

# EIR

Executive Intelligence Review

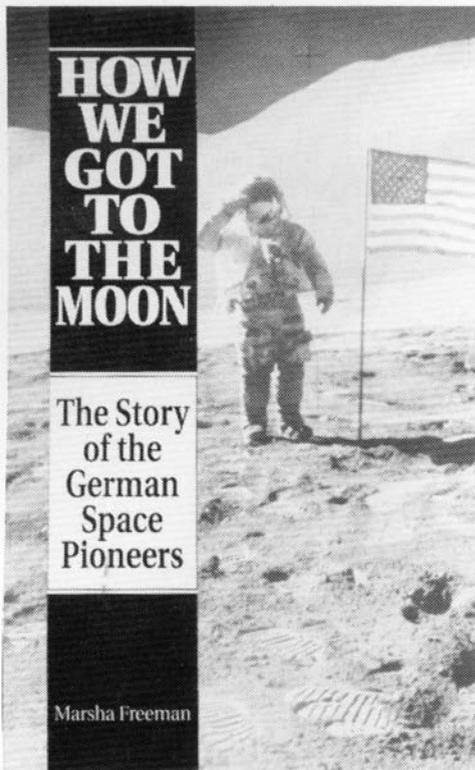
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China's economic boom, a Hongkong chimera  
Helga Zepp-LaRouche for German chancellor  
How the U.S. was inspired to explore space

**Grim Russian winter dwarfs  
Yeltsin's election charade**





Mankind's Greatest Achievement

# How We Got to the Moon:

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by Marsha Freeman

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Konrad Dannenberg

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## From the Editor

**T**he U.S. Parole Commission's decision was announced on Nov. 30, to grant political prisoner Lyndon H. LaRouche, Jr. parole on next Jan. 26. The news broke one day after the Supreme Court refused to hear the Federal Election Commission's absurd case for denying the LaRouche presidential campaign matching funds it had duly qualified for in the 1992 election drive.

You might have heard something about these decisions in the major media, but with a systematic contortion of the facts. The same media are lying wildly about the dangers of the world strategic situation, where LaRouche's statesmanship is so crucially needed right now.

*EIR* seeks to fill this gap in two major packages. In the *Feature*, we offer two exclusive accounts of what is going on inside Russia today. One is an interview with Vitali Urazhtsev, an elected People's Deputy of the Russian Federation, a member of the Supreme Soviet (Parliament), abolished by Boris Yeltsin's decree of Sept. 21, and a leader of the "Reform of the Army" deputies group. He founded the first independent trade union of Russian military servicemen, Shield, in 1988. A convinced anti-communist, he was expelled from the Soviet Army in 1989, when he held the rank of Lieutenant Colonel. Urazhtsev was interviewed in hiding.

From South Africa, we have two exclusive interviews with leading dissenters from the U.S.-imposed agreement on an interim constitution, which is leading straight toward civil war: former African National Congress commissar Mwezi Twala, now chairman of the Returned Exiles Coordinating Committee, and former Military Intelligence head Maj. Gen. Tienie Groenewald.

The *Science & Technology* report reprints a chapter from a new book evoking a better moment in 20th century history, with many lessons for the present—the project for manned space travel to the Moon. This intersects a recognition on the part of some of the elites, as historian Graham Lowry reports on p. 64, that the paradigm shift of the past 25 years since Kennedy was murdered and the Apollo project spirit abandoned, has been a disaster.

Last but not least, Helga Zepp-LaRouche's announcement of her candidacy for German chancellor warns of the insanity of the western policy establishment, and outlines the clear alternative embodied in LaRouche's policy guidance and personal intervention.

*Nora Hamerman*

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A member of the now-abolished Supreme Soviet, Mr. Urazhtsev headed the first independent trade union of Russian military servicemen, Shield. He is now in hiding, having been accused of "organizing mass disorders" because of his actions in defense of the Constitution suspended by Yeltsin.

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A former African National Congress commissar, Mr. Twala is now the chairman of the Returned Exiles Coordinating Committee, comprising many former ANC members who were put through ANC torture and detention camps. He is also the regional organizer for the Vaal Triangle region for the Inkatha Freedom Party.

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Major General Groenewald is the former head of the Department of Military Intelligence of the South African Defense Forces, and a leader of the Freedom Alliance comprised of the Inkatha Freedom Party, the Conservative Party, several of the black homelands, and other smaller parties.

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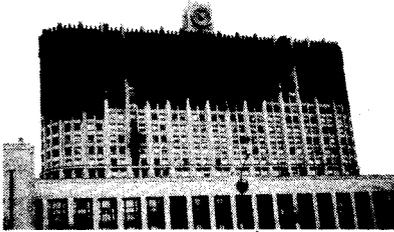
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## China's economic 'boom' is built on Hongkong frenzy

by Michael Billington

In the spring of 1987, *EIR* founder Lyndon LaRouche forecast a market crash for approximately October of that year, based on his analysis of the state of the global speculative bubble and the refusal of responsible officials to change their policies. In October, a collapse in the Hongkong market was the spark which set off precisely the global panic of which LaRouche had warned.

Today, the world markets, pumped up to a speculative level beyond the imagination of previous eras through the burgeoning derivatives markets of the past six years, is again poised for an inevitable collapse, and again the Hongkong bubble may be the first to pop. Late November tremors could well be the early signs of the earthquake to come.

The Hongkong Stock Exchange has become the primary financial center for foreign speculation in the bulging Chinese real estate and cheap-labor market. Over the past year, the Hang Seng index has leaped by over 60%, from 5,500 to over 9,000, with most of this increase coming in the last four months. While this market has often had a volatile response to political events in Beijing and to the ongoing acrimonious negotiations over the 1997 return to Chinese sovereignty, this year's explosion has generally ignored the political crisis, while following the hectic pace of the unbridled and unregulated hyper-speculation unleashed by Deng Xiaoping in his highly publicized February 1992 trip to Shenzhen, the free trade zone on the Hongkong border. The mild efforts to rein in the most extreme speculative aspects of the economy, carried out over the past six months under the direction of Vice Premier and economic czar Zhu Rongji, had only a minor impact on the free-wheeling southern provinces, and the Hongkong market craze didn't even pause to take a break.

With Beijing now locked in an intense internal battle between those most directly profiting from the speculation, and others trying to reassert some central control and prevent the country from blowing apart, the political realities may reassert themselves on the Hongkong market at any moment.

### Money flows rival Wall Street and London

In addition to the bubble in stock values, the global derivatives fiasco—the over \$1 trillion *per day* speculation in currencies, futures, swaps, and other non-equity paper—has transformed the Hongkong market into a smaller version of the deregulated “Casino Real” of Wall Street or the City of London.

The Dow Jones Hongkong publication *Far Eastern Economic Review (FEER)* quoted the head of Peregrine Brokerage in Hongkong warning that the derivatives buildup “compounds the level of volatility and the speed of the run-ups” in the market as a whole. The British colonial government in Hongkong is *relaxing* regulations on derivatives, with more “innovations” to be introduced by the end of the year. Says the *FEER*, “It isn't clear how much more volatility will be introduced on the back of these innovations, but nobody believes they will result in less volatility. That means that once sentiment turns, any slide can turn into a rout.”

