iran-Contra" plotters such as Oliver North, under the protection of his son, corrupt prosecutor William F. Weld.

7. Alfred White Weld, brother of David Weld, uncle of William F. Weld, father of Jonathan Weld. Owner of the Rome, Italy newspaper the *Daily American*, consultant for the Institute for International Education and Radio Free Europe.

8. Charles C. Lee, Jr., executive vice president of White,

FIGURE 1

The Weld family: a British banking and political agency

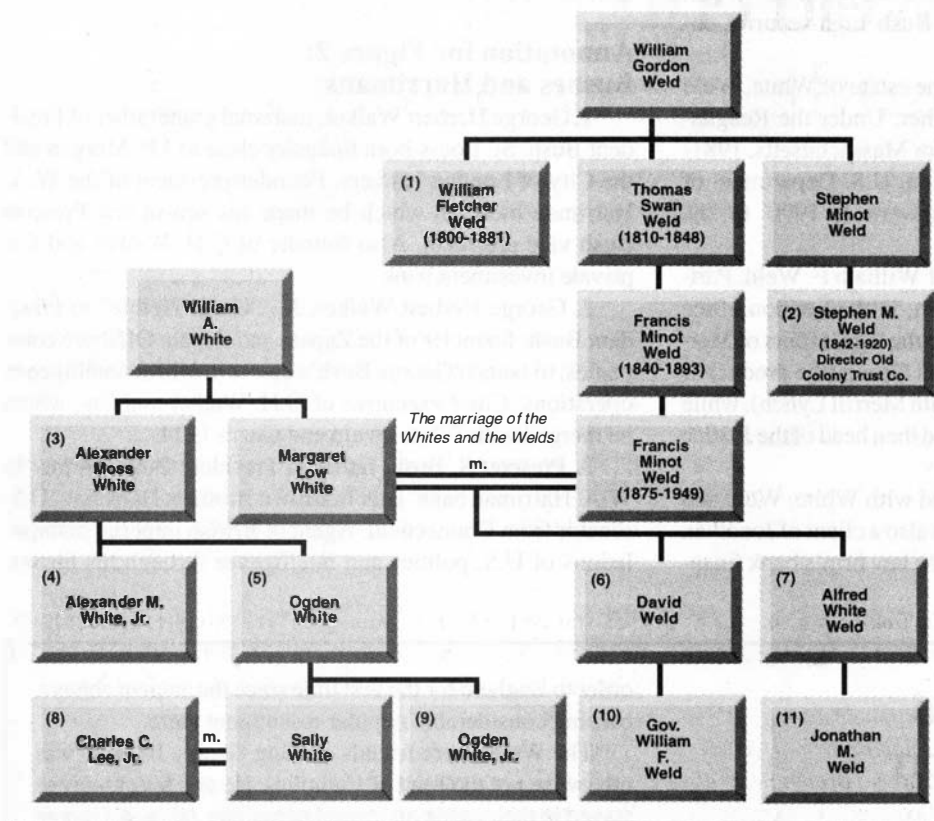
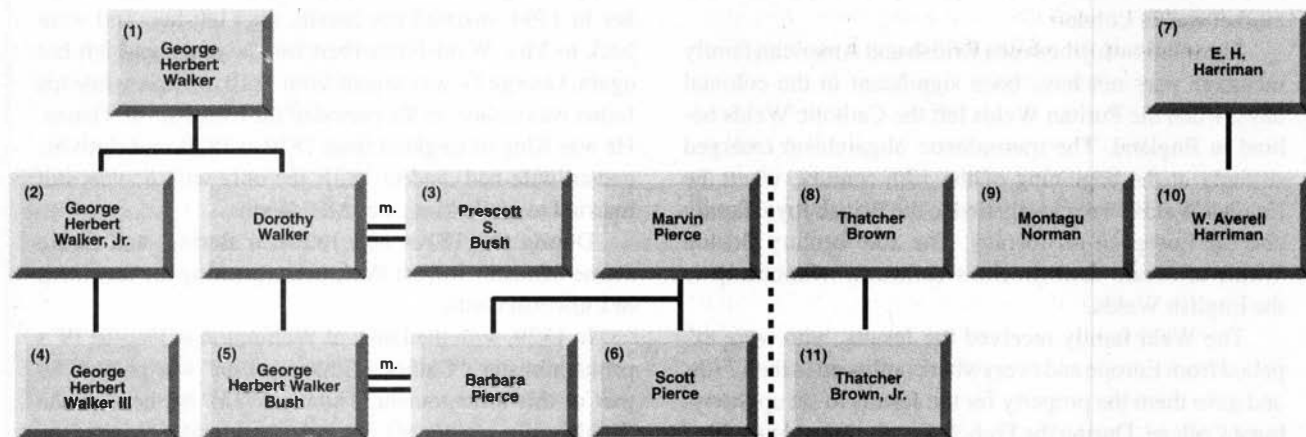


FIGURE 2

The Bush family and the Walker-Bush-Harriman banking complex



Weld and Co., all through the firm's 1970s merger with the Bush family bank G.H. Walker and Co. Lee is the brother-in-law of Bank of Boston international operations chief Ogden White, Jr., through his marriage with Sally Ogden.

