

# EIR

Executive Intelligence Review

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Ending 'Versailles System' is vital to U.S.  
Argentine army officer speaks from Croatia  
'Ozone hole' book reveals fraud behind Eco-92

**LaRouche launches major  
legal effort for freedom**



# DERAIL NAFTA

fast track to  
rule by the big banks

EIR Special Report, May 1991

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## **Auschwitz below the border: Free trade and George 'Hitler' Bush's program for Mexican genocide**

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A critical issue facing the nation in this presidential election year is NAFTA, the North American Free Trade Agreement. Bush and Clinton both back it. This proposed treaty with Mexico will mean slave labor, the rampant spread of cholera, and throwing hundreds of thousands of workers onto the unemployment lines—on *both* sides of the border—all for the purpose of bailing out the Wall Street and City of London banks.

In this 75-page Special Report, *EIR's* investigators tell the truth about what the banker-run politicians and media have tried to sell as a once-in-a-lifetime opportunity to get economic growth started across the Americas. The Wall Street crowd—led by none other than Henry Kissinger—are going berserk to ram this policy through Congress. Kissinger threatened in April: "It should be signed by all parties, and should be defended on all sides as a political vision, and not merely as a trade agreement." Kissinger's pal David Rockefeller added: "Without the fast track, the course of history will be stopped."

With this report, *EIR's* editors aim to stop Rockefeller and his course of history—straight toward a banking dictatorship.

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## From the Editor

Events of Jan. 22-23 give cause to hope for an end to the tyranny of political extremists in the United States—the political extremists who have kept Lyndon LaRouche unlawfully in jail for three years; brutalized the citizenry's sense of justice by demanding ever more ruthless applications of the death penalty; and barred opponents of the Eastern Establishment's dictates from access to the political process.

• On Jan. 22, LaRouche, his attorneys, and two co-defendants filed a motion in federal court seeking to vacate his 1989 sentence of 15 years in federal prison, because his conviction and detention were unlawful. Backed up by volumes of new evidence not allowed into the original 1988 trial, the motion charges that the conviction resulted from a prosecution conspiracy that is “shocking to the universal sense of justice.” (See *Feature* for details.)

• On Jan. 22 also, the “LaRouche in '92” presidential campaign filed a 68-page brief with the Federal Election Commission, challenging its spurious and unlawful denial of matching funds to the candidate.

• On Jan. 23, the Texas State Supreme Court ordered the Democratic state chairman to put Lyndon LaRouche's name on the Texas primary ballot as a candidate for the party's presidential nomination, slapping down chairman Bob Slagle's absurd petition to deny the ballot spot.

• On Jan. 23, Virginia Gov. Douglas Wilder commuted the death penalty for Herbert Bassette to life without parole, foiling Attorney General Mary Sue Terry's intention to execute a man for whom reasonable doubts of his guilt persist (as reported last week, LaRouche has made stopping Terry's bloodlust for sending black men to the electric chair a national campaign issue).

The *Science & Technology* section starts a campaign series designed to torpedo the Eco-92 summit slated for June in Rio de Janeiro. Our first report analyzes the dangerous folly of the South Center report, for trying to blame advanced-sector industry for pollution, and also refutes arguments blaming the ozone “hole” on development. Also noteworthy in this issue: lengthy coverage of Croatia in *Economics* and *International*; and an exclusive look at Israeli and Arab nuclear realities as Israel gears up for renewed savagery against Palestinians.

*Nora Hamerman*

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Newly obtained evidence, now submitted to federal court, provides ample basis for vacating LaRouche's prison sentence, because his conviction and detention were unlawful. In fact, the evidence shows that it was the prosecution that engaged in illegal actions and outrageous misconduct, including financial warfare, in order to silence a man who had become a thorn in the side of the Anglo-American establishment.

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Ever since Arkansas Gov. Bill Clinton was invited to attend the meeting of the elite Bilderberg Group last June, it has been apparent that the establishment was considering installing him in the White House. "He's a lot like George Bush, except he'll do what he's told," said one analyst.

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## 'Let's you and him fight,' U.S. and Japan urged

by Kathy Wolfe

Misleading stories by AP and the *New York Times* led to headlines the week of Jan. 20 attacking Japan for "America bashing," heating up a new Cold War between the two nations, which benefits neither. Typical were grade-B stories such as the Jan. 21 *New York Post's* front-page banner headline, "Sneak Attack: Japanese Drop Bombshell on 'Lazy Americans!'" Similar lead stories dominated the CBS Evening News and every regional paper in the U.S.

In fact, the actual statements by Japanese Prime Minister Kiichi Miyazawa, Speaker of the House Yoshio Sakurachi, and other Japanese leaders should have caused Americans to reflect, not to become hysterical.

We have here a classic case of London's favorite game for the "colonies." Not since the British wrote the blueprints for Pearl Harbor and World War II (see *EIR* Dec. 6, 1991) have London strategists been so busy cooking up nasty incidents for the U.S. and Japan to scrap over.

*Cui bono?* Who benefits? As long as the U.S.-Japan fight dominates policy, the Anglo-American elite need not fear that sane Americans and Japanese might get together to address the real issues facing the world: depression and genocide in the Third World and eastern Europe.

To the contrary, British assets on Wall Street, at the Council on Foreign Relations, and in Congress are eager to use the fray to shut down industrial plants worldwide, including auto plants in every OECD nation. The day after the latest Japan-America fight broke out, Sen. Don Riegle (D-Mich.) and Rep. Richard Gephardt (D-Mo.) introduced their anti-Japanese trade bill, "The Trade Enhancement Act of 1992," which demands the shutdown of auto plants all over the world, a sort of "automobile proliferation ban treaty."

Japan today, Riegle told the press, is our enemy, and has "the same view that Japan held the day that its war planes struck Pearl Harbor." This is not only a dangerous lie, but behind it lies rotten economics. If the good senator were

really concerned about "American jobs," he would not be proposing to shut down industrial output.

Perhaps the most important statement was made by Japanese Prime Minister Kiichi Miyazawa, who told NHK-TV (Japan Broadcasting System) in an interview Jan. 20: "Japan does not want to replace the former Soviet Union as the main rival of the United States," he said. "It is not natural to put the role of a competitor upon Japan, as a substitute for the former Soviet Union."

Miyazawa also appealed to the Japanese people not to be angry with Americans, because the underlying problem is that the U.S. is in a *depression* and Japan must help its friend. "I hear that about one-tenth of American households have been hit by layoffs of their bread earners and need to be provided with food stamps," Miyazawa said. "Many mothers have to tell their children their fathers will no longer be able to go to work from tomorrow."

Referring to his January summit meeting with President Bush, Miyazawa said, "I told the U.S. side the world would suffer a setback if the United States should stop living up to its international role, and Japan would do its utmost to cooperate with Washington" to help the U.S. economy. "I think the task [for Japan] is to produce resources and funds for such a purpose while trying to achieve as much growth as possible."

### Making up the news

What led to the anti-Japanese headlines across the U.S. Jan. 21 were wire stories concocted by AP and the *New York Times*, an *EIR* investigation showed. Three Japanese statements were reported with supposedly heavy anti-American overtones. These were: private dinner remarks to supporters on Jan. 19 in Japan's Shimane Prefecture by Japanese Speaker of the House Yoshio Sakurachi, a former foreign minister and MITI minister; an unrelated interview on NHK-

TV "Ask the Prime Minister" on Jan. 20 by Prime Minister Miyazawa; and an AP followup interview with Eiji Toyoda, president of Toyota, Inc.

Most hysterically treated were the private remarks of Speaker Sakurachi who, AP and Japan's *Yomiuri Shimbun* claimed, told supporters in confidence, "U.S. workers turn out so many defective products. . . . The U.S. has become Japan's subcontractor. The source of the problem is the inferior quality of U.S. labor. . . . Thirty percent of American workers cannot even read. . . . U.S. workers are too lazy. They want high pay without working."

Prime Minister Miyazawa was quoted by AP the next day telling NHK-TV that he is "going back" on his promise to President Bush to buy more U.S. autos and auto parts, and "withdrawing Japan's promise." The only statement from Miyazawa printed is a slice of a sentence, taken out of context, saying that the U.S.-Japan auto agreement was "a target rather than a firm promise . . . a kind of forecast of how many U.S. automobiles and parts Japan would definitely be able to purchase by 1994." Asked to comment, Toyota president Toyoda was quoted saying that his company "never promised to sell GM cars."

### What the Japanese really said

Prime Minister Miyazawa's remarks were the most overtly distorted. According to the Washington Japanese Embassy official translation of the NHK transcript, which apparently was checked only by *EIR*, NHK-TV precipitated Miyazawa's remark by asking whether he had been unwise to make "promises" to Bush, since if Japan did not fully satisfy every U.S. demand, which of course is impossible, there would then be a "violent American backlash."

Miyazawa, to allay public fears, simply clarified the fact that he had not signed a formal treaty to import specific numbers of U.S. autos and auto parts. Japan, he said, is a free country; the government cannot force the private sector, or put executives or consumers in jail for buying Japanese rather than U.S.-made products. "Since Japan is a market economy, to say what value of American parts will be purchased between now and 1994 and how many American automobiles will be purchased is to make a prediction. These numbers are conservative estimates, made while evaluating the various companies, so they are certain, in that respect. But in the strictest sense, because this is a market economy, rather than being promises in the very narrow sense, they represent targets toward which we and the various companies involved will make every effort to attain."

To misconstrue that as withdrawing a promise, Japanese sources said, was silly. Miyazawa, rather, was defending himself against domestic charges that he is going to strong-arm Japanese companies to help his pal Bush. "Miyazawa just wanted to make the point that it's not managed trade."

Speaker Sakurachi also issued a statement Jan. 21, which was carried on UPI but which none of the U.S. press

bothered to run, denying many of the quotes attributed to him by AP and *Yomiuri Shimbun*. Sakurachi's statement professed his friendship to the American people.

"It is fully regrettable that the statement was accepted as abuse or slander to American workers," Sakurachi said in the wake of the uproar. "I did not say, 'One-third of Americans cannot read,' " Sakurachi said. He also denied writing off the United States as "Japan's subcontractor," and warning that "the rest of the world may tell America, 'You're no good.' "

"As a friend, I made a well-meaning statement that I hope the American economy, along with Japan, will be the most competitive in the world," Sakurachi said. "In any case, I think it is extremely important that the two countries solve mutual economic problems and contribute to the world economy. . . . I think it is natural that Japan offers necessary help to the United States," he added.

Even the Bush Commerce Department denied that part of the AP story which quoted U.S. Undersecretary of Commerce J. Michael Farren threatening U.S. retaliation. Farren is quoted saying, "It may be a sign of backing off from the stated goals that they have unilaterally set for themselves."

"That AP story again!" a Commerce Department official told *EIRNS*. "I've been trying to get rid of it all day! We're really unhappy about AP saying that, because Mr. Farren specifically told them the opposite. . . . Undersecretary Farren told AP specifically that the Japanese are *not* backing off!" the official stated.

### Trade destruction act

"The Trade Enhancement Act of 1992," meanwhile, is the main beneficiary of the anger maliciously aroused in the American population by this nonsense. According to the summary of the act from Riegle's office, the bill "requires the administration to initiate multilateral negotiations with the European Community, Japan, and other auto-producing countries to *rationalize worldwide auto markets and production*." "Rationalize production" is the technician's term for forced permanent plant closures.

The act also declares Japan responsible for reducing the \$40 billion Japan-U.S. trade imbalance by 20% a year for the next five years; that is, Japan must somehow cut the deficit by \$8 billion a year at a rate of \$2 billion a quarter. This is a Wall Street program, not a Democratic program, and certainly not a jobs program. It is precisely the demand that Bush, General Motors, and other negotiators made during Bush's trip to Tokyo. It was rejected by the Japanese because it is, in fact, impossible for one side to be solely responsible for a two-way trade balance.

Under the act, if the U.S.-Japan trade deficit does not fall by \$2 billion a quarter, Japan will be held responsible, and U.S. retaliation will be automatically triggered. Retaliatory measures could include forced cuts in U.S. imports of Japanese cars, and dumping, anti-trust, and other actions against Japan and Japanese companies.

# Croatia braces for new phase of war: against free market economics

by Umberto Pascali

Josip Cvitan, the vice president of the Croatian Democratic Party, summed up the situation facing his country now in the following way, in discussion with a representative of the Schiller Institute: "Bush lost his war against the independence of Croatia." Cvitan, a political leader well known in Croatia and abroad for his outspoken attitude, wanted to make his point clear: "The great Bush broke his teeth trying to bite the small Croatia." At the end of the first phase of their war of independence, many in the Croatian capital of Zagreb share this feeling.

It is not an idle boast. Cvitan is well aware that the first phase of the Croatian war of independence cost the lives of 10,000 people—a terrible price for a small country—and destruction and horrors without any historical precedent. But the Croatian people stood firm as they faced the assault, aware that this was a unique historical moment and that they had to fight, despite the growing realization that the whole Versailles system was arrayed against them. For once, one could say, borrowing a phrase from the poet Friedrich Schiller, that a great historical moment did *not* find a small people.

Now it is Bush and the Anglo-Americans who are isolated. During the first week after the Jan. 15 European Community recognition of Croatia and Slovenia, more than 40 countries recognized those two independent republics. Many Arab countries have announced that they are going to recognize the two republics at their next meeting. Every day, more countries are adding to their number. And all this despite the warnings and threats of the Bush administration and the U.N. Security Council: Recognition must be prevented! Recognition will provoke more violence!

This is only the first phase of independence. The Serbian Chetnik irregular forces and the "federal" (Serbian) Army are right at this moment "cleaning up" the occupied Croatian areas, demolishing houses and kicking Croatians out, besides bombing several important cities. But the Croatians are gaining momentum, politically and strategically.

## 'Now the real fight begins'

A large part of Croatia's leadership, both in the country and in the huge diaspora, is now preparing to fight the crucial battle over economic policy: the battle against monetarism and, in particular, against the shock therapy of Harvard punk

economist Jeffrey Sachs.

"Now the real fight in Croatia and Slovenia will be to keep Jeffrey Sachs out," a Croatian-American leader told *EIR*. "Croatia will not allow anybody to impose upon it the Jeffrey Sachs 'therapy.'" stressed a Croatian economic source. "It could be that someone wants to use us as guinea pigs, but we are going to disappoint them; the economic model we are going to follow is much closer to Germany. . . . As demonstrated by what happened in Russia, the Sachs model pushes a country back toward communism! And we don't need either that, nor electroshocks!"

Obscured in part by the terrible war of aggression, an intense debate has been going on already for months in both Slovenia and Croatia, on whether these republics should accept the pressures from Washington and London and go for the mafia-like "free" market of Sachs, or for economic development, investment in infrastructure, and real industrial and agricultural production—i.e., the model of Lyndon LaRouche's Paris-Berlin-Vienna "Productive Triangle." This battle for economic independence is the focus of a U.S. tour by Canadian-based Croatian leader Alexander Shiroka, organized by the Schiller Institute (see accompanying interview).

## Ready to ignite the fuse

An atmosphere of rage and confusion is apparently dominating the White House and the Department of State. After having tried for months to prevent the European Community from recognizing Croatia and Slovenia, the administration continues to repeat the old line, but this time in a total vacuum. Even the British press agency Reuters had to admit: "The United States was left in embarrassing isolation by its allies." But, with a classic demonstration of the maxim *errare humanum est, perseverare diabolicum* (to err is human, to persevere is devilish), State Department spokesman Margaret Tutwiler, said: "Concerning the United States, our policy of recognition has not changed." Incredibly, Tutwiler justified this piece of nonsense in the following way: "The United States would not want to do anything that, in its opinion, could somehow be misinterpreted and could contribute to any violence."

This, after it was Secretary of State James Baker who

gave the green light for Serbia's war against Croatia in the first place, during his June 1991 visit to Belgrade.

No matter how atrocious it appears, the possibility of renewed aggression by the Greater Serbians seems to be the only hope for salvaging Bush's foreign policy. An official of the State Department, who didn't want to be named, explained that the decision would be taken "at the highest level" by Bush and Baker. Another anonymous official said: "I would not argue with the scenario that we may eventually go the European road. But *there is no particular hurry or pressure* to do so. True, the fighting has not worsened *so far*, but the crisis is hardly over" (emphasis added).

The Greater Serbians are maneuvering to achieve just such a "worsening" of the situation, and their provocations are being favored, if not actually instigated, by the refusal of the U.S. administration to recognize Croatia. "They wouldn't try any provocation if the U.S. would recognize Croatia," said one source familiar with the diplomatic deception game. On Jan. 20, the "federal" Army and the Chetniks attacked, in a coordinated offensive, five major Croatian cities: Osijek and Vinkovci in the east, Sisak and Sunja in central Croatia, and Zadar on the central Adriatic coast. At the same time, in the Croatian occupied areas, the destruction of houses and property, as well as the forced expulsion of Croats, is continuing and escalating.

At this point, it is the official position of the Serbian government of communist strongman Slobodan Milosevic that the one-third and more of Croatia that is currently occupied by the "federal" Army and the Chetniks will remain under occupation forever. "Croatia can only be recognized within the borders inside which it has now authority," stated Borisav Jovic, Serbia's representative at the so-called collective Yugoslav state presidency. Referring to the deal signed by U.N. envoy Cyrus Vance with Milosevic for the future stationing of 10,000 troops in south Croatia, Jovic arrogantly stated: "In those regions that should come under U.N. protection, Croatia actually does not have authority."

This position was rebuffed by the European Community, whose presidency reaffirmed: "The position of the EC is that frontiers cannot be changed by either side imposing its will or by force." There are no significant reactions from the United Nations or the United States so far to Jovic's statement.

Thus, Europe became the target. "The [Yugoslav] presidency considers this [recognition] an intentional breakup of Yugoslavia and stresses that it does not solve the Yugoslav crisis, but only worsens it," says a statement issued by Belgrade. The boss of Serbia's ruling Socialist Party, Mihajo Markovic, added: "We don't have international law in Europe anymore. German might now makes right in Europe. . . . The fact of the matter is that Croatia does not control and will not control those regions. If Croatia still wants these areas, than that means a prolonged war."

In a further threat, Serbian Prime Minister Radoman Bo-

zovic said: "The recognition of Slovenia and Croatia is risky. We have to believe that the European Community will not risk war as an alternative to peace and political negotiation."

"Risky," indeed. In the republic of Bosnia-Herzegovina—where, according to sources, the Greater Serbians have arrayed "the greatest military concentration in Europe and maybe in the world today"—the continuous provocations by the Serbian Chetniks provoked the first reactions. On Jan. 22, a Muslim taxi driver was killed by the "irregulars" in Zivinice, triggering protests, strikes, and demonstrations.

The Croatian government has called for the dismantling of the "Yugoslav" Army, which army is, openly at this point, just the military branch of the Greater Serbians. The Macedonian government has also asked any Macedonian officer or soldier to leave the "federal" Army and to join the new republic's armed forces.

### Again and again: war crimes

An official, confidential report prepared by international observers, possibly affiliated with the EC, confirmed what *EIR* has been pointing to for months: The Yugoslav Army and the Chetniks committed and are committing war crimes. The report was published by several European newspapers and the *Washington Post*. It says, according to these sources, that the war crimes include "widespread mutilation of Croats' corpses, deliberate destruction of churches, hospitals, and land-record offices, and organized looting of personal property."

According to the *Washington Post* account: "The abuses were committed across the Croatian war zone in the last four months of 1991, the observer team found. Its member said human rights abuses are continuing in parts of Croatia sealed off by army forces of local Serb officials. . . . Videotapes show bodies of Croats whose noses, ears and eyes have been cut out and whose throats have been slashed. In some villages, mutilated corpses were filmed as they lay in dirt lanes beside the bodies of slaughtered pigs. A foreign observer said Serb guerrillas deliberately made this juxtaposition. . . . The self-proclaimed president of Krajina [the southern region of Croatia occupied by the Chetniks], Milan Babic, issued an order on Jan. 5 that all residents of Krajina, Serbs and Croats alike, must either join the fight against Croatia or get out of his region. More than 2,000 Croats have since fled, and the foreign observer team says it has information that Croatian villages are still being burned and looted by Serb forces.

"The Yugoslavian army, in very close cooperation with all kinds of irregular units and according to an identifiable pattern and scenario, is systematically depopulating certain regions of people of Croatian origin. . . . [The observer team] has itself gathered so much eyewitness information and observation that it can state that the Yugoslav army can be made directly responsible for the misbehavior of irregular units."

# ‘Croatia must be included in the Productive Triangle’

Alex Shiroka is the coordinator of the Croatian Information and Cultural Center in Montreal, Quebec. An art historian, Shiroka was during 1985-86 the artistic director of “Zagreb-Film” before the communist government started a campaign against him. He was accused of being anti-communist and a Croatian nationalist. He has been the curator of many cultural programs for Croatian television, an organizer and curator of approximately 40 exhibitions in galleries and museums of Yugoslavia, France, Canada, Germany, Poland, and Czechoslovakia. A former publisher, Shiroka has written for the major magazines and newspapers in Croatia, including *Vjesnik*, *Danas*, *Vecernji List*, *Studio*, *Fokus*, and others.

He spoke to Umberto Pascali on Jan. 22, just before starting a tour in the United States organized by the Schiller Institute. The tour, including meetings, conferences, debates with the Croatian community and other groups, will focus on the second phase of the Croatian war of independence, the battle for economic sovereignty.

“On the economic battlefield in Croatia, the model of [Lyndon] LaRouche is facing the model of [Harvard Prof. Jeffrey] Sachs. This is more and more clear,” explains Shiroka. “It would be only natural for Slovenia and Croatia to accept the Productive Triangle. The two republics are in fact the southern part of the Productive Triangle [the proposal by LaRouche for massive infrastructure investment in Europe to in turn spur global economic recovery]. There are not only economic reasons, but also cultural, historical reasons. Croatia is part of Europe. Our relation with that part of Europe has always been strong, very strong. What we need to concentrate on is industrial capital, investment in real wealth, in real production, starting with infrastructure, transportation above all. Yes, we were the victims of a terrible war, but if we go for this solution we could realize an economic miracle.”

**EIR:** Can you tell us more about this economic debate in Croatia?

**Shiroka:** Actually, the discussion on the Productive Triangle is going on right now. Recently, for example, I discussed with some key people in Croatia the program of Lyndon LaRouche. The reactions are very positive. They are eager to know, they ask so many questions. I can see their minds working very fast. You must understand, that the Croatians

in general have been subjected to many shocks over the last months. At first they were confused, above all about the role of the United States. For many years, under communism, the U.S. was a dream, the land of democracy, the people that were helping us to fight dictatorship. Still, it’s very hard for people to understand why the United States is against us. For many this would have been inconceivable.

**EIR:** And what about the Sachs shock therapy?

**Shiroka:** People who know understand that the Sachs shock therapy is more dangerous than the Serbians, in the long run. I want to emphasize this point: The implementation of that doctrine—the Jeffrey Sachs doctrine—is more dangerous than a war. This understanding clashes with the resistance to fight *directly* against what is presented as official U.S. policy. It is difficult to fight an official American doctrine. I fear that some politicians will be afraid to attack U.S. influence. So sometime they accept the pressure, like in Slovenia. As you know, the Slovenian government accepted Sachs as an official economic adviser. This, I think, does not mean a total adoption of the Sachs line, but still this is very dangerous in my opinion.

**EIR:** Sachs has a long history of affiliation with the Federal government in Belgrade. Like Kissinger Associates’ Lawrence Eagleburger.

**Shiroka:** Yes. Already three years ago Sachs was an adviser to the Federal, i.e., communist, government. The deployment of Sachs in what was Yugoslavia is very revealing, revealing of the strategy of the International Monetary Fund [IMF] and the international monetarist institutions. These institutions, acting through U.S. power, first decided to implement the doctrine of Sachs through the Federal government. So the line was to keep Yugoslavia together at any cost and to spread from the center, Belgrade, the Sachs therapy.

In this sense the last Prime Minister of Yugoslavia, Ante Markovic, was the key man. He was the man of the IMF and known as such. Markovic was supposed to break the push toward independence of Croatia and Slovenia and to make them swallow “economic reform.” They did not succeed. So after that, all the weight of these international institutions went to support Greater Serbia. By sheer military and racial



Croatian spokesman Alexander Shiroka held up a tiny matchbox at a recent conference: all that remains of a 200-year-old match factory near Zagreb.

violence, all the republics were supposed to accept the Sachs doctrine. Again they failed. We fought against that.

Now what is their last resort? Pure destabilization, provocations of wars and confrontations, violence of any kind. Above all, the aim of the monetarists is to prevent our republics being integrated with Europe. They prefer to provoke a 30-year war. They are doing the same in Russia, in Africa. . . .

**EIR:** Mr. Shiroka, this is your first organizing tour with the Schiller Institute. What will be your message?

**Shiroka:** First of all my message is: Don't be afraid! Don't be afraid to think freely! We Croats have just come out from 45 years of a communist regime. For 45 years we couldn't speak, we couldn't express ourselves. We had to be careful about what we thought. Today we have a free country, a country recognized by the nations of the world.

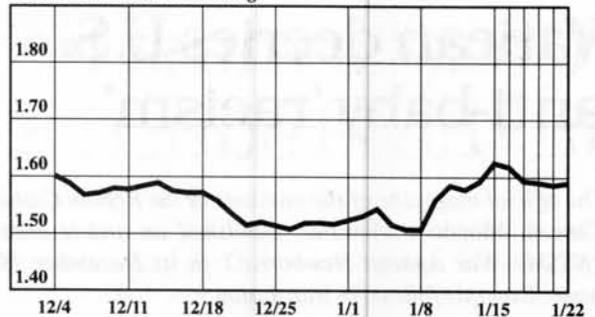
I tell my fellow Croats in Croatia and in North America: Don't think as if you were still under communism. Things are changing now. Why should we tolerate it when some official representatives of our country slander Mr. LaRouche? These things remind me of the old regime. Instead of being free, we allow these slanders against a friend of our country. Why should we still be victims of that fear? Haven't we fought enough? Didn't 10,000 Croats give their lives for our freedom today? We should honor that pledge and have the courage to be free. If the official U.S. policy is against Croatia, we must say so. We are not against the American people. Not at all. We just have the same enemies.

After having felt the taste of freedom, who will be so cowardly as to give that up for a new dictatorship?

## Currency Rates

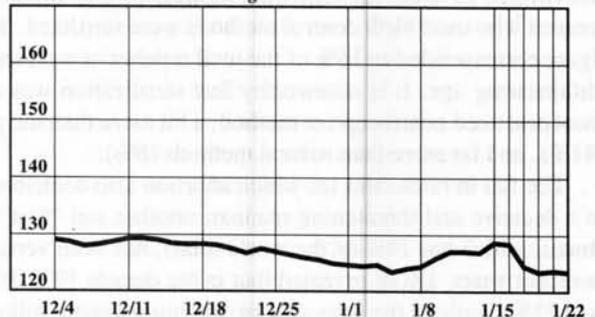
### The dollar in deutschemarks

New York late afternoon fixing



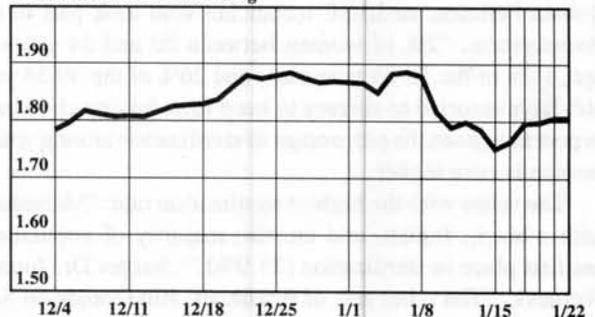
### The dollar in yen

New York late afternoon fixing



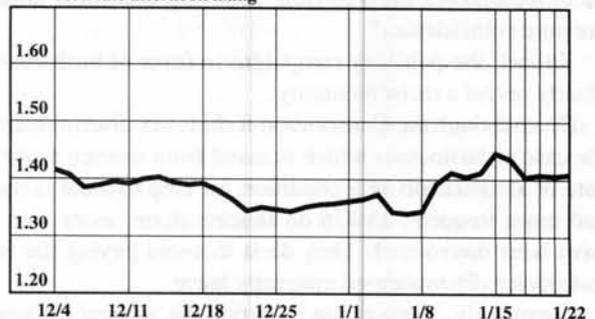
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Vatican decries U.S. anti-baby 'racism'

*The official magazine of the missions of the Roman Catholic Church, Mondo e Missioni, published an article entitled "NSSM—War Against Newborns," in its December 1991 issue. Excerpts follow, in translation:*

. . . In 1986, the Brazilian Institute of Geography and Statistics (IBGE) gave out the following figures: 44% of Brazilian women who used birth control methods were sterilized. The figure corresponded to 15% of the total number of women of childbearing age. It is noteworthy that sterilization was the most practiced contraceptive method, a bit more than the pill (41%), and far more than natural methods (6%).

The fall in birth rates (to which abortion also contributes in a decisive and threatening manner, another sad "first" in Brazil, which has 10% of the world total), has been vertical in recent years. IBGE revealed that in the decade 1970-80 it was 25%, while in the four-year period immediately following that it fell by another 19%.

"We have seen that in 1986," stated Lilibeth Cardoso Robala Ferreira, an IBGE technician who took part in the investigation, "2% of women between 20 and 24 years of age, 15% of the 25-29 year olds, and 26% of the 30-34 year olds have resorted to surgery to keep from having children." In poorer regions the percentage of sterilization among young women is even higher.

The states with the highest sterilization rate: "Maranhao, with a black, Indian, and mestizo majority of population, has first place in sterilization (75.9%)," charges Dr. Jurema Werneck. "The other part of Brazil, the Rio Grande do Sul, with its famous European colonization, takes last place in sterilization (18.2%). Racial and income differences per capita in these states keep us from believing that these indices are pure coincidence."

In fact, the publicity campaigns in favor of birth control clearly reveal a racist mentality.

Even though the Constitution forbids sex discrimination, the case of businesses which demand from women a certificate of sterilization as a condition for employment is more and more frequent. In Rio de Janeiro alone, more than 50 have been discovered. They do it to avoid paying the four months legally mandated maternity leave.

Frequently, sterilization is carried out without the woman's knowledge, and profiting from lack of information on

physiology and birth control methods. Many doctors present it as the only way not to have more children. This explains the very high number of caesarian sections performed, without real need. According to data from the Brazilian Institute of Social and Economic Analysis (IBASE), some 75% of sterilization operations occurred during the last childbirth. A large number of women regret having agreed to be sterilized, an obvious sign that they were victims of psychological pressure. Behind these facts and figures there is a well-architected international plan. This is no conjecture, but a broadly documented fact.

Recently *Executive Intelligence Review* published a memorandum of the United States Security Council, which was secret until last year. The documented, coded NSSM 200, is from 1974 and bears the significant title, "Implications of the Growth of World Population for the National Security and Foreign Interests of the United States." At that time Henry Kissinger presided over the Security Council and George Bush was director of the CIA [sic].

NSSM-200 calls for birth control in 13 Third World countries: India, Bangladesh, Pakistan, Nigeria, Mexico, Indonesia, Philippines, Thailand, Egypt, Turkey, Ethiopia, Colombia, and especially, Brazil. The goal of the document was to keep these countries from developing to the point of becoming a world power, and to preserve the natural resources of these nations, so that later, they could be exploited by the U.S.A., and to promote a racial improvement of humanity. It seems like science fiction, but it is a sinister reality.

In the document the racist attitude of the American government is transparent, when it foresees that birth control will serve to "regulate the hereditary aspects of human capacities."

The philosophy which inspires another document drawn up in 1988 under the Reagan presidency gives one the shivers. It is entitled, "Discriminate Deterrence," and has been published by the same *Executive Intelligence Review*. It . . . concludes: "The United States is in a time of limited resources. It must, therefore, draw the greatest profit from every dollar spent in national security. The politicians must employ all efforts on behalf of the development of demographic planning, *through new weapons*." [Emphasis added, *Mondo e Missione*.]

Returning to NSSM-200, . . . they are concerned to avoid . . . the appearance of U.S. governmental involvement. They propose acting via multilateral institutions, such as the U.S. Agency for International Development (USAID) and private agencies, such as the International Planned Parenthood Federation (IPPF), founded by the father of George Bush, Prescott Bush. . . .

To give greater stability to the execution of this secretive policy, NSSM-200 says that "the United States could work with respected and credible international organizations, such as the World Health Organization (WHO), the World Bank, and Unicef."

## Japan is top buyer of U.S. food

*Bush and the Democratic "five pack" are bashing Japan to avoid the real issues before the U.S. economy.*

**W**hile the Bush administration demands that Japan and Korea reduce agricultural trade barriers and tariffs in order to increase U.S. farm exports, the fact is that the countries with the highest agricultural trade protection are also the countries that spend the most money on U.S. farm products.

Traditionally, the largest importer of U.S. rice was Iraq; however, due to the trade sanctions, Iraq is no longer a customer. U.S. Trade Representative Carla Hills traveled to South Korea on Nov. 12, 1991 and demanded that it open its markets. She was told by Foreign Minister Lee Sang-Ock that South Korea would protect its farmers and prevent rice imports. On Nov. 26, some 18,000 Korean farmers and students protested to make sure he would live up to his word.

In hopes that Japan would open its rice market to U.S. rice imports, Hills, speaking in Tokyo on Nov. 16, said, "If Japan finds itself unable to negotiate in agriculture, then I think Japan stands in large measure to blame for causing the Uruguay Round [trade talks] to fail." Japan has refused, saying it needs to maintain self-sufficiency in this staple for national security reasons. Thousands of farmers demonstrated against any moves to pry open Japan's closed rice market.

The World Agricultural Outlook Board of the U.S. Department of Agriculture released data on Dec. 3, showing that for fiscal years 1989, 1990, and 1991, Japan, the European Community, and the two East Asian countries Korea and Taiwan, all countries with high agricultural trade pro-

tection, were the first, second, and third largest purchasers of U.S. agricultural exports. The USDA forecasts that this trend will continue for fiscal 1992.

Japan is the largest importer of U.S. beef, veal, pork, and grain sorghum, and the second largest importer of U.S. corn and soybeans. Japan has purchased on average, during the last three years, about \$8 billion, or 20%, of total U.S. agricultural export value, making it the largest purchaser of U.S. agricultural products.

During calendar year 1990, Japan purchased 55% of U.S. beef and veal exports (192,545 metric tons), and 53% of U.S. pork exports (43,499 tons).

In the area of grain in 1990, Japan purchased 41% of U.S. grain sorghum exports (2.8 million tons), 27% of U.S. corn exports (14 million tons), 23% of U.S. soybean exports (3.5 million tons), and it was the third largest importer of U.S. wheat. Only the former Soviet Union purchased more corn and soybeans, but it is now broken up into new republics, leaving Japan in first place as the largest importer of U.S. corn and soybeans.

It is ironic that the U.S. administration would find fault with the Japanese for not buying more U.S. beef, since the United States imports 200% more beef and 300% more pork than it exports. In other words, U.S. producers are being put out of business by "free market forces," and therefore can't meet the requirements of U.S. domestic consumption, yet the Bush administration is trying to destroy the Japanese beef producers with cheaper

U.S. imports, using the same "free market forces" that are destroying U.S. producers.

The European Community (EC) is still smarting from Bush's attacks against Europe's "iron curtain of protectionism." Again, the facts and figures debunk the propaganda and disinformation of the free trade crowd, and prove the contention of 19th-century American System economist Henry Carey, that protection not only safeguards the prices of domestic producers, but that as protective tariffs increase, imports also increase.