Other Asian markets, especially Singapore, Thailand, the Philippines, and even Australia, have experienced a parallel bull market since the summer. Much of this is credited to the giant U.S. investment banks such as Morgan Stanley, Goldman Sachs, and Lehman Brothers, who have funnelled an estimated \$5 billion per month into Asian equity markets alone. Predictions of imminent collapse have been issued by several Hongkong and London financial analysts, while the *FEER* wishfully claimed the probable collapse in Hongkong is “extremely unlikely to provoke a global tumble.”

### The fragile Chinese boom

The untenable nature of the Chinese economy, whose growth is supposedly the base upon which the Hongkong market is rising, was demonstrated by the inconclusive results of the Third Plenum of the Communist Party Central Committee held last month. Before the plenum, government spokesmen announced a series of policies to be implemented in the new year which were to be “agreed upon” at the plenum. Although



*The financial district in downtown Hongkong, where the heroin-linked Hongkong and Shanghai bank stands next to the bedecked communist Bank of China.*

the proceedings were kept secret, under threats against reporters who leaked news from the meeting, it became clear that agreement was not reached on at least some of the policies. The most important was a tax reform aimed at reversing the drastic collapse of revenues coming into the central government. The cumulative failure to invest in the industrial and agricultural infrastructure, in favor of the quick returns from the low-technology export industries along the coast, has left the state sector industries (including virtually all the medium-sized and large industries) in an increasingly unviable situation, with over one-third of them losing money, and falling profits from the others. These profits had constituted the bulk of Beijing's revenues.

At the same time, the "decentralization" of the reform program has left the bulk of the rising tax revenues from the private and semi-private industries in the hands of *provincial* governments. Thus, Guangdong, for instance, is awash with cash, while the rest of the nation starves.

On Oct. 31, before the plenum, officials announced that the new tax reform was already agreed upon. They said that the revenue crisis had reached the point that 60% of total taxes went to localities, and only 40% to Beijing. The reform would exactly reverse those percentages. The head of the Financial Science Institute told the press that "the tax reform package will be implemented throughout the country once it has been introduced, and there will not be any experimental units."

However, the communiqué following the plenum failed to mention the tax reform, and it is widely acknowledged that the southern provincial leaders—backed up by the Anglo-American speculators—forced Beijing to back down to some extent. Vice Finance Minister Xiang Huaicheng reported on Nov. 23 that the tax reform *would* be implemented, but it remains to be seen if it will be possible.

Beijing's ability to enforce policies in Guangdong, in partic-

ular, is extremely limited by the virtual Hongkong (i.e., British) dollarization of the province. Not only do most businesses and stores transact business in Hongkong dollars, but most investment income is generated locally or comes directly from Hongkong. Guangdong is dependent for only 2% of its funds from Beijing, compared to 80% in 1980. Any attempt to reassert control over the hot-money regime in Guangdong will aggravate the threat of regional divisions and the breakup of China.

### Dollarization

The "dollarization" of the entire Chinese economy is proceeding nationally as well, in part because of the drastic need for funds in Beijing. In addition to the collapsing domestic revenues, there was a fall in foreign exchange reserves this year, reversing a four-year increase. An import surge has created a trade deficit which may hit \$10 billion, versus a \$4.4 billion surplus in 1992. But the largest drain on foreign reserves is capital flight, much of it drug money, estimated at \$18 billion per year by economists quoted by the *Asian Wall Street Journal*.

The Beijing government has responded to this crisis by raising dollar-denominated debt both on the Eurodollar market (\$297 million in September) and in Hongkong (\$300 million in November, the so-called Dragon Bonds underwritten by Lehman Brothers). They intend to issue another \$500 million soon in the United States, called Yankee Bonds, and there appears to be no limit to the expansion of this process of locking the government into private dollar debt.

Simultaneously, the government appears ready to submit to the chorus of demands from the Anglo-Americans to make the yuan convertible. Milton Friedman, following a series of meetings in Beijing, denounced the current two-tier exchange rate as "an absolute recipe for corruption," and de-

manded that the government "eliminate all the rules and regulations" concerning currency controls and other areas of government intervention. The U.S. Treasury Department on Nov. 24 also denounced China's regulated exchange system as "manipulating currency rates for its own advantage." The fact that such deregulation policies implemented in Russia and in Third World nations have allowed for massive flight capital and the outright theft of national resources by international speculators, is ignored in these discussions.

In fact, discussion of a "big bang" approach to the reforms, or "shock therapy," has increasingly come into the debate on the future of reform. Until recently, such terms have been carefully avoided in public pronouncements, in order to maintain the impression that the "China model" would not follow the disastrous course of the "shock therapy" in eastern Europe. Even while Russia has now experienced its own "Tiananmen massacre" under the guise of the enforcers of the International Monetary Fund's (IMF) "shock therapy," the western financial press gloats that Chinese officials are increasingly open to the idea that the problems in the economy are the result of going "too slow" in eliminating all government direction of the economy, and that shock therapy is necessary. Deng Xiaoping, from whom a single word can transform national policy, said just before the plenum that "slow development is not socialism," which could well be enough to end all caution and unleash a new "shock" of deregulation.

Such shock therapy is already being implemented in regard to the work force. Millions of workers in the state sector, including mining, industry, and state office employees, have been laid off, ending the cradle-to-grave "iron rice bowl" policy of the Maoist era, but without replacing it with any unemployment net. The victims simply join the "blind flow" of nearly 200 million unemployed who supply the recycled labor for the sweatshops in the free trade zones (see box). Beijing has also reintroduced wage controls, which had been relaxed as part of the reform measures, and which allowed partial autonomy for state enterprises. State enterprises which have had decreasing profits are instructed to either fire workers or reduce wage scales, ignoring the lack of infrastructure which renders individual firms incapable of reversing their financial losses.

### Hamiltonian banks mooted

One reform which appears to be ready for implementation next spring points in the direction of a Hamiltonian solution to the credit crisis. Based on the Ministry of International Trade and Industry (MITI) model in Japan, China will establish three "policy banks," one for agriculture, one for long-term credit and development, and one for import and export. These banks would be separate from the People's Bank, and would be able to direct credit toward productive activity as demanded by the needs of the national economy as a whole. There is an internal debate over the question of the source of funds for these policy banks. The director of the Financial

## Slave labor in China

*EIR's* reference to the "China model" as a slave-labor policy was confirmed in blood last month when a doll factory in Shenzhen, the leading trade zone across from Hongkong, burned to the ground, killing 81 people who were "locked into a cage-like workshop," according to the official *China Daily*. The firm, owned and managed by a Hongkong firm, had locked three of the four gates and covered the windows with heavy wire mesh. The Shenzhen fire chief told *China Daily*, "The purpose of the cage-like workshop is to prevent workers from stealing the products. However, people working in it can hardly escape."

Almost all the workers were women migrants from Sichuan province in the interior, part of the 200 million "blind flow" who are recycled through the sweat shops in the free trade zones.

The conditions in the plant were neither unknown by the authorities nor uncommon. Officials who had inspected the plant in March had merely notified the manager of safety improvements which were needed, with no subsequent followup.