9. Ogden White, Jr., chief of international operations of

the Bank of Boston from the 1970s until Dec. 31, 1985, throughout the period of the bank's criminal financial transactions with Cr dit Suisse and other Swiss banks. White is the son, nephew, and brother-in-law of White, Weld company leaders, and second cousin of Gov. William Weld, who, as

U.S. Attorney for Massachusetts in 1985, saved White and other Bank of Boston officers from criminal prosecution. He has long resided on Jupiter Island, Florida, where his neighbors are Bushes on that Harriman-Bush high-security enclave.

10. William F. Weld, trustee of the estate of White, Weld chief executive David Weld, his father. Under the Reagan-Bush administration, U.S. Attorney for Massachusetts, 1981-85, and chief of the Criminal Division, U.S. Department of Justice, 1986-88; Massachusetts governor, 1990 to the present.

11. Jonathan Weld, first cousin of William F. Weld. Partner of the Shearman Sterling law firm; in the London office 1982-85. Shearman Sterling managed the legal affairs of Merrill Lynch White Weld Capital Market Group (the product of the merger of the Weld family firm with Merrill Lynch), while cousin William was U.S. Attorney and then head of the Justice Department's Criminal Division.

First Boston Corp., which merged with White, Weld and Crédit Suisse and Merrill Lynch, was also a client of Jonathan Weld's law firm. A large portion of the law firm's bank finan-

cing work concerned Eurodollar and Eurocurrency credits, and the acquisition of U.S. companies by participants in the Eurodollar market.

Annotation for Figure 2: Bushes and Harrimans

1. George Herbert Walker, maternal grandfather of President Bush. St. Louis-born financier close to J.P. Morgan and the City of London bankers. Founder/president of the W.A. Harriman bank, in which he made his son-in-law Prescott Bush vice president. Also founder of G.H. Walker and Co. private investment bank.

2. George Herbert Walker, Jr., "Uncle Herbie" to President Bush; financier of the Zapata and Zapata Offshore companies, to launch George Bush's career in oil and intelligence operations. Chief executive of G.H. Walker and Co., which he merged with White, Weld and Co. in 1974.

3. Prescott S. Bush, father of President Bush, partner in W.A. Harriman bank, later in Brown Brothers Harriman; U.S. senator from Connecticut. Agent of British imperial manipulations of U.S. politics and intelligence through his bosses,

The Weld family's British orientation

The spiritual home base of the Weld family is in England, at Lulworth Castle. When Jonathan Weld went to London, he was going home to the mother country. The main office of the White, Weld firm for the money-laundry Eurodollar market was in London.

The relationship between British and American family members may not have been significant in the colonial days, when the Puritan Welds left the Catholic Welds behind in England. The transatlantic oligarchism emerged strongly at the beginning of the 19th century, when the English Welds were closely tied to the British royal family and the European aristocracy. The 20th-century Boston Welds celebrate their precious collateral relationship to the English Welds.

The Weld family received the Jesuits, who were expelled from Europe and everywhere outlawed in the 1770s, and gave them the property for the Jesuits to set up Stonyhurst College. During the French Revolution, many exiled Orders were similarly received by the Welds. Most important were the Cistercians, "Trappist Monks"—reformed Benedictines, who were expelled from France in 1792, settled for a few years in Switzerland, went to Russia, and ended up being given a part of the Weld family castle, Lulworth, to use as a monastery, for the first couple of decades of the 19th century. This was the return of such an

order to England for the first time since the ancient abbeys, causing considerable popular resentment there.

The Welds were friends of King George III, who was otherwise not too fond of Catholics. He and his entourage stayed in their castle on several occasions. His son, George IV, married in 1785 the widow of one of the Welds (this Mrs. Weld was called "Mrs. Fitzherbert," from yet another marriage). George IV's marriage to the Catholic Mrs. Weld was against the Act of Settlement of 1701. He left her in 1794, married his cousin, then left her, and went back to Mrs. Weld-Fitzherbert for six years, and left her again. George IV was regent from 1810 to 1820, while his father was insane, in the period of the Congress of Vienna. He was King of England from 1820 to 1830, and since his cousin-wife had died in 1821, the only wife he was still married to while king, was Mrs. Weld.

During the 1810s and 1820s, a Baring, and future Prime Minister Robert Peel, both rented space and lived in Lulworth Castle.