In 1990, the EC purchased 17% (\$6.9 billion) of U.S. agricultural exports, making it the second largest consumer of U.S. exports.

The EC imports twice as many agricultural products as the United States does (\$63.4 billion against \$31.3 billion in 1990). Inversely, American farm exports are larger than those of the EC, (\$45.9 billion against \$39.7 billion).

Concerning agricultural food products coming from the Third World countries, the EC imports twice as much as the United States (\$36.8 billion against \$18.9 billion), while the U.S. exports more to those countries than the EC does.

And finally, concerning bilateral EC-U.S. trade, the French newspaper *Le Figaro* reports that the trend is continuing. In 1990, EC imports of U.S. agricultural products were over 7.5 times as much as EC exports to the U.S. (\$6.9 billion against \$0.9 billion).

Thanks to the Bush administration's "free trade" policies, the U.S. Department of Agriculture reported in 1990, that 300,000 additional U.S. farmers would be forced to leave farming by 1995. Isn't it time to drop free trade and return to the American System of protection and economic progress?

### Monetarist cudgel against pensioners

*Collor would follow in the footsteps of Chile's Pinochet, in chiseling old people to satisfy the IMF.*

Despite his failure to win congressional approval, President Fernando Collor de Mello went ahead anyway and applied the monetarist cudgel to enforce the demands of the International Monetary Fund (IMF). On Jan. 20, he issued a decree unprecedented in the country's history, which suspended the 147% increase won by a court ruling last year for 2.5 million Brazilian retirees and pensioners. It had been poor enough compensation for the erosion of their fixed incomes by the brutal recession Brazil is suffering. Now, many face starvation.

At the same time, President Collor fired both his Labor and Social Action ministers, replacing them with two figures from the old political elite, congressmen Reinhold Stephanes and Ricardo Fiuza. His intention, it would appear, is to guarantee congressional support for future such austerity measures.

The government's decision to accelerate its gouging of living standards stems from the fact that the IMF board of directors will be meeting during the last week of January to evaluate the Letter of Intent that the Collor administration has presented. That letter commits the government to maintaining the economy at a less than zero growth level, through the execution of precisely such draconian measures against the population, in exchange for a \$2 billion stand-by loan.

According to the monetarists' agenda, the social security hike to the pensioners posed a threat to ongoing negotiations with the bankers, since the Collor government would have had to disburse \$3 billion to cover the

increase. This was confirmed explicitly by central bank president Francisco Gros, who, following a tour of the centers of Anglo-American power to meet with the creditor banks, admitted on Jan. 20 that the 147% increase "is really a problem."

Similarly, Finance Minister Marcilio Márques Moreira, in a Jan. 17 meeting with the ambassadors to Brasilia of the Group of Seven industrialized nations, asked them to send the message to their respective governments that despite the crisis in the social security system, the Collor government would fully respect its pact with the IMF and the measures liberalizing foreign trade. It was later learned that the strongest pressures brought to bear on the Brazilian government to reverse the increase to the elderly came from the United States and England.

This blow to the social security system also serves as a green light to its long-sought privatization, given that the nearly \$20 billion in Brazilian pension funds has become the new booty coveted by banking speculators. According to the Jan. 18 issue of the daily *O Estado de São Paulo*, the choice of Reinhold Stephanes as the new labor minister "indicates the President's clear preference for a privatizing solution to the problems of social security." Stephanes was the author of a technocratic plan to make that system "solvent," which was presented to Collor at the beginning of his term.

The plan to privatize the social security system is a continent-wide one. It was originally proposed by the In-

ter-American Development Bank (IADB) in its report "Economic Progress in Latin America—'91," which proposed the moribund social security systems of Argentina, Brazil, and Uruguay as targets for dismantling. Although the IADB report made no mention of Mexico, President Carlos Salinas de Gortari—George Bush's free enterprise model for the continent—has already taken steps in that direction.

In all of these cases, the social security systems were minimal victories of labor legislation. Some, such as Brazil's, with its 60-year history, were influenced by the social doctrine of the Catholic Church, especially by Pope Leo XIII's *Rerum Novarum* encyclical, which argued for establishing systems to protect the dignity of the worker. But usury has destroyed these systems, and like the state-sector companies, they were looted by the banks, starting a decade ago. The IADB report itself admits that among the causes for the collapse of fund-collection for these systems are: reduction in real value of wages, increased unemployment, the growth of the informal economy, and high inflation rates.

Ironically, despite all the demagoguery of President George Bush, who proclaims "democratic stability" as the basis of his Enterprise for the Americas initiative, the IADB does not hesitate to bare the anti-democratic implications of such monetarist schemes. Thus, the IADB report unabashedly offers as the model for a privatized social security system the example of Chile, when General Pinochet—under orders from Milton Friedman's "Chicago Boys"—ordered the privatization of the social security and health systems. Such drastic reforms were only enforceable by the dictatorial nature of the government which ordered them.

## Support for NAFTA weakens

*As George Bush's political infirmities grow, opposition is building to the North American Free Trade Agreement.*

**D**uring this period of intense negotiations to finalize the text of a North American Free Trade Agreement (NAFTA), more and more leaders of Mexican industry are demanding to know exactly how their government intends to uphold their interests. As is the custom in Mexico, the New Year's message of President Carlos Salinas de Gortari, delivered on Jan. 9, was expected to clarify some of these and other concerns.

As it turned out, the wait wasn't worth it. President Salinas said only that "with the United States and Canada, we are advancing toward the signing of a Free Trade Pact, to form the largest economic region in the world, that of North America. This will enable us to create more jobs and grow more rapidly."

So much for the public relations hype, which has been repeated *ad nauseam* since 1990. But today, many are not buying it.

As *EIR* documented in its May 1991 Special Report, *Auschwitz Below the Border*, NAFTA will turn the entire Mexican economy into a *maquiladora* zone—referring to the run-away shops on the border with the United States, where Mexicans work in horrendous "free trade" conditions, for low wages. Contrary to the claims of its supporters, NAFTA will not mean U.S. investment in Mexico to create new wealth, but rather the transfer of existing plant and equipment into foreign hands; the only jobs it will create are low-wage *maquiladora* jobs; and NAFTA will open up the banking system to speculative "hot money," including, of course, drug money.

In order for the final NAFTA document to be submitted for debate and approval by the United States Congress, it has to be ready before March 1. This is the last day, according to Mexico's fantasy-ridden negotiators, that George Bush's growing infirmities and the economic depression in the United States will have "no effect" on the negotiations. The fact that Bush's dramatic slippage in the polls, and the defeat in last November's Pennsylvania senatorial election of Bush man Richard Thornburgh *around the NAFTA issue*, are taking place in an election year in which NAFTA will feature prominently, has apparently escaped the attention of the wishful thinkers of Mexico's ruling establishment.

With the U.S. congressional calendar therefore very much in mind, Mexican officials have feverishly thrown themselves into the talks, secretly negotiating away everything the U.S. side is demanding of them. This has produced a new surge of opposition and resistance to NAFTA among organizations and other forces which had earlier supported it.

For example, Victor Romo Milán, leader of the National Association of Intermediate Industries (ANIT), has demanded that Mexico's trade secretary "report on the direction of the negotiations. Given the haste with which they are being carried out, and due to the disadvantages of national industry compared to the two industrialized countries with which we will be competing, between 30 and 35% of small industry will disappear." According to ANIT, "the negotiations are full of errors."

The Permanent Agrarian Council is also demanding information from the Salinas government with respect to the agricultural portion of the NAFTA negotiations. A council spokesman recently insisted upon "the advantage of not negotiating any agricultural agreement with the United States and Canada" until the rules that the General Agreement on Tariffs and Trade (GATT) would impose upon the sector are fully clarified.

Nicolás Madhuar Camara, president of Mexico's Business Coordinating Council, indicated that "one of the greatest dangers the signing of the treaty faces is that Mexico's businessmen cannot or do not want to face competition, [and so] a mass sale of businesses to private investors is going on, which could turn Mexican businessmen into managers or financiers."

Things have gotten to the point that even the private business sector representative to the NAFTA negotiations is alarmed. Juan Gallardo Thurlow, director of the Foreign Trade Business Coordinator (COECE), has asked the Mexican government "not to cede in its negotiating positions," since the bargaining standpoint of the United States "has hardened." According to COECE, the economic crisis, the failure of Bush's tour in Japan, and the stagnation of the GATT talks have all prompted the U.S. treaty negotiators to "propose wording very advantageous for them."

Although the Mexican government insists that the negotiations "are proceeding well" and that "neither the political process nor the economic crisis in the United States will influence the negotiations," the confusion inside Mexico is growing, above all among those who formerly accepted the government's line. With each "clarification" by the Salinas government, the doubts are growing.

# Business Briefs

## Infrastructure

### Central Asia wants Arabian Sea rail link

Pakistani Economics Minister Sardar Aseff Ahmad Ali told a conference in Islamabad Jan. 16 that Pakistan was willing to join the five states of Central Asia in building a railway line across the mountains of Afghanistan to the coast in western Pakistan. The rail line would give Central Asia and a postwar Afghanistan direct access to the sea for imports and exports, and give Pakistan a new port on the Baluchistan coast.

"This is a very exciting project, and I think that the government of Pakistan will be very keen to get involved," Ali said.

The minister had toured the Central Asian republics and Azerbaidzhan in December. A tentative feasibility report on the railway showed it would cost \$4-5 billion to build and take 8 to 10 years to complete.

The old Soviet rail system goes as far as the Afghan border at Termez. The Salang Highway links the border with the Afghan capital, Kabul, across the high Hindu Kush mountains, with many of its higher sections running through tunnels.

## Space

### Russians propose nuclear engine for Mars trip

Dr. Nikolai Ponomarev-Stepnoi of the Kurchatov Institute of Atomic Energy in Moscow has proposed that a nuclear-powered engine be developed for a joint mission to Mars. The proposal came at the ninth annual meeting on space nuclear power which began Jan. 13 in Albuquerque, New Mexico.

The *New York Times* printed parts of an interview with Dr. Ponomarev-Stepnoi, the head of the Russian delegation to that conference. He proposed a joint program to make use of the advanced nuclear technology developed in his country, combined with the U.S.'s stated commitment to send a manned mission to Mars.

According to Dr. Ponomarev-Stepnoi, the Russians have developed advanced materials which allow them to use nuclear energy to heat hydrogen propellant more quickly and to higher temperature than old U.S. designs. The United States stopped working on nuclear power for propulsion in 1972, when the original Mars program was canceled. Dr. Ponomarev-Stepnoi stated that the Russian research is imperiled by the collapse of the Russian economy. "Taking into consideration the disintegration of our country, this technology also disintegrates."

He said that in September, American scientists would be invited to a meeting in Semipalatinsk (where laser and "Star Wars" R&D and testing took place), on the development of nuclear rocket engines, to share the Soviet data and experimental research.

## Capital Investment

### Aviation Week: Hamilton's policies needed today

Alexander Hamilton's policies are needed today, states an editorial in the Jan. 13 edition of *Aviation Week*. Business editor Anthony Velocci begins his article on innovation and technology: "In 1791, Treasury Secretary Alexander Hamilton wrote, in his *Report on Manufactures*, that drafting policies to boost domestic industry was the nation's 'next great work to be accomplished.' Not only is the same economic and industrial imperative on today's national agenda, but there is good reason to believe that such policies may be even more important today than they were 200 years ago."

After recounting the well-known inability of breakthroughs in science and technology to be translated into new U.S. industries, Velocci hones in on the 1986 Tax Reform Act as a key element in making it unprofitable, if not impossible, for industries to invest in production. The act eliminated the remaining, though watered-down, Kennedy-era investment tax credits, which resulted in an increased cost of capital; changed depreciation allowances, which were now weighted against capital expansion; and increased the capital gains tax, all of which helped the "Reagan revolution"

vector spending away from anything productive.

Velocci continues, "Correcting weaknesses such as these in the U.S. tax code would help lower the cost of capital, stimulate long-term R&D, and encourage American companies to adopt a broader time horizon. The most vital benefit, however, is that it would stimulate the formation of small start-up firms, well-springs of jobs as well as marketable and innovative technology."

"The true significance of being the leader in technology innovation," Velocci states, "lies in the recognition that it is not an end in itself, but a means to raise long-term growth rates so that jobs can be created and the standard of living can be improved."

## Environmentalism

### 'Earth Summit' could be failure

"There is a distinct possibility the Earth Summit will be a total flop," a participant at a recent meeting in Germany of the Inter-Action Council of Former World Leaders told *EIR* Jan. 14. The Earth Summit or Eco-92 is scheduled for Brazil in June of this year, and is intended to impose uniform, radical environmentalist policies on governments worldwide.

"The final communiqué of the Inter-Action meeting supported the Earth Summit. But I can assure you, there are serious problems, very serious problems with it. The objective was to conclude two or three important conventions there, on global warming, rain forests, etc., but I can tell you from very well informed circles, that this is most unlikely. The developing sector's insistence on a fund to compensate for the needed changes is one important obstruction. So, these well-informed circles now worry that the meeting could be a total flop, except from the point of view of publicity about the environment."

He said that many people believe that Eco-92 secretary general Maurice Strong has made a number of serious mistakes in organizing for the event.

The Inter-Action crowd is venting a good portion of its bile against Pope John Paul II, as

## Briefly

● **THE ESTONIAN** Parliament declared a state of emergency Jan. 16 because of dwindling food and energy supplies, creating a committee to control production and distribution of goods, reported AP from Tallinn. Supplies of food and energy have been critically short in Tallinn in recent weeks, with heat lowered in buildings, hot water turned off, and stores empty of basic goods, including bread, milk, cheese and butter.

● **MONGOLIAN** Prime Minister Dashiyn Byambasuren offered to resign Jan. 17 as his nation's economy collapsed. Mongolia has been put through free-market "shock therapy" by western advisers. There are crippling shortages of everything from potatoes and matches to medicine. Mongolia was once a major meat exporter.

● **SWISS** citizens evidently do not want to join the International Monetary Fund. A group opposing the sacrifice of Swiss sovereignty to the IMF presented 50,000 certified signatures to the government in Berne in mid-January, requiring a general referendum on the issue.

● **GENERAL MOTORS** announced Jan. 15 that it will undertake a \$100 million joint venture to make pickup trucks in China. GM holds a 30% equity stake in the new company, Jinbei GM Automotive Co., Ltd., in Shenyang. It will start assembling GM's North American S-class pickups later this year, with production forecast to reach 50,000 units by 1998.

● **A NEW JERSEY** state health regulation outlaws runny eggs because of the danger of salmonella poisoning. Over-easy, sunny-side-up, or other soft eggs can no longer be served in hotels, restaurants, and coffee shops in the state.

● **EVICCTIONS** of the "newly middle class" have risen sharply, according to the Jan. 14 issue of Virginia's *Richmond Times-Dispatch*. Requests for evictions in the Virginia Beach and Chesapeake area have increased by over 50% and 25% respectively.

in part responsible for undermining the malthusian agenda. Former West German Chancellor Helmut Schmidt, chairman of the Inter-Action Council, "and others were totally explicit in their discussion of this pope. He is responsible for weakening the policies of family planning and contraception. Schmidt has felt this for some time, but he and others are becoming more and more impatient with this pope. Many had hoped that the population issue could creep onto the agenda of the Earth Summit, because what's the use of discussing environment and development without discussing the third part of the triangle, namely population? But even if some population issues have crept in, population will not be one of the major themes in Rio, thanks to the Catholic Church."

He said that Schmidt et al. were fervently hoping for "a new pope."

### Africa

#### Uganda's growth industry: coffins

Coffin-making has become the one growth industry of Uganda, IPS reported from Kampala. Carpentry workshops located near the major hospitals in the Ugandan capital of Kampala—where over 30% of the beds are occupied by AIDS patients—are doing especially well.

Due to the rising demand, the price of a coffin has gone up from 10,000 Uganda shillings (about \$10) to 35,000 (\$35) for a coffin with a glass show window. Carpenter Zabedi Mkiibi is quoted: "About a year ago, I used to sell four coffins every month, but now the number has gone up to 12 coffins per month."

He added that a lot more people are dying than the number of coffins being bought every day, because so many relatives of the victims spend so much on long hospitalization, they cannot afford the price of a coffin.

On the basis of official figures, about 1.5 million Ugandans, of a national population of 16 million, are HIV-positive. "The number of HIV-positive people whose AIDS become full-blown will be doubling every six months

due to a cumulative increase from earlier HIV infection which is responsible for causing AIDS," said Dr. Warren Nomara, head of the AIDS Control Program (ACP) in the Ministry of Health.

Nomara says the 23,000 figure of AIDS victims submitted to the World Health Organization in July 1991—second only to the United States with 179,136—was the tip of the iceberg, as most people did not report the disease to medical experts.

### Agriculture

#### Wisconsin, Minnesota face dairy farm losses

An economist from the University of Wisconsin has predicted that Minnesota and Wisconsin will lose one-third of their dairy farms in the coming decade, regardless of milk prices or profits. Robert Cropp told directors of Midwest farm co-ops at the Minnesota Association of Co-Ops Conference held in Bloomington, Minnesota, that there would be major changes in agriculture, because the average dairy farmer is in his upper 50s and there is no one to replace him. Younger farmers cannot pay their debts and make a profit on a small traditional dairy operation.

Wisconsin has lost 25% of its dairy farms since 1985, while Minnesota has lost 50%.

Another speaker at the conference, University of Minnesota agricultural economist Michael Boehije, warned, "Outside pressures could disrupt the dairy industry even more," according to the *St. Paul Pioneer Press* of Jan. 11. He cited new technologies and low-cost producers from abroad.

Meanwhile, former National Farmer's Organization president Devon Woodland told the yearly NFO convention that major dairying corporate farms are positioning themselves to exploit a North American Free Trade Agreement. He said, "Huge dairy farms, each with thousands of cows, are setting up in Mexico. Their plans are to take advantage of the cheap labor, then sell dairy products back into America."

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## New book on ozone 'hole' reveals fraud behind Eco-92

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*A forthcoming book by Ralf Schauerhammer and Rogelio A. Maduro will be a major weapon in the arsenal you need to combat environmentalist efforts to send the world into a New Dark Age.*

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*What follows are excerpts from selected chapters of The Holes in the Ozone Hoax, soon to be published by 21st Century Science & Technology, Washington, D.C.*

### Introduction: The big lie

The ozone hole scare story depends for its power on a few well-selected big lies—misstatements of fact repeated so often that the public takes them for granted as true. This book will counter these lies by presenting the scientific evidence deliberately ignored by the ozone hole propagandists and their media fan club. We will give the reader some idea of how this scare story developed over the past 20 years; the real facts about chlorofluorocarbons (CFCs) and ozone; and what motivates the scare-mongers. We will explain why some environmentalists, scientists, and policymakers want the public to believe that man's work on Earth—industrialization—is destroying nature. And, finally, we will offer an advanced-technology solution that can improve the condition of both man and nature. . . .

The ozone depletion theory is built atop three Big Lies:

**Big Lie #1:** A single chlorine atom from a molecule of chlorofluorocarbon may destroy hundreds of thousands of ozone molecules up in the stratosphere.

In fact, CFCs are inert, nonreactive, nontoxic, non-flammable chemical compounds that do not destroy ozone or anything else. To turn CFCs into destroyers, the ozone hole propagandists have theorized that, high in the stratosphere, ultraviolet radiation breaks up the CFC molecules, releasing a molecule of chlorine, and that this chlorine molecule then becomes the villain that allegedly destroys the ozone layer. Omitted from this story of mass destruction is the fact that the amounts of chlorine contained in all the world's CFCs are *insignificant* compared to the amount of chlorine put into the atmosphere from natural sources. . . .

**Big Lie #2:** CFCs rise in vast amounts to 30 or more kilometers from their earthly birthplace to reside permanently in the stratosphere, the portion of the atmosphere which includes the ozone layer.

In fact, CFCs are heavy, complex molecules and there has yet to be published a single scientific paper that presents any documented *observations* of large numbers of these molecules in the stratosphere. It is especially difficult to see how they can rise to 30 kilometers, where the greatest concentration of ozone is located, and even up to 40 to 60 kilometers, the only altitude at which there is intense enough ultraviolet radiation to break up CFC molecules, releasing chlorine. (At lower altitudes, the ultraviolet rays are filtered out.) Present claims are based solely on the supposition that CFCs *will* rise to the stratosphere *because* they are not water-soluble molecules, which means there are allegedly no sinks—or resting places—for them on the surface of the Earth.

**Big Lie #3:** CFCs break down in the stratosphere.

In fact, the reactions of CFCs in the stratosphere have never been observed, much less measured! The chemical reactions described by the originators of the most popular ozone depletion theory—F. Sherwood Rowland and Mario Molina—have been carried out only in laboratory experiments. Rowland and Molina have based their *theoretical model* on just a few chemical reactions monitored in a carefully controlled laboratory setting. In the real world, at least 192 chemical reactions and 48 photochemical processes have been observed to occur in the stratosphere. Most of these reactions are very fast processes involving highly reactive species, particularly free radicals and atoms in excited states, whose reactions can affect the chemistry of the stratosphere at very small concentrations. Most of these reactions are extremely difficult even to reproduce in the laboratory; measuring their rates would be yet more difficult.

To take a couple of reactions involving just a few molecules, carry them out in an isolated laboratory environment, and then claim this is what happens in the stratosphere (where it cannot be measured), is patently absurd. For this reason, Rowland and Molina carefully prefaced their 1974 ozone scare paper with the following disclaimer: "We have *attempted* to calculate the *probable* sinks and lifetimes of these molecules" (emphasis added). Such disclaimers, however, are never mentioned by the press; instead, a theoretical model is reported as if it were an observed fact.

## Chapter 1: The facts about chlorine

If it were true that chlorine from CFCs would wipe out the ozone layer, then Mother Nature would be suicidal. Chlorine is one of the most naturally abundant trace chemicals in the atmosphere. The natural sources of chlorine in the atmosphere dwarf the puny amounts of chlorine that could possibly be released by all the CFCs on Earth. Based on the evidence, in fact, the government should ban volcanoes from erupting and sea water from evaporating, and forget about CFCs.

The yearly production of CFCs is presently estimated at approximately 1.1 million tons a year, which includes approximately 750,000 tons of chlorine. Compare this to the natural sources of chlorine gases. . . .

- More than 600 million tons of chlorine are released into the atmosphere every year by the evaporation of sea water, which contains salt (sodium chloride, NaCl). Large amounts of this chlorine reach the stratosphere through the pumping action of thunderstorms, hurricanes, typhoons, and other cyclonic activity.

- Passively degassing volcanoes pump more than 36 million tons of chlorine gases into the atmosphere in ordinary years when there are no volcanic eruptions. Great volcanic eruptions pump from a few million to hundreds of millions of tons of chlorine into the atmosphere. Most important, violent volcanic eruptions will inject gases and debris directly into the stratosphere.

- There are 8.4 million tons of chlorine gases produced by forest fires and the burning of biomass, largely as a result of primitive slash-and-burn agriculture methods and the lack of modern energy sources in the developing sector.

- Ocean biota, including algae, kelp, and plankton, have been measured to emit more than 5 million tons of methyl chloride into the atmosphere, and vast amounts of this biotic source of chlorine have been measured high in the stratosphere. Recent studies indicate that land plants may also contribute vast amounts of methyl chloride to the atmosphere.

- In addition, untold millions of tons of chlorine enter the Earth's atmosphere from outer space, a result of meteorite showers and cosmic dust encountering the atmosphere and burning up.

These comparisons are even more startling when the actu-

al amounts of chlorine allegedly released from CFCs are compared to the natural sources. *According to the theory*, approximately 1% of the CFCs are broken up in the stratosphere every year (the reason they have lifetimes of over 100 years in the atmosphere). Therefore, a year's production of CFCs would contribute *at most* 7,500 tons of chlorine to the atmosphere. That is, if CFCs are being broken up in the stratosphere at all, for which there is no evidence. . . .

## Chapter 3: Experimentalists vs. modelers

Although the major media rarely interview any of the scientists who dissent from the ozone depletion theory, there is actually a deep division in the scientific community today on the ozone issue. One grouping is made up of scientists, who can be classified as experimentalists and spend their time in the field, making careful observations of natural phenomena and developing hypotheses based on extensive, long-term observations. A second grouping is the modelers, who have gained prominence recently with the advent of supercomputers. The modelers spend their time in the office, selecting data gathered by other scientists to use in making up theoretical models, either on paper or on computers; they then make their hypotheses based on the predictions of their models. These hypotheses almost always center on one aspect or another of how man is destroying Mother Earth. Seldom will the modelers venture out of the confines of their offices to take measurements themselves, unless it is to obtain specific data that will corroborate their model.

The leading proponents of today's doomsday theories are almost exclusively modelers, and those scientists who oppose them are almost all experimentalists, who base their judgments on observational data, not scenarios and fancy computer printouts.

An anecdote in Sharon Roan's book, *Ozone Crisis*, illustrates this point. In fall 1986, Robert Watson, director of NASA's stratospheric research program, put together a team to go to Antarctica and observe the ozone hole firsthand. He asked Susan Solomon, a student of Europe's leading doomsday scenarist, Paul J. Crutzen, to accompany the team. Solomon, who is now looked upon as one of the top experts on the Antarctic ozone hole, accepted reluctantly. As Roan tells the story: "Solomon created models on computers. She had never done any experimental work, let alone any field work in a place as inhospitable as Antarctica. And, she groaned, she would have to learn how to run Schmeltekopf's instrument [to measure nitrogen dioxide]. But she knew Schmeltekopf had created a solid and well-designed instrument that didn't require a skilled operator" (p. 161).

Solomon went to Antarctica together with 12 other scientists and took measurements at McMurdo Station. These are the famous measurements that show concentrations of chlorine in the stratosphere 100 to 1,000 times greater than the expected concentrations. These concentrations were, of course, immediately blamed on CFCs, as proof that man-

made CFCs were releasing the chlorine that was destroying ozone and creating the hole. None of these intrepid expeditioners, as pointed out before, bothered to mention that the 33 balloons they launched to take measurements of chlorine concentrations in the air above McMurdo Sound went right through the cloud of volcanic gases from Mt. Erebus, 10 km upwind, which just happens to outgas more than 1,000 tons of chlorine every day. Conveniently, the existence of this active volcano is never even mentioned in the accounts of chlorine measured at McMurdo. . . .

## Chapter 8: The cost of the ban

. . . There is now a realization that the cost of banning CFCs and other halogenated chemicals [proposed by the 1987 Montreal Protocol] may be overwhelming to the world economy. Estimates from experts in different industries that will be affected by the ban indicate that the cost may be as high as \$5 trillion by the year 2005. Knowledgeable sources in the refrigeration industry have told the authors that the costs are so staggering that Japan is considering pulling out of the Montreal Protocol.

More significant than the cost in dollars and cents of banning CFCs is the cost in human lives. The increase in human population in the 20th century is largely the result of improved availability of food, which has come about largely because of the extraordinary quality of CFCs as refrigerants. Over 75% of the food consumed by Americans today is refrigerated at one point or another by CFCs. The ban on CFCs will mean that most of the hundreds of millions of refrigeration units installed worldwide will have to be scrapped. The consequences of that will be a collapse of food storage capacity worldwide, and a dramatic increase in the death rate from malnutrition, starvation, and food-borne disease. Experts on the worldwide food chain estimate that between 20 and 40 million individuals will die every year as a result of the ban on CFCs. . . .

Why is such a clause [controlling export of CFCs to non-signatory nations] necessary in a treaty that is supposed to save the Earth and human lives? The reason is simple and straightforward: The banning of CFCs will have a devastating impact on modern industrial society. Those nations that are now becoming industrialized are essentially being told to stay in the pre-industrial dark ages, and those of the lower and middle classes of the industrialized nations will pay a very heavy penalty, sacrificing their standard of living to fatten the pocketbooks of an emerging international cartel that will control the technologies of the future.

The environmental hoaxsters behind the ban on CFCs claim that it will be simple and easy to replace these chemicals. This is a lie. The public has been told repeatedly that there are "ozone-friendly" chemicals which can be "dropped into" presently existing equipment to replace CFCs. This is also a lie. There are no such "drop-in" replacements. That means that all of the existing equipment that uses CFCs will

have to be junked, and replaced by equipment which can use new chemicals. Given the fact that the equipment to be scrapped includes hundreds of millions of home, commercial, and industrial refrigerators, it is not a small matter.

The awesome amount of equipment to be scrapped includes:

- 610 million refrigerators and freezers
- 120 million cold storage units
- 100 million refrigerated transports
- 150 million car air conditioners. . . .

In monetary terms, the cost of banning CFCs will be staggering. Since the cheapest replacement now available for CFCs used in refrigeration is 30 times more expensive, that means the annual cost of refrigerants will rise from \$1 billion per year in 1988, to \$30 billion per year, if all CFCs used in refrigeration are replaced. With a fivefold increase in refrigerants by the year 2000, the tab will be at least \$150 billion per year. This figure is consistent with estimates made by the refrigeration industry, that refrigerants will cost between \$150 and \$200 billion a year by the year 2000. . . .

Moreover, replacements for CFCs are not easy to find. The refrigeration and air conditioning industry had counted on using the family of hydro-chlorofluorocarbons (HCFCs)—a CFC with an extra hydrogen atom—which are not yet included in the ban. But recent meetings of the Intergovernmental Panel on Climate Change (IPCC), the supranational body that is becoming a global ecological dictatorship, have made it very clear that they intend to ban HCFCs by the year 2000. The environmentalist scare story cooked up about HCFCs is that they are "super-greenhouse" gases, that will cause global warming, melting of the polar ice caps, and the submergence of New York City and other sundry places under the runoff. . . .

## Chapter 9: No more chemicals?

Most of the public has heard about the ban on CFCs. Many do not know, however, that the Montreal Protocol also bans the production and use of many other useful chemical compounds that contain either bromine or chlorine atoms in their chemical structure. These include the halons, methyl chloroform, and carbon tetrachloride—each of which plays a critical role in modern industrial society.

Take the case of halons, a class of chemicals which is rarely mentioned in news reports on the ban. Perhaps this is because halons are extremely useful chemicals, which have saved millions of human lives, and the environmentalists are determined to give CFCs and related chemicals only negative press coverage.

Halons, chlorofluorocarbons which contain a bromine atom in their chemical structure, are a special branch of the CFC family. The bromine atom gives halons extraordinary properties in extinguishing fires and suppressing explosions. There is no chemical known to man that can extinguish fires as quickly and effectively as halons. Furthermore, halons are

non-toxic, non-corrosive, and not damaging to electronic equipment. The toxicity of halons is so low that they can put out a raging fire without harming anyone present. Carbon dioxide, by contrast, which is also effective in fighting fires, suffocates people and animals. Other fire-fighting chemicals extinguish fires without harming people, but destroy electronics and computer equipment.

The only drawback of halons is that they are expensive, \$6 per pound for Halon-1301, for example. They are generally used only in places where fire is a great danger, such as aircraft, hospitals, pipelines, ships, submarines, tanks, personnel carriers, the Strategic Air Command, missile silos, and the control rooms of nuclear power plants. . . .

## Chapter 10: The corporate environmentalists

. . . The Bronfman family, which took controlling interest of the Du Pont Company in the early 1980s, made its fortune running bootleg liquor into the United States during Prohibition. This is ironic, as the Montreal Protocol defines CFCs as *controlled substances*, whose use is regulated by law, just like cocaine, or, more to the point, like alcohol during Prohibition. This is a very profitable business indeed, especially if one controls the patented chemicals that will replace the controlled substance.

The June 29, 1990, European edition of the *Wall Street Journal* made the point very clear. Appearing on the day that the revisions of the Montreal Protocol were signed in London, the article reported: "An expected global agreement Friday to phase out many ozone-destroying chemicals will force an industry shake-out that may ultimately benefit the world's chemical giants." According to the *Journal*, "the accord will cause turmoil in the world chemical industry that only the strong will survive, industry officials say. In place of today's \$2 billion-a-year world market for CFCs and halons, a new market for ozone-friendly chemicals will emerge. That new market will favor the chemical giants, which have the big labs and bulging treasuries needed to develop ozone-friendly substitutes. Global development costs are likely to exceed \$4 billion—a sum only the industry powerhouses can easily afford." . . .

The *Journal* article concludes, "The most likely survivors in an ozone-friendly market are the leaders today in CFC production: ICI [Britain's Imperial Chemical Industries]; Du Pont Co. of Wilmington, Delaware; Hoechst AG of West Germany; Atochem SA of France; Allied Signal, Inc. of Buffalo, New York; and Showa Denko KK of Japan. . . ."

The *Journal* was on target. The ban on CFCs has effectively created one of the most closely knit cartels in the history of commerce. These gigantic chemical corporations have total control not only over the patented products but also over the means of production.

On June 21, 1990, Du Pont announced it would build production facilities worldwide to produce replacements for CFCs. Du Pont spokesmen told the press that the company

intends to invest more than \$1 billion over the next years to take the lead in commercializing production of alternative refrigerants. Plants are planned for Corpus Christi, Texas; Louisville, Kentucky; Dordrecht, the Netherlands; and Chiba, Japan. They will become operational between 1992 and 1995. The facilities will be capable of producing more than 140 million pounds of CFC replacements annually, and the company claims it can supply most worldwide refrigeration needs through the end of the century.

What kind of profits will the cartel rake in?

As discussed in Chapter 8, the ban on CFCs will involve scrapping hundreds of millions of refrigerators, refrigerated transports, and cold storage rooms internationally. The profits involved in replacing all this equipment will be fabulous. The heart of all refrigeration systems, however, is the refrigerant chemicals. The profits generated from new chemicals will be truly staggering.

The giant chemical companies have already made more than \$6 billion in profits from the prohibition on CFCs. CFCs have become increasingly scarce since the signing of the Montreal Protocol in September 1987, and prices are now 6 to 20 times—depending on the product—what they were at the beginning of 1988. CFC-12, for example, the CFC most widely used in refrigerators and air conditioners, was sold for 50¢ per pound in 1988; it now costs between \$3 and \$5 per pound. Experts in the refrigeration industry estimate that by 1995, when CFC production is scheduled to be reduced to 50% of what it was in 1986, the price for CFCs will have risen to between \$15 and \$25 per pound. It should be noted that the *cost* of production will be the same—less than 50¢ per pound. The difference between the sale price and the cost of production fills the coffers of the chemical giants.

The U.S. government is part of the scam, through a tax on CFCs that became effective in January 1990. All existing supplies of CFCs in the United States and all future imports and production of CFCs are now taxed. In 1990, the tax was \$1.37 per pound (more than three times the cost of production), and it will rise steeply every year, to almost \$5 per pound by the end of the decade. The CFC tax will bring tens of billions of dollars into the U.S. Treasury. It is part of the Bush administration's strategy to increase taxes under the cover of "saving the Earth."

The profits the chemical giants will continue to make on CFCs, however large, pale in comparison to the profits to be made from the chemicals that will replace CFCs.

Look at the numbers: In 1988, the world market for CFCs used in refrigeration was about \$1 billion. The leading candidate to replace these CFCs is Du Pont's patented HFC-134a. Despite Du Pont's previous claims it would be no more than two to five times as expensive, now that HFC-134a has reached the market, it carries a price tag 30 times larger than CFC-12—\$15 per pound instead of the 50¢ per pound CFC-12 cost in 1988. This means a total price tag of \$30 billion, if HFC-134a were to replace CFC-12 worldwide. . . .