A disaster in Thailand last May, also in a Hongkong-owned doll factory, differed only in that the workers were not caged in. When 188 workers were killed in that fire, the responsible Hongkong company, Kadar Holdings, was purchased, the next week, by a group of Hongkong and Beijing investors, including the son of Deng Xiaoping.—*Michael Billington*

Research Institute of the People's Bank told the *Wen Wei Po* on Nov. 2 that the only source of new funds would be either issuing state bonds, thus further aggravating the debt situation, or "granting a certain amount of loans by the central bank," but he added that there is opposition to the latter.

The generation of such new credit by the government would, as Alexander Hamilton's policies did in the United States, provide the basis for launching the massive transformation necessary to avert a breakdown, if China were to reverse its *current* destructive labor policy, and if the new credit structure rejected the free-trade, service economy ideology of the IMF in favor of massive energy and infrastructure development, utilizing the most advanced technologies.

It is extremely unlikely that such a transformation will, or even would, take place under the current Communist Party leadership. It is now a question of which comes first: an internal breakdown in the People's Republic, or a crash of the "China bubble" in Hongkong.

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## Book Reviews

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# Jimmy Goldsmith's little 'trap'

by Jacques Cheminade

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### Le Piège

by Jimmy Goldsmith

Editions Fixot, Paris, France, 1993

176 pages, paperbound, FF 99

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*Opposition in France to unbridled free trade has been growing and passions are running high, especially as the U.S.-dictated Dec. 15 deadline for France to ratify the Uruguay Round of the General Agreement on Tariffs and Trade approaches. Farmers, workers, textile businessmen, and even actors have taken to the streets against GATT, and Rural Coordination, an independent grouping of farmers, has played a key role. Even some financiers have come out opposing GATT and are attempting to co-opt the legitimate opposition to forestall close examination of their precious "free market." Jimmy Goldsmith is exemplary. The following review of his book The Trap was translated from French. Goldsmith is planning to publish an English-language edition some time next year.*

Big noise in the microcosm of Paris: Jimmy Goldsmith has come out as an "adversary of global free trade"; is denouncing "without inhibition" the General Agreement on Tariffs and Trade; rejects the united Europe of Maastricht; is calling for "another choice for agriculture"; and skewers the "bureaucratic and corporatist carcass." Everywhere, people shout about his reconversion (or conversion), they celebrate the "opponent of circular thinking," they flatter "the originality of his words." But it's much ado about nothing. This "Franco-British citizen" is simply trying to sell to the French public the old carcass of social Darwinism, accompanied with the proper sauce to excite French palates.

If ever one might be in agreement with some elements of the analysis contained in the first chapters of his book, the later ones give away what the fraud relies on.

It is true that the "logic" of GATT and the Europe of the Maastricht Treaty is, among the wealthy countries, to create

unemployment by relocating to poor countries, and to have the poor countries subsidize the wealthy, to the detriment of their own poor people and those of the wealthy countries to boot.

### Behind the smoke and mirrors

So, what does Mr. Goldsmith propose? First of all, no Marshall Plan for the East: The poor folk there would be too dishonest and disorganized to make good use of it. Hence, if global free trade is disastrous, it would be completely desirable among the "club of rich countries." Mr. Goldsmith preaches "free markets among regionally homogeneous economies"; he's a liberal—and a partisan of the "free market"—but by regions, among themselves, just like the clubs in the City of London.

That means that no fundamental problem is broached, except the illusion that 20% of the world could control the rest by a sound policy of crisis management. And in order to sell this bill of goods, Mr. Goldsmith, straight from his experience at smoke and mirrors, proposes "a society flush with villages, small artisans, a multitude of small and medium-size enterprises opening up a wide spectrum of activities," the return to "non-intensive agriculture," a society "based on local development rather than urban concentration," and the restoration of spirituality and holiness. In sum, a New Age cocktail to seduce peasants from the Garonne, Auvergne, or Gers, while titillating the *salons parisiens*.

Well then, what is this "trap" hiding? The further one goes in this book, the more Goldsmith shows his hand.

First there appears a tirade against nuclear energy: It is not profitable and constitutes a weapon of the nucleocrats, the secular arm of state totalitarianism (that old song). The future is in "renewable resources" and in a "reduction in electricity consumption," for example, the so-called 55% reduction in the United States. (There is a finely tuned division of labor: Teddy, Jimmy's older brother, is a radical ecologist, whereas Jimmy has freely ensconced himself in a superb Mexican hacienda, a bit like the "familial proprietaries" so hailed these days by the ex-predator of Wall Street and the City of London.)

Next, says Sir James (a onetime admirer and practitioner of the Thatcher-Reagan shock therapy), we must return to spirituality and reestablish the balance between man and nature. The cult of science, technology, and progress has become the religion of modern western man, and therein lies the source of our ills! Acknowledging himself to be a disciple of Friedrich von Hayek—let's mention in passing, so is Jean-Marie Le Pen—Goldsmith strikes the chord of the Amerindian religions, comfortably installed with his billions.

He does not hesitate—logically, being a good malthusian, like Jacques Cousteau—to find fault with the very foundations of Judeo-Christianity, and to attack the book of Genesis: "God created man in His image. . . . God blessed them, saying: 'Be fertile and multiply, fill the earth and subdue it. . . .'"

## Free market 'theology'

Since he's an intelligent man and a good "son of the pubs," he both proclaims the superiority of primitive religions based on the communion between man and nature rather than the superiority of man, and declares that the "Judeo-Christian current of thought that most promotes it" comes from St. Francis of Assisi, who himself proclaimed the veneration that man owes to nature as a creation of God.

Jimmy Goldsmith, theologian and metaphysician—now we've seen it all! Fortunately, while financial derivatives, in dollars or pounds sterling, allow him to buy anything, including the ideology of his own victims, they do not allow him to pervert either human reason, or justice, or natural law, or even the most fundamental of religious messages.

After all, the reality of this *fin de siècle* is simple: Either the prevailing financial and monetary economic system is stopped cold and the productive economy restored to its command post, with technological discoveries applied to new industries, or, for sure—with or without spiritualism and crocodile tears—the world will head first toward disintegration, then war.

As the book of Genesis indicates, human history is characterized by the growth of demographic density, a capacity for populating the universe thanks to knowledge and mastery of its laws, in the form of new technologies. To deny this human quality, which differentiates man from animals, as Jimmy Goldsmith does in his pathos, to deny the products of the most advanced human discoveries, such as nuclear energy, which permits us to populate the universe, is to deny creation itself, to deny that man were created in the image of God. It is to project onto the world the image of a predator, repentant or not, but solely capable of thinking of the world in terms of predation or passivity.

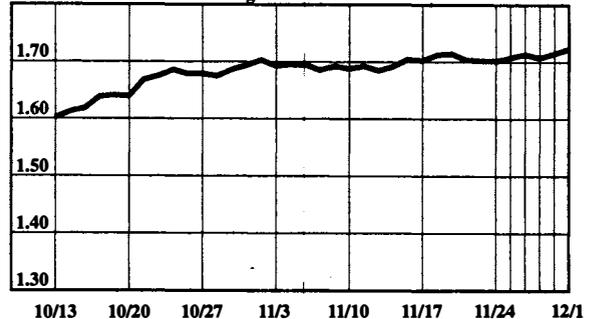
Contrary to all that Goldsmith affirms, the Franciscan current was not based on a passive veneration of nature, but went to the bottom of what makes up human nature, the respect for divine creation, and therefore, in itself, the faculty of creating. It is thus that this Franciscan "simplicity," this "goodness," awakened and inspired discoveries in science—of the divine work—bringing into being the Renaissance. We need no more than look, with a bit of sensitivity, at the works of Giotto, Fra Angelico, and Piero della Francesca.