In 1829, with the Duke of Wellington as George IV's prime minister, "Catholic Emancipation" was passed. As part of this arrangement, Thomas Weld, the head of the Weld family, master of Lulworth Castle and the host of the monks there, was chosen England's first Roman Catholic cardinal since the Reformation. He went to Rome in 1830 and lived out his life there until 1837. The (British) *Dictionary of National Biography* says, "His apartments in the Odescalchi palace were splendidly furnished, and periodically filled by the aristocracy of Rome, native and foreign, and by large numbers of his fellow countrymen."

Averell Harriman and Thatcher Brown. Several New York-based financial front operations of the German Nazis, directed by Prescott Bush and George Herbert Walker, were seized and closed by the U.S. government under the Trading with the Enemy Act during World War II.

4. George Herbert Walker III, first cousin of President Bush; executive of G.H. Walker and Co.; senior vice president and director of White, Weld and Co. after merger. He and his Yale friends, Thatcher Brown, Jr. and Nicholas Brady (later Bush's treasury secretary), were known as "the Yale Mafia" on Wall Street.

5. George Herbert Walker Bush, political protégé of Henry Kissinger; chairman of the Republican Party during the Watergate scandal; Director of Central Intelligence, 1976-77; U.S. vice president and chief of covert operations, 1981-89; U.S. President, 1989-93.

6. Scott Pierce, brother of George Bush's wife, Barbara; partner of G.H. Walker and Co., 1957-74; president of E.F. Hutton and Co. 1975-87, resigned after leading company into thousands of criminal transactions in check-kiting and money-laundering.

7. E.H. Harriman, father of W. Averell Harriman. His fortune was made by action of the British royal family's representative, Sir Ernst Cassell. Cassell raised the money in England to purchase the Union Pacific Railroad at a bankruptcy auction, by an arrangement with Britain's New York agents, Jacob Schiff and William Rockefeller, whereby E.H. Harriman would become the chief executive and, eventually, owner of the purchased railroad.

8. Thatcher Brown, senior American partner of Brown Brothers. Intimate friend and partner of Montagu Norman.

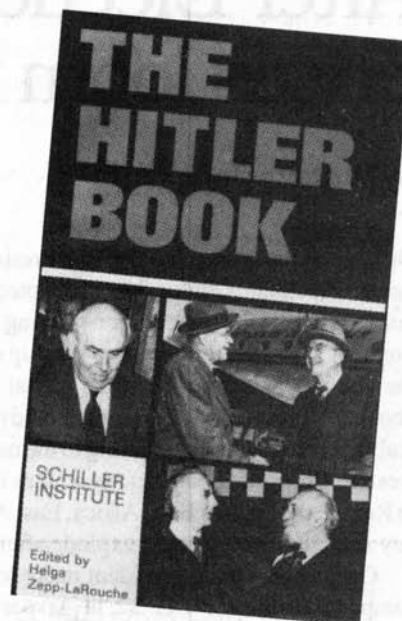
9. Montagu Norman, partner in Brown Brothers, his family's firm since the mid-19th century; later, governor of the Bank of England (1920-44); world's most powerful banker and chief of the pro-Hitler faction of British and American financiers. The U.S. household of Thatcher Brown and Thatcher Brown, Jr. was Norman's base in America from the beginning of the 20th century until sometime after World War II.

10. W. Averell Harriman, banking partner of Prescott Bush; U.S. ambassador to Great Britain and to the Soviet Union; governor of New York. His personal bank, W.A. Harriman and Co., was organized by George Herbert Walker in 1919, then merged in 1931 with Montagu Norman's Brown Brothers, forming Brown Brothers Harriman. The Harrimans founded the American branch of the British racist movement known as "eugenics." Harriman controlled the Harry Truman administration's security and intelligence strategy, and, with the Dulles brothers, ran the British-controlled element in the American intelligence community.

11. Thatcher Brown, Jr., grew up with Montagu Norman scheming in his household; partner, G.H. Walker and Co., since 1940; managing partner of G.H. Walker, he moved over to White, Weld in the 1970s merger; later, partner with Brown Brothers Harriman.

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After Election Day, foreign policy crises loom for President Clinton

by William Jones

During the flurry of activity of the Presidential election campaign, President Clinton has attempted to relegate foreign policy issues to the back burner—acting under the misperception that it's more important to play up domestic issues with the voters—at a time when the global strategic situation is about to blow sky high. *EIR* sources and oligarchical geopolitical strategists alike are pointing to the mass turmoil in several western European countries, as well as the volatile situations in Russia, the Middle East, Africa, East Asia, and the Balkans, any and all of which could explode after Nov. 5.

Only once did the President make foreign policy a major campaign theme: On Oct. 22, he gave a major foreign policy address in Detroit, Michigan, a state with a large number of voters of Eastern European ethnic origin, in which he announced that NATO would begin its expansion in 1999, setting a date on the highly controversial NATO expansion.