# Will the Third World challenge Eco-92's secret agenda

by Lydia Cherry and David Cherry

A variety of sources indicates that the Third World's emphasis on development over and above environmental issues may derail the Eco-92 summit—formally called the U.N. Conference on the Environment and Development (UNCED)—planned for June in Rio de Janeiro, Brazil. On Jan. 7-8 a meeting in Bonn of the Inter-Action Council of Former World Leaders heard a confidential briefing according to which Eco-92 is running into “very serious problems.” The meeting was told that the planned international conventions concerning rain forests, greenhouse gas emissions, and so-called “biodiversity” will likely not be formalized. Developing sector countries are balking at signing these protocols without the establishment of a substantial fund to compensate for damage to their economies by these drastic cutbacks being demanded under cover of environmental restrictions. According to this briefing, no such fund is in the offing.

Within a week of the Bonn meeting, London and Washington were addressing Third World resistance by expressing a new level of ardor about the summit. British Prime Minister John Major announced, in a Jan. 12 opinion column in the London *Observer*, “I will lead the United Kingdom team.” It is most rare for an article signed by an acting prime minister to appear in the British press. In Washington, Rep. Robert Torricelli (D-N.J.) introduced a sense-of-the-Congress resolution urging the administration to “place the highest priority” on the success of Eco-92 “by participating actively, particularly through the personal participation of President Bush.”

Eco-92 organizers say that if the summit flops, they will just carry on. In light of their successes over the past 20 years, that is threat enough, especially given the weakness of Third World responses so far to the framework put forward by the Eco-92 organizers.

The demand for a compensatory fund is only a form of temporary resistance that in no way challenges the false premises of Eco-92. And there is, after all, *no* amount of money that can compensate for non-development.

The report of the Switzerland-based South Center on Eco-92, analyzed below, exemplifies this weakness. The report accepts without examination the purported science of the environmental hoaxes. Moreover, it accepts without examination the premise that the interests of the industrialized countries are what the Brundtland Commission and its vari-

ous offspring say they are.

Is it hard to grasp that the peoples of the industrialized countries are not represented by governments grounded in national interest? We are, instead, in a time of dominance by a single, international oligarchy, with “democratic” governments using the club of environmentalism to drive industrialized nations further into economic depression and to strangle the economic potential of the developing sector. Beyond mere imperialism, the oligarchy seeks the destruction of productive potential in the industrialized countries as the best guarantee of a new *global* dark age in which oligarchic control is assured.

Without this realization, all parties are locked into the North-versus-South rules of the game laid down by the Eco-92 organizers. A provocative gleam of light, however, lies in the work of outspoken Indian advocate of Third World development Anil Agarwal. Agarwal emphasizes that “Third World nations must undertake their own research,” into such crucial areas as global warming and “must propose an agenda of their own,” as he explains in a report on “Global Warming in an Unequal World.” While not suggesting that the global warming projections are a hoax, his analysis does indicate that the demands of the Eco-92 organizers *make no sense on their own terms*. By comparing population sizes and per capita consumption levels, he shows that the Third World contribution to presumed excess greenhouse gases is almost nil. Where, then, is the justice, one asks, in proposing any constraint on Third World emissions? Here's the clue that the real agenda is a hidden one, and nothing to do with “saving the environment.”

Agarwal, however, falls into the North versus South trap and sounds like UNCED Secretary General Maurice Strong himself, when he speaks of “a world which cannot withstand the current levels of consumption and exploitation. . . . We had hoped that western environmentalists would seize this opportunity to force their countries to de-develop.” An international group called Independent Scientists, however, is circulating a statement saying that “despite continued claims of near-universal consensus on such issues as global warming, ozone depletion, human population size, biodiversity . . . we contend that there is much disagreement. . . . We cannot condone recommending that nations undertake vast and costly programs to correct problems that may not even

exist." The organizers are seeking signatures widely in the world scientific community.

As the campaigns of Greenpeace, Friends of the Earth, and the World Wide Fund for Nature help to make clear, the countries that represent the biggest threat to Eco-92 are Asian countries such as Indonesia and Malaysia, and of course the giants India and China. Malaysia is coordinating plans for an alternate summit of more than 40 countries. The Group of 77 developing sector countries are also planning a coordination effort, as is the six-nation grouping ASEAN to which Indonesia and Malaysia belong.

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## 'Common Strategy' for UNCED

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# South Center report means slow suicide

by Dana S. Scanlon

The Geneva-based South Center, headed by the former President of Tanzania, Dr. Julius Nyerere, has issued a special report on the upcoming United Nations Conference on the Environment and Development (UNCED) which is intended to provide the framework for a common strategy among developing sector nations for that conference, commonly known as Eco-92, which is set to take place in June in Rio de Janeiro. But while the intentions of many of those participating in the South Center's working group on UNCED are beyond reproach, its end product unfortunately is not.

The report, which resulted from the South Center's September 1991 working group, is entitled "Environment and Development: Towards a Common Strategy for the South in the UNCED Negotiations and Beyond." From the very first few paragraphs, it is clear that the South Center accepts the parameters, most of the agenda and the language of the original Brundtland Commission, whose book-length report *Our Common Future* has laid the foundation for UNCED. At the UNCED conference, a host of unscientific and unfounded disaster theories are to be used to force nations—from the North as well as the South—to give up their national sovereignty, to agree to put limitations on their economic development, to accede to the notion that population growth is an evil to be combatted in the name of preserving the environment, and to agree to the creation of some (presumably green-helmeted) police force deployed by the United Nations to ensure respect for those agreements. *There is absolutely nothing to be gained, for any nation, but particularly those of the developing sector, in participating in or giving any*

*credibility to these plans.*

To follow the path laid out in the "Common Strategy" document would be to choose slow death, versus the quick death proposed by some environmental extremists and financial institutions. And since it would be self-imposed, it would be to choose suicide.

## Attack on sovereignty, the nation-state

Before examining the South Center's report in some detail, it is useful to say a few words about the Brundtland Commission, the predecessor group that led to UNCED. Headed by former Norwegian Prime Minister Mrs. Gro Harlem Brundtland, the World Commission on Environment and Development *also* proposed a link between environment and development. What the Brundtland Commission had in mind is perhaps best ascertained by looking at what organizations with the avowed purpose of implementing the commission's recommendations had to say about their goals.

One such organization is the International Union for the Conservation of Nature and Natural Resources (usually known as IUCN), based in Gland, Switzerland. According to the IUCN: "The present global interdependence between states requires recognizing international law as a system within which states and other actors conduct their affairs, rather than as a mediating technique between sovereign entities, each one an island in itself. This 'system approach' regards states as participators in a system, one of whose objectives is the sustainable management of the Earth's resources. This new perspective has immense consequences, not least in the areas of sovereignty."

The same themes have been developed by Sir Shridath "Sonny" Ramphal, former secretary general of the British Commonwealth, also a member of the Brundtland Commission. In a Cambridge, U.K. speech on Jan. 24, 1989, Ramphal called for the abolition of the modern nation-state, and the creation of a one-world "green" police agency.<sup>1</sup>

According to Ramphal: "Underlying the Brundtland Commission's message of a 'common future' was the premise that we must think of our planet not only as a world of many states, but also as the state of our one world. That we must be ready to nurture tomorrow's concepts of global governance, not have them stifled at birth by yesterday's notions of national sovereignty; that human survival may not be secured save by the reach of enforceable law across environmentally invisible frontiers."

Keeping those words in mind, let us turn to the South Center's recommendations.

## Bad politics and bad science

The South Center's report proposes that UNCED "could yield results that the developing countries have been seeking for some time. . . . The North is seeking environmental concessions from the South, and . . . the South can make such concessions in return for firm commitments by the North to

restructure global economic relations." Among the measures the South is seeking is urgently needed debt relief.

There is another name for this "give and take": It is called exchanging debt for nature. Already, several agreements have been made in which heavily indebted nations buy back a small part of their foreign debts by granting international environmentalist agencies the right to "protect the environment" in part of their national territories. So far, the amount of debt and land "swapped" in these arrangements, has been relatively small. But, the political impact of these pilot projects has contributed to a climate for the reshaping of international relations. Brazil, with its vast Amazon forest and mineral reserves, has been a favorite target of these schemes.

Among the "fundamental strategic objectives" for the South at the Eco-92 conference, the South Center suggests ensuring "that the South has adequate 'environmental space' for its future development." All well and good, but it is difficult to see why this has to be negotiated when that "environmental space" already exists in the form of national borders.

Under this heading of "environmental space" we are told that "the Earth's capacity to absorb and render harmless the various gases and other substances that are generated by modern society . . . is being exceeded." Despite "unavoidable scientific uncertainties . . . it is coming to be generally realized that urgent measures need to be taken to counter harmful trends."

Further, the South "must stand firm on the principle that the development of the South can in no way be compromised by the North's preemption of the global environment space. . . . The accumulation of gases in the atmosphere has been almost entirely due to past activities in the North. Hence it is the North, and not the South, that must assume the burden of global environmental adjustment."

This is bad politics and bad science. Bad politics because the surest way to completely destroy the economies of the developing sector nations is to halt development on the rest of the planet. Bad science because it rests on the unscientific hoax that men and industry, which they are uniquely capable of creating, are bad and dirty, and that nature is good and clean.

All the important "greenhouse gases" are produced in nature, as well as by humans. Perhaps the largest source of greenhouse gas might be termites, whose digestive activity is responsible for about 50 billion tons of CO<sub>2</sub> annually. This is ten times more than the present world production of CO<sub>2</sub> from burning fossil fuel.

As for the need to implement "urgent measures" to counter "harmful trends," the much-touted global warming trend that this refers to doesn't exist.<sup>2</sup>

According to Dr. Hugh W. Ellsaesser, an atmospheric scientist with Lawrence Livermore National Laboratory, the mean global temperature has been warming since roughly 1750, and has warmed about 0.5° Celsius since 1881, a year



United Nations/Ray Writin

*The South Center falsely claims that "the accumulation of gases in the atmosphere has been almost entirely due to past activities in the North," and the center advocates a redistribution of the "right to pollute." Shown here is the collection of cow dung in India. Inset: Maurice Strong, organizer for Eco-92.*



United Nations/Y. Nagata

in which the temperature was below normal. Most of the warming occurred before the bulk of man-made CO<sub>2</sub> was added to the atmosphere.<sup>3</sup> There have been at least three cyclic warmings and coolings in the past 10,000 years. This very slight warming of 0.5°C is actually part of the recovery from the so-called Little Ice Age that ended 350 years ago. Until recently—perhaps pre-dating the invention of the environmentalist—periods warmer than usual were called climatic optima, not climatic catastrophes.

### Transferable emissions rights

The dangerous direction this acceptance of the global warming hoax can take shows up when the South Center report delves into the proposed Convention on Climate Change. Nowhere are the dangers of a one-world policing agency more apparent than when the South Center states that this convention "should seek to regulate the use of the atmosphere on an equitable basis." Further on we read: "The North's use of this global resource—the atmosphere—is far above its 'per capita entitlement.' "

The report calls for "acceptance of the principle of per

country emission entitlements or quotas based on an equal distribution of emission rights among the world's inhabitants; reduction of emissions, over an agreed period of time, in line with a country's entitlement; creation of global institutional arrangements providing for possible inter-country trade in emission rights. . . ."

It is almost impossible to describe the Orwellian scenario that acceptance of such malthusian principles would create. Will we need to ask permission from some global institution to breathe the air around us? And what if this global institution decides that the developing sector is producing too many people, thus presenting a danger to the atmosphere? Is it really in the interests of the starving people of Africa and other parts of the world, that Americans change their "lifestyle" and stop driving cars?

The malthusian movement has always taken up the demand for "redistribution" of existing wealth, instead of the creation of new and more wealth. But this nightmare goes one step further: We are now to have a redistribution of the right to "pollute."

The only ones who gain from this scenario are the New Age environmentalists, and the keepers of the flame of the Big Lie they have jointly propagated.

The Climate Convention should simply be voted down—not negotiated, or in any way taken as a proposition that has anything positive to offer. So should the equally absurd Convention on Biodiversity.

On the latter proposal, the South Center seems to have a healthy skepticism about what is planned, since it warns that this biodiversity convention would "turn national resources of the South into a global commons." It correctly points out that "tropical and other forests which contain large numbers of plant and animal species are national resources over which the sovereignty of nation-states has been expressly acknowledged."

### The 'peace dividend'

The report correctly argues that poverty and lack of development is one of the principal causes of environmental degradation. A United Nations study has documented that 83% of trees cut down are used as firewood. Many Central African nations, for example, obtain more than 90% of their energy from burning firewood. Another sizeable amount of deforestation is the result of slash-and-burn primitive agriculture. Logging, a favorite target of the environmentalists, accounts for only 18% of deforestation. The solution to deforestation lies clearly in advanced energy production, including nuclear energy, and in modern agricultural production methods—exactly the opposite of the "sustainable development" proposals of the environmentalists.

Although the South Center report makes repeated references to the South's need to have access to technology on concessional terms, nowhere does the report attempt to define a program for economic development that would serve the

needs of the billions of people who inhabit its nations. One could have hoped for more on that score, especially with the participation in the Center's working group of nuclear energy pioneers as Brazil's Paulo Nogueira Batista. Putting developing sector access to nuclear energy, which is clean, cheap and safe, on the agenda would be one way to blow up the UNCED process and create a litmus test that would quickly separate those who are serious about economic development from those who are simply paying lip service to it in the form of promoting what they like to call "sustainable development."

"Common Strategy" also takes up a favorite theory promoted by genocidalists and misguided pacifists alike: That, especially with the breakup of the Soviet Union, massive disarmament can take place, developing sector armies can be dismantled, and the funds re-channeled into "peaceful" projects. Former World Bank chairman Robert McNamara has been championing this effort, particularly targeting the developing sector nations.

If the high-technology military sectors were to be dismantled, as these fellows propose, it would bring down the entire world's level of scientific and technological capability at a time when they are most desperately needed. Certain functions can and should be converted, for example, for the high-technology end of infrastructure development such as high-speed rails and magnetic levitation transportation.

The developing sector countries should unilaterally reject the idea of negotiating on issues that are non-negotiable. It matters not whether some portion of "public opinion" in the North, as shaped by the American and European news media, will see this as a lack of "concern" by developing countries about the Earth.

What is truly in the interests of the developing sector nations is to fight for a global economic recovery program. Instead of offering to exchange debt for environmental protection measures, the developing sector's leaders must state the obvious: The debt cannot be paid by sucking the lifeblood out of their people. Then, in exchange for debt moratorium, reorganizing the international financial and credit system, and building infrastructure and industry in the developing sector, the South can "offer" the unemployed workers of the North skilled jobs producing many of the things that are going to be required to sustain the worldwide economic boom.<sup>4</sup>

### Notes

1. *EIR Special Report* "The 'Greenhouse Effect' Hoax: A World Federalist Plot," 1989.
2. "Global Warming, The Rest of the Story," by Gerd R. Weber, *EIR*, Jan. 10, 17, and 24, 1992.
3. "Setting the 10,000-Year Climate Record Straight," by Dr. Hugh W. Ellsaesser, *21st Century Science & Technology*, Winter 1991.
4. "For a True Fourth U.N. Development Decade, A Concrete Solution to the World Economic Breakdown Crisis," Schiller Institute Discussion Paper for the 46th Regular Session of the U.N. General Assembly, September-October 1991.

## LaRouche launches major legal effort for freedom

by Warren A.J. Hamerman

On Jan. 22, Lyndon H. LaRouche, Jr., two of his co-defendants, and his attorneys, including former U.S. Attorney General Ramsey Clark and Odin P. Anderson, filed a monumental motion in federal court seeking to vacate his sentence because his conviction and detention were unlawful. The principal ground for LaRouche's immediate release from prison is that massive amounts of newly obtained evidence prove that "the prosecution conducted and participated in a conspiracy and concerted action with others to illegally and wrongfully convict him and his associates by engaging in outrageous misconduct, including financial warfare."

The legal offensive seeks to free the 69-year-old innocent political prisoner LaRouche, who will pass the third year of his imprisonment on Jan. 27, 1992.

The more-than-100-page motion is supported by several volumes of newly discovered evidence which were suppressed by the prosecution, or concealed as a result of their deception and outrageous misconduct. This evidence has been obtained as recently as Dec. 31, 1991 by his defense team, through a multitude of legal battles from coast to coast over the last three years. The prosecution is still concealing mountains of evidence even as the LaRouche motion is filed, part of which they claim cannot be declassified because it is part of a "national security repository." Therefore, along with the motion seeking LaRouche's freedom, his attorneys have filed another motion to get the court to order the government to turn over all exculpatory evidence detailed in the papers, as well as to conduct a series of evidentiary hearings to determine how and why key evidence was concealed and suppressed.

According to attorneys Ramsey Clark and Odin Anderson, the substantial newly discovered evidence demonstrates that the convictions against LaRouche and his co-defendants were obtained "as a direct result of prosecutorial misconduct including illegal acts and overreaching which deprived defendants of their liberty without due process of law [and] by means including outrageous government misconduct during its investigation that denied defendants fundamental fairness that is shocking to the universal sense of justice and violates due process of law."



Lyndon LaRouche at his arraignment in federal court in Alexandria, Virginia, Oct. 17, 1988. Judge Albert V. Bryan, Jr., who runs the court known as the "Rocket Docket," set a date for trial just 34 days later, and LaRouche and his co-defendants were railroaded to conviction by Dec. 16.

Carlos de Hoyos

The newly discovered evidence shows that the prosecution conducted and participated in a conspiracy and concerted action with others to wrongfully convict LaRouche and his co-defendants by engaging in outrageous misconduct, including financial warfare. The centerpiece of the conspiracy was the bad-faith filing in April 1987 by the U.S. government of an illegal and fraudulent involuntary bankruptcy petition that prevented the repayment of the very loans that provided the basis for LaRouche's later indictment.

LaRouche is joined on the legal papers—filed in the same Alexandria federal court for the Eastern District of Virginia where they were railroaded in a trial presided over by Judge Albert Bryan, Jr. in the fall of 1988—by co-defendants William Wertz and Edward Spannaus. Their new legal effort seeks to "vacate, set aside, or correct" their sentences, or, "in the alternative, to at least grant them a new trial" based upon the fact that the prosecution:

- 1) suppressed evidence of illegal concerted activity by the Federal Election Commission, the Internal Revenue Service, the Anti-Defamation League, and others to destroy the ability to borrow money and repay loans;
- 2) suppressed evidence of covert actions undertaken pursuant to Executive Order 12333, or otherwise;
- 3) suppressed evidence that the Loudoun County, Virginia Sheriff's Department and the Anti-Defamation League of B'nai B'rith (ADL) engaged in direct operations damaging defendants' finances from the fall of 1985 forward;
- 4) suppressed evidence that Virginia State Police agent

Charles Bryant and others engaged in activities to prejudice lenders, biasing witness testimony at trial;

5) filed a Motion *in limine* to exclude inquiry into and evidence about its concerted activity to destroy the ability to repay loans which it suppressed at trial;

6) concealed a document prepared by FBI case agent Timothy Klund which stated that numerous sums received were most likely political contributions, directly contradicting the indictment itself and government witnesses;

7) concealed exculpatory information pertaining to the bias and false and misleading testimony of former LaRouche associates who were turned into government witnesses;

8) concealed that the testimony of two of these key witnesses was influenced by promises, rewards, and inducements by the prosecution.

Additionally, new evidence reveals that the convictions were obtained as a result of an unconstitutionally selected and biased jury. Only since the trial has the defense learned that the jury foreman, one Buster Horton, is a member of an elite, interagency national security apparatus composed of approximately 100 specialists, including former National Security Council staffer Lt. Col. Oliver North, from various federal departments and agencies, including the Department of Justice, the Federal Bureau of Investigation, and the Central Intelligence Agency. This apparatus, popularly known as "the secret government," has as its primary function to ensure the "continuity of government" during any federal emergency. This interagency apparatus is coordinated under the aegis of

the Federal Emergency Management Agency (FEMA), which is responsible to the National Security Council, the ultimate authority for all national emergency planning.

### How it all began

The legal motion argues that the targeting of the LaRouche political movement, and the conspiracy and concerted action designed to implement it, began no later than 1982. At that time former U.S. Secretary of State Henry A. Kissinger wrote two letters to then-FBI Director William Webster, raising questions of funding and control by a foreign intelligence service. Kissinger's efforts were supplemented by his attorney, William D. Rogers. Kissinger's complaints were raised shortly thereafter at a Jan. 12, 1983 meeting of the President's Foreign Intelligence Advisory Board (PFIAB).

The disputes between LaRouche, Kissinger, and others in and out of government allied with Kissinger, were over policy questions, including Third World development and international monetary reform. Many of the disputes and conflicts dated from the 1970s. As an example, recently declassified government documents, most explicitly a "National Security Study Memorandum 200" (NSSM 200, Dec. 10, 1974), reveal the targeting of 13 Third World nations for radical depopulation programs and disparage the efforts of the movement for a New World Economic Order for encouraging economic optimism and resistance to depopulation plans. Kissinger was national security adviser at that time, and LaRouche was a leading opponent of these plans. The scope of the federal investigations, including E.O. 12333 and the activities undertaken under its authority are not known. Until recently discovered evidence revealed a LaRouche file under E.O. 12333, the government had denied and concealed its existence. The file has still not been revealed despite demands upon President Bush for its release.

Along with the main motion to vacate LaRouche's sentence, two additional legal documents were filed.

One document was a motion by LaRouche counsel Odin Anderson and Virginia local attorney Scott Harper to recuse or disqualify the trial judge, Judge Albert Bryan, Jr., from deciding this matter, because of his personal bias and prejudice previously demonstrated. According to American law, the trial judge is automatically assigned to hear motions of the type LaRouche has now filed. Judge Bryan had, in fact, made significant legal decisions approving the bad-faith forced bankruptcy back in the summer of 1987, over a year before LaRouche's Alexandria trial. Secondly, Judge Bryan's history as a member of the Foreign Intelligence Surveillance Court and his Classified Information Procedures Act rulings at trial mean that he cannot fairly judge the claims raised pertaining to E.O. 12333. The other legal motion requests that the government be ordered to hand over all of the exculpatory material it is still concealing and that the court hold evidentiary hearings to get to the bottom of the prosecution's flouting of the law and ongoing concealment of key evidence.

## The LaRouche '2255' motion: excerpts

*Below are extracts from the "Motion to vacate, set aside, correct sentence under 28 U.S.C. 2255, or, in the alternative, grant a new trial under Rule 33 by persons in federal custody" filed by Lyndon LaRouche, two co-defendants, and his attorneys on Jan. 22. References to the extensive appendices have been omitted in order to ease the reader's way through the main arguments.*

1. The judgments of conviction were entered in the U.S. District Court for the Eastern District of Virginia, Alexandria, Division.
2. The judgments of conviction were entered on Dec. 16, 1988.
3. a) Petitioner LaRouche was sentenced to 5 years on each of 13 counts, with Counts 1 through 4 to run concurrently with each other, Counts 5 through 9 to run concurrently with each other, and Counts 10 through 13 to run concurrently with each other. These three groupings of concurrent sentences were then ordered to run consecutively for a total of 15 years to be served. . . .
4. The nature of the offense as to:  
Count 1: conspiracy to commit mail fraud, 18 U.S.C. §371, 18 U.S.C. §1341.  
Counts 2-12: mail fraud, 18 U.S.C. §1341.  
Count 13: conspiracy to impede and obstruct the functioning of the Internal Revenue Service, 18 U.S.C. §371.
5. All petitioners pleaded not guilty to all counts charged. . . .

### The grounds that make LaRouche's detention unlawful

- A. The convictions were obtained as a direct result of prosecutorial misconduct . . . including illegal acts and overreaching, which deprived petitioners of their liberty without due process of law.
- B. The convictions were obtained by means, including outrageous government misconduct during its investigation, that denied petitioners fundamental fairness that is shocking to the universal sense of justice and violates due process of law.
- C. The convictions were obtained by the unconstitutional suppression and concealment of evidence and deceptive and misleading acts and statements by the prosecution and by the prosecution's failure to disclose to petitioners evidence favorable to the defense.
- D. The convictions were obtained on the basis of false

and misleading testimony knowingly presented by the prosecution.

E. The convictions were based on prosecution misconduct that deprived defendants of their Sixth Amendment rights to confront witnesses against them, to obtain witnesses in their favor, and to the effective assistance of counsel.

F. The convictions were obtained on the basis of fundamental defects in the trial that inherently resulted in a complete miscarriage of justice.

G. The convictions were obtained on the basis of omissions in the trial that were inconsistent with rudimentary demands of fair procedure.

H. The convictions were obtained by prosecution misconduct that denied petitioners their rights to invoke the supervisory powers of the Courts derived from Article III of the Constitution to protect their rights.

I. The convictions were obtained by the action of a petit jury which was unconstitutionally selected and empaneled, and petitioners were denied an impartial jury guaranteed by the Sixth Amendment. . . .

## **Introduction to the government conspiracy**

1. Petitioners have been imprisoned, despite their innocence of the charges, because they were targeted for prosecution and incarceration by a conspiracy among, and concerted action by, various prosecutorial and other public and private entities and individuals using unlawful and unfair acts to convict and imprison them as a means of destroying their political movement. The targeting, and the conspiracy and concerted action designed to implement it, began no later than 1982. At that time, former U.S. Secretary of State Henry A. Kissinger wrote two letters to then-FBI Director William Webster raising questions, *inter alia*, of funding and control by a foreign intelligence service. Kissinger's efforts were supplemented by his attorney, William D. Rogers. Kissinger's complaints were raised shortly thereafter at a Jan. 12, 1983 meeting of the President's Foreign Intelligence Advisory Board (PFIAB). Edward Bennett Williams, a PFIAB member who had hand-delivered the second Kissinger letter to Webster . . . and others raised the "question of sources of funding" the network of organizations associated with LaRouche, with the suggestion that the funding came from a "hostile intelligence service." . . .

2. These acts manifested an interest in focusing an investigation on petitioners and might have triggered the commencement of a "National Security Investigation" under the authority of Executive Order 12333. We now know that a file exists pursuant to this Executive Order. . . .

3. The disputes between LaRouche, Kissinger, and others in and out of government allied with Kissinger, were over policy questions, including, *inter alia*, Third World development and international monetary reform. Many of the disputes and conflicts dated from the 1970s. As an example, recently declassified government documents, most explicitly

a "National Security Study Memorandum 200" (NSSM 200, Dec. 10, 1974), reveal the targeting of 13 Third World nations for radical depopulation programs and disparage the efforts of the Movement for a New World Economic Order for encouraging economic optimism and resistance to depopulation plans. Kissinger was the National Security Adviser at that time, and LaRouche was a leading opponent of these plans. The scope of the federal investigations, including E.O. 12333, and the activities undertaken therein are not known. Until recently discovered evidence revealed a LaRouche file under E.O. 12333, the Government had denied and concealed its existence. The file has still not been revealed despite demands on President Bush for its release.

4. Petitioners were active members of a political movement which engaged in a broad range of political, philosophical, and cultural activity. Beginning in the 1960s and continuing through all periods relevant herein, the movement espoused positions and took action on nearly every major issue of public interest, including many areas in which they opposed the policies of the U.S. Government and powerful interest groups nationally and internationally. During the late 1970s and early 1980s, petitioners were deeply involved in addressing the financial interests that supported international drug traffic through money laundering. It was in 1978, upon publication of *Dope, Inc.*, a book describing drug trafficking and money laundering, that petitioners came into conflict with the Anti-Defamation League of B'nai B'rith (ADL), which has characterized the LaRouche movement as anti-Semitic since that time.

5. Much has been recently discovered that reveals the composition and activities of government agencies and of the conspiracy between governmental and non-governmental forces, including concealment of evidence and other outrageous misconduct. The ongoing coverup of relevant materials constitutes a continuing effort by Government and those acting in concert with it to deprive petitioners of evidence, which proves petitioners were denied due process and a fair trial, and which led to their wrongful conviction and imprisonment.

6. Petitioners' political movement and its activity, which the conspiracy intended to destroy, was conducted through several organizations, including:

- *National Caucus of Labor Committees* (NCLC), a voluntary philosophical and political association;
- *National Democratic Policy Committee* (NDPC), a multi-candidate political action committee which has fielded thousands of candidates for public office over the last decade;
- *Campaigner Publications, Inc.*, a publishing company which published newspapers, news magazines, theoretical journals, special reports, pamphlets, and other materials for dissemination to the public;
- *Caucus Distributors, Inc.* (CDI), a not-for-profit distribution corporation involved in the dissemination of political literature published by Campaigner and others;

HENRY A. KISSINGER

CUSTOMER SOURCE

August 19, 1982

Dear Bill:

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

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

Warm regards, 16 SEP 23 1982

Henry A. Kissinger

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

HENRY A. KISSINGER  
SUITE 400  
1800 K STREET N.W.  
WASHINGTON, D. C. 20006



Stuart Lewis



Stuart Lewis

Henry Kissinger (above) wrote to FBI director William Webster (left) in 1982 demanding that action be taken to stop LaRouche. In this letter, Kissinger also refers to their carousing at California's all-male elite resort, the Bohemian Grove.

● *Fusion Energy Foundation* (FEF), a tax-exempt scientific foundation dedicated to the promotion of thermonuclear fusion power in particular and the general advancement of scientific policies and education;

● *Executive Intelligence Review News Service* (EIRNS), an international political intelligence news service with a readership among influential government, military, business, labor, and other circles;

● *Schiller Institute*, a political and cultural institute established to promote and strengthen the alliance between the United States and Western Europe, and to foster the development of the values of Western civilization;

● *Club of Life*, an organization set up to counter the Malthusian genocidalist policies of the Club of Rome and its co-thinkers;

● *New Benjamin Franklin House*, a publishing company which published paperback books; and

● *Publications and General Management, Inc.* (PGM), a management company providing bookkeeping and business management services.

During the 1980s, this movement and its associated organizations enjoyed an unprecedented growth in political influence, electoral success, and a corresponding expansion of the subscriber base to its publications. Mr. LaRouche and

many of his associates met with high-ranking government officials to discuss and promote the Strategic Defense Initiative, the war on drugs, international monetary reform, and other important policy issues. The number of paid subscribers to FEF's *Fusion* magazine and *New Solidarity* newspaper, published by Campaigner Publications, exceeded 100,000 in April 1987, when FEF and Campaigner were destroyed by the U.S. Government's illegal involuntary bankruptcy seizure.

7. The electoral campaigns associated with the movement were spearheaded by Lyndon LaRouche's 1980, 1984, and 1988 bids for the Democratic Party presidential nomination and his independent post-primary candidacy in the 1984 and 1988 general presidential elections. In each of these campaigns, Mr. LaRouche qualified for matching funds under the Federal Election Campaign Act and appeared on numerous half-hour national television broadcasts which were purchased by his campaign committees (15 such broadcasts were done in 1984 alone). The National Democratic Policy Committee, begun in the wake of the 1980 Democratic National Convention, grew to 30,000 members in 1983 and ran hundreds of candidates for public and party office in each year from 1983 through 1988. Prominent successes of NDPC candidates include:

- Steve Douglas won 20% of the vote in the 1982 Democratic primary for Governor of Pennsylvania, finishing second in a field of 4 candidates. Douglas polled 30% of the vote in his home base of Philadelphia and won in 18 of the city's 66 wards;

- Debra Freeman won nearly 20% of the vote in a 1982 congressional primary in Maryland's 3rd District against well-known incumbent Barbara Mikulski;

- Mel Klenetsky won 14% of the vote in a two-way race in the 1982 New York Democratic senatorial primary against incumbent Daniel Patrick Moynihan. Senator Moynihan admits to spending at least \$1.5 million to defeat Klenetsky in the primary;

- In 1984, Don Scott won a contested primary for the Democratic nomination for Congress in Ohio's 7th District;

- In March 1986, Mark Fairchild and Janice Hart won contested primaries for the Democratic nomination for the offices of Lieutenant Governor and Secretary of State in Illinois;

- In 1988, Donald Hadley won a contested primary for the Democratic nomination for Congress in the 5th District of the State of Pennsylvania;

- In 1988, Claude Jones beat an incumbent and was elected Chairman of the Harris County Democratic Party in Texas. Harris County, which includes the city of Houston, is one of the most populous counties in the United States. . . .

8. Throughout the investigation and during the trial, the prosecution, in collaboration with others and in furtherance of the conspiracy, engaged in a course of conduct intended to conceal or otherwise prevent the discovery of evidence of petitioners' innocence; concealed or otherwise prevented the discovery of other exculpatory evidence and evidence relevant to the defense; falsely characterized facts or evidence in an effort to mislead the court, the jury, and the defense; solicited and presented false testimony; and obtained a false conviction by wrongful and deceptive acts.

9. New evidence has been discovered by numerous means and from numerous sources. Some of it was developed by investigations conducted during the post-trial period. Much of it emerged during testimony at a series of state trials in New York, Virginia, and elsewhere, or in connection with those prosecutions subsequent to the instant case, and some arose during civil lawsuits, agency hearings, or other proceedings. Some was discovered as a result of Freedom of Information Act (FOIA) disclosures made post trial, and some emerged, directly or indirectly, from the judicial opinions in the involuntary bankruptcy proceedings illegally initiated by the same U.S. Attorney's office that prosecuted petitioners. Most of the newly discovered evidence could not have been discovered pre-trial by any method. Some of it might have been discovered in time for use at trial, but for two factors. First, despite detailed and specific discovery requests, the prosecution failed to comply with its discovery

obligations and concealed relevant and exculpatory information. This misconduct was aided by the District Court's rulings on petitioners' discovery motions and the Court's granting the prosecution's motion *in limine*, which barred introduction of evidence essential to the defense even if discovered. Prosecution tactics misled the District Court to deny petitioners' rights to discover exculpatory evidence and to present their defense. Second, the rush to trial, 34 days after arraignment, the bulk of which time was spent on pre-trial motions, deprived the defense of sufficient time to prepare for trial. Just 11 days before trial, the Court effectively precluded the defense that government misconduct prevented loan repayments, enabling the Government to argue petitioners never intended repayment. This defense, which involved evidence of government misconduct, was being prepared, when the Court granted nearly the entire motion *in limine* filed by the Government the day before. This impossible time limitation prevented both effective opposition to the motion *in limine* and the discovery and comprehension of materials and information that might have otherwise been available in light of defenses allowed by the Court, including amounts of out-



A demonstration at the U.S. Supreme Court June 1990, in support of LaRouche's appeal to the Court. The appeal was rejected.

Suzanne Kiebe

standing loans, due dates, extensions agreed upon, interest rates, contributions as opposed to loans, loan repayments from all sources, and rates and amount of interest accrual. . . .

**B. The prosecution conducted and participated in a conspiracy and concerted action with others to wrongfully convict petitioners by engaging in outrageous misconduct, including financial warfare which prevented loan repayment.**

11. The politically motivated prosecutorial conspiracy against LaRouche that began no later than 1982, became a multi-jurisdictional, public/private enterprise during 1983 and grew in size, composition, and function through the ensuing years up to and including the trial of this case. The defense had detected individual acts and begun to develop some evidence of concerted action by some members of this prosecutorial conspiracy during 1987 and 1988 while preparing for and defending Mr. LaRouche and others in a federal prosecution in Boston, which was a part of that conspiracy. It had attempted to discover further evidence before the trial in Alexandria. The efforts were largely thwarted by government concealment and misrepresentations. False and misleading statements by the prosecution, including denials of knowledge of exculpatory evidence, led to rulings by the District Court on government motions opposing discovery and for an *in limine* order limiting evidence, which precluded access to and use of vital evidence to prove petitioners' innocence. . . .