Goldsmith proposes instead a "return to nature," an issue supposed to bring back the past, to the point of questioning the very foundations of Judeo-Christian civilization. This issue leads nowhere, except to the world of Hobbes, in which man becomes a wolf toward man. The trap of Jimmy Goldsmith is the nightmare of a predator. Remember: Those who celebrated the "savage life of the American Indians," collect their artifacts, their feathers, or their photographs, are, within the Anglo-American oligarchy, the very ones who looted the former's lands. Will the peasants of Garonne, Gers, and Auvergne be for Jimmy Goldsmith and his friends, the American Indians of the close of the 20th century?

## Currency Rates

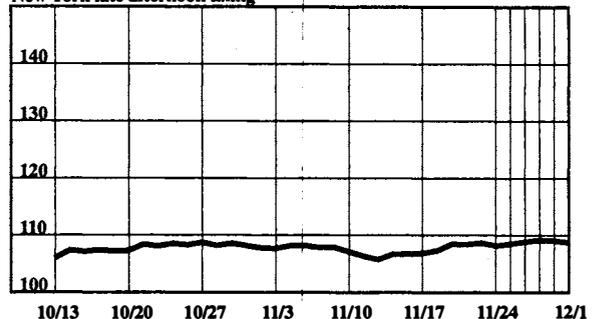
### The dollar in deutschemarks

New York late afternoon fixing



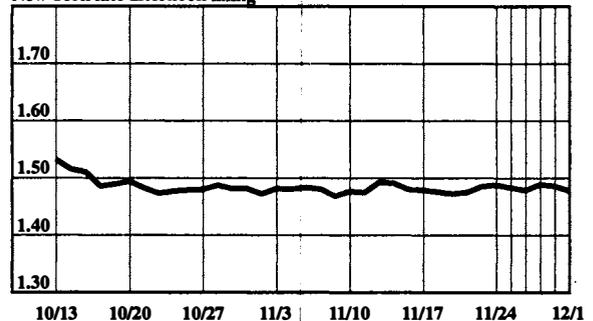
### The dollar in yen

New York late afternoon fixing



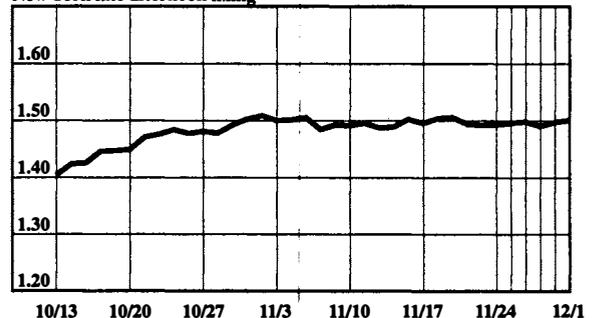
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# Swine fever as a market strategy

by Rosa Tennenbaum

The machinations around the outbreak of swine fever in Germany are indeed a piece of piggishness of the first order. The European Commission of the European Community used the outbreak of the disease in a few hog farms as an excuse to impose measures which are exaggerated and completely unnecessary from a veterinary standpoint. First, the EC Commission in Brussels prohibited the export of pork or suckling pigs, not only from the immediately affected areas, but from anywhere in Germany! This was something entirely new. Never before have measures such as this been imposed upon a country where swine fever was detected. Finally, after tough negotiations, Brussels lifted the ban on imports, but only after arbitrarily expanding the size of the blockaded areas. Previously, the customary procedure had been to blockade an area within 3 km of the infected locations. Within those areas, all trade in hogs and pork would be forbidden, and the area within a radius of 7-10 km would be put under strict observation.

But Germany apparently enjoys a special status with the Brussels authorities. The cordoned-off areas were extended to a radius of 100 km around the points of infection—a step which is entirely out of proportion with any consideration of how the health of man and beast can be protected. By drastically expanding the cordoned-off areas, approximately 20% of all the hogs raised in Germany, i.e., about 10,000 slaughter-ready hogs per week, were suddenly withdrawn from the market. That has spelled catastrophe for the hog breeders and feeders. Prices have been dropping precipitously, and over the past few weeks have not even been high enough to cover feed costs.

Brussels finally permitted a buyout of the banned hogs, but this came almost three weeks after the detection of the disease and the drastic sanctions. In the meantime, about 400,000 hogs have been “taken off the market,” as the politicians put it—i.e., they were bought up and killed. Hundreds of thousands of perfectly healthy hogs were liquidated by means of the “politically cordoned-off areas” and were sent to the glue factory to be processed into soap or meal.

## Fight for market share

Behind these measures is a bloody battle for control of market share, a competition to crowd out the weakest, which Germany's free market-oriented Agriculture Minister Wolfgang Borchert is incapable of countering. Indeed, sources in

Brussels report that the cordoned-off areas were only expanded to 100 km on Bonn's express urging. Bonn has disputed those reports, but the fact remains that the EC Commission can only act on decisions which have received the blessing of the Council of Ministers—and that includes a minister named Borchert. This minister, whose long years of screaming about agricultural overproduction have apparently left him incapable of responding to rational argument, has evidently seen the outbreak of the swine fever as a welcome means of tackling this perceived “problem.” Fully 70% of all the pork consumed in Germany comes from German pig farms, yet Borchert has agreed to maintain the cordons through next May. By that time many thousands of breeders and feeders will have been ruined. The reduction of the cordoned-off areas to a radius of 30 km is still arbitrary and doesn't change the fundamental problem.

The net result of the huge cordoned-off areas, the marketing ban, and the buyout action has been the disappearance of German meat from the market; Belgian, Danish, and Dutch slaughterhouse chains are all too willing to fill the gap. On top of that, next year more meat is supposed to be imported from Poland, Hungary, and the Czech Republic, and Bonn is pushing this in a big way. So some space had to be made on the German market: There are 50,000 too many pig feeders in Germany, and they must be made to disappear, according to the market analysts, in order to make room for the new imports. Borchert is now coming within grasp of his long-cherished goal.

So far, about one-half million animals have been liquidated, but this could easily rise into the millions if the plans made in Bonn and Brussels are carried through. This is the biggest “swinicide” in history, and reflects the degree of cynicism and hatred of humanity which is increasingly coming to dictate German agricultural policies. During this winter, 4 million people are in danger of starving to death in the middle of Europe, and not all of them are Muslims, whose creed forbids them from eating pork. The number of healthy hogs which end up at the glue factory each week would be enough to provide at least 30 million meals.

During the years of hunger immediately following World War II, we learned that it is a sin to throw out leftovers. But now politicians throw out huge quantities of meat without batting an eye. Unless citizens see to it that ethical considerations are brought to bear on policymaking, we will become the victims of our own mistaken policies.