Late in September, Clinton suspended his campaigning to hastily repair a breach in the Middle East peace accords, because of the decision by Israel's Benjamin Netanyahu to open a tourist tunnel from the Western Wall beneath the Al-Aqsa Mosque on the Haram al-Sharif in Jerusalem, Islam's third most holy site. President Clinton had to take a several days out of campaigning in order to prevent a fragmentation of the tenuous peace agreements. The President's efforts, pulling together a summit with Palestinian Authority President Yasser Arafat and Prime Minister Netanyahu, succeeded in stemming the violence, but an intransigent Netanyahu prevented any progress on outstanding issues.

At the conclusion of the emergency White House summit over Sept. 30-Oct. 1, State Department envoy Dennis Ross was sent to the Middle East to push the process forward. The most Netanyahu was willing to agree to at the Washington summit was to start negotiations on all the major issues, with particular emphasis on the pullout of Israeli troops from the West Bank town of Hebron, which had originally been scheduled for July 1996, and to continue negotiating until an agreement were reached. However, rather ominously, on Oct. 28 Dennis Ross returned to Washington after three hectic weeks of negotiating without any tangible results. Ross himself characterized the situation as "neither breakthrough nor breakdown," although it was clear that "break-

down," was nearer to the reality. Little progress will be made until the Clinton administration more seriously focusses on the problem.

When Clinton wakes up on Nov. 6, he will be staring extremely dangerous strategic situations in the face, including in Russia, the new outbreak of war in Africa's Great Lakes region (see our *International* lead and *Editorial*), the British oligarchy's efforts to divide China and create a ring of destabilizations on its borders, Bosnia, and the Middle East.

Russia waiting to explode

Undoubtedly, the most difficult and dangerous foreign policy issue facing the United States is Russia. The much-lauded "success" of the International Monetary Fund (IMF) austerity policy has driven the country to the edge of chaos. Even if Russian President Boris Yeltsin were not afflicted with a serious heart condition, the situation would still be extremely precarious. Yeltsin's long-term recuperation is threatening to send the country to the vultures—several of whom are prominent in the Yeltsin cabinet.

The administration's failure to face the IMF's depredations head-on is inviting disaster: Some awareness of this was expressed on Oct. 29 by Deputy Secretary of State Strobe Talbott, the administration's point man on Russia, in a speech commemorating the 50th Anniversary of Columbia University's Harriman Institute for Russian Studies.

In 1993, Talbott saw firsthand what the IMF economic shock therapy, imposed earlier under the Bush/Thatcher regime, had done already, and on his return, urged that Russia needed "less shock and more therapy." His concerns about the strategic effects of reducing Russia to penury have grown, which *EIR* has identified as the danger of a "Third Rome" tendency to gain ascendancy in the Federation. "One challenge America faces, quite frankly," Talbott said, "is to overcome Russian suspicions, Russian conspiracy theories, and Russian old-think. . . . Many of them have made clear that they believe America's real strategy—indeed this administration's real strategy—is actually to weaken Russia, even to divide it. . . ."

"Let me be a bit more specific about my concern here. If the Russians overindulge their misplaced suspicions that we

want to keep them down, then words like partnership and cooperation, translated into Russian, will become synonyms for appeasement, subservience, humiliation at the hands of the West. The result then could be that we will indeed cooperate less, and compete more, on precisely those issues where it is in our common interest to cooperate more and compete less. . . . Suspicions of each other's motives could prove self-justifying, and pessimistic prophecies about the future of the relationship may be self-fulfilling."

While trying to portray NATO expansion as a means of preventing ethnic rivalries in Eastern Europe, Talbott also stressed that President Clinton's setting the deadline for expansion in 1999, "gives us time to work out, in parallel with the process of enlargement, the terms of a cooperative and mutually reassuring relationship between NATO and the Russian Federation."

U.S.-China rapprochement

The U.S. relationship with China will also require renewed impetus, which had gotten off to a good start with such joint efforts as those to ease tensions between North and South Korea. For President Clinton to succeed in establishing a good rapport with Beijing, it will definitely require him to visit China.

Speaking on Oct. 22 to the Japan-America Society of Washington, D.C., National Security Adviser Anthony Lake used the occasion to define a second Clinton administration Asia policy, with obvious reference to China. "Today, Asia faces a choice between two global visions for the 21st century," Lake said. "The first is a return to the zero-sum politics of the 19th century—a world where great powers are permanent rivals, acting as though what was good for one power was, by definition, detrimental to another. The second is a world where great powers act to increase cooperation, avert chaos, and strengthen economic growth, while preserving the balances of power that preserve the peace."

Aside from the somewhat extraneous reference to the "balances of power," the policy of the Clinton administration is, as Lake himself indicated, the exact opposite of the British 19th-century "balance of power" methods which aimed at keeping potential competitors as "permanent rivals"—with each other—a strategy that British agent Henry Kissinger adopted during his years in the Nixon and Ford White House.