12. The common purpose and concerted action of the conspirators was to secure criminal convictions of petitioners, and by their imprisonment to destroy their political movement. The major technique of the conspiracy was activity to destroy the ability of entities associated with petitioners to repay loans taken to finance publication and distribution of the political views of the petitioners' movement and their other political activity. Techniques included widespread defamation to deter contributors and lenders, to create doubts about the uses of funds and repayment of loans, a vigorous campaign of financial warfare against petitioners' political movement to diminish its ability to raise money and to repay loans, and illegal use of the bankruptcy laws to foreclose repayment and alienate lenders. The prosecution knew that it could not convict petitioners of use of the mails to defraud lenders while loans were being repaid and had to prevent repayment in order to wrongfully convict petitioners. This outrageous government financial warfare severely reduced the ability of firms associated with petitioners to raise funds and repay loans. The prosecution successfully concealed, suppressed, and failed to divulge evidence of the conspiracy and its wide-ranging activities. It deceived the trial court by falsely denying the existence of exculpatory and other evidence relevant to the defense and rejected discovery requests it knew it was required by law to provide. By this



*A vigil at the Place de l'Opera in Paris, January 1989.*

strategy, it prevented the defense from presenting evidence that the Government caused its inability to repay loans. The prosecution's falsely premised and last-minute motion *in limine*, which was filed and granted by the Court before petitioners could file a written response, directly prohibited the introduction of the evidence of the government's financial warfare, which was available to petitioners despite government concealment and the rush to trial.

13. Principal among the co-conspirators and those acting in concert were the federal prosecution teams, including attorneys in the Department of Justice and U.S. Attorney's offices, the federal investigative agencies, involving the Federal Bureau of Investigation (FBI), the Central Intelligence Agency (CIA), the Internal Revenue Service (IRS), the Federal Election Commission (FEC), *et al.*, other federal attorneys and investigators, including those handling the involuntary bankruptcy proceeding against companies associated with petitioners, agencies investigating, developing, compiling, and distributing, and otherwise acting in relation to Executive Order 12333, agents and agencies of Loudoun County, Virginia, and of other counties and states, including Virginia, Massachusetts, New York, *et al.*, the Anti-Defa-

mation League of B'nai B'rith (hereinafter "ADL"), the National Broadcasting Company (hereinafter "NBC"), other media companies, and private persons, including federal government consultants. . . .

14. Evidence concealed by the prosecution that would have enabled petitioners to present their defense through government documents and admissions and would have precluded the filing and granting of the prosecution's motion *in limine* has been discovered at different times since the trial, and as recently as Dec. 31, 1991. This evidence establishes government conduct intended to destroy the finances of petitioners' political movement, most particularly its ability to repay its loans. The prosecution also recognized that petitioners' fundraising was for political purposes, including presidential campaigns, other federal, state, and local campaigns, and for publishing and communicating political information and ideas. . . . The prosecution recognized petitioners were engaged in a major campaign to reduce loans which had become unmanageable primarily because of government directed financial warfare. . . . The prosecution conspiracy included, *inter alia*, all the parties named above who shared information and coordinated activity, including coordinating and conducting the huge seizure of approximately 2 million documents on Oct. 6-7, 1986, and the improper use of documents seized, the bankruptcy petitions and seizures, and the nationwide efforts to coerce and persuade, through false and misleading information, political and financial supporters of petitioners to stop their support, denounce, sue and testify against petitioners. The Alexandria prosecution was a continuation of the strategy to prosecute, convict, imprison, and destroy petitioners' political movement. After the mistrial of the Boston case, the Government moved the prosecution to Alexandria to utilize the prejudice in the Alexandria Division and the overwhelming presence of federal employees and those otherwise associated contractors, vendors, etc. within the jury pool to deny petitioners a fair trial, and the Court's "rocket docket" to limit the ability of petitioners to prepare and present a defense. Investigative agency documents disclosed in October and December 1991 reveal specific FBI-imposed limitations on information prosecutors in Boston were allowed to divulge in Court, and the decision to dismiss the prosecution in Boston to avoid disclosure of information as constitutionally required. . . . An FBI document released to petitioners on Dec. 31, 1991 demonstrates that AUSA John Markham sought to avoid receipt of materials containing exculpatory evidence so as to avoid his Brady obligations. . . .

**B1. The U.S. Government filed an illegal and fraudulent involuntary bankruptcy petition in bad faith to prevent repayment of loans that provided the basis for this indictment.**

15. On April 20, 1987, the U.S. Government filed invol-

untary bankruptcy petitions before Judge Martin V.B. Bostetter in the Eastern District of Virginia at Alexandria, seeking the liquidation of three companies—the Fusion Energy Foundation (FEF), Campaigner Publications, Inc. (CPI), and Caucus Distributors, Inc. (CDI)—which were part of petitioners' political movement and were engaged in publishing and other First Amendment activities. CDI held all the loans specified in the indictment. . . . The Government filed its petitions, as the sole petitioning creditor, in a secret, *ex parte* proceeding, obtained the appointment of interim trustees, and seized control of the three companies knowing that the law required at least three petitioning creditors. Before the bankruptcy petitions were filed, the companies were making substantial efforts to reduce loan indebtedness. As of the date of seizure, the companies' First Amendment, non-profit, and business activities ceased, the companies were destroyed, and their legal and financial ability to repay loans was terminated. The companies remain defunct.

16. Despite U.S. Attorney Henry Hudson's statement that the bankruptcy was "the only vehicle we have to ensure that these citizens will be properly paid and the government has an opportunity to collect its judgment" . . . this was not the motivation and he knew that these would not be the results. The Government knew that the companies had little to no assets and that they were dependent on daily income for all revenues. They also knew that the government's judgments would be subordinate to all of the other debts of the companies. The Government was neither seeking to obtain payment for lenders nor to collect its judgment; it was seeking to destroy three companies and a political movement.

17. On Oct. 25, 1989, thirty months after the publishing companies were seized, and ten months after the trial in this case, Judge Bostetter issued a lengthy opinion dismissing the government's involuntary petitions and finding that the entire bankruptcy action was illegal *ab initio* because the Government had intentionally violated a federal statute, filed its petitions in "objective bad faith," and had perpetrated a "constructive fraud" on the Bankruptcy Court. . . . Judge Bostetter's opinion was affirmed by U.S. District Judge Claude M. Hilton on July 19, 1990. His decision became final after the Solicitor General of the United States declined to approve any further appeal on Sept. 27, 1990. This decision is a judicial finding against the U.S. Government of fraudulent use of its power, which resulted in the destruction of the companies that engaged in activities protected by the First Amendment.

18. The Government knew, at the time of the bankruptcy, that petitioners were involved in political activity and that the contributions and loans solicited were for political purposes. The Government also knew that the loans were subject to flexibility in their terms based upon agreements between solicitors and lenders. The Government used its illegal bankruptcy action to prevent the ability of petitioners to service or make repayments on loans and to shatter the political

relationships underlying the loans at issue.

19. The involuntary bankruptcy seizures culminated a long series of efforts by the Government and others acting in concert with it to financially incapacitate the companies associated with petitioners. The prosecution knew petitioners were engaged in a major effort to reduce reliance on loans and manage debt during this period. The bankruptcy forced an end to these efforts. The Government then selected from the pool of victims created by its actions. It even suggested using these lenders for background in the Boston proceedings, which would allow for a preview of their performances as witnesses for Alexandria. . . .

20. The Government alleged in the indictment that the conspiracy to commit loan fraud by use of the mails ended on the day before the illegal bankruptcy petitions were filed. . . . This artificial device was a strategy designed to support its planned motion *in limine*, which sought to block introduction of evidence of the bankruptcy role of the Government as irrelevant, because the conspiracy ended before the petition was filed. As a necessary element of this bad faith device, the Government further falsely claimed all loans in the indictment matured well before the bankruptcy seizure. . . . For prosecutorial advantage, the conspirators made a game of both the truth and the law in their effort to conceal their role in the bankruptcy, and those goals they sought to achieve through the bankruptcy. . . .

23. In material first available to petitioners in February 1989, petitioners discovered that on Sept. 3, 1986, John Horton, an investigator for the California Attorney General, acting in concert with members of the federal prosecution team, interviewed Patrick Sainsbury, the Fraud Division Chief of the King County District Attorney's Office in Seattle, Washington. Mr. Sainsbury was investigating allegations of loan fraud by petitioners or their organizations, including one alleged victim subsequently named in the indictment in this case, Alan Rither. Mr. Sainsbury informed Investigator Horton "that he did not find sufficient potential [for criminal prosecution] based on a continuing belief in repayment by a number of elderly lenders." . . . The illegal bankruptcy seizures were brought to end such belief, to prejudice lenders against petitioners, and to obtain lender witnesses for trial.

24. On Oct. 11, 1990, petitioners first discovered that on April 20, 1987, *the day* of the illegal bankruptcy filing, Special Agent Timothy Klund, the FBI's case agent in Alexandria, dispatched an airtel to FBI offices across the nation. The airtel stated in part:

Alexandria believes that substantial lead coverage of these loan victims is necessary to show the extent of the fraud and the entire spectrum of lenders has been covered, including those who are still supporters of the organization and may not consider themselves a victim, despite not having received repayment on their

loan as scheduled and promised. . . .

The airtel further advises interviewers to expect hostility and unwillingness to be interviewed, but that the FBI agent should persist:

Anyone covering these victim leads should anticipate that some of the persons being contacted may be hostile to the inquiry and not readily agreeable to an interview. Efforts to conduct the interview should nevertheless be made. . . .

25. This airtel reflects the government's recognition that many lenders remained loyal to the LaRouche movement despite repayment problems, and did not consider themselves to be victims of fraud. It demonstrates the government's intention to persuade political and financial supporters to abandon petitioners and testify against them. The timing of these interviews was intentionally coincidental with the filing of the involuntary bankruptcy petitions. Despite the fact that Klund had the leads set forth in this airtel as of January 1987 . . . the interviews of lenders were purposely delayed until the bankruptcy had been filed, thus providing the FBI the ability to state that any hope of repayment by petitioners was



Near the Coliseum in Rome, the poster reads, "Also in the U.S.A., there are political prisoners."

Claudio Rossi

extinguished by the bankruptcy. The Government's unlawful destruction of petitioners' companies created precisely what the prosecution intended. Petitioners were unable to make repayment of the loans, and a pool of lenders was created with nowhere to turn for help but to the Government.

26. Agent Klund admitted in May 1990 to using the bankruptcy seizures to "turn" witnesses to testify for the Government in his criminal investigation. According to his testimony in *Commonwealth of Virginia v. Welsh* . . . one of a series of criminal cases involving other members of the political movement in the Commonwealth of Virginia in April 1990, Agent Klund, along with IRS agents Larry Lucey and Mary Balberchak, made a series of calls to selected members of petitioners' political organization on or about the night of the bankruptcy seizures in an effort to obtain their cooperation with the criminal investigation. The purpose of these calls was acknowledged by Agent Klund:

Q. Well, as a result of what was apparent, the bankruptcy action and the results of the bankruptcy petition, did you try and take advantage of that opportunity to see if you could turn some people from inside the organization?

A. That is possible, sure.

Q. The purpose of the calls was to see if they would cooperate with your investigation, correct?

A. That is correct, yes.

Q. To get an interview?

A. Yes. . . .

27. On Oct. 11, 1991, petitioners learned for the first time that the standard interview forms used in those interviews contained a ninth page which called for the agent's assessment of the "witness potential" of the lenders interviewed. This page was excised from the questionnaire out of concern "for selecting potential court witnesses on the basis of a subjective assessment which might include factors pertaining to any political affiliation the victim witness might have with the LaRouche organization." Instead, the information obtained for page 9 was to be forwarded in a separate administrative section. . . . These assessments were never disclosed to the defense, despite the certainty that they contained exculpatory information supportive of petitioners' contentions concerning the political nature of the loans, the flexibility of their terms, the disclosures made to lenders by solicitors concerning the risks involved in loans to a controversial political movement, and the use of the bankruptcy and subsequent interviewing process by law enforcement to bias lenders against petitioners. . . .

29. Throughout this case and the bankruptcy proceeding, the Government contended that the extraordinary *ex parte* bankruptcy proceeding and seizures were necessary to prevent dissipation and conversion of assets and that the civil bankruptcy proceedings had no relationship to the criminal proceeding, claiming the Government created a "Chinese wall" to separate the two proceedings. . . . These assertions are now demonstrated to be false.

30. On Aug. 6, 1990, petitioners first learned that on Oct. 22, 1986, Martha Sosman, then Chief of the Civil Division in the U.S. Attorney's Office for the District of Massachusetts, sent a letter to Benjamin Flanagan of the Justice Department's Criminal Division, General Litigation and Legal Advice Section, regarding the collection of the civil fines that were the basis for the money claim the U.S. asserted in its involuntary bankruptcy petitions. The letter was written while the Clerk was "refraining to certify" the judgments. After discussion with AUSA John Markham, Ms. Sosman advised that no discovery in any civil case "should be issued without prior consultation with the prosecutors." She also recommended that Mr. Flanagan contact AUSA Markham "for information he has about the contemptors' assets or other LaRouche assets that could be reached by piercing the corporate veil." . . . Nine days later, Peter Gelhaar, an associate of Ms. Sosman's, wrote a follow-up letter to Mr. Flanagan reporting on potential sources of collection using information, including bank accounts with account numbers provided by Special Agent Egan, the case agent in the criminal investigation. . . .

31. The series of FOIA documents first available to petitioners on Oct. 11, 1991 demonstrate that the FBI conducted asset searches concerning the companies put into bankruptcy, had determined that as of September 1986 the companies had few recoverable assets, and planned the improper use of criminal search warrants to locate recoverable assets. . . . They conducted their search on Oct. 6 and 7, 1986, but found none. The Government knew, both at the time it sought the contempt judgments and at the time of the bankruptcy filing, that petitioners were entirely dependent on day-to-day revenues for generation of income and loan repayments. Knowing the financial circumstances of petitioners' movement, the prosecution used the civil contempt fines and the bankruptcy as a means of financial warfare against petitioners.

32. The FOIA documents received on Oct. 11, 1991 include a redacted version of the government's Interim Prosecutive Report prepared in May 1988. A section of that report, captioned prosecutive status, is devoted to the Government's purportedly civil bankruptcy action. . . . The use of the bankruptcy for prosecutorial purposes was otherwise admitted by AUSA Markham in May 1990. He testified in *Welsh*, that the prosecution team thought "it was conceivable that new management [the interim trustees] would give us some documents that we were looking for and may enter pleas [by the corporations]. We discussed that possibility." . . .

33. During the bankruptcy proceedings, the Government portrayed the involvement of the FBI agents assigned to the criminal case as merely passive assistance to FBI Agent Lytle, who was assigned to the bankruptcy case. . . . The scope of Agent Klund's involvement in the bankruptcy was also deliberately concealed. Agent Klund has subsequently acknowledged that he provided further assistance in the bankruptcy case by preparing documents for production in the



"Freedom for LaRouche," reads this poster in Frankfurt, Germany.

bankruptcy proceeding during 1988. . . . Agent Klund's principal assistant on the criminal case, Special Agent Ed Gibson, acknowledged in *Welsh*, that he assisted Agent Lytle. . . .

34. On Jan. 27, 1989, the day of the petitioners' sentencing in Alexandria, AUSA Markham moved to dismiss the Boston indictment announcing that the government's prosecutorial goals had been met through, *inter alia*, the involuntary bankruptcy. In an introductory section of the motion, he wrote that the Government was seeking dismissal because "the interests of the United States in effective law enforcement [have] been served from the point of view of punishment and deterrence." . . . Direct and indirect references to the bankruptcy are repeated throughout the closing section, subtitled "Deterrence Has Been Achieved," citing the fact that certain "entities have been placed into bankruptcy and their assets seized" as an example of the deterrence. . . . The prosecution is well aware of the role the illegal bankruptcy played in wrongfully convicting petitioners.

35. The Interim Prosecutive Report discussed in paragraph 32 also demonstrates that the government's investigation showed Caucus Distributors, Inc. to be making a profit through 1984 and showed a combined profit for Campaigner, New Solidarity International Press Service, Caucus, Execu-

tive Intelligence Review Research, and New Benjamin Franklin House of \$1.6 million for the same years. . . . This is directly contrary to its presentation in its bankruptcy petition, in the indictment (27(d)), and its presentation at trial. . . . This demonstrates the Government's outrageous misconduct and bad faith in bringing the bankruptcy, and in alleging and arguing at trial to the jury that when loans were solicited, petitioners well knew that there was no ability to repay them.

36. Prior to trial, the petitioners requested disclosure of exculpatory material related to the involuntary bankruptcy proceeding. The defense sought evidence that the bankruptcy was undertaken for an improper purpose. . . . ; evidence regarding statements about the bankruptcy made to lenders and contributors. . . . ; evidence of government monitoring of petitioners' finances. . . . ; and evidence of instructions to interviewing agents, such as the recently revealed Klund airtel. . . . The Government failed to disclose this exculpatory evidence.

37. On Nov. 7, 1988, shortly before trial, the Government filed an *in limine* motion, to preclude, *inter alia*, the defense from presenting evidence that the Government was the sole petitioning creditor in bankruptcy. The prosecution argued that this would open the door to rebuttal evidence of the reasons for its action. . . . The District Court ruled "that admission of testimony that United States was the sole petitioning creditor would necessitate inquiry into the nature of the debts owed the United States as a result of contempt proceedings, and would divert the jury from the issues raised by the indictment." . . .

38. At the time of the trial, the prosecution was aware of the evidence specified above. Despite specific requests by the petitioners for exculpatory evidence relative to the bankruptcy, this evidence was suppressed by the Government in violation of the Due Process clause.

39. The Bankruptcy Court's decision establishes the government's bad faith filing and improper conduct in bringing the involuntary bankruptcy action, which denied the petitioners a fair trial in violation of the Due Process Clause of the U.S. Constitution.

40. The District Court, relying on the false and misleading representations of the prosecution and without full knowledge of the abuse of the bankruptcy laws perpetrated by the prosecution, decided that under the balancing test of Federal Rule of Evidence 403, petitioners could not introduce evidence that the Government was the sole petitioner. This ruling, induced by government misconduct, deprived petitioners of due process of law, effective assistance of counsel, and compulsory process for obtaining witnesses.

41. Discovery and an evidentiary hearing are necessary to fully present the facts concerning the outrageous prosecutorial misconduct, bad faith, and suppression of exculpatory evidence encompassed in the government's illegal bankruptcy filing and subsequent action, including its representations

to the Court at the trial of this action. . . .

**J. New evidence reveals that petitioners' convictions were obtained as a result of an unconstitutionally selected jury and that petitioners were denied an impartial jury.**

188. Despite massive negative publicity over a 10-year period, and the widely known and controversial activities of the petitioners, the District Court conducted a perfunctory *voir dire*, which did not probe for prejudice and failed to uncover juror bias. A great deal of the prejudicial pre-trial publicity, including many false allegations, was generated by the prosecution and those acting in concert with it. This fact was concealed by the prosecution at trial.

189. The entire jury selection process, which included only eleven questions, took less than two hours. Only four of the impaneled jurors were questioned individually as to their answers to any question. Since the time of trial new evidence has come to light that demonstrates the incompetence of the *voir dire*, reveals false answers to questions posed, exposes suppression of evidence by the prosecution that would have required greater care in examining jurors for prejudice, and demonstrates the presence of actual bias on the jury.

190. Evidence described previously herein suppressed by the prosecution reveals that the Government and persons acting in concert with it, engaged in extensive activity designed to poison public opinion in the Alexandria Division of the U.S. District Court for the Eastern District of Virginia.

191. Petitioners are now in possession of new evidence that shows that jury foreman Buster Horton withheld information about himself, which, had it been known, would have caused the defense to seek his removal from the jury for cause.

192. On the juror information card made available to the defense the Friday before jury selection, Mr. Horton listed his occupation as "U.S. Civil Service/U.S. Dept. of Agriculture" (USDA). . . . During the *voir dire*, the Court instructed prospective jurors to respond only if the answer to the question asked was affirmative. Mr. Horton failed to respond to any of the Court's questions, including the question: "Have you or any member of your immediate family ever worked for a law enforcement agency or been connected with a law enforcement agency of any type whatsoever?" While Mr. Horton remained silent, other prospective jurors interpreted the phrase "connected with a law enforcement agency" very broadly, responding:

**A juror:** Matthew Zeikel. My brother works for the United States Department of State, Security. . . .

**A juror:** Regeanne Woodworth. My brother-in-law works for the State Police Office in New Mexico. . . .

**A juror:** Dennis Schabacker. I am with the Internal Revenue Service. . . .

**A juror:** My name is Michael Pearse. My uncle is a former Internal Revenue Service agent. . . .

**A juror:** Yes, sir. Edward Young. I am with the Central Intelligence Agency. I have extensive dealings with the DEA and the FBI.

**The Court:** Would that affect your ability to be an impartial juror in this case?

**The juror:** Yes, sir, I believe it would.

**The Court:** It would?

**The juror:** Yes, sir.

193. Since the trial, it has been revealed that juror Horton is a member of an elite, interagency apparatus composed of approximately 100 specialists from various federal departments and agencies, including the Department of Justice, the Federal Bureau of Investigation, and the Central Intelligence Agency, whose primary function is to ensure the "continuity of government" during any federal emergency. This interagency apparatus is coordinated under the aegis of the Federal Emergency Management Agency (FEMA), which is responsible to the National Security Council, the ultimate authority for all national emergency planning. FEMA must necessarily have a close relationship to investigative and other government activity under E.O. 12333 since they deal with national security matters. Petitioners have been unable to determine the precise relationship between FEMA and E.O. 12333, but have discovered that petitioner LaRouche is the subject of an E.O. 12333 investigative file. . . .

194. Petitioners now know that at the time of trial juror Horton was deputy to the Chief of Emergency Programs, Office of Personnel, U.S. Department of Agriculture. Juror Horton's USDA Emergency Programs unit was initially located in the Intergovernmental Affairs Office, Office of Governmental and Public Affairs, and was subsequently transferred to the Office of Personnel. Horton is one of two specialists who have "overall program direction and coordination" for the entire nationwide emergency programs of the United States Department of Agriculture.

195. The 1988 USDA Directory of Emergency Personnel states that FEMA provides a "single point of accountability for all federal emergency preparedness, mitigation and response activities," and that Horton's Emergency Programs office "serves as the primary point of contact with FEMA at the Headquarters (USDA) level." FEMA maintains a Special Facility which functions as a national command center during national security emergencies to which Horton and other emergency preparedness specialists from a select group of federal departments and agencies deploy. A "TOP SECRET" clearance and a "NEED TO KNOW" are required for admittance.

196. Through Horton's activities with FEMA, he had contact with law enforcement of all different kinds. Horton attended FEMA's First Annual Symposium of National Emergency Coordinators in Leesburg, Virginia with a select

group of specialists from the CIA, FBI, DOJ, U.S. Park Police, Federal Protective Service, and District of Columbia Police Department. According to the published summary of this symposium, among the databases to which emergency management personnel had access was the FBI's "investigative data bases on organized crime, general investigative matters, foreign counter-intelligence, and terrorism." The significance of this access is highlighted by the new evidence that reveals extensive investigative files involving LaRouche, Wertz, Spannaus, and other movement members have been compiled. Juror Horton had access to FBI files pertaining to petitioners.

197. In 1983, FEMA established the Emergency Information and Coordination Center (EICC), a 24-hour command and information center ready to mobilize and coordinate an interagency response to any emergency. EICC's 1985 contact guide listed Horton as an "emergency preparedness specialist" assigned to "preparedness" and "response," and a member of FEMA's Interagency Emergency Coordination Group, a standing committee of Emergency Coordinators, including those from the FBI and DOJ who met, in part or in full, to deal with "topical, multi-agency issues or problems, especially those having to do with mobilization preparedness." The EICC's 1985 contact guide listed the same individuals on the Interagency Emergency Coordination Group for the FBI and DOJ who attended the 1983 First Annual Symposium of Emergency Coordinators with Horton.

198. Horton's contacts with law enforcement date from 1972. As USDA's Defense Facilities Coordinator, he maintained defense records for emergency mobilization and corresponded with the Office of Inspector General (OIG) concerning review of documents and updating OIG Delegation of Authority file. As stated in 7 CFR §2610.1-2, OIG has a multitude of law enforcement responsibilities, including investigations of fraud, issuing subpoenas, making arrests, and carrying firearms. It collaborates with the Department of Justice, the FBI, Secret Service, Interpol, and other federal, state, and foreign law enforcement organizations. The OIG also provides protection for the Secretary and other principal USDA officials and manages a comprehensive physical security protection program for the Department.

199. Juror Horton works directly with the Secretary of Agriculture. Mr. Horton was on the USDA Emergency Executive Team with the Secretary and was second in command at USDA to receive a FEMA alert, which was then communicated to the Secretary. He was involved in correspondence with presidential Cabinet members concerning the promulgation of Executive Orders. He was on 24-hour call to respond to emergencies and was a member of an Emergency Team that would deploy, under certain alerts, for "several days or longer." Juror Horton's job responsibilities meant that he would have been required to remove himself from the trial for an indefinite period of time if an emergency arose. This fact should have been revealed to the Court and petitioners.

200. Horton is no ordinary Civil Service, or Department of Agriculture, bureaucrat. He is one of two individuals from USDA assigned to an interagency team responsible for the "continuity of government" in the face of a national security emergency, and, as with all EICC participants, has "TOP SECRET" clearance. In his FEMA position, he interacts regularly with high-level representatives of the CIA, DOJ, and FBI, among others. Given these connections, it was untruthful for Mr. Horton to have remained silent when asked if he was connected with a law enforcement agency "of any type whatsoever."

201. Horton's FEMA involvement has additional significance. New evidence suggests it is more than likely that Horton had contact with circles identified during the trial as having an adversarial relationship with LaRouche. Testimony during the trial discussed such a relationship between Oliver North, the Iran/Contra circles, and LaRouche concerning LaRouche's opposition to arming the Contras and competition over fundraising contacts. The 1985 FEMA EICC contact guide, which lists Horton as a USDA Emergency Coordinator, also lists Oliver North as an Emergency Coordinator from the National Security Council. According to a *Miami Herald* story dated July 5, 1987, North was tasked to upgrade the FEMA apparatus from 1982-1984 and "assisted FEMA in revising contingency plans for dealing with nuclear war, insurrection or massive military mobilization." In February 1984, Horton's office corresponded with Robert McFarlane, then Assistant to the President for National Security Affairs, concerning Emergency Mobilization Preparedness.

202. The defense called as an expert witness on security matters the former Director of FEMA, General Louis O. Giuffrida, who had been forced to resign from FEMA under allegations of misconduct and misappropriation of funds. New evidence reveals that juror Horton was involved in correspondence with Giuffrida, and that juror Horton was also involved in correspondence that was critical of FEMA under Giuffrida's direction. Horton's failure to reveal his ties to FEMA prevented the defense from evaluating whether he was prejudiced against a key defense witness in the case who testified to the legitimacy and minimal nature of expenditures for security.

203. New evidence reveals that Horton's FEMA responsibilities took him to Leesburg, Virginia and to the FEMA Alternate Facility at Mount Weather, Loudoun County, which is nearby. LaRouche and his associates lived and worked in Leesburg and Loudoun County during the period of Horton's travel, and there was much public controversy as well as concern about LaRouche by security and law enforcement officials. The father of Loudoun County Sheriff's Lt. J. Terrence McCracken, who supervised the LaRouche investigation, was Director of the Office of Emergency Readiness, Department of Commerce, and had contacts and coordinated with Horton's office.

204. Juror Horton's position within the USDA and FEMA was of vital significance. If the facts had been known, the defense would have challenged Horton for cause, or failing that, have exercised a peremptory challenge to strike him from the panel.

205. In addition to the serious questions that arise from Horton's failure to disclose his role in FEMA and his law enforcement connections, his failure to respond to questions about pre-trial publicity is equally suspicious. One of the first questions posed to the venire was: "The defendants in this case have been in the publicity. For that reason, I ask whether anything you may have read or heard or seen has caused you to form any adverse opinion or belief about any of the defendants or about their guilt or innocence in their case." . . . Eight jurors answered yes and were excused. The Court then asked: "There has been some publicity about this case. Have any of you read or heard or seen anything about this case?" . . . Eighteen of the 33 jurors in the pool at that time answered yes and were examined. Their answers indicated a very broad interpretation of the question. Jury foreman Horton responded to neither question. Given his FEMA role and extensive law enforcement-connected activities, it is inconceivable that he had not been exposed to any of the massive negative publicity involving the defendants on this case.

206. Newly discovered evidence about juror Horton requires discovery and an evidentiary hearing to determine all of the relevant facts concerning whether his participation as foreman denied petitioners an impartial jury, and why he failed to disclose his FEMA connections and activities.

207. Newly discovered evidence also reveals several jurors gave false answers to the question, "Have you or any member of your immediate family ever been the victim of a crime or participated in a criminal case or in any other capacity?" The evidence was obtained by an examination of public records conducted at the request of counsel. . . . This information could not possibly have been discovered before trial by the exercise of due diligence.

208. The evidence shows that:

1. Juror Vicki A. Araujo plead guilty to a "bad check" charge on or about Nov. 18, 1980.
2. Alternate juror Melville plead guilty to an interference with arrest charge on or about Oct. 7, 1982. He was also previously charged with public drunkenness—the disposition of those charges was a dismissal.
3. The son of venireman Norman P. Horn (defense pre-emptory strike) was tried on or about Dec. 12, 1979 on two misdemeanor charges.

209. None of these jurors responded to the Court's question regarding "participation in a criminal case." An evidentiary hearing must be held to determine why the jurors failed to respond and to determine the existence of bias or other predicates for this failure.

210. The newly discovered evidence about foreman Horton and several other jurors was properly obtained after the

Court prohibited any communication with juror or members of the array. It demonstrates the total inadequacy of the *voir dire* and the probability that actual prejudice existed among the jurors, which was not discovered because no meaningful effort to detect prejudice was made. Discovery and an evidentiary hearing are necessary to determine if petitioners were denied an impartial jury.

### From the conclusion of the motion

211. The wrongful convictions and detention of petitioners must be set aside, and minimally they must be granted new trials. This entire prosecution, and those actions preceding and succeeding it, were so corrupted by politically motivated misconduct and bad faith as to have overwhelmed any pretext of due process and fairness in the trial. The petitioners were targeted for prosecution, harried by economic warfare, subjected to a crusade of numerous media attacks, and wrongfully convicted as a result of a conspiracy and concerted action by public and private forces dedicated to their elimination. Relevant and exculpatory materials were intentionally and routinely withheld by the Government in an effort to preclude defenses, prevent discovery of the truth, and cover up the conspiracy and concerted action in which the Government was engaged. The actions taken by the Government and its co-conspirators were designed and intended to force massive investigations under any pretext, including national security, to destroy the financial and political base of the movement and prevent the servicing of loans, so as to allow those loans to become the basis of the indictments. For all of the reasons and on all the grounds herein stated, these convictions must be set aside if the terms "due process" and "fair trial" are to have continued meaning in the United States of America.

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Money is needed to wage the fight to free Lyndon LaRouche and to overturn the convictions of his associates. Your contribution to the Constitutional Defense Fund will help finance legal efforts against the federal and state government agencies, private organizations like the ADL and NBC, and individuals, which have engaged in an illegal conspiracy to frame up LaRouche. This conspiracy is a threat to everyone's freedom. There is no limit to how much you can give.

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## Ending 'Versailles System' in vital interest of U.S.

by Lyndon H. LaRouche, Jr.

*The following is a memorandum defining the current world situation in light of the strategic interests of the United States, issued by LaRouche, a candidate for the Democratic presidential nomination, on Jan. 18.*

First, I have observed the post-1988-89 attempts at reorientation of mission and capability of the United States intelligence, military, and related institutions. What I see is, in effect, a strategic box, which will do nobody any good, especially the United States, and especially those institutions which are engaged in this, not reorientation, but re-disorientation. The purpose of this communication is to outline some considerations which will point in a correct direction.

The world situation at present is essentially characterized by the disintegration of what is usefully termed the Versailles System; that is, agreements reached in the context of the Versailles Conference by the Anglo-Americans, in particular, with some French participation, as these agreements were modified during and at the close of the Second World War.

The collapse of the Soviet empire, at least in its old form (the *Soviet* empire, as distinct from something that might come through under Russian leadership), and the now-accelerating disintegration of the Anglo-American/British Commonwealth economy and, therefore, system, defines the essence of the disintegration of the Versailles System in all essential respects which define it as a system.

Nonetheless, the Versailles System is not giving up so easily and, even while doomed, like the last dinosaur, is nonetheless thrashing around and doing as much damage as it can, as if in a desperate effort to deny the imminence of the inevitable.

We must understand, to define a strategic orientation for

today, the issues which led to World War I and which, under the Versailles System, have dominated this century since World War I. And only when we find the nature of the sickness affecting our nation and the world embedded in the Versailles System, and understand the need for a replacement for the Versailles System—not its perpetuation—do we see clearly what the proper strategic orientations and missions of U.S. intelligence and military and related institutions ought to be.

### **The causes of World War I**

Now let's look at the Versailles System on the surface. What were the causes of World War I, when the Americans and the French made a fatal strategic blunder in entering into a war, or planning for a war, in concert with England—the war known as World War I?

What was the effect? What was the issue of that fateful folly of Teddy Roosevelt, Woodrow Wilson et al., together with France, entering into this stupid coalition with Britain against Germany, the thing that has ruined civilization, and imperiled our civilization, in the course of this century?

Go back a century to 1862. At that time, on the North American continent, a British puppet entity called the Confederacy, directed by the British state—that is, through Rothschild channels such as August Belmont in New York, and Judah Benjamin, the secretary of state of the Confederacy, in the South—was deployed in an effort to break up the United States and effectively divide the North American continent into four or five quarreling baronies which could easily be controlled as a Balkanized entity from London. The Belmont letters and other original documents from the period *leave no doubt of that reality. There was no virtue in the*

*Confederacy.* The Confederacy and what it represented, was a degeneracy, a horror, a disgusting thing, which can in no way be justified, nor should it be decked with chivalric honor, as many fools have done.

At that point, since the Union forces were enjoying an unexpected vitality (from the standpoint of the Anglo-French quarters of Lords Palmerston, Russell, and the Emperor Napoleon III), the British and French forces were on the verge of intervening with naval and other forces—as they intervened in Mexico—on the side of the Confederacy, to assure the crushing of the Union, or at least to ensure that the Confederacy would force upon Washington a negotiated peace which would establish the Balkanization of the North American continent as a settled arrangement.

At that point, among the other things intervening, the Czar of All the Russias, Alexander II, intervened in two forms, replicating his ancestor's, Catherine the Great's, action in supporting Denmark in launching the League of Armed Neutrality against British operations against North America, ensuring the American victory in the 1780s.

The Czar warned Paris and London that his government, his state, was prepared to make war throughout Europe should the British and French forces intervene on behalf of the Confederacy in the North American conflict. Secondly, as a gesture of armed neutrality, the Czar sent the Russian fleet, which was then being built, the Pacific fleet to San Francisco, the other fleet to New York, in a gesture of friendship and demonstration to the British and French of the Russian resolve to prevent the Anglo-French intervention on behalf of the Confederacy.

### **Russia's impulse toward economic development**

That is the actual beginning point, the wellspring, of World War I.