The Civil Rights Movement-Solidarity, co-founded by Helga Zepp-LaRouche, is demanding: 1) Stop the swinicide! Revoke the “politically cordoned-off areas”! 2) return to the classical, traditional methods of combatting disease; 3) generous winter aid for the starving population in the Balkans; 4) stop the cheap imports, especially from countries whose own people suffer from shortages, such as Poland, Hungary, and the Czech Republic; and 5) raise producer prices up to parity levels.



# Free trade has been a disaster for Australian agriculture

*Australian political organizer Andrew Bailey of the Citizens Electoral Councils, formerly a farmer, addressed a meeting of agricultural producers in Ciudad Obregón, Mexico, on Nov. 11. The following is the text of his speech, slightly abridged. The conference was organized by the Permanent Forum of Rural Producers (see last week's EIR, p. 8).*

I bring you warmest greetings from my colleagues in the Citizens Electoral Councils (CEC) in Australia. We too are engaged in a fight against those who would destroy our farms and our nation. The battle has begun in Australia, and I pledge to you that we in Australia have heard of your courageous and just struggles, and we are in solidarity with you. Our movement stands with yours until humanity triumphs!

The CEC is a nationwide political movement of the philosophical co-thinkers of Lyndon LaRouche. Lyndon LaRouche has been an inspiration to our people in Australia, and we proudly acknowledge our debt to him. We pray for his speedy deliverance from unjust imprisonment.

For the past ten years I have been on the land, working on many cattle stations [ranches] throughout the northern part of inland Australia. I have seen the devastation and despair which is now descending into once-happy communities. Cattle stations in that part of the world are as large as 22,000 square kilometers. This is pastoral country, once prosperous, and the main supplier of beef and wool for Australians and to the world. But our land is being destroyed by deliberate actions of cartels, environmentalist groups, and governments [which] no longer serve the interests of the people. I will explain some of the developments which are occurring in rural Australia.

## Farmers are driven off the land

Our farms and people are being destroyed:

- in the last 20 years, over one-third of our farmers have been forced to leave the land;
- millions of acres of once-productive land have been

withdrawn from agriculture, and more will go;

- cartels like ConAgra are moving to take over all stages of meat processing. The family farmer is being squeezed out.

Our nation's food supply is under threat, and a way of life is disappearing. This did not happen by accident. Government policy, bankers' usury, and greedy cartels like Elders have brought despair to farm communities. They have all conspired to collapse prices, steal the fruit of the farmers' labors, and deprive our children of a future on the land.

There is an urgent need to build rural infrastructure, protect markets, and bring back hope to the rural producer. But the present policies of the Australian government, as well as the treachery of farm organizations such as the National Farmers Federation, will ensure the near-term extinction of the private family farm. The NFF's so-called leader, in reality a puppet of cartels and banks, has said that another one-third of farmers must leave the land.

Current rural problems can be traced back to the free market policies initiated by the Bob Hawke government in the early 1980s, and to that government's determination to pursue General Agreement on Tariffs and Trade (GATT) priorities and to open the Australian market to cheap food imports. Australia's government, now under Paul Keating, has done everything possible to promote free trade. Australia is acting out its traditional role as a colony of Britain in pursuit of the free trade dogmas of Adam Smith.

Australia is vigorously pursuing a free trade policy. In particular, Keating has supported the North American Free Trade Agreement and devised a NAFTA variant in the Asia-Pacific region called Asia Pacific Economic Cooperation (APEC). Fifteen APEC nations are soon to meet in Seattle, where Australia will attempt to force the organization to become a free trade bloc. It is the Malaysian government which alone has raised a protest against this intended development.

There has been no opposition to free trade in Australia from the other principal political party, the Liberal Party, which is led by Dr. John Hewson, himself a former Interna-

tional Monetary Fund executive.

It was claimed in the early 1980s, at the time that free trade policies were introduced, that if Australia pursued free trade, then the world's markets would in turn be opened to Australian food producers. But while Australia slashed tariffs, the promised expansion into overseas markets has not occurred, and the Australian rural producer is now exposed to imports produced with cheap labor, dumped commodities, and falling terms of trade.

Free trade has been disastrous for Australia. A few have prospered while many have been impoverished.

Australia's foreign debt has gone from about \$6 billion to \$290 billion. Ninety-five percent of this is illegitimate, largely due to derivatives trading. The Australian economy continues to decline, unemployment and underemployment is over 20%, and most of Australia's white goods industry has closed down.

It is the rural economy where the impact has been most severe. Farmers were conned in the 1980s. They took heart from official studies which predicted a prolonged boom in commodity prices. They were encouraged to expand and develop their properties; they were told to "get big, or get out," but they were left dangerously exposed when commodity prices collapsed, and interest rates went through the roof.

In addition, the government's free trade policy has permitted the dumping of products from Canada, the Philippines, and various South American nations, in particular. The early 1980s deregulation of the banking system has permitted banks to charge usurious interest rates, with 25% interest charges not uncommon. In 1987, the Hawke Labour government abolished the Rural Credits Branch of the Commonwealth Bank, thus cutting off a reliable and traditionally relatively cheap source of agricultural credit. Rural producers are now at the mercy of private banks, and many have become unviable. Costs of production have risen, and this includes government charges, while the prices they receive have collapsed. Most farmers are in a loss situation, and crucial farm infrastructure is not being replaced. Future production is threatened.

The Queensland Grain Growers Association in a study showed that many rural producers are caught in a devastating cost-price squeeze. An average farm in 1981 had an income of around \$20,000 per year, but today that same farm, in 1981 dollars, is losing \$44,000 per year. Fewer than 3 out of 10 farmers are expected to make a profit, and this is the third year in a row that such losses have been recorded, according to one survey.

### **Government policy makes things worse**

Federal government policy in no way attempts to tackle the problems of cost. One government scheme recently announced was an interest rate subsidy, but this was to be paid

directly into the banks, and hence was a form of bank bailout. This was the extent of the government's "concern" for the farmer.

But the height of absurdity in government policy can be observed in the recent culling of the Australian sheep flock. In 1990, the government reached the conclusion that there were too many sheep in Australia, and in the following year, some 20 million sheep were shot at a cost of over \$40 million, with much of this money going to the agricultural house Elders-IXL, for near-record profits. In the very same year, \$32 million was spent on mutton and wool imports. Thus while government policy devastated the sheep population, government policy also permitted the importation of wool and sheep products to depress prices even further.

The government and rural organizations set up to "defend" farming interests endorse the line that many farmers are unviable in the face of foreign competition, and have advised farmers to quit the land.

Minister for Primary Industry Simon Crean and Rick Farley of the National Farmers Federation have both been quoted as saying that one-third of beef and wool farmers must leave the industry. The NFF, the major farm organization, several years ago established what it called a "fighting fund," which raised some \$12 million. This fund was to be used to lobby for farming interests, but the money has either disappeared or has been used to establish plush offices in the nation's capital, Canberra. The NFF is reportedly now preparing to make a bid, with an eye to profit, to take a share in Elders, a large rural products purchaser. Donald McGaucie, head of the NFF's trade committee, stated that the NFF was the only "true believer" in free trade and the free market philosophy.