A fragile peace in Bosnia

As in the Middle East and Zaire crises, the situation in Bosnia-Herzegovina cries out for immediate U.S. leadership. The election of a collective Presidency and an assembly on Sept. 14 did occur without major incident—although there were numerous instances of coercion and bullying on the part of the Bosnian Serbs to prevent Muslims from voting in the home districts from which they had been expelled during the war. Even after the September elections, considerable finesse was required by U.S. diplomats to bring together

the three members of the collective Presidency, Muslim, Serb, and Croat, to a meeting in Sarajevo. Bosnian Serb President Momcilo Krajisnik did not want to participate in the meeting in Sarajevo, which has been designated as the capital of the new Federation, because it is in the Muslim part of the country.

The situation was so precarious that U.S. Ambassador to the Organization for Security and Cooperation in Europe Robert Frowick, who is the OSCE representative responsible for election oversight in Bosnia-Herzegovina, decided to postpone municipal elections until sometime next year, which had been scheduled for November. These municipal elections had already been postponed in August together with the national elections, because circumstances across the country had been "too problematic," as Frowick phrased it. Now, according to Frowick, the problem is not so much the threat of violence, but rather continued controversy over refugee voting prerogatives, with Bosnian Serbs attempting to fill the districts of the Republika Srpska with Serbs from other parts of the country, which is designed to destroy the original ethnic diversity of the various regions. The OSCE is trying to maintain that original diversity as much as possible.

President Clinton will have to make some decisions on the follow-up force to the U.S. contingent stationed in Bosnia-Herzegovina, the IFOR forces, which are supposed to be moved out in November. Some force will be required in order to assure that the process of completing the Dayton Accords continues moving ahead. Clinton will also have to get some motion into the question of economic reconstruction, which had been started by Commerce Secretary Ron Brown, before Brown was killed in a plane crash outside Dubrovnik in April. Ambassador Frowick also echoed the UN General Assembly address of Bosnian President Alija Izetbegovic, calling the failure of the international community to seriously begin the economic reconstruction "disgraceful." Without the "glue" of economically rebuilding the country, the shaky diplomatic arrangements at Dayton could quickly unravel.

Policy can't be done 'on the cheap'

Much of this has been hampered by the restrictions placed on foreign aid spending by the Republican Congress, demanding ever greater austerity at home. Secretary of State Warren Christopher, giving his part of the foreign policy "mosaic" at the Military Academy at West Point on Oct. 22, warned of the folly of such a policy: "Simply put, we cannot sustain our diplomacy on the cheap—unless we want to short-change the American people. But that is just what is happening. Since 1984 our international affairs spending has fallen by 51% in real terms. Fifty-one percent. The total amount the United States spends on international affairs now constitutes just 1.2% of the federal budget—a tiny fraction of the amount we must spend when foreign crises erupt into war," Christopher said.

National News

Galbraith decries TV's hold over American life

John Kenneth Galbraith, the dean of American economists in the tradition of Franklin D. Roosevelt and John F. Kennedy, denounced the "devastating" corruption of American life by the entertainment industry, during a seminar Oct. 18 in Cambridge, Massachusetts. Galbraith has frequently warned, in recent years, of a coming financial crash, of at least the magnitude of that which occurred in the 1930s.

As summarized in the Oct. 24 *International Herald-Tribune*, Galbraith's address emphasized, "Agriculture and industry are connected to the fundamental reality of human life. Entertainment is escape from reality. Much about the United States today, is explained when you understand that we no longer function, nationally, in response to realities, so much as to the images of reality generated by the American entertainment industry, now arguably the most influential force in American life.

"Because of the takeover of politics by television, political conduct is dominated by the necessity to conform to the demands of what is, primarily, a system of commercial entertainment. This inspires a politico-psychological corruption more profound than mere money-corruption, with far more devastating implications."

Wall St. covers for oil speculators' price hoax

While home heating oil prices and oil futures are going through the roof, the *Wall Street Journal* continues to lie that the increases are due to an "oil refining capacity shortage." The financier rag also claimed Oct. 22 that "there is not much that can be done to increase supplies of heating oil."

The reality, as *EIR* documented earlier this year, is that the Anglo-Dutch raw materials cartel, acting through the Six Oil Sisters, has been building up its raw materials holdings, and pushing prices upward to reap windfall profits. The truth is that the so-

called "Six Sisters"—Royal Dutch Shell, British Petroleum, Exxon, Mobil, Texaco (which merged with Gulf Oil), and Chevron—control both the worldwide supply and marketing of oil, as well as refining capacity in the United States. The Six Sisters, as well as several Wall Street brokerage houses, also play the commodities markets, further enabling them to drive prices up.