Why? First of all, it is the usual belief, a mistaken one, that the initiative at the end of the 19th century and the beginning of the 20th, for economic development and cooperation among France, Germany, and St. Petersburg, originated from either France or from Germany. The contrary is true, as the record shows. There were impulses in that direction, natural historic ones from Germany; there were impulses from France. But the essential impulse came from St. Petersburg, from the Czar, from people like Mendeleyev, their influence on policy and, most explicitly, Count Sergei Witte, the useful minister who dominates the entire period up until about 1905, particularly after the death by assassination of Alexander II.

And the threat was, based on the key role of the technological, scientific, and economic growth of Germany, that St. Petersburg's alliance with Germany and France in such cooperation would define a zone of technologically driven economic development in northern Eurasia from the Atlantic to the Pacific, and also from this baseline in northern Eurasia,

southward into the southern Americas, Africa, and southern Asia. It was an anti-British operation.

As opposed to this, the British developed a mystical dogma called geopolitics, which belongs with hobgoblins in the fairy books of historiography and strategy, which talks about the physiocratic essence of the "heartland" rising to challenge the rightful supremacy of the "rim." Real garbage. Only morons could really take seriously such a physiocratic bit of fairy tale. The reality was that if the economic development of northern Eurasia occurred in that form, the system of economy associated with British imperial domination of the world, or so much of it, would be threatened and come to an end; that the British themselves could survive under those circumstances *only* by adapting to, and becoming integrated into, the kind of economic cooperation which the Witte initiatives, for example, presupposed.

To prevent that, the British did a number of things. They played, of course, the pan-Slavism card for all it was worth, to influence Russia. But that would not have worked without several other things.

The assassination of William McKinley and the bringing in of Teddy Roosevelt cleared the decks for a sweeping Anglophile disease affecting the minds of the Americans, who had previously been more pro-Prussian and pro-Russian, than pro-British, based on experience.

Secondly, at the same time, the corruption of France through such channels as sodomite Lord Grey's relationship to strategic catamite Théophile Delcassé in establishing the Entente Cordiale locked up Europe, and set the stage for World War I.

So, by involving Japan and the United States on the side of Britain, and combining this with the British Empire and playing the game with France, the Balkans, and Russia, the British created a combination of "rim" forces, as they would call it, and balance of power operations in Europe, which became the devastating World War I.

### **Britain created World War II**

On the question of World War II: Yes, Hitler was a menace that had to be removed at all costs. However, Hitler was not a German creation, essentially, but rather a Versailles creation, particularly of that Anglo-American faction which is associated with Harriman, Morgan, and the relevant circles in London around the Bank of England—Schacht's backers. There's no question of this.

This was created as Bolshevism was tolerated as an institution, because Bolshevism was the adversary of Witte, the adversary of everything that the British feared as the heartland, and as long as Russia under Bolshevism did not try to become a heartland power, with a heartland policy as the British defined it, then Russia could be tolerated uneasily, as a Bolshevik power.

Hitler was created to destroy a heartland policy, as the British would define it, in Europe. For example, a fact of

history: When the Wehrmacht moved into Russia, they moved along the southern flank, into Ukraine. The Wehrmacht itself had the initial policy and took the initial actions to establish an independent Ukraine, with its own government, its own military force, and so forth, and brought people forth from the cracks of Ukrainian society to do that. The Gestapo under Hitler had a different policy, and moved in their crack units, pushed the Wehrmacht out, and began slaughtering the very policy that the Wehrmacht had pulled up to form the core of a new Ukrainian government.

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*Is it not in the interests of the United States to establish a world order consistent with Christian principles, with respect for the sovereignty of the individual, the sovereignty of the nation-state republic in such matters as economic cooperation to the benefit of each and all?*

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So one sees in this shoot-out, so to speak, between Wehrmacht policy, which makes historical-strategic military sense, and Hitler's lunatic butchery, how valuable and important and useful Adolf Hitler was to his Anglo-American sponsors in that respect. One sees the motive of putting Hitler in from the beginning. Hitler's work, *Mein Kampf*, was written under the direction of a geopolitician, Haushofer, and from the beginning, before Hitler came to power, he was assuredly an instrument of British policy, that is, an asset of British influence, if not himself a British agent. So that's understood.

But World War II is an outgrowth of the Versailles System; and thus the horrors and the outcome of that war must be placed within the continuation of World War I, from that standpoint. Only then is history coherently represented.

### **Pugwash and the world condominium**

The other aspect of this policy, which became most clear after the death of Roosevelt and the prevalence of Churchill through the Harriman crowd's takeover of the Truman administration, was the policy of London established in 1955-58 with the Pugwash evolution around Bertrand Russell, that the Anglo-Americans and Russia would form a world condominium which would agree upon the non-development of the former colonial or semi-colonial southern regions of the world. That was policy. What was being worked out was how the condominium itself could be rearranged; and what we see, now, is in effect a realization in part of the Pugwash objective as set forth by Bertrand Russell and others at the

end of World War II—except at the time that Russell's dream is being realized on that account, not only was the Soviet empire disintegrating, but also the Anglo-American economic system.

That has implications which could be further discussed, but it's clear enough from this point.

### **The strategic interests of the U.S.**

Now, what is the interest of the United States? What is the intelligence/military-strategic interest of the United States? Is it anything which keeps a budget for the intelligence and military services? Or is it the defense of something which is in the vital historic interests of the United States as a sovereign republic, and as a people—in terms of our children and grandchildren and great-grandchildren, and so forth, in terms of the kind of world in which we wish the nation, the republic of our children, grandchildren, and great-grandchildren to live, the kind of world which that is? Is that the strategic interest?

Is not the strategic interest that for which Lincoln fought against the British puppet, the Confederacy? Is not the strategic interest of the United States represented by what Alexander II and Witte attempted to bring into being, in cooperation with the United States?

Is not a community of principle associated with the principles upon which the United States itself was founded as an extension of the same impulse in European civilization—is that not our strategic interest?

Is it our strategic interest to go shooting down little brown- and black-skinned and yellow-skinned people, and prove how much we can do as sort of a reply on a horrible scale of what was going on in Southeast Asia some years ago? Is that our strategic interest—to be bloody-handed machos like these crazy Israelis all over the world? Is that our interest?

Do you want to look to the world like the Israelis look to the Arabs, as inhuman butchers, worse than Nazis? Do you want to look like that? Do you want our institutions to look like that? Do you want to be influenced by that kind of mentality? Or does the United States and its people have a true interest, which is ill-served by the policy of post-industrialization, the collapse of our industry, the collapse of our infrastructure, the collapse of our agriculture, all for some kind of utopian dream, utopian fantasy? Is that what you wish? Is that the interest of the United States?

This free trade delusion—is that the interest of the United States? Is it not in the interests of the United States to establish a world order consistent with Christian principles, with respect for the sovereignty of the individual, the sovereignty of the nation-state republic in such matters as economic cooperation to the benefit of each and all? Peace based on development of that sort? Peace based on a community of principle, based on those conceptions, and the willingness and ability to fight to ensure that that is achieved and defended?

# Haiti hangs tough in face of U.S. threats

by Carlos Wesley

Despite a crippling economic embargo and the threat of an invasion, the tiny black nation of Haiti has for almost four months refused to accept the return to power of its former dictator, Jean-Bertrand Aristide, or to appoint communist René Théodore as prime minister. Both have been demanded by the Bush administration, by the Organization of American States (OAS), which some describe as the "U.S. Colonial Office," and by France, from which Haiti won its freedom in the late 18th century to become the first independent republic in the western hemisphere, after the United States.

The Haitian Senate is expected to vote soon to abstain from any further negotiations with the OAS regarding the restoration of Aristide to the presidency, from which he was ousted in a military coup last Sept. 30. Diplomatic negotiations are the sole purview of the Executive branch, according to the Senate. The resolution means that the OAS will be forced to extend de facto recognition to the government of Provisional President Joseph Nerette and incumbent Prime Minister Jean-Jacques Honorat, Haiti's best-known human rights activist.

The OAS has refused to recognize Nerette and Honorat, who were elected by the Haitian Parliament to replace the Aristide regime, claiming that they were "puppets of the military." But, "unless all parties involved are allowed to sit down at the negotiating table, there can be no negotiated solution," said a diplomat in Port-au-Prince, in an implicit criticism of the OAS stance. "That means Aristide, the current government, Parliament, the political parties, and the Army." Aristide's refusal to deal with Gen. Raoul Cedras, the commander of the Armed Forces, "is crazy," said the source.

An OAS-sponsored negotiating session in Washington between Aristide and Haitian political leaders failed to come off as scheduled on Jan. 18, when Aristide insisted that the Haitian military be completely dismantled and its leaders exiled or imprisoned, as a precondition for the appointment of Communist Party boss Théodore, handpicked as compromise prime minister by the Bush administration to pave the way for Aristide's restoration. "Not even if God the Father were prime minister, could democracy return to Haiti," said Aristide, a suspended priest of the Marxist Theology of Liberation current in the Catholic Church. "Neither history nor the OAS, myself, 95% of the Haitian population, or the international community can afford to become accomplices

of a criminal," said Aristide in Washington, referring to General Cedras.

Aristide's intransigence makes it virtually impossible that a compromise allowing him to return can be reached. Théodore, a Moscow-educated mathematics teacher, pulled out of the negotiations. General Cedras is serving a three year stint by a constitutional act of Parliament, said Théodore, "and neither the President nor the prime minister can annul an act of Parliament which is recognized by the international community."

Théodore, who was tapped earlier for the prime ministership in talks presided over by the U.S. envoy to the OAS, Luigi Einaudi, also insisted that he would not participate in Washington-sponsored negotiations until the embargo was lifted. President Nerette and Prime Minister Honorat have both told *EIR* that the embargo constitutes genocide against Haiti, one of the world's poorest nations. Most Haitians are forced to live on an income equivalent to about \$35 per year.

In a report to the OAS Permanent Council, OAS Secretary General João Baena Soares claimed that the embargo has failed to starve Haiti into submission. "We must come to the conclusion," said Soares, that "it is not possible to implement the embargo."

## Breaking the consensus

There are some cracks developing in the consensus against Haiti. Some Caribbean nations are asking that the embargo be lifted. The Vatican implicitly recognized Haiti's post-Aristide government by appointing a new papal nuncio. The last time Haiti had a papal nuncio there was in January 1991, just before a pro-Aristide mob burned-down Port-au-Prince's old cathedral, lynched scores of people, ransacked the Vatican mission, beat the nuncio's secretary nearly to death, and made the nuncio himself run naked through the streets. Suriname has also implicitly recognized the Nerette government and, surprisingly, so has the United Arab Emirates.

Haiti's refusal to buckle, has renewed calls for a U.S.-backed invasion. U.S. Rep. Robert Torricelli (D-N.J.), who has been demanding military action against Haiti while favoring kid-gloves treatment for Cuba's Fidel Castro, traveled in mid-January to the Dominican Republic, which shares the island of Hispaniola with Haiti. Also in the delegation was Rep. Charles Rangel, the Harlem Democrat, who, along with Jesse Jackson, former U.S. Attorney General Ramsey Clark, and the U.S.-installed President of Panama, Guillermo "Porky" Endara, are calling for using foreign military forces to put "Papa" Aristide back in power.

Democratic senator and presidential contender Bob Kerrey has denounced supposed Bush administration "silence" and urged U.S. action. This election year has made Bush cautious, since an invasion of Haiti could bring a flood of refugees to Florida, which holds its presidential primary in March.

# Common wisdom about Croatia

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*Margaret Casman-Vuko, an American resident in Croatia, refutes the false picture that is usually presented in the West of that country.*

*This article is reprinted from the Nov. 23, 1991 issue of Hrvatske Novine of Ontario.*

I am an American citizen who has lived in Zagreb, Croatia since 1972. I have a deep affection for my second home, which enjoyed one exhilarating year of fledgling democracy before Yugoslav troops and warplanes came to crush it back into submission to the generally despised communist regime.

In any discussion of the Yugoslav crisis, it is necessary to remember that for the past 46 years, the communist Yugoslav government has successfully passed off a doctored version of history, primarily to justify its suppression of the Croatian nation by portraying it as inherently unruly with fascist tendencies.

Indeed, the truth in Yugoslavia has been so vigorously suppressed that even the possession of the "wrong" books was a felony (including a glossary of the Croatian language). A chance remark at work could lead to a hearing before the disciplinary committee and perhaps a ruined career; the singing of the "wrong" song in public and sometimes private was good for a year in prison, while speaking out (whether in Yugoslavia or abroad) was good for a lot longer and in some cases cost lives. President Tudjman was sentenced to a total of 12 years in prison, of which he served eight, for merely disagreeing with some grotesquely inflated official World War II casualty figures in Swedish television interviews. Only persons willing to go along with the collective deception were permitted to serve as diplomats and in other positions of power, which accounts for the fact that many westerners dealing with Yugoslavia have been incorrectly informed.

Although reliable information is available from neutral sources such as old newspapers, archives, books, etc., reporters often consider interviews superior to delving through records and documents. Thus, considerable misinformation has become part of common wisdom.

Because so much current analysis incorporates this common wisdom, it is necessary to examine the origins of several

frequent assertions.

**Assertion 1:** Serbia fought with the Allies and Croatia fought with the Nazis during World War II.

Neutral sources (e.g., *Encyclopaedia Judaica*, the article on Yugoslavia) state that *all* of Yugoslavia was occupied by the Nazis in 1941. In Croatia, the legally elected government under President Vladko Macek refused to collaborate with the occupiers and was replaced by a quisling government headed by Ante Pavelic. Pavelic's party, the Ustashe, never had the support of more than 1% of the Croatian population (50,000 out of 5 million), with the vast majority of the people hoping that the Americans would liberate them. Meanwhile, the Nazis installed a similar puppet government in Serbia led by Milan Nedic. Extensive documentation confirms that the Serbian Chetnik faction led by Draza Mihailovic was secretly collaborating with the Germans, among others. In August 1942, a German office reported "the problem of Jews and Gypsies has been solved: Serbia is the only country where this problem no longer exists."

**Assertion 2:** More than 1 million Serbs were killed by Croats during World War II.

In 1964, the Yugoslav government undertook a systematic survey of World War II victims because the Germans had rejected earlier figures claimed for reparation purposes. In this study, the total number of Serbian victims was 346,740, which obviously included many who had not perished at the hands of the Croats.

**Assertion 3:** The ancient hatred between the Serbs and Croats goes back for centuries.

Serbs and Croats co-existed peacefully for at least a thousand years prior to the formation of Yugoslavia in 1918. The chief reason why there are pockets of Serbs in Croatia is that they were hospitably welcomed when they fled from the Ottoman invasions. In fact, it was partially due to the romantic idealization of Serb culture by certain Croatian intellectuals that the union of the southern Slav peoples came into being in 1918.

**Assertion 4:** The war in Croatia is a civil war.

The conflict between Serbia and the other republics began almost as soon as Yugoslavia was formed due to fundamentally conflicting goals for this union: While the Croats and Slovenes intended for each republic to retain its own national identity (a miniature EC), the Serbs sought to forge one Greater Serbian State, i.e., to subjugate and eventually assimilate the others.

The deliberate destruction of hundreds of architectural treasures in Croatia, a vital component of Croatian cultural identity, is intended to facilitate the cannibalization of Croatian territory.

The Croatian borders being challenged were established nearly three centuries ago, in 1699 and 1710, although Croatian history goes back more than 1,400 years. The 1974 Yugoslav Constitution guaranteed each republic the right to secession. In 1991, the peoples of Croatia and Slovenia held referendums in which 95% of the voters chose to declare independence.

A situation analogous to that in Croatia would occur if France withdrew from the EC, Germany invaded Alsace-Lorraine to "protect" French citizens of German descent and then bombed Versailles.

**Assertion 5:** The Yugoslav Federal Army is protecting the Serbs living in Croatian territory.

The Serb-dominated Yugoslav Army needed the pretext that it was "protecting" the rights and safety of the Serbs within Croatia in order to justify its invasion of Croatian territory. For over a year prior to the outbreak of the war, the Serbian media conducted a poisonous propaganda campaign designed to stir up Serbian fears. The real problem was that under the communists, the Serbs were the privileged class in all the republics, holding down a highly disproportionate number of jobs in the military, police, bureaucracy, government, etc., with their primary loyalties in many cases being more to Belgrade than the republics they inhabited. They may have been resented as alien authority figures, but were in no jeopardy. Because there had been so much skimming off the top during the communist regime, either to fill Belgrade's coffers or line private pockets, sweeping replacements were made after the overwhelming defeat of the Communist Party by the Croatian Democratic Party in the 1990 election, the first democratic election to be held since World War II.

The Federal Army is bombing cities with practically no Serbs to "defend," such as Dubrovnik, Vinkovci, and Osijek.

Accusations have been made, even by Serbian politicians and analysts, that the army brass are primarily intent on preserving their financial base, lavish lifestyles, and generous perks, which would disappear without Croatian tax revenues, because the remaining republics are in economic collapse.

One hears practically nothing about the 550,000 Croats living in Serbia or even the 2 million Albanian majority

living abjectly in Kosovo under minority Serbian rule, but the human rights abuses are extreme.

**Assertion 6:** The war in Croatia is primarily an ethnic conflict.

The Serbian media have gone to great lengths to stoke ethnic hatred, creating a smokescreen to camouflage an indefensible war of aggression.

It is telling that the percentage of Serbs among the defenders of Vukovar against the Yugoslav Federal Army nearly corresponded to the percentage of Serbs in Vukovar's population, after allowing for volunteer forces which arrived from all over Croatia.

**Assertion 7:** Anti-Semitism is on the rise in Croatia.

This is nothing more than another attempt from Belgrade to turn world opinion against Croatia. I am a member of the Jewish community in Zagreb. The president of our community, Mr. Nenad Porges, sent an appeal to Jewish organizations all over the world in which he stated the following:

"The government of Croatia has publicly denounced and condemned all neo-fascist and extremist ideologies and organizations that threaten the democratic system in Croatia and its citizens and decided to undertake all necessary legal steps to prevent the spread of such dangers.

"We express our fullest support for the efforts and declared policy of the government of the Republic of Croatia in building a new and democratic society in which the human, political, civil, national, and religious rights of every citizen will be protected. . . ."

On a personal note, I was in Zagreb when the Jewish center and cemetery were bombed. Not only were the bombings swiftly denounced by the Croatian political leadership, religious leadership, and press, but thousands gathered in the main Zagreb square to demonstrate their solidarity with the Jewish population. Many friends and acquaintances called me to express their condolences.

**Assertion 8:** The war in Croatia cannot be stopped as long as the Serbs and Croats are intent on killing each other.

This assertion does not originate from the Yugoslav government but from U.S. State Department officials, and is frequently echoed in the press.

The Serbs are invading Croatia either to block Croatian independence or change boundaries and thus gain territory. Croatia is deriving no benefits whatsoever from the prolongation of the massacre of its population; the bombing of its houses, schools, hospitals, churches, factories, etc.; the sieges of Dubrovnik, Vukovar, and Slunj; the destruction of its architectural treasures and thus the attempted obliteration of its cultural identity.

The West does not seem ready to accept the emerging democracies in eastern Europe unless they can prove themselves capable of militarily defeating the extremely powerful regimes which have oppressed them. Must they demonstrate their "worthiness" for freedom by first undergoing devastation and a bloodbath?

## Croatia fights for western civilization

*The following interview was granted to EIR in December 1991 by an Argentine Army officer, speaking from the city of Split in Croatia. This officer, a member of the Army's parachute commando group, is well known in Argentina for his professional capabilities, and fought in the four military actions carried out between 1987 and 1990 in defense of the dignity of the Armed Forces. He is accompanied in Croatia by a larger group of Argentines.*

**EIR:** What is a group of Argentines doing in Croatia?

**Officer:** Well, this goes back a ways. After the Malvinas War in 1982, many of us realized that the enemy of western civilization was not merely communism as such, but that crude capitalist liberalism that has been adopted worldwide in the form of international usury was what was manipulating international politics behind the scenes.

Thus we realized that we were being subjected to a policy of domination in which there was neither respect for a nation's cultural sovereignty nor any possibility of development from the Christian standpoint. That is, man has to have hope, has to have some expectation that he can develop. If one is limited to a subordinate role and is told that there will be no possibility of developing, this is a cause for tremendous frustration.

So we realized that there was a supranational government, dedicated solely to the pillaging of nations. In the case of Latin America, it is trying to strip it of its Catholic heritage and its Hispanic tradition. There are many things for which people will fight—for their cultural roots, for their own identities, not just for food or a piece of land. In Latin America, the plan is to try to change the peoples' cultural identity, not to take the culture and develop it to the benefit of the nation, but to radically change it, stripping it of all good. We could say that this is dictatorial, since no one can impose a culture on another people. So, how is this related to the European question, and what does all this have to do with Croatia?

Croatia is a nation with a 1,700-year tradition of Catholic culture. It has served as a dike against Islam; they are a people who have suffered a great deal and who therefore have deep cultural and historical roots. Croatia has the same religion as Hispano-America, and for the 45 years following World War II—under the pretext that it had allied with the Germans—it has been subjected to a policy of forced denial of its culture.

That policy of cultural destruction can be seen everywhere. It can be seen in the destruction of the medieval castles, of the churches, of the Roman cultural heritage.

Dalmatia, for example, has many vestiges of Roman culture. Concretely, there is the Palace of Diocletian in Split; there are many signs of what western Christian civilization is all about, but in the best sense, not deformed.

Yugoslavia is a nation created on the basis of an imperial policy of *status quo* which was developed by Great Britain in Europe. People with different backgrounds, different cultural roots, and who wanted to live as separate nations, were united by force. Don't forget that in the Yalta accord between Stalin and Churchill, the Balkans were split 50/50. Where the Soviet Union was, there is now a vacuum, and Great Britain moved into that vacuum—obviously backed by the Bush administration. So, this nation wants to assume its 1,700-year-old historic identity. . . .

By virtue of being Catholic, and of having certain principles, [Croatia] is not allowed its independence, and efforts

## An Orthodox warning to the Serbian Church

*This appeal was issued by six Orthodox intellectuals living in France. It was published in November 1991 in Le Monde, and in the January 1992 Catholic World Report, English-language edition. Shortened, the appeal reads:*

The Serbian state, using what is left of the Yugoslavian Army, is waging war against Croatia. It would like, it says, to "defend" the Serbian minority living in that country. It is possible, in fact, that after many Croatian cities and villages have been destroyed, this minority will really be in need of protection. However, we must recognize that before the battle was joined, and before the psychological campaign which preceded it, the Croatian government had no intention whatsoever of committing "genocide": The Serbs and Croats were neighbors living in peace. . . .

Today, everything has changed. In the conditions created by the war, maniacs who in the past had limited themselves to verbal insults or the writing of slogans, have begun to kill. The longer the conflict lasts, the more they will be joined by ordinary people, driven by the massive destruction to believing that the fatherland must be cleansed of its "eternal enemy."

The Serb leaders began by provoking "spontaneous disorders" in Vojvodina and Montenegro. This enabled them to install their supporters in power. They then tried the same tactic in Croatia. As the Croats did not want to demonstrate against their government, the Serbs of Knin, again "spontaneously," surrounded the local police headquarters. At the same time, and just as "spontaneously," Serb journalists, writers and historians, who until then

are being made to destroy it by brute force. This, despite the fact that there is a democratically elected government; despite the fact that there has been a referendum in which the people have voted for independence, and despite the fact that there have been indications of an agreement, including even trying to form part of a confederation.

I think the battle on the international level is the same, because it is the fight of nations which seek to preserve their cultural identities, to develop their cultural identities, to live in peace with development, and the supranational government seeks only to maintain its policy of usury, of population control, when what must be done is to invest in technological development to try to—as God said to Adam and Eve—be fruitful and multiply. It may seem fantastic, but it is perhaps the destiny of man to conquer the universe, to extend himself, colonize the galaxy. Culture that seeks to encourage develop-

ment is traditional Christian culture, so obviously they must try to cut it down, kill its roots, somehow destroy it, as is occurring here in Croatia; as is occurring in Hispano-America in a different way.

**EIR:** The Western press has written a lot about the bombing of churches, schools, religious centers, etc. Can you give us some details on this?

**Officer:** I'll tell you what I've seen. The battle plan of the Serbs—who are largely atheists, dominated by a communist culture and education—their plan is to eliminate every vestige of Croatian culture so that afterwards, when there is a plebiscite held by the United Nations, they can say, "This territory is Serbian." The project is that of Greater Serbia, and it is backed by Great Britain, which is also Argentina's enemy, regardless of whatever treaties have been signed. It

had hardly cared about the matter, flooded the press with articles denouncing the genocide committed by the Ustashis during the Second World War. They thus reawakened passions more than half a century old. . . .

In the spring, in Belgrade, the people demonstrated against the communist regime, conveniently renamed "socialist." The government replied by sending in tanks. . . . Military incidents multiplied in the Serbian regions of Croatia. The Serbs forgot why they had demonstrated. They gathered to "defend the interests of the nation," the war started, and the "socialist" regime remained in power despite the upheaval which was sweeping across eastern Europe.

But what were the real Serbian interests in Croatia? During the last years before this war, the Croats felt frustrated because they were living in a unified state, centralized under the Serbian crown. . . .

Why are we writing all this, holy and venerable Fathers? Because the Church you are guiding seems to be contributing, undoubtedly unconsciously, to incitements to hate. . . . Certain Church leaders have more and more often written and preached about the past sufferings of the Serbs, about the crimes of the Ustashis, about the ditches and caves where the bodies of innocent victims were thrown. These subjects have become the constant focus of the religious press.

Among the victims of the Ustashis, there were real martyrs, since their captors often singled out the Orthodox, asking them derisively, before they were shot, if they wished to be rebaptized, and requiring them to wear an armband bearing, not the letter "S" for Serb, but "P" for Pravoslav, that is, Orthodox. It is thus understandable and praiseworthy that the Church honor those who confessed their faith to the point of death. Such a glorification ought not to coincide with an appeal, implicit or explicit, to

hatred against the distant descendants of the men who put them to death. If honoring these martyrs inflames passions, it would be better without a doubt to wait for a more opportune moment.

Today . . . the army attacks the Croats, who are much less well equipped. The victims are above all the Croatian towns and villages. It is not a question of forgetting the Serbs of Croatia, but we must change what appears fated, we must break the circle of violence, of hate, of death. . . .

The Serb people are at an impasse. Despite the official propaganda, everyone knows well who is the aggressor, who the defender, who shot first. The Serbian Orthodox Church must not make herself the accomplice, even unconsciously, of a "national communist" war machine. To save the future, this senseless war must be stopped as quickly as possible.

It is at this moment that your word as pastors is indispensable. You must ask for the combat to stop, for the essential thing is that the guns be silenced.

In the past, when the people were attacked, when their very existence was threatened, the Church blessed the defenders of the fatherland and considered war a "lesser evil." Today the people have been caught up in an aggression whose likely result even contradicts its stated aims (we are thinking of the fate of the Serbs of Croatia). The Church must confront the people and demand that they no longer do evil.

We ask your pardon if we have written with what may appear a certain rudeness. Love demands, not complacency, but truth. And it is love for the Serbian Church and people which has moved us to write to you. With our respect and our hope.

Signed, Olivier Clement, Nicolas Lossky, Tatiana Goritcheva, Elisabetta Behr-Sigel, Pavle Rak, Milovan Danojlic.

is an historic enemy, because it has been an historic enemy of Catholic Spain.

There is a town—people have lived in that town for 90 years, that is the average age of the elderly in that town, towns which date back to 400 B.C.—where the churches are relics. [The Serbians] began indiscriminate artillery and mortar fire; the target of the artillery is the church, because that is what is marked on the maps. They fire on all the historic monuments and force the people of the town to leave. But the elderly don't want to leave; they stay. So then the tanks arrive with the Chetniks, and a massacre of the civilian population begins.

It is not uncommon to see dozens of corpses of elderly, their throats slashed as a warning to neighboring towns of what is going to happen to them. This is not a military battle plan, but a political one, a terrorist plan which is nearly Satanic. It is really a policy that the international community is backing, by shutting their eyes. That is not to say that in a war, there are no excesses on both sides, because there are excesses, but often they are committed as a reaction. But in this case this is a deliberate policy, which is to eliminate every vestige of Croatian culture from the area.

During 45 years of communist government in this country, those towns which are Croatian—for example, here there is a Roman city near Split where there is a Roman circus comparable to that in Rome—have not been maintained, because the communists are not interested in maintaining any cultural traces of that kind.

**EIR:** How is the morale of the Croatian people?

**Officer:** It is very high. There are no divisions of political parties here with regard to the question of independence. Here everyone is very clear that Croatian independence is something that cannot be turned back, that this is the historic moment for winning that independence. Perhaps it would be difficult to explain to the American public, but here they are confronting tanks virtually with their bare hands. The imbalance of military power is terrible, and yet with it all, the enemy is suffering major losses. And that is because of the great national will that exists and that, beyond the rhetoric, everyone is Catholic and that is one of the first things they ask you. Everyone here has their rosary around their neck, with their cross, and that's the kind of war being fought.

**EIR:** Is there anything else you would like to say?

**Officer:** Here—but not only here—the problem is that in several parts of the world, they are trying to erase the cultural identities of certain peoples. Today it is Croatia, and after them will come others, whether by force—those people who try to resist will be eliminated by force—or by the policy of consumption, cultural infiltration, as is happening in my country and as is happening in many other countries such as Colombia, or Venezuela where there is an attempt to copy the United States, although that is not their cultural roots.

## El Salvador 'peace' accord ensures war

by Cynthia R. Rush

With the official signing of the El Salvador Peace accord at Mexico City's Chapultepec Castle on Jan. 16, the Bush administration and its hangers-on among Ibero-American heads of state are moving quickly to apply the "model" to the rest of Central America. The accord has nothing to do with peace.

It does have to do with George Bush's agenda for the new world order, as it is applied to Central America: destruction of the armed forces, the institution which together with the Catholic Church is seen as an obstacle to the Anglo-American establishment's malthusian genocide; harsher imposition of the International Monetary Fund's (IMF) austerity conditionalities; and handing power over to the region's Cuban-linked narco-terrorists, such as the Farabundo Martí Liberation Front (FMLN). Under this prescription, only chaos and continued warfare lie ahead for Central America.

As former U.S. ambassador to El Salvador Robert White explained in a commentary in the Jan. 16 *Washington Post*, to ensure that the agreement is enforced, "power is to be shared with the United Nations." National sovereignty has been signed away. Thousands of U.N. and other foreign observers have already started descending on El Salvador to "monitor the peace process."

### Allied governments will be abandoned

The Bush administration has made no effort to hide the fact that the agreement is with the FMLN, that it is actually a regional package which also includes a deal with Cuban dictator Fidel Castro, and that the Cristiani government will ultimately be left high and dry—just like the other governments of the region which have obeyed U.S. dictates. U.S. Secretary of State James Baker may have called El Salvador's President "the hero of the peace accords" in his Jan. 17 speech before that country's National Assembly, but it was the FMLN leadership that was the object of the U.S. State Department's most lavish praise and concern. In thanks, FMLN leader Shafik Handal gushed in Mexico City, "We wish to extend our hand to the government of the United States, to seek a new relationship based on dignity and cooperation."

It was U.S. Assistant Secretary of State for Inter-American Affairs Bernard Aronson, U.S. Ambassador William Walker, and other top U.S. officials who met frequently with the FMLN leadership in El Salvador over the past year to hammer out their joint strategy; it was Washington which squeezed the Salvadoran military to accept the accord. As the conservative San Salvador daily *Diario de Hoy* put it on Jan. 6, reflecting the sell-out of the Armed Forces, “ ‘Our friends’ are weakening the . . . structure of the Armed Forces, while at the same time helping to strengthen the military and political structure of the FMLN.”

## Redefining the nation

Speaking in Mexico City, FMLN commander Handal gloated that the agreement’s major achievement was “the end of military hegemony over the civilian nation.” What does this mean exactly?

Following enactment of a cease-fire, scheduled for Feb. 1, the entirety of El Salvador’s political institutions are to be completely overhauled and redefined in a new constitution. At the heart of all planned reform is the underlying premise that it is El Salvador’s Armed Forces—not the guerrillas or any other factors—that have caused the country’s problems, and now must be eliminated. As new U.N. Secretary General Boutros Ghali explained in Mexico, every aspect of El Salvador’s institutional life will be affected: the armed forces, human rights, the electoral and judicial system, and economic and social questions. Ghali called the accord a “revolution reached through negotiation,” a phrase later echoed by several FMLN leaders.

As agreed upon, the size of the Armed Forces will be halved over a two-year period, down to about 31,000 members, and the concept of “national security,” which has always guided the military institution, replaced. A top State Department aide has admitted that one of the agreement’s goals is to wipe out the Army’s officer corps altogether. The military academy, which trains officers, will now have its admissions policy, curriculum, and faculty overseen by a national peace commission that includes two former guerrillas and just one member of the military. Civilians will oversee most intelligence functions.

The accords also set up a special “truth commission,” charged with discovering the truth about the “worst acts of violence” committed over the past decade. Most international media and other so-called experts, who never discuss the military without the adjectives “brutal” or “feudal,” have agreed that these were carried out by the Armed Forces.

What about the FMLN? It is supposed to complete a demobilization of its forces by Oct. 31. Some of its forces are expected to enter the new civilian police force, together with former members of the military. Others will return to the countryside, occupying land which the government will divide up and distribute. And another grouping will set up an opposition political movement, whose stated goal will be

to defeat Cristiani and his Arena party in the 1994 presidential elections.

The actual guerrilla strategy was revealed in the Jan. 17 speech at Peru’s San Marcos University given by Miguel Angel Amaya Cuadra, the FMLN’s political-diplomatic representative for Latin America. He stated baldly that “in the Salvadoran process, no surrender has been agreed on. The negotiations are between equals, equal powers; the FMLN hasn’t accepted nor will it accept a demobilization, but rather a *reconversion* of its forces.” The peace accord, he added, was “very fragile, difficult, and complex,” because the Armed Forces really don’t want peace.

Similarly, the FMLN’s chief military strategist, Joaquín Villalobos, told a Mexico City gathering that “the flame [of war] is going to die out slowly.” He railed against the idea of granting amnesty to military leaders, charging that this would be tantamount to “writing a blank check to assassins.”

## Regional demilitarization

Despite the guerrilla admission that it has no intention of demobilizing, the Anglo-American political establishment is moving quickly to dismantle the institution of the armed forces across the region. Guatemala is the next target. In his Jan. 17 speech in San Salvador, Baker stated that “once at peace, Central America can move forward through regional negotiations to reduce the level of armaments in every nation to a lower balanced level commensurate with the needs of legitimate defense.” He repeated the lying argument put forward by former U.S. Defense Secretary Robert McNamara which says that if Third World military budgets are reduced, there will be more money to channel into programs to help the poor.

But Central America’s poor have already been relegated to the trash heap. Baker has made clear that the United States does not plan to help rebuild El Salvador’s wrecked economy, and demands that the IMF’s free-market “adjustment” program of intense austerity be deepened. Salvador’s energy and telecommunications infrastructure, a particular target of the FMLN, barely exists. The government has put overall material damage at a figure of \$1.8 billion and says it needs \$2 billion to start reconstruction efforts. It has been able to set aside only \$17.5 million so far. Bernard Aronson stated that the U.S. is “committed” to El Salvador, but added that “I would like to make the point that the United States has its own budget difficulties . . . and we are going to do what we can, but we will probably not be able to do as much as we would like to.”