A problem of real concern is the destruction of infrastructure in rural areas. Natural disasters, made worse by government failure to provide necessary infrastructure, are also devastating the rural sector. In the relatively prosperous fruit-growing area in Central Victoria, the greatest floods in over 100 years have destroyed much of the fruit industry, and predictions have been made that it will take 10-15 years for destroyed fruit trees to be regenerated. The state government's failure to build levee banks has become obvious, and some local governments are so strapped for funds as a result of government austerity measures, that they have been charging local farmers the cost of bags used in the construction of levee banks as the flood peaked. In the northern part of Australia, in Queensland, a three-year drought has wrought devastation, with livestock numbers down by 30-40%. In Queensland, a total of 36 shires, with more than 1,400 individual properties representing 45% of the state, have been officially declared drought zones. Wool production is now down by 30-80% across the region, and wool producers' income is down 50-75%. Grain growers in this southeastern area of Queensland face the possibility of losing 60% of their

winter cereal production.

The deterioration of infrastructure and the failure to insulate the nation's food and fiber supply against the vagaries of Mother Nature are compounded by outright vandalism of infrastructure by governments. After a tour of Queensland by the deputy premier of Queensland, Tom Burns, a decision was made on the economic viability of some 29 branch rail lines. As a result, the Queensland Labour government of Wayne Goss is planning to close down some 2,800 kilometers of rail lines. This is about one-third of the state's total rail track of 9,000 km. It is claimed that this will save the state some \$40 million.

### **Wool industry ravaged**

A further problem, for the wool industry in particular, is that traditional markets have disappeared, as other nations feel the financial pinch. Contrary to what free traders predicted for Australia, the loosening of protection in Australia and other nations has led to a fall in purchasing power around the world. This is confirmation of the observation of the 19th-century American System economist Henry Carey, that free trade in fact leads to a decline in real trade, for the simple reason that free trade reduces purchasing power of potential customers.

In recent years, Russia and China, two of Australia's biggest wool customers, stopped buying wool. As a consequence, the domestic wool stockpile soared and prices collapsed by up to 70%. Currently there are over a million bales of wool in stockpile.

The wool industry is in bad shape largely due to mismanagement at the top. Russia still owes hundreds of millions of dollars from a previous wool deal and there is little likelihood of this being recovered. In recent years, the Australian government withdrew the price support for wool and prices collapsed from about 1,000¢ per kilo to about 400¢ per kilo. This has devastated incomes in some regions. The wool stockpile continues to accumulate, with over 1 million bales being left to rot. One recently suggested method of removing the wool stockpile was simply to burn it!

This economic collapse is now becoming a social disaster. In 1992, according to one source, some 700 farmers committed suicide, and recorded youth suicide rates have jumped some 600%. At the CEC offices in Melbourne, we are constantly in touch with farmers in the north of Australia. Our members can relate many sad stories of people they have contacted, and after ringing back a week or so later, they have been told that it is too late. The person we spoke to has committed suicide.

Many men are forced to look for work elsewhere, while wives and children are left to look after the family property. In many cases, children have been forced to leave school. Youth unemployment is almost 50% and some 43% of farmers rely on social welfare in South West Queensland.

Government policy, nature, and bank practices are not

the end of the catalogue of woes descending on rural Australia. The producers are being assaulted by environmentalists and the land claims of aborigines. In 1992 in Queensland alone, some 116 sheep and cattle stations, comprising millions of acres, were taken over as national parks, after claims were made against them in the name of "conservation." In some of these cases, no compensation will be paid.

### **The work of the CEC**

There is little hope on the horizon for agriculture in Australia, unless there is a complete turnaround in agricultural policy. Despite the devastation in the rural sector, government advisers without exception advise more of the same disastrous free trade policies. The only voice being raised against the free trade insanity is that of the CEC.

As you may see from this story, Australia, which was once called the "lucky country," has run out of luck. But those who would profit from the collapse of our nation, will not continue unchallenged. For over a year now, the CEC has been organizing from its national headquarters in Melbourne. People are responding, our movement is growing—but not as fast as we would like it to, for we have many, many tasks to complete.

We stood candidates across Australia in the 1993 federal election. We have lobbied directly into the federal Parliament in Canberra and have been active in talking to factory owners and other freedom fighting groups. We are about to commence visiting farmers in the southern part of Australia, in Victoria and South Australia. We are serious in preventing the total collapse of agriculture, under the inspiration of Lyndon LaRouche and the support from his people in the United States, we are developing as a real threat to the evil vested interests in Australia. In recent weeks these evil vested interests, in response to the effectiveness of our organizing, have commenced a legal assault on the CEC. Forces under the control of the B'nai B'rith freemasonic network are claiming \$200,000 in a civil writ against us.

The CEC has developed a number of bills which it intends to bring before Parliament in the next few months. These bills are the blueprint for a rural recovery. They include a bill to create a new national bank; a debt moratorium bill which will put a hold on farm debt and prevent the seizure of properties; and a bill to declare a moratorium on Australia's international debt, debt which is largely illicit, but which is being used as a pretext for governments to impose austerity measures and prepare the way for more IMF intrusion.

The bill to create a Commonwealth National Credit Bank for Australia is a key to the CEC. The bank will enable farmers, industry, and governments to obtain cheap, long-term credits for physical production and infrastructure. It will break the back of usurious banking practices in Australia. The Commonwealth National Credit Bank is modeled on the banking principles of Alexander Hamilton and the later contributions of the economist Lyndon LaRouche.

## Rice's 'special situation'

*Food self-sufficiency is the issue in Japanese and South Korean opposition to free trade "economic tyranny."*

On Nov. 19 in Tokyo, a statement was released opposing opening the Japanese and South Korean rice markets to imports. The statement was backed by 139 legislators of Japan's Liberal Democratic Party (LDP) and 117 parliamentarians of South Korea's Democratic Party and United People's Party. It reads, "In Japan and South Korea, rice has the important function to maintain food self-sufficiency."

The release was timed with the Asia-Pacific Economic Cooperation (APEC) summit in Seattle. The statement notes that a majority of farmers in the two nations maintain their livelihood by growing rice. Demanding the opening of the rice market without taking this into consideration is "economic tyranny on the part of the United States," the statement read.

The legislators said they will boycott the ratification of the Uruguay Round of the U.N. multilateral General Agreement on Tariffs and Trade (GATT) talks if their governments make "a unilateral compromise" and accept the "tariffication" of rice. This refers to a maneuver by the U.N. Secretariat and Anglo-American free-trade bloc in which they are demanding that countries give up the right to bar imports and instead place tariffs on imports—which tariffs will, in turn, be subsequently eliminated.

On Dec. 1, an emergency meeting of cabinet ministers, chaired by South Korea's Economic Planning Board Minister Lee Kyuang-shick, announced that the South Koreans would send a team to the GATT talks in Geneva to try to persuade U.S. representatives not to press Seoul to open

its rice market. "We will have to do our utmost until the last minute, although everyone knows this is a lonely fight," an EPB official said. "It was decided we would actively negotiate to help conclude the Uruguay Round negotiations . . . but also persuade [other countries] that rice is a special situation," the EPB said in a statement released after the talks.

However, the South Korean press is already painting a picture of the aftermath of rice market openings, and farmers are now flocking to Seoul to hold street protests against the government for letting them down.