Between July 29 and Oct 7, the price of home heating oil futures, which are traded on the New York Mercantile Exchange, jumped from \$55 per 100 gallons to \$75, before settling down at \$70.96 per 100 gallons on Oct 24. Meanwhile, speculation in *crude* oil futures has driven prices up from \$17.75 per barrel on Feb. 1, to \$24.86 on Oct. 23, an increase of 40%.

This deliberate looting of industry and living standards has fueled profiteering on an unprecedented scale. Through the first nine months of this year, Royal Dutch Shell has recorded more than \$6.5 billion in profits; British Petroleum and Exxon more than \$5 billion; and Mobil, \$2.3 billion.

Railroad bidding wars prove 'dereg' was wrong

The current war among speculators to take over Conrail, should focus attention once again on the destructive effects of "deregulating" America's railroads and other vital transportation systems. On Oct. 23, the Norfolk Southern RR made a \$9.1 billion cash offer for Conrail, the major Northeast rail carrier, outbidding the \$8.4 billion offer made by the CSX railroad the previous week. The bidding wars represent the intensification of high-roller, speculative railroad mergers, which have nearly dismantled America's rail grid since Congress deregulated the railroad industry in 1980.

By 1995, there were only seven major railroads left in the United States: the Union Pacific, CSX, Burlington Northern, Santa Fe, Southern Pacific, Consolidated Rail (Conrail), and Norfolk Southern. During that year, the Burlington Northern and the Santa Fe merged to become the Burlington Northern Santa Fe—and then there were six. The Big Six accounted for 91% of the revenue and 87% of the track-miles of Class I

rail carriers, which control the lion's share of the rail industry. Earlier this year, the U.S. government approved a \$3.9 billion takeover of the Southern Pacific, by the Harri-man-dominated Union Pacific, creating America's largest railroad—and then there were five.

Conrail is the former freight division of the Penn Central (a merger of the old New York Central and Pennsylvania railroads), which went bankrupt despite a massive bailout by the U.S. government. Additional billions of federal money have been sunk into Conrail. If a takeover by either CSX or Norfolk Southern is approved, America will have only four major rail carriers remaining. During the 19th century, even before the Civil War, the United States had developed, *as a national policy*, the most extensive and advanced railroad system in the world.

Under deregulation, however, the speculative sharks have moved in for the kill. From 1980 to 1994, the miles of track, owned and operated by Class I rail carriers, collapsed from 164,822 to 109,332—a contraction of 34%. During that same period, the number of railroad workers employed was slashed by 59%, from 458,000 to 190,000; the number of railroad locomotives dropped by 34%, from 28,094 to 18,505; and the number of Class I freight cars in operation was reduced by 45%, from 1,068,114 to 590,930.

Sweeney urges business to view labor as an ally

In his keynote to a meeting of Business for Social Responsibility in New York City Oct. 25, AFL-CIO President John Sweeney celebrated his first anniversary as president of the AFL-CIO, by calling on the business group to join him in building a "better America for all of us."

Sweeney told the gathering, "Tonight, I want to talk about what more we must do together to promote a new spirit of responsibility in all of corporate America. And I ask you to see our new, revitalized labor movement as an ally in everything that you do and dream. Because, together, we can build more successful companies for you—and build a

better America for all of us. . . .

"We want to work with you to bake a larger pie which all Americans can share—and not just argue with you about how to divide the existing pie. It is time for business and labor to see each other as natural allies, not natural enemies," Sweeney declared.

The AFL-CIO leader provided no comfort for the worshippers of the free market. "Our economy resembles a lawless jungle more than a civilized marketplace," Sweeney said. "Our trade agreements say very little and do even less about sweatshops, child labor, prison labor, and even slave labor overseas. And our tax code actually encourages companies to ship our jobs to countries where workers have low wages and no rights." He concluded by calling for an America "with more economic patriots and fewer corporate pirates."

DNC seeks to dismiss appeal in LaRouche case

On Oct. 24, Lyndon LaRouche and his plaintiffs filed a statement of issues in the U.S. Court of Appeals, in their Voting Rights Act suit against Donald Fowler and the Democratic National Committee. Fowler and the DNC filed a motion to dismiss the same day—still maintaining their argument that the Democratic Party is a private club.

The LaRouche suit, filed just prior to the Democratic Convention in August, sought to enjoin DNC Chairman Fowler from excluding delegates then pledged to Presidential candidate Lyndon LaRouche. The case is now on appeal, after District Court Judge Thomas Penfield Jackson bowed down to the "Jim Crow" arguments made by Fowler's lawyers, and dismissed the case.

Fowler et al.'s motion states that "the Voting Rights Act does not apply to the Democratic National Committee or its chair, Donald L. Fowler." Fowler's contention is that, since neither the Democratic National Committee nor its chairman are cited in the federal regulations governing the Voting Rights Act as "covered jurisdictions," they ipso facto have no obligation to follow the law, and that the "federal courts

cannot intervene in . . . [their] internal affairs." Fowler and the DNC made a rule that LaRouche, by their definition, was not a bona fide Democrat, and therefore, any vote cast for him was to be "disregarded."