The Jan. 17 *Washington Times* put it a bit more bluntly: “The U.S. has neither the money nor political support for massive aid programs.” Baker is demanding that the “international community,” specifically Japan and Europe, provide the bulk of the economic assistance needed. The United States is reportedly “thinking about” providing between \$200 and \$300 million this year.

## Fall of government means more bloodshed

by Joseph Brewda

The Jan. 19 collapse of Israel's ruling coalition is the latest sign that the Israeli establishment is intent on committing bloody atrocities in the Occupied Territories in the near term. The resignations of two ministers, and the withdrawal of their tiny parties, have stripped Prime Minister Yitzhak Shamir's Likud coalition of a majority. Elections will probably be held in May.

The election campaign will be dominated by a debate as to whether or not the 1.7 million Palestinians living in the Occupied Territories should be "expelled." While the politicians rant, the Israeli government will continue a policy of expanding settlements, demolishing Arab homes, and creating new *faits accomplis*. Simultaneously, the government will deploy vigilante squads of Jewish settlers on killing sprees.

The Israelis hope that such actions will provoke a violent counterreaction that they could use to justify further repression; while setting the stage for a war against Jordan, Lebanon, or Syria. The collapse of the government is meant to give the impression that neither the Israeli establishment, nor the U.S. or British governments, has control over the violence that may lead to war.

### Coalition theatrics provide pretext

The Israeli coalition fell apart after Gen. Rehavam Zeevi, the leader of the Moledet Party, and Yuval Neeman, the leader of the Tehiya Party, resigned in a huff over Shamir's offer at the U.S.-brokered "peace talks" to grant "autonomy" to the Palestinians. Zeevi and Neeman advocate the expulsion of all Arabs from Israeli-occupied lands, and claim there has been a sellout by Shamir.

According to the Shamir plan, all Jewish settlements and administered lands in the territories will be formally annexed by Israel. The Palestinians will be restricted to four or five population centers, each surrounded by what would be the new, extended Israel. Self-administered garbage collection would be the extent of autonomy under this plan. It is a provocation no Palestinian leader could accept, and, if it were accepted, it would benefit only Israeli expansionists, as Zeevi and Neeman know.

Rehavam Zeevi is a former head of the Terror Against Terror advisory office to the Israeli prime minister. The office

is charged with committing terrorism against alleged Arab terrorist groups in the territories and elsewhere, and with infiltrating Arab groups. Yuval Neeman is the former head of Israeli military intelligence—and it is the military which oversees the territories. Prime Minister Shamir himself is the former operations director of Israeli intelligence (the Mossad). The threesome are not conniving politicians per se, but intelligence animals who have carried out operations together for decades.

Now that the government has collapsed, Zeevi and Neeman's parties, together with other police-run sects, will carry out their assigned role of mobilizing the settlers to defend themselves from "Arab terrorists" and a "sellout government," while Shamir, portraying himself as a man of peace, will continue the policy of repression that has always characterized Israel.

In December, the Defense Ministry, which administers the territories, suddenly decided to arm Jewish-settler militias there, and give them official police powers, to prepare for the coming slaughter. These same militias have long been involved in the killing of Arabs, largely under the covert direction of the Terror Against Terror office that Zeevi once led. The Housing Ministry, run by would-be prime minister Gen. Ariel Sharon, and the Agricultural Ministry, now run by Sharon's ally Michael Dekel, will also be involved in coordinating the coming killings.

### Other wars, massacres planned

While the Israelis plot massacres and possible war, their controllers in Washington and London are plotting other military actions in the region. This Anglo-American drive for a new Mideast war is considered necessary for implementing the next phase of the "new world order." It is also seen as necessary to sustain the faltering re-election campaign of George Bush, to whom London and its allies are still apparently committed.

One war on the drawing boards is a military strike against Libya, under the pretext that Libya has not handed over to London two alleged terrorists for trial in the 1988 Pan Am bombing. On Jan. 21, the U.N. Security Council passed a resolution which demanded that Libya fork over these individuals, despite the fact that there is no extradition treaty with the states concerned, or even an indication that they are guilty. A strike against Libya modeled on that against Iraq is one of the next steps.

Similarly, the Anglo-Americans may provoke an "uprising" in Iraq which they would militarily support. There could also be U.S.-supported Israeli strikes against Syria, Lebanon, or even Jordan, after some real or alleged Arab terrorist incident in the territories.

Since U.S. electoral politics has a great deal to do with this slaughter, this spring's presidential primary season defines the likely timing of the various alternative atrocities which are being considered.

# Israeli nuclear ambiguity and Arab nuclear activities

by Taysir Nashif

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Among the Middle Eastern states, Israel has the most developed nuclear infrastructure, which she has started to establish from the very year of her coming into being in 1948,<sup>1</sup> a long time before Arab states, many of which were still subject to foreign rule, could have some activity in the nuclear field.

Between 1957, when the Government of Israel decided, because of perceived security interests, to build a French nuclear reactor at Dimona,<sup>2</sup> and about the mid-1960s, Israel has developed a nuclear weapons option, namely, that operational nuclear weapons have not been assembled but the capability does exist to have them assembled in a relatively short while.<sup>3</sup>

At some time, probably in the late 1960s or early 1970s, Israel is believed by various students of nuclear proliferation in the Middle East to have moved from a "high" nuclear weapons option, which has the added meaning that the time needed to assemble a nuclear bomb is still shorter, to a "bomb-in-the-basement" posture, namely, that nuclear weapons have been assembled but this fact has not been disclosed.<sup>4</sup>

In this context, it merits to be mentioned that the time needed to convert a nuclear weapons option to the acquisition of nuclear weapons, whether in the form of a "bomb-in-the-basement" or a disclosed one, can be very much shortened. A state possessing a nuclear weapons option may have a long or a very short way to go to achieve a status of a state with nuclear weapons. Such a state may develop a nuclear weapons program, depending of course on its technical and scientific infrastructure, to a point at which it needs a certain time, say one year, one month, or one day, to move from that point to the point of the actual acquisition of nuclear weapons.<sup>5</sup> The two terms of a "high nuclear weapons option" and "nuclear weapons acquisition" become almost identical when the time needed to move from the point of a "high option" to the point of acquisition is that short, that it is counted in terms of several days or several hours, or, as described by some, a "within-reach" or "screw-turn away" capability. In this case,

the distinction between a "high nuclear option" and a "bomb-in-the-basement" posture is almost nothing but a semantic matter.

Moreover, there is a technical consideration which lends support to the claim that, actually, there is no distinction between a "within-reach" nuclear weapon capability and acquisition of nuclear weapons. According to this line of reasoning, proto-type of a nuclear system is regarded as an actual nuclear weapon. The technical analysis is as follows: In order to develop a reliable proto-type of a nuclear system, it is necessary to carry out fully the task of development.<sup>6</sup>

Israel has followed what has become known in Israel and in various parts of the world as a policy of nuclear ambiguity.<sup>7</sup> According to this policy, she has not revealed much about her nuclear weapons activities and status. Israeli governmental officials have repeatedly expressed Israel's nuclear position with the formula that she would not be the first state to introduce nuclear weapons in the Middle East.<sup>8</sup> Israel has continued the official ignoring of the fact that acquisition of nuclear weapons has been attributed to her.

Related to the policy of nuclear ambiguity is the question of nuclear weapons testing, which was regarded by states as a criterion publicly to identify a state's crossing of the nuclear threshold and to identify its nuclear intentions. The widely held, though unsubstantiated, view in Israel and outside of her that she has not conducted a nuclear test fits this policy of ambiguity. As nuclear testing was regarded as a clear symbol of the crossing of a nuclear threshold, this view that Israel has not conducted a nuclear test was used by Israelis and non-Israelis as a fig leaf for claiming that she is a non-nuclear weapon state. This view, as above mentioned, was unsubstantiated and, more than that, unfounded, as solid indications exist that Israel has actually conducted tests.<sup>9</sup>

## Excluding Arabs from the nuclear field

Various objectives—strategic, political and economic—have been attributed to Israel's following of a policy of nuclear ambiguity. One of the more important of these objectives has been to avoid inducing Arab states in the last three decades to engage in establishing a nuclear infrastructure, which would be likely to lead to the acquisition of a nuclear capability.<sup>10</sup>

This objective has not been achieved. It is true that Arab

states, particularly during the first years of the pursuit of the policy of nuclear ambiguity, roughly in the 1960s, were uncertain as to Israel's nuclear weapons status and they, consequently, could not reach a categorical conclusion as to this status. Yet, this policy did not, as evidenced in the Arab official and unofficial statements, reassure Arab states that Israel lacks any intentions to acquire a nuclear weapons capability.<sup>11</sup> In the course of time, there has been a gradual but perceptible change in the Arab view of Israel's nuclear status. There has been an increasing number of statements by Arab political figures and intellectuals to the effect that they are skeptical about her acquisition of such weapons, and that they are certain that she has already acquired such weapons.<sup>12</sup> Such doubt and certainty on the part of various Arab sources clearly indicate the failure of the policy of nuclear ambiguity, inasmuch as its objective was to avoid inducing Arab states to engage in establishing a nuclear infrastructure and to set them on the road leading to the possession of nuclear weapons capability. As a matter of fact, this certainty surely led Arabs to make efforts in the nuclear field. As to the skeptics, they certainly were not reassured of the nature of Israel's nuclear activities. Ambiguity was not, of course, reassuring the Arabs, simply because it, by its nature, is not a source of reassurance. It is rather a source of anxiety. It is true that such ambiguity delayed Arab responses to the subject of Israeli nuclear capability and its implications. But such an ambiguity did not prevent the rise, gradually but steadily and increasingly, of such responses with their anxiety and concern. Such responses were becoming increasingly more frequent and tense in the course of time. While, particularly in the initial stages, weakening the Arab sense of being threatened and reducing the intensity of the Arab responses to the so-called ambiguous Israeli nuclear activity, it did not eliminate altogether the Arab sense of being threatened.<sup>13</sup> As a matter of fact, there were cases, such as the October 1973 war, the Syrian-Israeli military engagements right after that war, Israel's large-scale military operation in southern Lebanon in March 1978, and her invasion of this country in 1982, where she has not shown adequate sensitivity to the Arabs concerning the matter of nuclear weapons possession.<sup>14</sup> The Arab nuclear activities, as evidenced by such Arab states as Iraq and Libya, in the last two decades, which were, at least partially, a result of Israel's activities in this field, attest to the failure of such policy to prevent inducing the Arabs to go in Israel's footsteps.

Continuing flow, over time, of information and analysis by official and unofficial military and strategic research institutions, and of U.S. and European intelligence reports, has made all interested parties, Arab and non-Arab, increasingly less skeptical and more certain about the nature of the activities at Israel's nuclear facilities and that she has unmistakably changed her posture from a "high nuclear option" to a "bomb-in-the-basement," resulting in her possession of increasing nuclear weapons stockpiles of increasing sophistication.<sup>15</sup>

And the less ambiguous the Israeli nuclear program and its military and strategic objective became, the stronger became Arabs' motivation to acquire nuclear capability.

### The Vanunu revelations

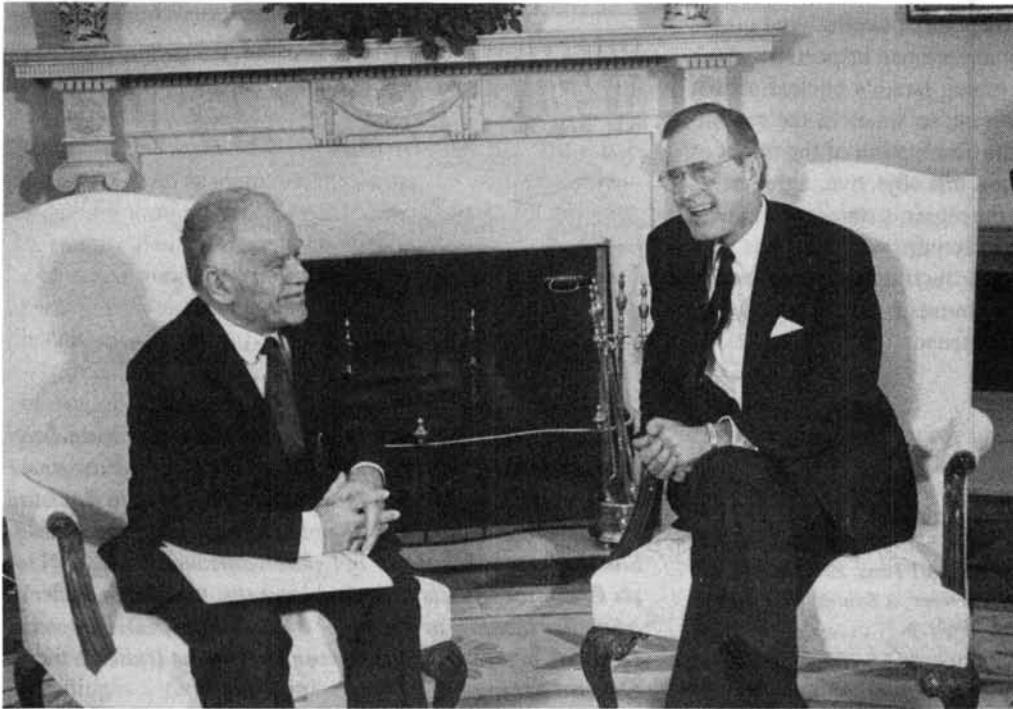
Israel's nuclear weapons development as revealed by the Israeli nuclear technician Mordechai Vanunu unmistakably adds to the increasing body of evidence of Israel's status as a nuclear weapons state. Vanunu's revelations serve as a basis for the following conclusions: After Israel had crossed the nuclear threshold in the early 1970s, she has continued her research, development and production momentum. Israel's nuclear weapons stockpile has grown and improved during the 1980s quantitatively and qualitatively, and it has exceeded 100 nuclear weapon heads; Israel has a theoretical and technical access to a wide range of advanced nuclear options, which include development of "second generation" (fusion) and "third generation" (enhanced radiation) of nuclear technologies, with battlefield- and strategic-level nuclear weapons.<sup>16</sup>

There is no doubt that Vanunu's revelations and their technical analyses by experts brought about a significant change in the common technological estimates in the world of Israel's nuclear weapons capability. A clear expression to this change is found in the 1987 third annual report by Leonard S. Spector in the Carnegie Endowment's series on the spread of nuclear weapons. The major new aspect in the report, which is regarded as authoritative among open sources in this field, lies in regarding and describing Israel, more than any time in the past, as the sixth nuclear weapon state.<sup>17</sup>

With the large body of solid evidence that Israel has an arsenal of nuclear weapons, there is now an international consensus on Israel's being a nuclear weapon state.<sup>18</sup> With this consensus, Israel's status, as far as nuclear weapons acquisition is concerned, can no longer be called ambiguous and it is no longer regarded as such. In this international consensus are also included the Arabs.

This international consensus strengthened the recognition that the so-called nuclear ambiguity, as Avner Cohen has stated, is nothing but a fig leaf for a special nuclear policy, which aims to create an effect of nuclear deterrence;<sup>19</sup> yet, this is not a nuclear deterrence policy in the conventional sense, with its attendant declaration, threats, and declared tests.

In recent years, and it is difficult, because of the nature of the process involved, to determine the exact time, Israel has been instrumental in bringing about what might roughly be called special nuclear rules of the game: On the international level, there is a de facto recognition of Israel's being a nuclear weapons state; and, at the same time, there is a deliberate ignoring of this nuclear status. There is an undisclosed, but known, Israeli monopoly on nuclear weapons acquisition in the Middle East. Israel, obviously, does not



*For years the western governments have bought the argument from some Israeli strategists that it is conducive to stability to turn a blind eye to Israel's nuclear weapons program. The opposite is the truth. Here, George Bush, who campaigned so hard for "nuclear accountability" for Iraq, meets with Israeli Premier Yitzhak Shamir in November 1990. Israel is not a signatory to the Nuclear Non-Proliferation Treaty.*

Shawn Lewis

want any Arab state to acquire nuclear weapons; she has sought, to a considerable degree of success, to undermine Arab efforts to establish a solid nuclear infrastructure. The Big Powers and other states have shown a great interest in keeping the current state of nuclear affairs in the region. That is because such states believe that such a state of affairs is preferable to giving publicity and legitimacy to Israel's acquiring of nuclear weapons. By taking such an approach, such states seek to keep, as much as possible, the nuclear dimension in the Middle East at a low profile, and to prevent Arab states from acquiring such weapons, thus preventing further nuclear proliferation in the region.<sup>20</sup> Such states, which have shown interest in keeping the present situation, where Israel has a nuclear monopoly, estimate that in the change of the present situation lies a danger of bringing about a dynamic of further nuclear proliferation in the Middle East, and that, consequently, to avoid such a development it is essential to accept silently things as they are, and to pretend not to be aware of the fact of Israeli activities and plans in the nuclear field. This is a more plausible way to explain the striking scarcity of published material, both on the official and unofficial levels, on Israel's nuclear weapons acquisition. When bits of material are published, they tend not to be too inquisitive into the size of Israel's nuclear weapons stockpile, the nuclear doctrine of Israel, and the intentions of the Israeli policy formulations in this field.

### **World turns a blind eye**

As mentioned earlier, a considerable portion of the international community has ignored the fact that Israel has ac-

quired nuclear weapons. There are Arab states, however, which are not ignoring this fact. As Israel's "high" nuclear option and her "bomb-in-the-basement" posture have considerably contributed to bringing about an Arab interest in nuclear activity, so this last phase of Israel's nuclear status, as above described, with her nuclear monopoly and attendant rules of the game, is not and will not be accepted by Arab states.

Some of the Arab states have not protested against and opposed Israel's rules of nuclear behavior, or have maintained a low profile in their protest and opposition. Other Arab states, on the other hand, have been more vocal in their protest; they have a high profile in their opposition, and have called for taking measures to match Israel's nuclear weapons status.<sup>21</sup>

This Arab reaction to Israel's nuclear weapons acquisition means that politics in the Middle East have been nuclearized. Israel's nuclear dimension has become a factor—an important factor, as a matter of fact—in the political and military considerations of the interested parties in the conflict. This dimension has left its imprint on the policies of Arab states; it has considerably fashioned Arab thinking and behavior.<sup>22</sup>

The situation as it now stands is very precarious. Arab states feel threatened by Israel's monopoly on nuclear weapons. Arab states will not resign themselves to this monopoly. This is too obvious to be ignored. This makes it clear that this new phase in Israel's nuclear status is conducive not to stability, as some Israeli strategists claim, but to instability in the region. In reaction to this situation, Arab states are bound to follow Israel's footsteps in the nuclear field. Unless

Israel eliminates her nuclear weapons stockpiles, and places her nuclear facilities under international inspection, Arab states will continue trying to match Israel's nuclear status, and nuclear weapons might spread to states in the region. Safety of the region dictates the elimination of the threat of nuclear proliferation. To achieve this objective, agreements need to be concluded between the region's states to eliminate existing nuclear weapons, not to acquire such weapons, and international inspection of nuclear facilities. Otherwise, the safety of the peoples and environment of the region and beyond would be constantly threatened.

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## Interview: Aziz Alkazaz

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### Iraq's role in the future development of the Mideast

*Muriel Mirak-Weissbach interviewed the well-known Iraqi economist Aziz Alkazaz on the eve of the Middle East peace conference. Mrs. Mirak-Weissbach has traveled to Baghdad as a delegate of the Committee to Save the Children in Iraq. She is also a collaborator of Lyndon LaRouche, whose "Oasis Plan" for Middle East development, has become part of a Schiller Institute proposal for a "True Fourth Development Decade" presented in September 1991 to the United Nations General Assembly.*

**EIR:** Many people who know the region, say that the situation in the Persian Gulf is still more complicated today than before the war. Does that hit the mark in your opinion?

**Alkazaz:** Yes, I believe that the situation in the Gulf region is more complicated in fact today than before the Gulf war, because many questions of a medium- and long-term nature have remained open, and new problems have been added to them: the question of the security policy, the possibility of a joint security of the states adjacent to the Gulf; the basic question of whether Iraq will be drawn in, or not drawn in. Is it in any way possible to exclude Iraq from a long-term stabilization of the region? Probably not. Or also if there might be a certain convergence between Iran and Egypt in security policy for the Gulf region. And where does Saudi Arabia stand in all this? The military presence of the U.S.A. may provide stability in the elementary sense. But if the fundamental problems of the region are not solved, I suspect that the political systems of the Gulf States will be very much threatened, even more than before the Gulf war.

**EIR:** During the last few months, the public all over the world has been made more aware of the religious and ethnic causes of the Gulf conflict; for example, tensions between Shiites and Sunnites in the framework of Iran's role in the region, or ethnic differences between Kurds on the one side, Turks, Arabs, and Persians on the other. Such religious or ethnic aspects have had their historical role, yet does that mean that hostile confrontation is necessarily "built in"? Is there no possibility for a peaceful cooperation? Are there not numerous examples of this from the history of Lebanon or Iraq?

**Alkazaz:** Yes, completely. I should like to point out that in general in discussions, ethnic and religious distinctions in both regional and international politics are given too much weight. These are "explanations" which unfortunately do not stand up in any way to scientific scrutiny. Here we are dealing with a phenomenon where certain real footholds are provided to political actors on a regional basis. Here and there ethnic and religious conflicts are magnified and in particular, politically exploited by these actors. But we have also seen the role of the Shiites in the war between Iraq and Iran: It was thought that since more than half of the Iraqi population were Shiites, that they would naturally take sides with Iran, and help to overthrow the regime of Saddam Hussein. In practice, nothing like that happened. Indeed, more than half of the Iraqi army was Shiite, but this army fought against Iran. Naturally, those who promoted this theory cursed, and said that in this case "Arabness" and Arab solidarity of the Iraqi Shiites had more weight than their "Shiiteness" or something like that.

We, however, look at it this way: If the chief actors in the region wish to begin to solve their political conflicts, then right away the ethnic conflicts will lose their weight. We are experiencing that right now in relation to the Kurds: When Iraq/Iran/Turkey try to come to grips with their problems and a certain commonality of interest is reached, then the weight of other problems is reduced. That does not mean, naturally, that such problems do not exist. They exist as facts. They have also existed in history, but have, however, played quite a different role. These peoples have a common history and they have grown up intermingled with one another. The Iraqi Kurds have a very long history in common with the Arabs in Iraq. And that has also left its stamp on them. The same is true of the Kurds in Iran, with the Iranian population. The same for the Christians in Lebanon. Only—and this is what we are going through—if the actors and those who pull the strings will cease and desist their exploitation of ethnic and religious groups, will it be possible to glue the joints back together. The tearing up and splitting of religion according to confessions—the more because these ethnic groups have no basis for forming their own state—would be a catastrophe for the region and for all of humanity.

We had in the Muslim Empire once the so-called Millet system, where the confessions and groups had their own religious schools and also were governed by their own laws. That functioned very well in the framework of a joint Islamic state—why should such systems not function in the future? The more since we see that the fundamental problem of the present, and the demands of the technological age, necessitate larger markets and more flexibility vis-à-vis the spirit of the modern world. So that these narrow questions, which are exploited for political reasons, must not be allowed to take center stage.

**EIR:** There is resistance among Arabs to a revival of a world

order from the last century. Do you conceive of this resistance as mere "anti-imperialism," or should we understand it from the standpoint of a few thousand years of culture?

**Alkazaz:** I do not know if they are reviving this from earlier centuries or not. I can see that many Arabs have the impression that the most recent developments connected to the conflict in the Middle East and the Gulf, mean that a continuous process of recolonization of the region is occurring. And that the political regimes there really are losing their independence.

We are living in an interdependent world. There is no truly and actually fully independent state, especially not for the states in the region. But still we must look at the fact that these states have gradually, in comparison with 10 or 15 years ago, lost a good deal of their sovereignty. That means there is a revival of a kind of recolonization—when the Arab states, for example, are absolutely incapable of doing anything effective that might have contributed to a peaceful solution of the Iraq-Kuwait conflict, that all their cards and everything were taken away from them right from the beginning. This loss of sovereignty was also shown in the 1982 conflict in Lebanon, when the Israeli army marched into Lebanon, and the Arab states failed to conduct a joint defense of the sovereignty of an Arab country.

Those Gulf states which are accumulating capital have distanced themselves too much socially from the rest of the Arab world, and have broadly ignored the higher common interest of the Arabs, which has undermined the joint-Arab organizations and sub-organizations, such as the Arab League, etc. This led to an explosive situation. But that does not prove that Arab nationalism or the Arab nation no longer exists. Precisely the fact that these countries are very closely tied together from the standpoint of the destiny of their people, and culturally, has caused the situation—the split and isolation of one rich part from the rest, poor but rich in population—to be so explosive. So that, thus, each bilateral conflict, no matter how small, can rapidly become regional, international. The Arab region has become even more tightly knit, and no conflict—in Palestine, in the Horn of Africa, in the Gulf—can be restabilized, particularly if one has an interest in preventing stability. In this case the oil region in the Gulf: It is not possible to control these resources with military means. And the eternal and continuous [U.S. military] presence in the region without solving this problem, can have a very counter-productive effect. We are today going through a slowly working process of coming back to one's senses, the new formulation of a strategy by mass organizations at the level of the people. The shock of the Gulf war will soon be behind us. And then what?

As great as the American power is, and as self-evidently as practically everybody involved admits today, that the only and decisive actor is the U.S.A.—the fundamental question remains: What does this process of accommodation do for those concerned in the final analysis? Does it overcome the

chasm between rich and poor? What about the self-determination of these peoples? I cannot imagine that peoples and countries, who for decades have fought for their independence, who have sacrificed tens or hundreds of thousands of people, that they will now accept the new situation, and, so to speak, lie down and take it. People are sharper, more conscious than before. The level of education is higher. The means of communication are more intensive. People can no longer be kept in the dark, and cannot any longer be sold a bill of goods.

**EIR:** Is there in the Arab outlook a vision of a comprehensive and just solution to the Palestinian problem? If so, what would that look like?

**Alkazaz:** Indeed, there is such a vision. I will not name any author, but whatever might be the elements contained in it, they could be acceptable to the Arab countries. Today the Arab states, including the Palestinians, agree upon one minimal demand: that the U.N. decision on Palestine be put into effect. But that is not sufficient for enduring peace.

If, for example, the Israelis would make the breakthrough to recognize the self-determination of the Palestinian people, and allow a Palestinian state to be founded; that Israel, so to speak, were to become orientalized, would no longer be a foreign body in the region from a political or ethnic standpoint, neither in attitude nor from the standpoint of fundamental aims pursued, but rather orientalized in the sense of considering the fundamental interests of the other side, [and] might seek to integrate itself into the region, strive for common security, no longer play the role of policeman. If this mentality came into being, if the Israelis were to switch from an "overall world strategy" to an integrative orientalization strategy, then the first fundamental precondition for a durable peace should be at hand. And this vision says, why could not Israel, Palestine, and Jordan form a kind of confederation, and why could not Israeli security be guaranteed by that, in that the newly originating Palestinian state would confederate itself with Jordan, and would not need to build up new armed forces. There could be demilitarized zones along the border; Israel would sign peace treaties with the neighboring states of Lebanon, Syria, Jordan. That implies, naturally, the return and the evacuation of the south of Lebanon and the Golan Heights—also likely with concomitant demilitarized zones.

But [even all] that is not yet a premise for a durable peace if the basis of trust is not built up: We should not only make these peace treaties, but borders no longer play a role—in the sense of the Palestinians' having the right to return to their homeland, since they also have the right to settle and work anywhere in Israel, a land upon which they have an earlier claim. But they have a right, documented by the U.N., to return. And the Israelis might also newly settle and work in Palestinian territory, so to speak, they have the right to return to their homeland in their own way, due to them—without endangering the Palestinian state. That is how to

take away from the Arabs and the Palestinians the fear of expansion through immigration of 100,000 Soviet and other Jews. This is a highly explosive factor in the development.

With regard to Jerusalem—here it would not be necessary to do much arranging—it is easy to imagine joint communal elections taking place and a joint city administration being put together, with which the Israelis would choose their Knesset and the Palestinians in Jerusalem would elect their parliament. And if, beyond that, there were built in the Near East an economic community, which would include all these states; which could probably also pull in even Iraq and Turkey—Turkey, which could not be admitted to the EC, and is turning ever more toward the east, becoming ever more orientalized—that might solve Turkey's economic problems.

Well, people could say to me, that sounds all like an oriental fable or a dream, but you must have a vision for solving these fundamental problems. And there are many Arabs who say: The Arab nation is very large. Why can we not take up in our midst, a state of 4 or 5 million Jews, as a state, or as a region, or in whatever way? Assuming that this state would no longer function as a bridgehead for foreign powers, and no longer worked against the interests of its neighboring states—if this premise were given, and politics directed toward regional cooperation and mutual interest, then there would be a chance for all this; then the oil and manpower wealth of the region might be better used, and the problem of water management better solved within the framework of a greater common interest. Then the majority might exercise more tolerance vis-à-vis the ethnic minorities—Kurds, Maronites, etc. Then people might be more ready to make concessions, since in the process, people also become more generous of heart. For it is a question of the joint development of all the peoples of the region, who cannot be thought away from there.

**EIR:** As you know, we put forward, with what we called the "Oasis Plan," a proposal for the development of infrastructure in the near East. You are the author of various studies on the Iraqi economy. In your judgment, what role might Iraq play in the future in the development of the region as a whole?

**Alkazaz:** Iraq has at its disposal a wealth that is simply unique, a factor which predestines it for a regional role. It has the second greatest oil reserves in the world after Saudi Arabia—many say, greater than Saudi Arabia's. It is rich in other natural resources, such as sulphurated phosphate; a very fertile soil; fresh water. It is neither over- nor underpopulated, with some 18 million inhabitants. It has an educated labor force, a time-honored educational system, management, organization. It has gained experience in many fields. Iraq could also contribute to the development of other states in the region. It has helped Sudan, Yemen, Somalia, Mauritania. Not only with money and projects, and building refin-

eries, but also with technical help. I believe that Iraq—all the more since it is oriented toward an Arab way of thinking in its fundamental conception—can contribute very much to that. Without the help of Iraq, Jordan's problems could not have been solved. Moreover, for Syria, Iraq is their hinterland, covering their rear, the reserves. The converse is true for Iraq. Iraq might be decisive for the development of Syria, just as Syria—if cooperation were to come about—might be for Iraq which might, via Syria, be provided with access to the Mediterranean, and through that attain more growth.

And it was in this direction that Iraq had been striving: Since the beginning of the 1970s, Iraq has had a policy of openness toward the Gulf States, of looking for cooperation. It gave up subversive activity. But the fundamental problem was that certain regional and extra-regional powers wished to isolate Iraq from the rest of the Gulf region. This increasing isolation created an explosive situation. I am completely convinced that if Iraq had been involved in the founding of the Gulf Cooperation Council in 1981, involved at an economic level—not necessarily strategically or from a security standpoint—then it is quite possible that this conflict with Kuwait might never have come about. I believe without the Iraqi market, the attempt to carry out regional industrialization in the Gulf is doomed to fail. For where are the markets to be found for the industries to be built in Kuwait and Saudi Arabia, in the United Arab Emirates, if not in neighboring Iraq and Iran? They are actually the natural markets, and pay in cash. And if these markets remain closed on the grounds of political conflict, then a development strategy is condemned to fail from the beginning. They cannot depend solely upon access to the markets of the industrial nations. There, their competitiveness is too limited. We know the problem vis-à-vis the EC domestic market; a problem of access, of growing competitiveness of large firms in the industrial nations. The Gulf states will not be able to keep up. They are not industrial states which are setting up factories and businesses within OECD nations. That is also not the purpose of their industrialization. Their purpose lies in building new factories at home, creating new jobs. It is not a joke, that even Kuwait, the U.A.E., and Saudi Arabia suffer from domestic unemployment, and the graduates of high schools and the universities can hardly find a real job. That must be solved; and how can you do that if you take such a great market as Iraq and systematically wreck it, isolate it politically and militarily; erect walls, possibly through psychological means, between these countries?

**EIR:** You have on a number of occasions pointed to the fact that—because of the war—interest in Islam has been awakened in Europe—also among people who formerly knew nothing about it. The Catholic Church has intensified its dialogue with Islam. How do you imagine a dialogue, through which the best of both traditions might contribute to stimulating a new Renaissance of science and culture?

**Alkazaz:** I am most deeply convinced of this, that there can be no peace in this world without a peace between religions. And this peace can begin with the exponents of the religions undertaking a true and comprehensive dialogue with the fixed purpose of bringing out what is common to them. To emphasize not what divides, but what is common—and between Islam and Christianity, the common is much, much greater. The three oriental religions were born upon Arab soil, and through the Orient were brought into the world. They have very much in common: the same image of God, the same image of man, the same system of values for society. They have a mission also; they all believe in the necessity of the commandment of the peace of God. If the theologians and other spokesmen will become conscious of these fundamental commonalities, and will over time minimize that which separates, eliminate misunderstandings, but also [become aware of] specific things that are in common, then the basis will be created for further action. I find the meetings between spokesmen of the Vatican and delegations of the Islamic scholars important. Also [that in the West] Islam is studied on many levels, from secondary to high schools, to universities—even in secular schools. More literature is circulating. Even if the spirit of combat still lies very close at hand on both sides, fueled by political conflicts, and we are still very far away from engaging in a true fruitful dialogue. The more since both sides still have historically determined fears. Europeans can converse about Buddhism and even nature religions very well, even though they are very far from Christianity. But with Islam, to put themselves inside Islam, to comprehend it from the inside, is very difficult for [the Europeans], even though the things in common are so many; and even though the birthplace of these religions are the same. It may be that in the subconscious there is a voice that says, "The Muslims have from time to time knocked on the door, and at that time had the argument gone in their favor, all of Europe would be Islamic today." And this enemy image keeps coming back. Islam as danger, always with these negative associations. As for the Muslim side, they have so far experienced Christianity and western Europe always in the epoch of colonialism, from Napoleon's Egyptian campaign until today.

One should not be surprised that so many Muslims in the world think that if NATO is looking for a new enemy image, after world communism has fallen away, that they will cultivate Islam as such. I believe the Arabs and the Muslims understand the European and the West much more than vice versa, simply because many of them have studied in the West, have Western languages at their command—English, French, Italian, German, etc.—while in comparison very few Western people speak Arabic or an oriental language, or have internalized the spirit of these people. Here there is still much to be done. The more so since Europe and the Middle East are being pushed closer and closer together, in political and economic life, in the reciprocal action of conflicts.

# LaRouche campaign spokesman tours Peru

The growing international demands to free U.S. political prisoner Lyndon LaRouche, and the increasing perception that his presidential candidacy is the best hope for the United States and the world, were clearly on display in late January in Peru during a tour by Dennis Small, the campaign's adviser on Ibero-America. In Lima, Small got a warm reception at a forum on the LaRouche case and his presidential campaign that was organized by members of the Congress of Peru, from several different parties. The forum was held on Jan. 15 in an auditorium of the Chamber of Deputies, the lower house of Congress.

"It is an honor for me to have been jailed with Lyndon LaRouche," said Small, himself a former political prisoner in the U.S. In the audience to hear the campaign adviser, were members of the Peruvian Congress, congressional aides, reporters, and other notables. "The U.S. government has more than 56,000 pages of exculpatory documents on LaRouche, which, if they were released, would overturn his conviction." The way to free LaRouche, Small said, "is to elect him President of the United States."