Agriculture, Forestry, and Fisheries Minister Ho Sin-haeng is quoted by Yonhap news service saying, "We will do our best to stand by our rice market till the very last moment, but if our sole ally, Japan, turns to an open policy, we have to take appropriate countermeasures."

GATT and Anglo-American cartel interests have responded by bullying Korea. GATT commissioners warned Korea that if they stick to their "no rice" policy after the conclusion of the global trade accord, Korea will be ostracized by the international community and find itself in a trade war with the advanced countries.

Tokyo is said to have decided that it will surrender its rice market, but it faces internal friction as members of the Socialist Party are threatening to leave the coalition government. Japan's NHK television reported Nov. 28 that the Socialists, the largest member of the ruling coalition, threatened to bring down the government if it caves in on the rice question.

Japanese government spokesman Masayoshi Takemura rationalized giving up its right to make food policy, in a Nov. 28 statement: "Japan depends on free trade and should not be responsible for ruining GATT. It would not be right if, after all sorts of difficult world problems had been solved, it was only Japan's rice problem that remained and only Japan that had refused to give way."

On Dec. 1, Japan's Food Agency (which coordinates food supplies centrally) announced the ways that rice wholesalers and retailers must blend and label foreign rice with domestic rice. Yoshiharu Sato, president of Japan's Central Union of Agricultural Cooperatives, criticized the Food Agency for this, saying, "If they're blended, the bad-tasting foreign rice will get all mixed up with the good-tasting Japanese rice. . . . Japanese farmers work hard to grow good rice."

The South Korean government reportedly has argued in Geneva that it cannot match the U.S.-Japan pact because conditions are far different from Japan, which has reportedly agreed to 4-8% Minimum Market Access and tariffication after six years.

In Korea, rice production is worth \$8.6 billion a year and accounts for 3.1% of the Gross National Product, while the share is just 0.6% in Japan. In Korea, rice farming provides 13.4% of total employment in Korea, and rice is the primary source of income for farmers.

Washington has demanded that South Korea, no matter how its situation differs from that of Japan, accept "tariffication" in exchange for lifting the ban on rice imports. According to some sources, U.S.-South Korea talks have focused on a "minimum access opening" under which Seoul would accept the import of a small amount of rice, increasing the amount slightly over six years.

## **Industrialists fear dumping**

*In the wake of import tariff liberalization, India finds it hard to ward off cheap steel and petrochemicals.*

**D**espite a sharp 21.4% rise in India's exports in the first half of the current fiscal year and a significant drop in trade imbalances, Indian authorities are concerned about dumping of goods by foreign companies. In a recent address, the finance minister acknowledged the fears of industry and promised that anomalies in the tariff structure will be modified to prevent such dumping of goods in the future.

At the outset of the current fiscal year (April 1993), Finance Minister Dr. Manmohan Singh, the architect behind India's economic reforms, had slashed import tariffs across the board. India's import tariff structure was the highest in the world. The objective was to boost the industrial sector and spur new investment. While reducing import tariffs has helped India's export effort, as figures indicate, and did not push up imports significantly, it has caused imbalances within various sub-sectors of industry.

Addressing the 93rd annual general meeting of the Bharat Chamber of Commerce recently in Calcutta, Dr. Singh said: "A segment of the capital goods industry fears that the rationalization of import tariffs have been too much and too fast. Our government is alive to the responsibilities and will not do anything to hurt domestic industry." Dr. Singh was referring to the concern recently expressed by the Confederation of Indian Industry (CII), the federation representing the major engineering industries of India, over the alleged dumping of steel and steel products in the Indian market by

Brazil and some Europeans.

The CII allegation, which came out in the form of a report, "Post-De-control Scenario of Steel," noted that prices charged by the producers in their own domestic markets were very high while most of the excess steel produced in those countries was dumped into India at a marginal cost or even at a loss. These losses were recouped from domestic customers by charging them the higher price. A study of prices presented by the CII showed that while the domestic price of hot rolled (HR) coils in Japan is as high as \$587 per ton, the same HR coil is exported to India at \$350 per ton from Japanese ports. The CII pointed out that at the prices at which these steel products are imported in India, it will be difficult for some producers to even recover their operation cost, let alone the capital cost.

Appealing to the government to redress the grievances, CII said: "While CII appreciates the overall government policy of liberalization it is only fair that the indigenous industry is protected from unfair international competition." The leading Bombay industrialists, voicing their concerns in tune with the CII, also asked the government to offer them a "level field" and not to provide any special privileges to foreign companies.

However, the first anti-dumping case of poly-vinyl chloride (PVC) resins has exposed the weakness of the Indian government. With anti-dumping laws having been confined to the books for ages, government and in-

dustry find that inexperience in dealing with the dumping cases has made the task arduous. While industry is seeking a quick solution, the government is showing extreme caution so that its economic reform is not discredited and the flow of trade is not hampered. Meanwhile, a number of anti-dumping cases have been filed, and industry is becoming restless.

Besides the fact that the government machinery to deal with these cases is grossly inadequate, new problems have surfaced. For instance, Chinese suppliers are alleged to have dumped bulk drugs, graphite electrodes, and chemicals in India. The dumping charges against the Chinese exporters cannot be dealt with using the existing anti-dumping legislation in India, which is based on the GATT code, since China is not a member of the GATT.

The complaint filed by the PVC Resin Manufacturers Association (PREMA) claims that dumped exports from Argentina, Mexico, Brazil, South Korea, and the United States have caused material injury to the domestic manufacturers, an allegation which the authorities have since refuted.

Despite these built-in inadequacies, officials have managed to resolve three cases, including PVC, on which final anti-dumping duty has been notified. The Commerce Ministry has even announced that anti-dumping provisions would be imposed on those chemicals whose industries are now in the process of cutting their own teeth.

India signed the GATT anti-dumping code in 1979 and amended its Customs Tariff Act in 1985 incorporating the provisions for anti-dumping duty. The anti-dumping duty equals the difference between prices at which the product is exported and its normal value in the exporting country.

## Debt accord a bad deal

*The accord Cardoso has signed with Brazil's creditors is the first step toward dollarizing the economy.*

**B**razil's Social Democratic Finance Minister Fernando Henrique Cardoso finally signed an accord on Nov. 3 with the country's creditor banks that restructures the \$52 billion outstanding to private banks, representing something under half of Brazil's total foreign debt. Cardoso is the darling of the New York banks and a prominent member of the Inter-American Dialogue think-tank. What he has signed will give the *coup de grace* to Brazilian economic sovereignty by submitting the economy to a slow dollarization process, "Brazilian-style."

The accord, whose implementation is contingent on an agreement with the International Monetary Fund (IMF), is a facade behind which the productive capacities of the country will eventually be destroyed, along the lines of the financial globalization plans of the U.S. Federal Reserve (see *EIR*, Oct. 8, p. 22).

In order for the pact to go into effect in April 1994, Cardoso set a number of conditions, stating that "there was a reduction of Brazil's debt under the 'Brady Plan,'" in reference to the plan for slight reductions in debt pushed by former President George Bush's Treasury Secretary Nicholas Brady. "The next step is that the U.S. government will issue Treasury bonds that will provide guarantees [to the banks] under the accord. And for this the Treasury wants the IMF's backing." He said he was certain that U.S. Treasury Secretary Lloyd Bentsen was committed "to issuing the guarantee bonds." Cardoso said he hopes to sign a stand-by agreement with the IMF by early next year.