By this ruse, Fowler et al. refused to certify and seat delegates LaRouche won in Louisiana and Virginia primaries, at the Democratic Convention. But, by this action, they deprived citizens of their right to vote and have that vote be counted. The LaRouche appeal challenges this arrogance. It seeks to have the court rule that national political parties are accountable for their actions under the Voting Rights Act as well as the Fifteenth Amendment to the Constitution, which guarantees to every citizen of the United States the right to vote.

MIT prof. would restrict Hispanic citizenship

In a disgusting display of unadulterated racism, MIT Prof. Lawrence Harrison told a U.S. Senate subcommittee on immigration Oct. 21 that, because the work ethic is "weak" in Latin America, the United States should impose more stringent conditions on granting citizenship to Hispanics.

Harrison, a former 20-year official at the State Department's Agency for International Development, declared in his testimony, "Work has traditionally been seen as a necessary evil" in Latin America. He complained that measures by the Clinton administration, to expedite citizenship applications, are widening the doors for people who do not share "U.S. values and attitudes." Harrison is a self-professed protégé of long-time State Department genocidalist Luigi Einaudi—also known as "Kissinger's Kissinger for Latin America."

Harrison's ravings were defended at the Senate hearing by Sen. Alan Simpson (R-Wyo.), who attempted to polish them by saying that Harrison was not suggesting that Latin Americans are "less worthy," but rather that "some aspects of culture are not as conducive to certain values" as others. A spokesman for the Hispanic-American movement La Raza commented, "I have never seen people with so many credentials offer up so much tripe."

Briefly

APOLLO 11 astronaut Buzz Aldrin, in a speech Oct. 23, called for a sustained commitment to colonize Mars by the year 2020. "Past societies built cathedrals, and other things that took time," Aldrin said. "We need things that take time." The leader of the nation, he said, must "chart a course of permanence on the planet Mars, and all the things we need to do in that direction," including mankind's development of the Moon.

GOV. GEORGE ALLEN'S execution tally in Virginia may double his record annual mark. Under Allen's reign, the total of five executions in 1993 was matched again in 1995. Three have already been executed this year; and seven more are expected to die by mid-December. At least two of the condemned, Joseph Payne and Joseph O'Dell, may be innocent, according to Virginians for Alternatives to the Death Penalty.

ROSS PEROT'S Aug. 20 financial disclosure report to the Federal Election Commission, filed as a Presidential candidate who claims to speak for "real Americans," lists assets of \$50 million or more each, in the government bonds of Australia, Belgium, Canada, France, Germany, Spain, Greece, Italy, and Japan, and dollar-to-yen derivative gambles at the same level with Crédit Suisse, J.P. Morgan, Merrill Lynch, and Swiss Bank.

GOV. WILLIAM WELD'S administration is considering a plan to privatize Medicaid in Massachusetts, the *Boston Globe* charged in its lead story Oct. 30. The scheme would shift more than 300,000 poor or disabled patients from state-managed health plans, into private HMOs which profit from denying treatment.

WITCHCRAFT is "a growing alternative religion," according to a front-page story in the Oct. 30 *Washington Post*. Witches should not be confused "with Satanists," says the *Post*. "The witches' creed—'And harm it none, do what ye will'—is much like the doctors' Hippocratic oath."

Stop the genocide in Zaire

The invasion of east Zaire by Ugandan, Rwandan, and Burundian armed forces, has created a situation in which the over 1 million Hutus in the refugee camps there, are threatened with death. Those who are not massacred immediately, will shortly die of starvation, if the British monarchy is permitted to succeed in this latest African atrocity. Predictably, the United Nations response has been to abet the British-inspired genocidal attack, by evacuating international aid workers from Bukavu, Zaire, and by ending all emergency airlifts of food and medicine.

What is required in this situation, is emergency action by the President of the United States, to prevent a human catastrophe.

Godfrey Binaisa, the former President of Uganda and current chairman of the African Civil Rights Movement, has issued an appeal to President Clinton, to launch a relief effort and to bring the warring parties to the negotiating table. "Permit me to remind you," he wrote, "that it is now 40 years since the ill-fated invasion of the Suez Canal by Britain and France after Colonel Nasser of Egypt nationalized the Canal. If it had not been for President Eisenhower's firm and uncompromising stand against British and French neo-colonialism, the world would have been plunged into a third World War. This is another Suez, exactly 40 years after the first one. The world is waiting on you, Mr. President, to see whether yet another President of the United States, can save the peace in Africa and avert a war which may very well spread beyond Africa."