## A program to end the Depression

Small—who was introduced by Congressman Oswaldo Bockos of the ruling Cambio 90 Party, one of the co-sponsors of the forum, and by Congressman Carlos Calderón of APRA—described the U.S. economic mudslide and LaRouche's program for reversing it, as soon as he is inaugurated, through massive investments to rebuild U.S. infrastructure, thereby creating 6 million productive, taxpaying jobs.

The same "flea market" economic policies that created the depression in the United States have destroyed the economies of Ibero-America, said Small. The alternative for Ibero-America is LaRouche's proposals for a debtors' cartel against the policies of the International Monetary Fund (IMF), and for an Ibero-American common market, as detailed in his 1982 "Operation Juárez" proposal. Small urged the audience to endorse LaRouche's candidacy and to request that international bodies investigate human rights violations in the United States.

In a dramatic intervention, the secretary of organization of the Federation of Fishermen, one of the largest labor organizations in Peru, interrupted to announce his union's backing for the campaign to free LaRouche. He also announced, to much applause, that his labor federation fully supports

LaRouche's presidential campaign.

In 1976, the Federation of Fishermen, which had put forward LaRouche proposals to defend itself from a privatization scheme ordered by the IMF, was raided and many of its leaders thrown in jail. On the same day, on Henry Kissinger's explicit orders, the Peruvian offices of the LaRouche-affiliated New Solidarity International Press Service were shut down, as were those of LaRouche's co-thinker organization in Peru. NSIPS correspondent Gretchen Small was jailed for a week in the same prison as the Fishermen leaders. Seventeen years after that jailing, Gretchen Small was present to witness the union leader's declaration of support for LaRouche.

## Congressmen endorse LaRouche

A number of prominent individuals and institutions in Peru have endorsed LaRouche, including, so far, a dozen members of the Congress. Among them: Congressman Bockos, of Cambio 90; Cong. Carlos Rivas Dávila, who was minister of economics during the APRA administration of former President Alan García; Cong. Gilberto Cabanillas, vice chairman of the APRA parliamentary delegation in the Chamber of Deputies, and another of the forum's co-sponsors. Also, Sen. David Sifuentes Ibarra, and congressmen Walter Robles Rosales, César Zumaeta, Francisco Palomino, and Lino Cerna, all of APRA; Cong. Gerardo López Quiroz, an independent, formerly of Cambio 90; and congressmen Mario Cavalcanti, Eduardo Salhuana Cavides, and Bladimiro Begazo, all from Izquierda Unida (IU). Juan Rebaza, former Minister of Fisheries during the García administration, former Sen. Josmell Muñoz, and the Confederation of Workers of the Peruvian Revolution (CTRP) also endorsed LaRouche's presidential candidacy.

While in Peru, Small also spoke at a seminar for businessmen in Lima on Jan. 16. He debunked the so-called "Chilean miracle." Harvard's "free enterprise" freak Jeffrey Sachs is a criminal, he said. What Sachs and his clones are doing by applying the Chilean model is the equivalent of destroying a multi-story building and then jerry-rigging a couple of stories and saying, "Look how things are growing!" Relative to the blowout destruction which went immediately before, you can fool some people into looking at your ramshackle replacement and believing that growth has taken place. But in comparison to what the Chilean economy *used* to be, before it was wrecked, there has been no growth. Harvard University must be shut down, Small declared.

On Jan. 17, Small spoke on economics to an audience of 100 people. He shared the podium with Pedro Huillca, leader of the Federation of Construction Workers and vice president of the General Confederation of Workers (CGTP); Gregorio Nicolás Esquivéz, secretary general of the Federation of Fishermen; Luis Gallegos Portugal, of the Southern Cone Integration Institute; Congressman Calderón; and Javier Tantaléan, of the Institute of Latin American Foreign Debt.

## A Dominican debacle for Cisneros

*A Venezuelan political leader gives Gustavo Cisneros a "hot foot" in the Dominican Republic.*

Alejandro Peña Esclusa, secretary general of the Venezuelan Labor Party and a former presidential candidate in that country, broke open a hornets' nest in the Dominican Republic during a one-and-a-half hour live interview Jan. 16 with Dominican television personality Julio Hazim. Peña called for an investigation into the extensive business operations inside the Dominican Republic of Venezuelan magnate Gustavo Cisneros, an intimate of Henry Kissinger.

Peña's early morning comments, transmitted nationwide on Colorvision network in Santo Domingo and repeated later that same afternoon on Cablevision network, referred to the continued ban in Venezuela of the controversial book *Narcotráfico, SA (Dope, Inc.)*—thanks to the efforts of Cisneros—and to usurious debt-for-equity and privatization scams being foisted upon Ibero-America.

Channel 13, another television network in the Dominican Republic, announced that night that two representatives of Gustavo Cisneros would be interviewed live the next morning, on the same Colorvision network as Peña, to respond to the charges against Cisneros and "to expose the LaRouche organization." U.S. economist and presidential candidate Lyndon H. LaRouche commissioned the writing of *Dope, Inc.* back in 1978, and Cisneros has been obsessed with LaRouche ever since.

Sources also reported that the Cisneros representatives had flown in Cisneros's private jet from Caracas immediately following the Peña

broadcast. According to one knowledgeable source, the Cisneros team had been instructed to "sue the pants off everyone connected to that show." Later, it was learned that Gustavo Cisneros himself and top aide José Rafael Revenga—the man who personally oversaw Venezuela's unconstitutional banning of *Narcotráfico, SA* in 1985—were on that airplane. A press conference by the Cisneros crew at Santo Domingo international airport was planned that same afternoon, then abandoned.

Scheduled to appear on Colorvision the morning of Jan. 17 was José Rafael Revenga. Repeated television announcements of the planned appearance stirred excited anticipation throughout the island nation. Just prior to the broadcast, however, Cisneros personally contacted an executive of the network to report that he had decided to cancel the interview, to avoid giving Peña "too much publicity."

Many Dominicans had been eagerly looking forward to witnessing Cisneros's public tantrum over the Peña revelations. The Venezuelan magnate has many financial interests in their country, as well as a great deal of political influence, and had even been granted Dominican citizenship (alongside his own Venezuelan citizenship), in the mid-1980s by then-President Jorge Blanco, who has since been convicted and jailed for embezzling state funds.

Nonetheless, a few years ago, Cisneros was forced to give up his Dominican citizenship after the ma-

jority leader in the Dominican Senate cited information in the book *Narcotráfico, SA* as proof that Cisneros was not a fit Dominican citizen. The incident took place right after Cisneros had taken a tour of the Dominican Republic in the company of Henry Kissinger, jet-set designer Oscar de la Renta (Kissinger's annual host in the Dominican Republic), and Venezuelan crooner José Luis ("Puma") Rodríguez.

Just a few months ago, all the senators of the majority Democratic Liberal Party (PLD) signed a resolution, calling on their Venezuelan colleagues to end the illegal prohibition against *Narcotráfico, SA* in Venezuela.

Peña left the Dominican Republic without incident, just 24 hours after his arrival there. During his stay, he had also given several other television interviews reviewing the presidential candidacy of U.S. political prisoner LaRouche, the widespread corruption among U.S. ruling elites, the depopulation policies of the international financial elites, and the creditor banks' efforts to turn Ibero-America into "narco-economies" to prop up the collapsing world monetary system.

In particular, he targeted the free-trade obsession of the Bush administration in Washington, and of President Carlos Andrés Pérez in Venezuela. "The fact is," said Peña, "that the monetarists are a fundamentalist cult, a sect that worships money. Man creates money for his own use, but this free-trade cult has turned around and now sacrifices everything to this golden calf."

According to the networks which broadcast Peña's comments, they received an unprecedented flood of calls from Dominican viewers seeking more information about the Ibero-American Solidarity Movement, of which Peña is a leader.

## Israeli-Central Asian dope deals flourishing

The January announcement that Kyrgyzstan has finalized the legalization of opium cultivation is the latest indication that the Israelis are busy throughout the former U.S.S.R. Fostering dope mafias is seen as a means of not only financing intelligence operations, but also extending Israeli and Anglo-American influence there, in particular, because much of the former KGB has submerged itself in criminal gangs.

Although Kyrgyzstan's announcement came at the same time that visiting State Department envoy Robert Fowler reported that the United States would be aiding the Central Asian republic in "privatizing" agriculture, the Israelis are expected to supervise much of the operation, particularly through Agricultural Ministry officials acting on behalf of the Mossad. Israel is opening up diplomatic relations with most of the Islamic republics, and agreements to develop their overall agriculture exports have already been struck.

Back in the 1960s, Israel's Agriculture Ministry was used as a cover for joint CIA-Mossad operations in Africa. Now the same technique is being used in Central Asia. Mikhael Dekel, the ally of Gen. Ariel Sharon who just took over the Agricultural Ministry, is someone to watch in this regard.

Part of the background to this operation goes back to a July 1 Moscow meeting among then-Soviet President Mikhail Gorbachov, David Kimche, the former chief of Mossad African operations, and Shaul Eisenberg. Among the items reportedly discussed at that gathering were Eisenberg's ex-

tensive "cotton development" project in Uzbekistan, a neighboring state to Kyrgyzstan.

Eisenberg, reportedly a senior figure in Mossad financial operations, spent most of the 1980s in Beijing, where he oversaw a multibillion-dollar "coal development" project in Yunnan province, the center of opium production for the P.R.C.

Kimche is now employed by Tiny Rowland's Lonrho Corporation, a firm with longstanding ties to not only the British, but also the Kuwaiti royal family.

It should be recalled that Kuwaiti intelligence documents seized by the Iraqis in early August 1990, showed that even the CIA was complaining that "Kuwaiti capital is being used to promote drug trafficking in Pakistan and Iran." Mideast-financed Central Asian and West Asian narcotics cultivation will now vastly increase.

## Russia still pushes 'Gulf coalition'

Despite the U.S.S.R.'s demise, the Russian establishment, and Russian President Boris Yeltsin, are apparently still committed to a condominium with the Anglo-Americans against the Third World that was pioneered by Mikhail Gorbachov.

In an address at Bar Ilan University in Israel in early January, Yeltsin adviser Nikolai Shishlin proclaimed that "the Gulf war has proved that the united Arab world does not exist any longer." "What exists nowadays," he proclaimed, "is a dangerous pan-Arab force."

Criticizing earlier Soviet regimes for being too pro-Arab, Shishlin said that "the Arab country's dictators can no longer rely on Russia; friendly rela-

tions with Qaddafi and Arafat do no one credit." He added that he favors moving Russia's Embassy from Tel Aviv to Jerusalem, thereby recognizing Israel's annexation of East Jerusalem.

Similarly, Moscow Oriental Institute expert V. Isayev contributed an article in the publication *Argumenty i Fakty* in early January, warning of the dangers of the "Islamic bomb," which one might expect to find in the pages of the London *Times*, *Jerusalem Post*, or *New York Times*. Isayev claimed that uranium, allegedly missing from Iraq, has shown up in Algeria, together with Iraqi scientists. Palestine Liberation Organization chairman Yasser Arafat was recently in Kazakhstan, Isayev claimed, to aid an Islamic bomb project that unites the Islamic fundamentalists of Algeria, Iraq, the PLO, and Turkic peoples.

## Algeria vows to reverse oil nationalization

Algeria's new military government, the High Council of State, ordered an emergency meeting of the still-existing civilian cabinet of Prime Minister Sid Ahmad Ghazali on Jan. 21, to "draw up concrete steps to relaunch the economy."

This relaunching will primarily occur through the ruthless implementation of Ghazali's "hydrocarbon law," passed last year before the aborted election, after much controversy. The law opens up Algeria's oil and gas fields to foreign partners, reversing a nationalization policy which had earlier virtually defined the Algerian revolution. It was as one of the first countries to nationalize its oil that Algeria played a key role in the creation of OPEC.

## New diplomacy, but economy crumbles

*Beijing is taking full diplomatic advantage of the vacuum left by the Soviet collapse and U.S. economic weakness.*

Within a single week at the end of January, the communist butchers of Beijing expect to establish formal relations with the Anglo-American outpost of Israel, provide the keynote speech for one of the capitalist world's leading economic forums, and de facto reestablish relations with the United States. Meanwhile, China is rapidly expanding its influence throughout Asia, moving into the gap left by the breakdown of the Soviet Union and the depression collapse in the United States.

Israeli Foreign Minister David Levy will be in Beijing on Jan. 22, making official the longstanding relationship between the two nations based on extensive illicit arms and drug trafficking. Prime Minister Li Peng, who has over the past months strengthened his position dramatically in the Chinese leadership, will depart after the Israeli meetings for a tour of Italy, Portugal, Spain, and Switzerland, where he will speak at the opening session of the prestigious Davos World Economic Forum. From there, Li will fly to New York for the special meeting of the heads of state of the members of the U.N. Security Council.

This meeting, called by British Prime Minister John Major in an attempt to deal with the mounting resistance to the "shock therapy" being imposed on the newly freed Soviet bloc nations, has provided a convenient basis for President Bush to sit down with the man best known for carrying out Deng Xiaoping's order to massacre the demonstrators on Tiananmen Square in June 1989. Bush has an-

nounced that he will also meet privately with Li while in New York, a step that he may regret in this election year.

Bush knew that he could not get away with inviting Li to the U.S. himself, since the ever-increasing repression in China continues unabated in the full view of world opinion. He and Major have therefore used the indirect approach, both by approving the Israeli moves, and by using the guise of "U.N. business" to facilitate the private Bush/Li meeting. Bush is effectively returning the United States to pre-Tiananmen relations with China. The administration conveniently dropped trade war threats against the P.R.C. the week of Jan. 13, after an orchestrated showdown ended in a last-minute agreement.

China is taking full diplomatic advantage of the Soviet collapse and the increasing public recognition of the bankruptcy of the U.S. economy. Following Li Peng's successful trip to India last month, President Yang Shangkun traveled to Singapore and Malaysia. Arriving in Singapore with 20 high-ranking officials immediately following George Bush's visit there, Yang made no objection to the Bush announcement that the U.S. would move its naval command center to Singapore, located on the strategically crucial Malacca Straits. In Malaysia, however, Yang gave lip service to Malaysia's public opposition to U.S. attacks on national sovereignty under the guise of environmental or human rights concerns. China is playing it both ways.

The most foreboding diplomatic event was the eight-day visit to China

by the former Warsaw Pact Commander Marshal Viktor Kulikov. Kulikov, supposedly gathering material for a book on Soviet World War II casualties in China, met with People's Liberation Army Chief of Staff Gen. Chi Haotian and other military officials. General Chi had spent several weeks in the Soviet Union immediately preceding the attempted coup in August last year, meeting with those who were to lead that failed effort. The Chinese have made no secret of their preference for a return to the good old Stalinist days in Russia.

While the diplomacy escalates and Beijing officials maintain a public posture of stability, several public pronouncements on the actual state of the economy have reached the pages of the Hong Kong press, revealing that it is rapidly following the pattern of collapse seen in both the Soviet and the Anglo-American empires.

Yao Yilin, associated with "hard-liner" Chen Yun, debunked the claims of economic progress during the past five year plan. Pointing to the crucial state sector of medium and heavy industry, Yao revealed a 2.9% decline in production and a 41.7% collapse in profits. He said there was a \$7 billion fall in state revenue (state sector industry provides 80% of China's tax revenue).

The daughter of Deng Xiaoping, Deng Nan, an official in the State Science Commission, told a conference that there was no reason for optimism over the state of the economy. She revealed what many suspected—that the unemployed rural work force is now 150-200 million!

The official *China Daily*, meanwhile, admitted that 21% of Chinese children suffer from illnesses due to malnutrition. In nine of the neglected inner provinces, nearly half the children are anemic and one-third suffer from rickets.

# International Intelligence

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## ***Ghana's Awoonor puts a challenge to G-77***

In his farewell address as chairman of the Group of 77 developing nations, Ghana's U.N. representative Dr. Kofi Awoonor said, "We will defend our rights in a world which sees more and more every day, excessive dependence on might, bully-tactics, and abuse against the poor and the weak."

The chairmanship of the G-77 is being taken over by Pakistan.

Awoonor warned that "no effort is being seriously made to correct the inequities of the international economic system which breed poverty . . . there can be no lasting peace if these inequities are not addressed."

An interview with Awoonor was published in *EIR's* issue of Nov. 1, 1991.

Indian U.N. envoy Chinmaya Gharekhan also spoke at the meeting, expressing the pessimism now reflected by many developing sector leaders: "We've had to conduct damage-limitation exercises in response to Western initiatives. The assembly is being used by powerful countries in the new scheme of things." Other delegates noted that proposals by industrialized countries are aimed at eroding the sovereignty of developing countries.

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## ***IISS: Next Mideast war could be nuclear***

The London-based International Institute of Strategic Studies released a report the week of Jan. 13 which claims that the next war in the Mideast could be nuclear. The report, "The Gulf Conflict: A Political and Strategic Analysis," was timed to coincide with the first anniversary of the start of the Gulf war on Jan. 17.

The author, Roland Dannreuther, told a London news conference that a future war in the region might be fought with chemical weapons delivered by missiles or with nuclear weapons. IISS director François Heisbourg said that the development of nuclear

and chemical weapons suggested that if there was a new war in the Gulf "we may not be quite so lucky as we were. We came very close this time. Nobody knows what will happen in 10 years' time."

Meanwhile, Frank Barnaby, a former director of the Stockholm International Peace Research Institute (SIPRI), told a London conference the same week that the transport of plutonium around the world as a result of growing nuclear reprocessing increased the risk of theft. "In only eight years' time, some 300 tons [of plutonium] will have been produced worldwide, enough to make over 30,000 crude nuclear bombs," Barnaby told reporters. "Although terrorist or sub-national groups have not yet used or threatened to use nuclear explosives, it may only be a matter of time, unless nuclear materials can be scrutinized extremely tightly under a national inspection scheme," he said.

These statements are part of an Anglo-American campaign for "technological apartheid," to deprive the Third World of advanced technology and a sovereign military defense capability.

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## ***Infamous 'Yalta' document sees the light of day***

The document on the partition of the world at Yalta into British and Soviet spheres of influence, informally drafted by Winston Churchill for Josef Stalin, was published for the first time on Jan. 11 by the British daily *The Independent*.

According to the newspaper, the document surfaced during the making of a four-part series on Churchill by the BBC.

In "Road to Victory: Winston S. Churchill 1941-1945," British historian Martin Gilbert described how Churchill, then British prime minister, produced what he was said to have called a "naughty document" at a meeting with Stalin on Oct. 9, 1944, in Stalin's study at the Kremlin. Gilbert said that Churchill set down a list of countries, noting the percentages of Soviet and other Allied interest. The document was interpreted to mean that Romania would

fall 90% to Russia and 10% to "the others"; Greece would go 90% to Great Britain ("in accord with the U.S.A.") and 10% to Russia; Yugoslavia and Hungary would be divided 50-50; and Bulgaria would go 75% to Russia and 25% to the others.

Churchill was said to have written the names of the countries and the figures and then pushed the piece of paper across to Stalin, who made a large blue checkmark across the top with a pencil. *The Independent* said that Churchill wrote in his memoirs that he suggested that the paper be burned. "Might it not be thought rather cynical if it seemed we had disposed of these issues, so fateful to millions of people, in such an offhand manner?" Churchill reported himself as saying. "No," Stalin responded. "You keep it."

The original paper disappeared, but two photographs were found recently among Churchill's papers.

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## ***Pakistani military said to favor nuclear option***

The *Times* of London reported on Jan. 14 that it has a copy of a Pakistani policy paper calling for sharing Pakistan's nuclear expertise with Iran. The paper, written during the Gulf crisis, is reported to have been backed by former Chief of Staff Aslam Beg, who was an outspoken opponent of the war against Iraq.

The authenticity of the report has not been confirmed.

Titled "Crisis in the Gulf 1990," the report is said to conclude with a call for Pakistan to declare its possession of a nuclear bomb. "Let us now lead the Muslim world as a nuclear-weapon state," the *Times* quotes the paper. It also denounces Bush's new world order as the "new face of mercantile colonialism."

The *Times* quotes Shireen Mazari, head of the department of strategic studies at Qaid-i-Azam University, that "the faction within the Army that espouses a tough stance against Washington has grown in strength since the suspension of aid. They

## Briefly

are more convinced than ever that the U.S. cannot be trusted and that the nuclear option is the only guarantee of Pakistan's security."

### **Mexican journal attacks Bush's new world order**

The Mexican magazine *Jueves* on Jan. 9 compares the problems of George Bush and his "new world order," to the difficulties of Russia's Boris Yeltsin, commenting that the fate of both Presidents will be determined by the end of this year.

Bush's recent trip to Japan, the magazine explains, was an attempt to get the Japanese to bail out the "collapsed U.S. economy from catastrophe." While in Australia, Bush "took the opportunity to warn of a new war: trade war, so feared by his competitors."

Since the "evil empire" has been defeated, *Jueves* says, the U.S. government needs new enemies. "Does anyone doubt that they will be the scapegoats Bush uses in his election campaign, as he attempts to avoid responsibility for his country's economic debacle?" The truth is that "the destroyed U.S. economy, the most indebted and deficit-ridden in the world, won't respond with pure injections of saliva."

If all else fails, Bush can always resort to the "resources of war—economic war, already outlined in Canberra, or, why not say it, a hot war—against Iraq once more, or maybe Libya, or perhaps Cuba?"

### **Colombian senator scores government AIDS policy**

Sen. Carlos Corsi denounced the AIDS policy of Health Minister Camilo González, a member of the "former terrorist" M-19, in a speech on Jan. 18. He castigated González's pornographic pro-condom campaign, and identified the importance of Henry Kissinger's recently declassified 1974 National Security Study Memorandum 200, which described the growth of population in Third World countries as a "national security"

threat to the United States (see *EIR*, May 3, 1991).

Corsi, who is a Catholic, said that condoms don't help stop the spread of AIDS, and that González's campaign merely helps spread promiscuity, for example, in a government ad that shows a nude man with a condom saying, "This is the only piece of clothing never to take off." The senator described the condom as nothing but the weapon of U.S. anti-natalists, whose views are official U.S. policy, as shown by NSSM 200.

Corsi counterposed that the only way to fight AIDS is with science and Christian morality. He charged that in the past, González used to attack the Ford and Rockefeller Foundations. "Mr. Minister, these foundations still exist, and are promoting population reduction. Why aren't you attacking them?" Rather, he said, González is translating the campaigns from the United States into Spanish, for use in Colombia.

González replied that the sexual behavior of Colombians cannot be judged by the criteria of "medieval Christian morality."

### **Will Mitterrand give up 'force de frappe'?**

French President François Mitterrand hinted, in a speech Jan. 11, that he might eventually turn control over France's nuclear deterrent, the *force de frappe*, to a supranational Europe. "Only two of the 12 [European Community nations] have an atomic force," said Mitterrand. "For their domestic policies, their doctrine is clear. Is it possible to conceive of a European doctrine? This question will become one of the major questions of the construction of a common European defense policy."

European Community President Jacques Delors expressed support for this idea. "If one day the European Community constructs a very strong political union, then why not transfer the nuclear weapons to this political authority?" he asked. Former French President Valéry Giscard d'Estaing also backed the idea.

● **GORBACHOV** met Henry Kissinger in Moscow on Jan. 14, according to Radio Moscow. The meeting took place "behind closed doors," after a photo session with the press, at the office which the former Soviet President is using to establish his new foundation for political forecasting.

● **RUSSIAN** official Valery Nikolaev, head of the Latin American Department of the Foreign Ministry, called on Cuba to "send signals" to the United States that it is willing to "bend over backward" to negotiate an end to the feud between the two countries. In an interview with the *Baltimore Sun* published Jan. 18, he said that many of Cuba's "shortcomings originated from our own bad advice."

● **YASSER ARAFAT'S** arrival in New Delhi on Jan. 21 is causing headaches for the pro-Israel lobby there, which fears that the visit may sabotage India's shifting attitude toward Israel, wrote the *Economic Times*. The Indian Council of World Affairs is presenting the first Indira Gandhi Award for International Justice and Harmony to Arafat.

● **IRAQ'S** food situation is deteriorating, and there is no improvement in sight as long as U.N. sanctions remain in place, Catholic Relief Services reported on Jan. 15. "Hunger and malnutrition are now widespread," said Douglas Broderick, the agency's representative in Baghdad, in a report issued from its Baltimore, Maryland, offices.

● **A CHINESE** government internal document calls George Bush's Asia trip an attempt to subvert the Beijing government's power, the *London Observer* reported on Jan. 12. The document says that Bush's trip was really about "digging a tunnel under the great wall of socialism and trying to attack from the inside." How such a strategy fits with Bush's hapless attempts to sell cars in Tokyo, was not explained.

## Establishment designates Clinton as front-runner

by Kathleen Klenetsky

The primaries for the 1992 U.S. presidential elections have not yet begun, but the move is on to designate Gov. Bill Clinton of Arkansas as the front-runner of the Democratic pack.

Ever since Clinton was invited to attend the Bilderberg meeting last June, it has been obvious that the U.S. establishment was seriously considering installing him in the White House. Over the past month, Clinton has been the subject of a concerted effort by the major media and various pundits to present him as virtually unstoppable. Reportedly, Democratic National Committee chairman Ron Brown is leading the effort to get the Democratic presidential nomination wrapped up as soon as possible, arguing that the more united the party is early on, the better the chance of defeating Bush in November.

Clinton has been picking up significant institutional support from various factions within the Democratic Party. Senate Armed Services Committee chairman Sam Nunn (D-Ga.) departed from his traditional policy of no early endorsements to put his stamp of approval on Clinton in December. Kathleen Kennedy Townsend, of the Kennedy clan, has endorsed Clinton, and Rep. Stephen Solarz (D-N. Y.), according to his aides, is on the verge of giving him his official backing as well, which will open up a lucrative pipeline to pro-Zionist lobby money sources.

Although Clinton is widely viewed as anti-labor, partly for his staunch support of the North American Free Trade Agreement (NAFTA) which will cost U.S. workers hundreds of thousands of jobs, several key labor unions, including the American Federation of State, County and Municipal Employees and the American Federation of Teachers, are moving behind his candidacy.

Clinton can also count on the political and financial backing of the Democratic Leadership Council (DLC), a group of "Bush Democrats" founded by Sam Nunn and others in

1984 to steer the Democratic Party in a more "centrist" direction. Clinton served as DLC chairman until he announced his candidacy, and the group has been busy lining up support around the country for their former leader.

Campaign strategist James Carville, who helped engineer Harrison Wofford's stunning upset of Richard Thornburgh in last November's special Senate election in Pennsylvania, has signed on as a strategist with Clinton's campaign.

Perhaps even more significant, Clinton received a tentative imprimatur from the Dec. 30 London *Financial Times*. In an analysis of the U.S. elections entitled "Mr. Bush and the Churchill Syndrome," Michael Prowse effectively dismissed all the other Democratic presidential candidates, but called Clinton "the most substantial candidate" who, as a "former Rhodes scholar and Yale Law School graduate," is "intellectually sharp" and someone who could conceivably defeat Bush.

### Closing down the debate

According to one scenario that is receiving wide circulation, Clinton will do better than previously anticipated in the Feb. 18 New Hampshire primary—possibly edging out Paul Tsongas who, being from Massachusetts, has a home-town advantage—and with that achievement, will be well-positioned to sweep the 12, mostly Southern, primaries which take place March 10. These "Super Tuesday" primaries will select 869 of the 2,142 delegates needed to secure the presidential nomination.

Should Clinton perform as expected March 10, the scenario goes, then the other remaining Democratic candidates will accede to the inevitable, and either bow out of the race or run only nominal campaigns thereafter.

From the establishment's standpoint, the scenario outlined above has several virtues.

First, it would effectively eliminate the possibility of any

serious discussion of foreign and economic policy from the Democratic primary process.

This idea is not new. Indeed, Sen. Daniel P. Moynihan (D-N.Y.), a sworn enemy of LaRouche, wrote a commentary for the *New York Times* several years back, calling for turning the primaries into showcases, robbing them of all power over the presidential nomination. But the current crisis afflicting the U.S. electorate has made its implementation more urgent.

Given the depression, and the concomitant political unrest among the population, there is an intense desire within the U.S. elite to avoid the kind of *uncontrolled* national debate which could give exposure to proposals that have heretofore been suppressed or successfully smeared as “extremist,” especially those associated with Democratic presidential candidate Lyndon H. LaRouche.

Allowing the primaries to unfold as in the past would expose the current pack of “mainstream” Democratic hopefuls for the sorry excuses for political leaders that they are, unable to propose intelligent, workable solutions to the current crises.

By locking up the nomination for Clinton early on, and manipulating public perceptions of him through orchestrated media coverage, the intent is to cut off any serious discussion of the measures needed to solve the country’s profound crises.

### **The blow-dried technocrat from Oxford**

Second, for an establishment that has settled on bone-crushing austerity at home and trade war abroad as its response to the depression, Clinton is just what the doctor ordered. “He’s a lot like George Bush, except he’ll do what he’s told,” is how one observer describes Clinton.

Clinton typifies the “new generation” Democrat—a technocrat with fascist leanings who has proven himself “pragmatic” and ready and willing to toss aside traditional Democratic concerns and constituencies for the sake of bankrupt financial policies and institutions. Incapable of formulating an economic policy that would increase U.S. industrial and agricultural output, Clinton has opted for populist versions of the same basic policies advocated by George “Herbert Hoover” Bush.

Although Clinton claims that he wants to solve the United States’ economic woes by boosting economic growth, the reality is that most of his concrete proposals involve slashing social spending.

Clinton constantly touts the fact that, as governor, he cracked down on “welfare cheats.” In one of the most impoverished states in the Union, where incomes still hover about 25% below the national average, Clinton managed to slash Arkansas’s relief rolls by 7%—an accomplishment he claims shows his ability to run the country. He vows at every opportunity that, if elected, he will implement a national program to put welfare recipients to work, but he never answers the question of where those jobs will come from when unemploy-

ment is zooming.

In a similar vein, Clinton boasts that he initiated an aggressive program to trace fathers who do not provide child support, and claims that by implementing the same program as President, he will be able to bring down the budget deficit. The real problem, however, is that there are simply not enough jobs available that pay enough to support a family.

The same mentality can be seen at work in many of the other key policies he promoted in Arkansas, and in the pathetic excuse for a platform his campaign is now circulating. For example: Clinton strongly supports right-to-work laws and, according to a new report by the Arkansas state AFL-CIO, reneged on an opportunity to do away with the tax on food in Arkansas—one of the few states which imposes such a regressive tax.

Clinton has also emerged as one of the leading Democratic defenders of the death penalty; several Arkansas prisoners have been executed during his watch.

His purportedly positive proposals for dealing with the depression are a joke: One of the highlights of his economic program calls for taking the two-year funding for the new highway bill and spending it all in the first year, as though that will take care of the unemployment crisis. And he’s also proposed a middle-class tax cut, which will amount to a piddling \$400—about a dollar a day—for the average family.

Clinton has had little to say about foreign policy, although he strongly supported George Bush’s war against Iraq—the only Democratic presidential candidate to do so. He made his most specific statements on foreign and strategic policy in a speech at Georgetown University on Dec. 12, in which he declared himself fully in support of free trade, including the NAFTA agreement. “I believe the negotiations on an open trading system in the GATT [General Agreement on Tariffs and Trade] round are of extraordinary importance, and I support the negotiation of a North American Free Trade Agreement,” including giving “fast track” authority to the Executive branch.

### **The best laid plans**

If the boys in the back room have in fact decided that they want to make Clinton President, or, at least, the Democratic nominee, they still face an uphill battle selling him to the public.

Rumors of extra-marital affairs have plagued his political career, and have burst into the national media.

It is extremely telling that even though George Bush’s popularity continues its precipitous decline, the latest polls reveal that neither Clinton, nor any of the other four media-approved candidates, can beat him at this time. The person the polls show *is* able to beat Bush is someone who the pollsters label the “unknown” Democrat.

That must send shivers up the spine of those who have tried every possible tactic, including a lengthy jail sentence, to prevent LaRouche’s influence from spreading.

# Chicago probes NSC genocide memorandum

by Tom Szymecko and Marianna Wertz

The Chicago City Council's Committee on Health, Aging, and Disability is currently holding a series of hearings on the recently declassified National Security Study Memorandum 200 (NSSM 200), entitled "Implications of Worldwide Population Growth for U.S. Security and Overseas Interests," first issued on Dec. 10, 1974 by the National Security Council (NSC), under the supervision of then-Secretary of State and National Security Adviser Henry Kissinger. The hearings are the first official examination into why anti-population policies are being fostered by agencies of the U.S. government. The issue has aroused controversy across the United States and abroad.

In his letter to President Bush, inviting Bush's testimony on the document, Alderman Ed Smith (28th Ward) states: "With the year 2000 rapidly approaching, the issue of population growth and control is of paramount interest to all." Alderman Smith, chairman of the committee, invites Bush's participation in the hearings "as an identified participant in the creation of this document." Similar invitations were sent to Henry Kissinger, National Security Adviser Brent Scowcroft, chairman of the Council of Economic Advisers Michael J. Boskin, and National Institutes of Health official Dr. Robert Gallo. None of the invitations was accepted.

NSSM 200 was first exposed by *EIR* last year as a genocidal policy document, whose thesis is that, as a matter of national security, the United States should encourage population reduction in the developing sector—and especially in nations whose populations are non-white.

## 'Genocidal' drug problem

Two hearings have been held to date, one on Dec. 9 and the second on Jan. 13. The immediate subject of the hearings is a resolution which calls for a thorough investigation of the implications of NSSM 200 for the African-American population in this country. The resolution was put before the committee by the coalition organization Peoples' International Government to Abolish Genocide (Pigtag), whose chairman is civil rights leader Rev. James L. Bevel. Reverend Bevel has himself given testimony to the committee at both hearings, outlining what he calls the "genocidal" intent of NSSM 200 toward African-Americans, as well as social mea-

asures which Pigtag proposes to ameliorate the condition of blacks in this country.

A total of 10 speakers have addressed the committee, including two Chicago aldermen who are also co-signers of the resolution. Alderman Robert Shaw (9th Ward), testifying on Jan. 13, declared, "Whether it is the National Security Council or the World Bank, whoever or whatever these hearings implicate in genocide, let the facts hang out." He called for adoption of the resolution by the Chicago City Council, to help stop what he termed the "genocidal drug problem" in Chicago.

Alderman Dorothy Tillman (3rd Ward) also testified at the second hearing, which occurred, she noted with approval, during the week in which Dr. Martin Luther King's birthday is commemorated. She called on the city of Chicago to take leadership to wipe out the "state of genocide" brought about by the crack-cocaine epidemic in the city's black population, and to begin by passing the Pigtag resolution.

Reverend Bevel, a long-time associate of Dr. King, presented a copy of the full NSSM 200 portfolio to the committee and briefly outlined the genocidal implications of the memo in his presentation to the committee on Dec. 9. At the Jan. 13 hearing, Reverend Bevel recalled his days as a leader of the voting rights movement with Dr. King: "When I was in Mississippi to register people to vote, I couldn't find people who were disenfranchised—they were afraid of getting shot. How do you get rid of that fear? Through knowledge and education." He warned that if black Americans don't move now to reverse the genocide against them, "Ours will be the same fate as the American Indian."

Dr. Conrad Worrill, leaders of the National Black United Front in Chicago, gave testimony at the first hearing, and charged, "Genocide against black people in America still continues with government direction." When Chairman Smith questioned this statement, Dr. Worrill responded, "Soon 70% of African-American males in the United States will be in jails or addicted to drugs. And there is no question that the government is involved in drug trafficking."