What exactly should be done? The Civil Rights Movement Solidarity in Germany, in a statement issued on Oct. 30, laid out a plan which *EIR* endorses.

First, an emergency airlift into the region is needed, to deliver food and medicine to hundreds of thousands of refugees displaced by the war.

Second, the international community must guarantee the national sovereignty of Zaire. It is well known, that the United States government, together with Great Britain, exerts the greatest influence on the governments of Uganda, Rwanda, and Burundi. The war in Zaire is not an "ethnic war"; it started as an invasion

from Rwanda and Burundi, with the support of the government of Uganda. The President of the United States must bring to bear the full influence of the U.S. government—with or without the consent of Great Britain—to pressure the forces in power in Kampala, Kigali, and Bujumbura to stop the invasion of Zaire, withdraw their forces, and re-establish the territorial integrity of Zaire. If this is not done, this war could easily spread and engulf the entire region of the Great Lakes, affecting more than 30 million people.

This new war is a completely cynical British operation, run with the complicity of France and the United Nations apparatus. Uganda's President Yoweri Museveni is effectively controlled by London, through his close ties to British Minister of Overseas Affairs Lady Lynda Chalker, as *EIR* has shown.

On Oct. 28, 1994, *EIR* published the first of series of *Special Reports* on the British oligarchy, "The Coming Fall of the House of Windsor." We described how Britain's Prince Philip and his cohorts have turned Africa into a killing field. Addressing the "jury" of the world's citizens, Lyndon LaRouche wrote, in introducing the report: "The crimes of the House of Windsor must be seen rightly by this jury, by borrowing the eyes of history. The Prince's is a most monstrous crime, but yet, more significantly, the symptom of the terminal sickness of a civilization which has tolerated the conspicuous promotion of such evil policies and agencies. . . ."

"Can you, the jurors, be provoked by the horror of the fact that no solution for the collapse of this civilization exists under the presently generally accepted rules of conduct, into discovering the needed radical changes in axioms of policymaking, those changes which might enable humanity to rebuild a ruined society immediately from the ruins of the collapsed dynasty, without living through the intervening nightmare of yet another 'New Dark Age'?"

If the genocide against Hutu refugees in Zaire is allowed to continue, if the House of Windsor is not made to answer for its crimes, then such a Dark Age is surely at hand.

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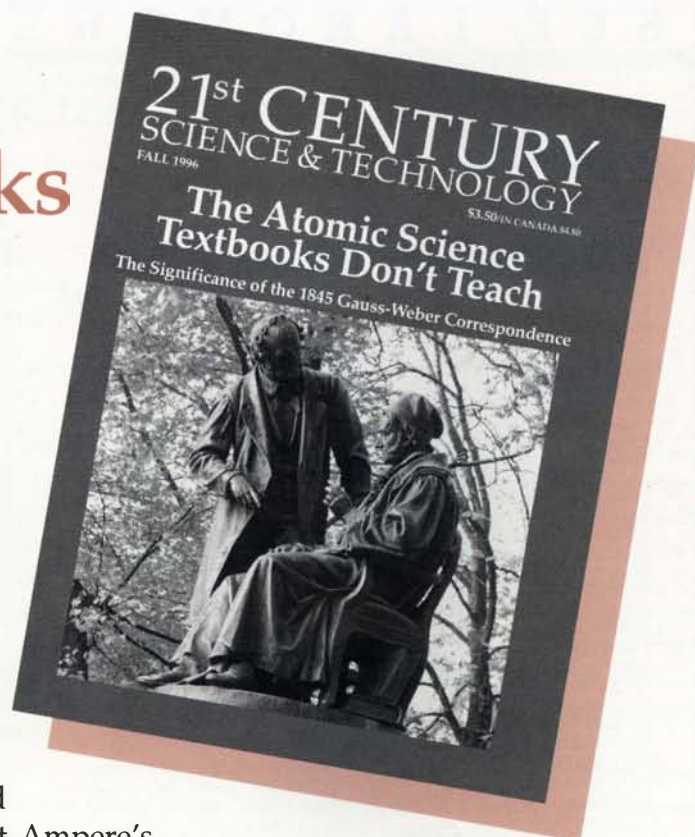
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In an 1845 letter, Carl Friedrich Gauss advised his collaborator, Wilhelm Weber, not to reject Ampere's hypothesis of a tiny electrical force acting between invisible atomic particles. The subsequent electrodynamic researches of Gauss, Weber, and Bernhard Riemann defined the precise relationships for such modern atomic concepts as *classical electron radius* and *proton-electron mass ratio*, half a century before their empirical determination. The suppression of the Gauss-Weber tradition, in favor of the conceptually inferior Faraday-Maxwell electrical theories, buried this knowledge along with its discoverers.

In "The Significance of the 1845 Gauss-Weber Correspondence," for the first time, Laurence Hecht reveals the true early history of atomic science.

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