Several of the speakers drew on material that *EIR* has made available. Rev. Melvin Delk of Chicago cited *EIR*'s documentation of the sterilization of 40% of Brazil's women as a result of a conscious genocide policy advocated by the U.S. government. Ernest Washington, a former Chicago firefighter and a representative of the Schiller Institute, gave testimony at both hearings on the warfare conducted by NSSM 200 author Kissinger against *EIR* and the political movement of Lyndon LaRouche, to prevent the exposé of Kissinger's genocidal policies.

Chairman Smith concluded the second hearing with a pledge to present the resolution to the full City Council and to hold a third hearing on Feb. 10 at 9:00 a.m. "As long as I am chairman of this committee," he said, "there will be a forum for this, and we will continue to hold hearings on the genocide issue."

## Loudoun County's Dems tear club apart

by D. Stephen Pepper

In the grip of political hysteria that resembled the worst witchhunting frenzy of the Joe McCarthy era, at its meeting on Jan. 15, the Loudoun County, Virginia Democratic Committee abandoned any pretense to liberal political principles and moved to expel the dozen or so members of the committee because they were associated with Lyndon LaRouche.

At the close of its meeting, under new business, a resolution was introduced to expel any committee member who professed public support for Democratic presidential candidate LaRouche or who was a member of any organization declared to be associated with him. Normally, such a resolution, if accepted, would be taken up for consideration at the next regularly scheduled meeting.

But to the amazement of several longstanding committee members, the majority, whipped into a frenzy by the vitriolic language used in the resolution, and goaded by the thuggish tactics of present committee chairman, failed Board of Supervisors candidate James DeFrancia, the 60-odd members remaining at the meeting voted by the bare two-thirds majority required to suspend its own rules and take up the resolution for immediate consideration.

### Landmark decision

The resolution passed by this local club cannot be dismissed as an aberration in the area where the LaRouche movement has been headquartered and targeted most heavily. The resolution was almost certainly cooked up in Richmond, the state capital, if not at Democratic National Committee headquarters, as a test case for the country.

The reality is that, much as they may argue that LaRouche is "not a Democrat," they have never been able to enforce such a lie. In addition, the official Democrats are faced with the fact that the LaRouche current of the party has gained enormous credibility on the economy and other issues—to the point that LaRouche is the only national Democratic candidate addressing the real catastrophe. This fact is even more clear in Virginia, where the Democrats did not even challenge the Republican incumbent in the last senatorial election—while the LaRouche Democrats did. Although it will further destroy the party, the bureaucrats are desperate to

wipe out LaRouche.

In American terms of reference, the resolution passed harkened back to the McCarthy witchhunt era, going so far as to declare anyone "affiliating" with any organization that "supports" LaRouche as liable to being kicked out.

### Defending the Constitution

Former chairman Donald Caruthers attempted to restore sanity to the meeting when he spoke against the suspension of rules. "In fighting a tyrant the trick is not to become one yourself. I'm afraid that we, in reacting to them, are becoming prone to sacrifice our own democratic principles. That is unnecessary and it is harmful to us," said Caruthers, a well-known attorney in northern Virginia. "This [resolution] flies in the face of the First Amendment. It says that anyone who expresses a political opinion that the majority of this committee does not approve of should be expelled from the committee for it."

Caruthers's sentiments were echoed by a handful of other members who expressed concern or outrage at the disregard for due process or any pretense of a deliberative process. "I think that we are setting up machinery if we accept this resolution, to destroy the Democratic Party in Loudoun County," said one member.

But their appeal to reason was to no avail in the environment that had been shaped by the club's executive. During the course of this meeting, the once liberally inclined members of the club had gleefully voted to refuse to consider a resolution on behalf of that poor soul, Herbert Bassette, who was awaiting execution on Jan. 23 in Virginia. They voted down any consideration of a resolution to assume responsibility for the education of Loudoun County voters as to the economic issues in the forthcoming presidential election. What "tainted" these resolutions—seemingly in keeping with liberal principles—in the view of the majority, was that they had been introduced by members associated with LaRouche.

### Changes to by-laws proposed

At the start of the meeting, Chairman DeFrancia introduced proposals for changes to the by-laws of the club, including reducing the vote required to expel a member from two-thirds to a simply majority. The intent of the rules shift became perfectly clear by the end of the meeting, as the executive cajoled the club members to prepare for the illegal expulsion of those few members associated with LaRouche.

The next meeting in February is now set to complete the coup. To do this, the executive is quite prepared to drive a deeper wedge between the docile majority and the dozen or more members (in addition to the LaRouche supporters) who are outraged by these McCarthyite tactics. It is this clearly drawn difference between the two groups that will make the next meeting an exemplary confrontation between the LaRouche-led effort to revive the Democratic Party and the "mainstream" effort to keep it under control.

# Public relations and the Big Lie: the case of Hill and Knowlton

by Scott Thompson

One year after the bombs began to rain down on Iraq, destroying civilian and military infrastructure alike and killing hundreds of thousands of people, evidence has surfaced even in the major media that a fraud was perpetrated on the U.S. Congress and on the American public to secure President Bush the “war powers” authority to wage that massacre. President Bush, working through a high-priced public relations firm and the White House’s official pollster, targeted weaknesses in the American people and the Congress to cut off opposition to the war.

Hill and Knowlton, the public relations and lobbying conglomerate, fabricated stories of Iraqi atrocities and stage-managed widely publicized hearings of a congressional “Human Rights Caucus” to bludgeon the Congress into voting up Bush’s “war power” to pursue a conflict that few, other than the Israelis and the British, wanted. One piece of information withheld from the American people was the fact that the so-called congressional Human Rights Caucus is a purely private agency, with no government affiliation, and which is funded by private contributions.

On Jan. 8, 1992, National Public Radio aired a segment exposing the fact that Hill and Knowlton had manufactured a story that Iraqi soldiers in occupied Kuwait had taken incubators from hospitals wards, leaving babies to die. On Jan. 17, ABC News’s magazine-format broadcast “20/20” also exposed the Hill and Knowlton big lie campaign, and two nights later, CBS News’s “Sixty Minutes” aired their own version.

“Sixty Minutes” showed excerpts from the Human Rights Caucus hearings, where a young girl, only identified by her first name, told the incubator story: “Mr. Chairman and members of the committee: My name is Nayirah, and I just came out of Kuwait. While I was there, I saw the Iraqi soldiers come into the hospital with guns. They took the babies out of the incubators. Took the incubators and left the children to die on the cold floor. It was horrifying.”

Caucus chairman Rep. Tom Lantos (D-Calif.) told the audience that the young girl’s identity had to be protected because she had family members still inside Kuwait who might be murdered if she were to be identified. In reality, Representative Lantos knew that this was all a lie. The girl, Nayirah al-Sabah, is the daughter of the Kuwaiti ambassador

to Washington, a member of the ruling monarchy, which has been cited in United Nations reports for its practice of chattel slavery. The story had been fabricated by psychological warfare specialists at Hill and Knowlton, who then coached the girl on how to deliver the phony story.

The incubator story was decisive in winning George Bush the war powers authority from the Congress. As a result, according to a December 1991 report from the Iraqi Health Ministry, 98,000 Iraqi children have died from lack of food, medicine, sanitation, and the other devastation brought on by the “allied” bombing of Iraq. This compares with the 312 Kuwaiti babies who never did die—as Nayirah al-Sabah claimed they had.

The story behind this big lie is all the more explosive, because the founder of the conglomerate of which Hill and Knowlton is a part, Martin Sorrel, started his career with Saatchi and Saatchi, a London public relations firm that has counted Margaret Thatcher among its leading clients for years. Thatcher was one of the most outspoken proponents of the idea that the United States had no alternative short of war with Iraq. In fact, as *EIR* has reported, it was Thatcher who “brainwashed” President Bush at her meeting with him in Aspen, Colorado, days after the Iraqi invasion of Kuwait, to consider nothing but a military solution to the crisis. Sorrel built up WPP Group PLC into one of the largest public relations conglomerates in the world, with Hill and Knowlton Worldwide as one of its major component firms.

Hill and Knowlton U.S.A. division chairman Robert Keith Gray, who had overall responsibility for this psychological warfare stunt, is a longtime Republican Party insider, who came to Washington from Nebraska during the Eisenhower years and has earned a well-publicized reputation as one of the capital’s leading homosexuals. He is a friend of both President Bush and White House Counsel C. Boyden Gray. As a favor to Bush, Gray hired Craig Fuller, Bush’s vice presidential chief of staff, as a top manager at Hill and Knowlton and Gray’s designated heir apparent. One week after the first of the radio and TV exposés of the “incubator” hoax aired, Fuller resigned from Hill and Knowlton to become senior vice president at Philip Morris Corp., in an apparent, clumsy effort to keep the myriad of scandals involving the firm from landing on Bush’s White House doorstep.

## **Bush ignites a war**

The ABC "20/20" broadcast emphasized the personal role of George Bush in the psy-war effort. "President Bush mentioned what became known as the 'incubator atrocities' six times in one month, eight times in 44 days." For example, in November 1990, Bush stated, "Babies were pulled from incubators and scattered like firewood across the floor."

By January 1991, when Congress returned to Washington to debate whether or not to grant war powers to the President, ABC reported that several leading war hawks like Rep. Henry Hyde (R-Ill.) picked up the theme: "Now is the time to check the aggression of this ruthless dictator, whose troops have bayoneted pregnant women and have ripped babies from their incubators in Kuwait." Said ABC reporter John Martin: "In the Senate, seven senators mentioned the incubator atrocity in the debate over whether to go to war." The resolution passed by only five votes.

ABC investigators discovered that the star witness, Nayirah al-Sabah, had been coached; the corroborating witness, Dr. Ibraheim Behbehani of the Kuwait Red Crescent, was actually a dentist, who was not qualified to certify the cause of a person's death; Amnesty International could find nothing to verify that the death of 312 premature babies had been deliberate, when it probed the allegations; a Kuwaiti pediatrician, Dr. Soad Ben-Essa, who remained in the maternity hospital, said she never saw any atrocities by soldiers and saw no theft of incubators. Furthermore, ABC was able to locate the incubators inside Kuwait which Nayirah had claimed were carried off to Baghdad.

Hill and Knowlton senior vice-president Laura Fetz-Pegado tried to tell ABC "20/20" that the firm worked for an exile-based group, Citizens for a Free Kuwait, not for the Kuwaiti government. But ABC's John Martin said, "CFFK documents, filed by law with the United States government, show that \$11.8 million of the \$12 million came from the Kuwaiti government. . . . Hill and Knowlton received almost \$6 million."

Among Fetz-Pegado's tasks was hiring the Wirthlin Group, a polling firm frequently used by the White House and the Bush-Quayle campaign. This gets to the heart of how the incubator lie was hatched. ABC's John Martin found that the Wirthlin Group ran "focus groups" to discover what "stirs or angers" people. "What they found," Martin added, "was that atrocity stories like Nayirah's worked." Hence the big lie.

## **Another stellar client: BCCI**

Robert Keith Gray and his high-flying firm have also been grabbing headlines lately over another public relations coup, the trashing of two federal prosecutions of the Bank of Credit and Commerce International (BCCI).

In testimony last year before the Senate Foreign Relations Subcommittee on International Terrorism and Narcotics, chaired by John Kerry (D-Mass.), former U.S. Commission-

er of Customs William Von Raab described a "gray network" which worked behind the scenes in Washington to derail the BCCI prosecutions. According to Von Raab's testimony, two principal players in the "gray network" were Hill and Knowlton's chairman and vice chairman, Robert Keith Gray and Frank Mankiewicz, respectively. The two other leading players in the protection network for BCCI were Washington, D.C. powerbrokers Clark Clifford and Robert Altman. Clifford and Altman were officials of First American Bankshares, a banking corporation that was illegally purchased by BCCI while the two attorneys were also representing BCCI's interests in the United States.

According to BCCI documents made public by Senator Kerry, much of the public relations work for the bank was handled by Hill and Knowlton's Frank Mankiewicz. An example of Mankiewicz's handiwork was a memorandum which circulated around Washington, attesting to the reliability of BCCI and its two top attorneys, Clifford and Altman. The memo argued that it was just "business" when Clifford and Altman borrowed money from BCCI to buy stock in First American Bankshares, leaving a "potential profit for the shareholders, after only six years, of approximately \$1 billion." The memo also covered for ongoing stock deals by Altman and Clifford after the two, as BCCI's chief American counsel, helped arrange a plea bargain for the Tampa BCCI branch, after Von Raab indicted the branch for laundering \$14 million in Medellín Cartel drug profits.

## **Hollywood, the ADL, and the drug connection**

Mankiewicz's background suggests some reasons why he might be caught up in dealings with business associates of the Medellín Cartel. For many years, before he joined the political campaign of Sen. Robert F. Kennedy in the mid-1960s, Mankiewicz had served as the West Coast Fact-Finding director for the Anti-Defamation League of B'nai B'rith (ADL), an organization notorious as a public relations front for the late Meyer Lansky's national crime syndicate and its offspring.

According to Mankiewicz, as communicated through his secretary at Hill and Knowlton, his father, Herman J. Mankiewicz, was a close friend of the late Hollywood studio boss and longtime ADL national chairman, Dore Schary. Schary, according to FBI files and other published accounts, came to Hollywood from Newark, New Jersey, as the result of his lifetime friendship with mobster Abner "Longie" Zwillman.

A member of the Murder, Inc. gang founded by Lansky and Benjamin "Bugsy" Siegel, Zwillman had invested heavily in Hollywood and become one of the Lansky syndicate's most active links to the motion picture studios and unions. Schary was installed as a senior producer at one of the major Hollywood studios, courtesy of Zwillman. In 1963, when the ADL sought to launch a high-profile fundraising drive, they got Schary to become their national director. Mankiewicz was the chief of the ADL's West Coast dirty tricks operations at the same time.

## Gonzalez seeks files on Kennedy assassination

Rep. Henry B. Gonzalez (D-Tex.) announced Jan. 14 that he will introduce legislation to open the files of the House Select Committee on Assassinations, the committee set up to investigate the assassinations of President John Kennedy and Martin Luther King.

Although the committee in 1979 published 27 volumes of material on the Kennedy and King assassinations, they nevertheless sealed 848 boxes of material and stored them in the National Archives. The records were sealed and were not to be opened until 2029, on the argument that the raw data contained unsubstantiated allegations, material embarrassing to innocent individuals, and matters of national security.

Gonzalez, who was a personal friend of the assassinated President, was instrumental in the creation of the House Select Committee on Assassinations, but later resigned as chairman when the scope of the investigation was changed and he felt he did not have the backing of the House leadership. He was replaced by Rep. Louis Stokes (D-Ohio), who chaired the committee at the time the decision was made to seal the documents. The renewed debate over the Kennedy assassination, sparked by the recent Oliver Stone film "JFK," has led to renewed interest in the investigation files.

The Gonzalez move is being supported by Sen. Christopher Dodd (D-Conn.) and by Rep. Harold Ford (D-Tenn.), both of whom served on the assassinations committee. Gonzalez said he had not been aware that the records of the investigation had been sealed and that he found that measure to be "abhorrent." He said that he would contact Stokes to have him co-sponsor the resolution.

Earlier in January, Sen. Edward Kennedy (D-Mass.), the brother of the murdered President, also called for the files to be opened.

The assassinations committee concluded in 1979 that Kennedy was the victim of a "probable" conspiracy involving a second gunman. This conclusion was at odds with the results of the Warren Commission, which concluded that Lee Harvey Oswald acted alone in murdering the President—a conclusion which was pilloried in the Stone film.

## Mitchell calls for cuts in defense spending

Senate Majority Leader George Mitchell (D-Me.) called on Jan. 17 for cuts of \$100 billion or more in defense spending over the next five years to help finance middle-income tax cuts, anti-recession aid to state and local governments, and incentives for business investment and home ownership. He spoke at a luncheon at the National Press Club.

Mitchell's proposals anticipate a short-term increase in the \$350 billion deficit projected for this year to fund the "stimulus package." The Mitchell proposals would break the budget agreement worked out last year with the White House, permitting a shift of money from defense to domestic accounts. "The first step is to change the 1990 budget agreement," Mitchell said. "The Cold War is over. It's time to take down the artificial budget walls which prevent us from shifting priorities from abroad to here at home."

The cuts proposed by Mitchell include halting the production of the B-2 "Stealth" bomber, reducing funding for the Strategic Defense Initiative by \$15 billion, cutting troop strength by

\$15-20 billion, cutting \$20 billion from operations and maintenance, \$10 billion from nuclear weapons production, and \$15 billion from conventional weapons programs.

Democrats hope such cuts will enable them to squeeze out the funding needed for an income tax cut for the middle class, an election gambit, and will help alleviate the effects of the depression.

Critics have pointed out that, since much of military production represents an important part of U.S. high-tech capabilities, the cuts will reduce U.S. industrial capabilities, the only tool the country has in overcoming the depression.

Responding to attacks by President Bush, who criticized Mitchell's opposition to the Gulf war, Mitchell said that Bush "sounds like a panicky candidate in a losing campaign for the presidency rather than a President confidently seeking reelection. . . . Not since Herbert Hoover occupied the White House has a President been so consistently wrong in his judgment of the economy."

## De la Garza appeals for safe water

Rep. Kika de la Garza (D-Tex.), chairman of the House Agriculture Committee, appealed for steps to provide safe water for 200,000 Americans living along the U.S.-Mexico border, in a Jan. 8 letter to William K. Reilly, head of the Environmental Protection Agency.

The EPA is scheduled to release a proposal for the border region in February entitled "Integrated Environmental Plan for the Mexico-U.S. Border Area." Reilly, formerly head of the Conservation Foundation, has

consistently opposed water works development anywhere in the United States.

The U.S. Geological Survey warned in the 1970s that more people should not locate in the Rio Grande River Basin unless there were new water development projects; they were not built. De la Garza's wishy washy requests are to "establish a fund for the construction of basic water and wastewater infrastructure," and to "establish a loan and grant fund for water and wastewater hookups" for those who cannot pay for it.

## **A**tlantic Monthly editor urges end to Jap-bashing

In testimony before the House Committee on Banking, Housing, and Urban Affairs on Jan. 14, James Fallows, the Washington editor of *Atlantic Monthly* magazine, said the United States should cease to "bully, cajole, force, or trick the Japanese" into changing their mode of operations. Calling the Japanese practices "unfair," Fallows said, "was neither accurate nor useful."

Fallows called the differences between the U.S. and Japanese systems a reflection of "a different economic philosophy rather than an unfair application of our philosophy and rules." Some parts of Japan's performance, especially its very high investment rates, "are unquestionably admirable," he said.

The postwar system of free trade, Fallows explained, "was not America's principle or policy during its years of most rapid industrial growth in the late 19th and early 20th century." Rather, the economic doctrine which encourages the cheapest possible imports from anywhere regardless

of their effects on U.S. domestic industries, "was applied as a retrospective explanation for American strength only after World War II, at a time when American industry had no rival anywhere.

"The country needed to strengthen its industries to avoid being colonized in the 19th century," Fallows noted. The Japanese, who wish "to strengthen the industrial and technological base within Japan's borders or under control by Japanese-owned firms," are doing the same thing in their own way. "The United States should have a plan, rather than acting in spasms," he said, referring to President Bush's recent visit to Japan. The U.S. should attend to its own domestic problems, he insisted, rather than trying to force the Japanese to change their behavior.

Fallows called for a more "supportive government policy" toward industry. He cited the aircraft and aerospace industries, the medical equipment and pharmaceutical industries (government funding for health), and agriculture as examples where such a policy has reaped tremendous benefits.

## **G**ates: U.S. concerns will target Third World

CIA director Robert Gates indicated that the new mission of the U.S. intelligence services would be to clamp down on technology transfer to Third World countries, in testimony before the Senate Governmental Affairs Committee on Jan. 15. With the demise of the Soviet Union, Gates claimed, the major threat facing the U.S. is nuclear proliferation.

The Gates testimony confirms that the Bush administration is proceeding to use the proliferation issue to target high-technology exports to Third

World nations and introduce, in effect, technological apartheid. "Most of these technologies are so-called dual-use technologies. This makes it difficult to restrict trade in them, because we would be limiting the ability of developing nations to modernize," Gates said.

Gates pointed to the collapsing economy of the former Soviet Union and the emigration of Soviet scientists to Third World nations as particularly threatening. The willingness of the former Soviet republics to export high-tech products was also cited as a target of U.S. intelligence interests.

"We expect to see attempts by the former Soviet Union's defense industrial sector to market dual-use technologies of concern, notably for nuclear power and space launch vehicles," Gates said. "Keeping track of burgeoning foreign military capabilities will be one of our greatest challenges in years ahead. The potential for technological surprise in the Third World is growing, as some international restrictions on foreign access to dual-use technologies are loosened."

Gates also indicated that, in addition to increasing surveillance of technology transfers to Third World nations, the administration was also intent on continuing the economic strangulation of Iraq until Saddam Hussein is overthrown. "In our opinion," said Gates, "Iraq will remain a primary proliferation threat at least as long as Saddam remains in power."

Gates also targeted North Korea as "our most urgent national security threat in East Asia," downplaying the recent agreement signed between North and South Korea to make the peninsula "nuclear-free." Such an agreement, Gates continued, would not have any value until it was clear what type of inspection regime the North Koreans would be willing to accept.

# National News

## Citizen protest asks end to Nambla meetings

About 60 people gathered at a San Francisco public library to protest the use of the facilities by the North American Man-Boy Love Association, the Jan. 17 *Los Angeles Times* reported. Nambla encourages homosexual relationships between "consenting" partners no matter how young the boy.

The protest arose after television news broadcasts exposed the fact that Nambla has used the Potrero Hill branch library for regular meetings for at least the last two years.

San Francisco Police Inspector Tom Eisenman disclosed that about a dozen Nambla associates have been arrested on child-molesting charges in the past five years, according to the *Los Angeles Times*. But, he said, "We can't really attack the organization Nambla because the organization isn't molesting children, it's the individuals."

## CIA incompetence scored by specialist

Robert Gates and the CIA's "Sovietologists" were criticized Jan. 9 by specialist Paul Goble who had been a special adviser on Soviet nationality problems and a former State Department desk officer for the three Baltic republics.

Goble, who knows 11 of the 15 languages of the former Soviet republics and has served the U.S. intelligence community since 1979, told the Helsinki Commission of the U.S. Congress that the U.S. should have recognized individual republics of the former Soviet Union much earlier. The U.S. intelligence community is making a mistake in not setting up separate operations in the individual republics now, particularly in Central Asia, which, claimed Goble, could be influenced by Islamic fundamentalism in the future.

Goble also criticized decision-making in the Bush administration for being "very centralized." He left the State Department when Gates became head of the CIA on the

grounds that policy had become centralized in the hands of Secretary of State James Baker and that Baker was not open to policy changes which would take into account the crumbling of the Soviet empire.

The day after Goble's testimony, *Krasnaya Zvezda*, the newspaper of the (former) Red Army, picked up on Goble's theme, noting that for the CIA, the days of "unhurriedly cut[ting] out articles from *Pravda*" and determining Soviet policy "on the basis of important 'signals' like who was awarded a simple handshake from our leader," are over.

*Krasnaya Zvezda* echoed Goble's charge that Robert Gates's CIA is unprepared for the momentous changes which have come about in the former U.S.S.R. "In the past, few people were attracted to the study of the Georgian, Uzbek, Belarussian, and other 'Eurasian' languages. And, as CIA Chief R. Gates admits, they did not trouble to introduce agents locally—they made do with Moscow, which was the head for everything."

## LaRouche Dems file Missouri slate

Four Democrats supporting the policies of Democratic presidential candidate Lyndon LaRouche filed for U.S. House and Senate primary races in Missouri on Jan. 14. Opposing House Majority Leader Richard Gephardt in the Aug. 4 primary, and winning the number-one spot on the ballot, is Leif Johnson.

Nicholas Clement is seeking the seat held by Sen. Kit Bond (R). In 1990, Clement captured 20% against Gephardt in the primary.

Tony DeFranco is challenging incumbent Rep. Harold Volkmer (D) in the 9th CD, which includes the Wentzville plant, the newest and second largest General Motors plant in the U.S. Reportedly, 450-700 indefinite layoffs have been unofficially announced there because of "slow work."

Susan Johnson is opposing Joan Horn in the 2nd CD. George Bush's cousin Bert Walker III is seeking the seat on the Republican side.

The Jan. 17 *St. Louis Post-Dispatch*

quoted Missouri state Democratic Party chairman Eugene Bushmann who said he "was concerned about the dramatic upswing in the number of LaRouche followers who are filing for office." Bushmann "said he did not want to see a replay of the party disarray that erupted in 1986 in Illinois when LaRouche candidates filed as candidates for every statewide office—and two of them won primaries."

Leif Johnson was quoted replying that LaRouche's views are "necessary to save the nation from economic disaster." The *Post* relays those views as "having the President declare a national emergency, take over the Federal Reserve System, and set up a government-owned national bank."

## Habeas actions violate states' rights, says Court

A sharply worded and very unusual decision from the U.S. Supreme Court on Jan. 13 warned a panel of judges on the Ninth Circuit Court of Appeals that they should not delay the execution of a prisoner who had submitted several *habeas corpus* petitions to different courts in the State of Washington.

The State of Washington submitted a writ of *mandamus* request to the Supreme Court, demanding that the circuit panel expedite a ruling on the appeal of a district court's denial of the second *habeas* petition filed by the defendant Charles Campbell, in order to justify his early execution. The panel stated that they were waiting for the outcome of a separate restraining motion filed by the defendant in the Washington State Supreme Court, in order to treat all the elements of his appeal together, and not rule "piecemeal."

The Supreme Court majority denied the request for the writ, but warned the panel that they must expedite their decision. "None of the reasons offered in the response dispels our concern that the State of Washington has sustained severe prejudice by the two-and-a-half year stay of execution. The stay has prevented Washington from exercising its sovereign power to enforce the criminal law, an interest we found of great weight in *McCleskey* when discussing the importance of finality in the context of fed-

eral *habeas corpus* proceedings.”

Justices John Paul Stevens and Harry Blackmun dissented. They wrote: “The Court is notably silent about the fact that the Washington Supreme Court considered the claims Campbell raised in his third personal restraint petition to be substantial . . . [the Court’s] opinion today may be read as an open invitation to petitions for *mandamus* from every state in which a federal court has stayed an execution.”

## AJC, ADL split on growth of anti-Semitism

A dispute has surfaced between the American Jewish Committee (AJC) and the Anti-Defamation League (ADL) of B’nai B’rith over whether anti-Semitism is growing in the United States, the Jan. 7 *Washington Post* reported.

According to the article, the AJC has issued a report which indicates that anti-Semitism is on the decline in the United States. Hysterically responding to these findings, ADL national director Abraham Foxman accused the AJC of not looking at the rise of anti-Semitism on American university campuses.

Foxman cited the case of a City College of New York professor, Lionel Jeffries, as evidence of growing anti-Semitism. Jeffries has identified major Jewish-owned companies as involved in the growth and development of the slave trade.

## FBI moves to control anti-gang operations

The increased role of the FBI in local law enforcement resulting from the decision to redeploy 300 FBI agents from counterintelligence to anti-gang work is surfacing in press reports about the project. Left unanswered is under what conditions some informal social grouping would be labeled an “enterprise,” in the terms of the FBI “enterprise theory,” and trigger federal intervention.

An AP wire story Jan. 18 quoted several beleaguered police detectives who are des-

perate for any help they can get in the battle against the street gangs, and each of them have obviously been sold on the idea that the FBI’s data-base and spying capabilities are made to order for the problem.

“We’ll take all the help we can get,” Lt. Mary Savage of the Sacramento Police Department told AP. She explained that “the FBI brings some important tools to the gang front, including broad powers to use wire-taps and seize drug dealers’ property, an ability to prosecute under federal laws on extortion, racketeering, and interstate crime, and longer prison terms for some crimes.

“The FBI also could investigate almost any gang crime under a law that makes it a federal offense to commit a crime using guns manufactured in other states,” Savage said. AP noted that there are no commercial gun manufacturers in California.

## Sick poses questions for ‘October Surprise’ probe

Former National Security Council official Gary Sick presented four questions in a commentary in the Jan. 15 *New York Times* which, he wrote, could resolve allegations that the Reagan-Bush campaign conspired to delay the release of American hostages held in Iran until after the 1980 election.

Sick first asked: Where was William Casey? Half of Casey’s time during the 1980 campaign is completely unaccounted for, he noted. What were the Hashemi brothers, go-betweens for the Reagan-Bush campaign and Iran, doing? The FBI has released some of its files, but “more than half the documents were withheld and the others are so heavily edited it is impossible to tell who was speaking to whom or what was being discussed.”

Third: Who in the government authorized clandestine arms shipments to Iran? Arms shipments began after Reagan was inaugurated, and most shipments were arranged through Israel, Sick wrote. Finally, he asked, are the sources telling the truth? He urged that a congressional committee test their veracity under oath, and also interview people who have thus far refused to talk.

## Briefly

● **PAT BUCHANAN** attacked a report by the Anti-Defamation League which charges him with anti-Semitism, on the NBC News program “Meet the Press” Jan. 12. “There’s no truth in” the report, Buchanan said, explaining that his support for John Demjanjuk, in jail in Israel after his trial for Nazi war crimes, is in the just cause of an innocent man.

● **VICE PRESIDENT Dan Quayle** stopped his motorcade in Ontario, California on Jan. 17 to remark that there is good economic news. According to ABC News, Quayle pointed to a “Now Hiring” sign at a Burger King fast food emporium. The job opening, according to ABC anchor Peter Jennings, was for a part-time worker at minimum wage with no benefits.

● **PRESIDENT BUSH’S** security was badly compromised in South Korea, the Jan. 14 *Washington Times* reported. A brochure which gave the names, hotel rooms, and phone numbers of the President’s entourage was given to anyone who walked up to the U.S. Information Service table in the lobby of the hotel where Bush was staying.

● **JEANE KIRKPATRICK**, the former U.S. Ambassador to the U.N., praised Germany for recognizing Croatia and Slovenia in her syndicated column Jan. 13. It is “embarrassing” that the U.S. didn’t act to stop the “determined aggression of Serbian communists,” she said.

● **THE POST OFFICE** is investigating grocers who are fraudulently redeeming manufacturers’ coupons they purchase by the bag-full from charities, whose volunteers clip them to raise money, ABC News reported Jan. 15. ABC quoted a spokesman from B’nai B’rith, which reportedly has stopped the practice.

● **DONALD TRUMP** won a ruling from a Manhattan judge against Dope, Inc. financier Meshulam Riklis, from whom he has been trying to collect \$751,000 in unpaid rent, the Jan. 10 *New York Times* reported.

## Editorial

# Dump Sachs, choose LaRouche

Harvard's insane economist Jeffrey Sachs, the man who "conquered inflation" in Bolivia by bringing in the cocaine mafia, is being featured in media interviews these days calling for urgent aid to the former Soviet republics to stave off economic disaster. Secretary of State James Baker, after much hemming and hawing, announced on Jan. 23 that the United States would send "52 sorties" of military planes to Russia over a two-week period, carrying emergency food relief.

What a farce! Let those who are concerned about the economic collapse of the former Soviet empire repeal the disastrous "flea market" economic policies of Jeffrey Sachs, the policies which are worsening the crisis day by day.

In Russia itself, although the Sachs austerity program remains hegemonic, there is growing recognition that this is leading to disaster. As Genrikh Trofimenko, analyst for Moscow's U.S.A. and Canada Institute, told a Washington audience on Jan. 16, "It is ironic, that American economists who can't even get the sluggish U.S. economy moving, come to Moscow with recipes that they think will revive the Russian economy." The effect, he reported, is that the black market now reigns supreme. "The idea is to steal everything that is not tied down."

The Sachs-man on the scene in Washington, Deputy Prime Minister Yegor Gaidar, promised in a Jan. 5 interview that "in three or four weeks," the price rises instituted on Jan. 2 would stabilize, and things would begin to improve. That time has now elapsed, and the world can see that the opposite has occurred.

The "free market" program peddled by Sachs and the International Monetary Fund, meanwhile, takes its worldwide toll of death and disaster. On Jan. 16, six students were killed by police in the former Soviet republic of Uzbekistan, and hundreds injured, as they protested the price rises which have placed food beyond the budget of the average citizen. In Uganda, where 1.5 million people are officially infected with the AIDS virus, news services report that the only "growth industry" now is coffin-making.

It is therefore with pleasure that we note new signs

of opposition to the Sachs policy, including from some unexpected sources.

- In Poland, a purge is under way of the pro-Sachs faction in the government—not a moment too soon for that beleaguered country.

- In Croatia, there is a growing awareness that the next phase in the war must be a fight for a pro-development economic policy.

- Some economists and political analysts in the United States are beginning to draw the same conclusions—ranging from *Aviation Week's* recent editorial in favor of Hamiltonian economics, to congressional testimony by the Washington editor of *Atlantic Monthly*, against blaming the Japanese for the fact that we have wrecked our own industry.

One of the most interesting of these recent statements came from Melvin Fagan, former director of the U.N. Economic Commission for Europe, in a commentary in the Jan. 22 *International Herald Tribune*, titled "Shock Therapy Is the Wrong Treatment." Wrote Fagan, "Boris Yeltsin's shock therapy is likely to bring economic anarchy that destroys the nascent democracy throughout the former Soviet Union." Yeltsin has made the mistake of "following the advice from foreign advisers and from some fledgling economists in his entourage who seem to have gained their knowledge of market economics from Milton Friedman-type textbooks."

The alternative to the Sachs-mania is to apply the *Science of Christian Economy*, the program put forward in Lyndon LaRouche's new book of that title. In our first issue of this year, commemorating the 200th anniversary of Alexander Hamilton's *Report on Manufactures*, the reader can find an elaboration of this policy as it manifested itself historically through the fight for the "American System" from Hamilton especially through the end of the last century. Today this means, concretely, the implementation of LaRouche's Paris-Berlin-Vienna "Productive Triangle" of high-technology development, as the motor for a worldwide recovery. No other method will work—neither free market austerity nor Keynesian "pump priming."

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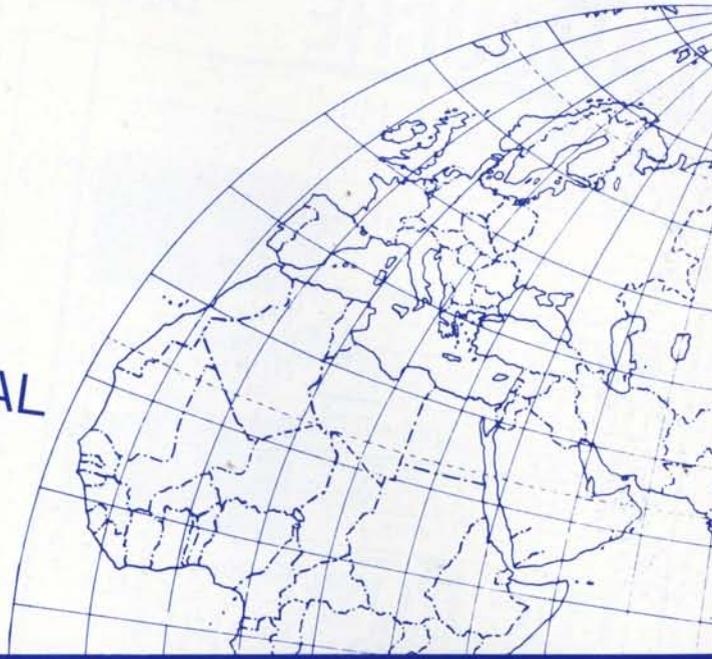
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