Under the deal, Brazil receives all of a \$4 billion reduction of its debt. This would be merely a bad joke compared, for example, to the \$40 billion in interest Brazil paid just during the previous government of José Sarney—if it hadn't also led to the country's deindustrialization.

In a hallucinatory state of mind, Citibank's William Rhodes said during the signing ceremony in Toronto that the agreement was "historic" and, when fully carried out, will represent the end of the international debt crisis that began in August 1982. "We are counting on Minister Cardoso to complete this work," he said.

Despite bankers' efforts to endow the accord with extraordinary importance, its farcical nature was manifest almost immediately. The very person who negotiated the accord for Brazil, the manic-depressive monetarist André Lara Resende, who left his post in December, stated, "More important than the money that will come from the IMF is the significance of the agreement with the IMF," that is, the accord is of no positive consequence for the economy.

Coming in the midst of a profound political crisis and power vacuum, an agreement with the IMF, like the one with bank creditors, is important apparently only in the sense of transmitting the perception that the bankers and their errand boys such as Minister Cardoso, with their neo-liberal programs, run the country.

But prevailing opinion in Brasilia is that, given the IMF's continued lack of confidence in Brazil's stabilization program, Cardoso's economic team

of Harvard- and Yale-trained whiz kids will attempt to wrest from the Fund at least some sort of "subtle accord."

At the same time the agreement was announced, Cardoso and his closest aides revealed their plans to dollarize the economy. Cardoso's special assistant, Edmar Bacha, announced in a meeting with a select group of bankers in Rio de Janeiro that the government will institute a new daily indexing program for the economy that will be tied to the value of the U.S. dollar. The final goal is that this indexing procedure will lead to the dollar's replacing the cruzeiro, which is at present still Brazil's currency.

The plan will come into full effect in 90 days, as, little by little, prices will become fixed to the dollar. At that point, according to the economic magicians, inflation will evaporate because the cruzeiro will disappear, since the new indexing process will supposedly not be connected to past inflation. There will only be "present inflation," according to the new phraseology invented by the Central Bank's Director of Monetary Policy, Francisco Pinto.

For his part, Minister Cardoso was evasive and chose to avoid the term "dollarization," in an interview he gave recently in Canada, in order not to have to admit the similarity of his plan to Argentina's "convertibility plan." But he finally admitted, "I know of no stabilization plan that did not end up with with a new, strong, and convertible currency. The objective here is the same."

And another step being taken immediately will be the liberalization of foreign exchange transactions. The existing policy of high interest rates will be maintained, and a new set of budget cuts was just sent to the National Congress which will lead to even greater austerity.

# Business Briefs

## Investment

### Japan ups interest in China and Indonesia

Japan has sharply increased its investment in China and Indonesia, which have significantly lower labor costs than Thailand, Taiwan, South Korea, and Hong Kong, *China Daily* reported Nov. 14. Japan's investment share in China grew by 85% and Indonesia by 40%, while other Asian nations, despite their attempts to attract Japanese investment, are losing out, according to Japanese officials.

China has the lowest labor costs of all competing regions, "but the labor costs are not the only element," a Japanese official told *China Daily*. "It is our confidence in the Chinese government that is the decisive factor." Ikeura Kishaburo, head of the Japan-China Investment Promotion Organization, reports that Japanese investment now spans the entire Chinese coast, and no longer just the northeast.

But despite the Japanese investment in finance, trade, and hotels, Chinese officials note that Japan has yet to speed up its investment in capital- and technology-intensive projects, which is the type of investment that China needs to seriously develop its economy.

## Italy

### Formigoni demands end to privatizations

Roberto Formigoni, vice president of the European Parliament, founder and former chairman of the Catholic youth organization Communism and Liberation, and undersecretary in the Environment Ministry in Rome, called for an end to the selloff of state-owned industries. He spoke in San Donato Milanese near Milan on Nov. 25 at a conference sponsored by *EIR* and the International Civil Rights Movement Solidarity, the association founded in Milan in June and representing in Italy the international group based on the ideas of American economist Lyndon LaRouche.

The Nov. 27 daily *Il Giorno* headlined its coverage, "Formigoni: Let's Stop Sell Out of Italian Industry." "Only a national coalition of

forces can ensure the reconstruction of the economic potential of Italy in the European and world context . . . and safeguard Italy from the massive speculation of multinationals," *Il Giorno* wrote, summarizing the theme of the conference.

"We have been trying for a long time to draw public attention to the not-so-hidden attempts of certain financial interests to take over many state industries. This maneuver could be accepted if it did not hide the attempt to control our economy, not through a plan to relaunch our industry, but in order to shut down some of our most specialized industries," Formigoni said. *Il Giorno* commented that "the remedy to such foreign maneuvers could only come from a government plan aimed at relaunching state industries."

"Privatizations in Great Britain," Formigoni said, "were not at all healthy for the economy. . . . While they temporarily reduced the national public debt, they made the country lose its social function in front of the economic crisis, since state industries could have employed workers laid off by private companies."

## Germany

### 'Elites' attacked for bad economic policies

Erich J. Lejeune, described as "Europe's leading broker for computer chips" and an author of books on political economy, accused the German "elites" as being responsible for Germany's current economic collapse, in a commentary in the Nov. 23 German daily *Die Welt*.

Lejeune compared Germany's economic problems to an old Chinese proverb, that "the fish rots from the head." They, "the board members and top managers," are lying and have cowardly tolerated Germany's technological decline. Now, as a consequence of their failure, he said, tens of thousands are losing jobs and are forced into poverty.

It is not sufficient just to drive these "elites" away, he said. They should be charged at the court of justice "for the cancellation of sound jobs." He concluded, "We can no longer afford to have amoral would-be elites."

## Zambia

### IMF responsible for collapse of democracy

More evidence that the policies of the International Monetary Fund and Lonrho Corp. are destroying Zambia was provided by the London *Economist* the week of Nov. 22. Under the title "Blame the IMF," it reports that the government of President Frederick Chiluba, elected two years ago with the backing of the British and the IMF crowd and heralded as a victory for "democracy," is disintegrating along ethnic lines.

Since August, things have begun to sour for Chiluba and his Movement for Multiparty Democracy (MMD), the *Economist* reports. "Chiluba, a former trade union leader, was expected to be a man of the people. Instead, his government has been dogged by allegations of corruption, and his voters have felt the sharp end of his IMF-backed economic reforms. For the first time in 30 years, state hospitals and clinics have started charging fees. Patients now have to pay for their own drugs. Tariffs for electricity and water, no longer fixed by the government, have spiraled. Subsidies for fuel and mealy meal, the staple food, have gone. True, the shelves of city stores are now lined with imported goods. But, since public sector wages were frozen in July (despite widespread strikes), people can barely afford basic necessities, let alone luxuries."

Furthermore, "with trade liberalized, Zambia's fragile industries have had difficulty competing with imports. More than three-quarters of its textile factories have closed in the past year, swamped by a deluge of cheap second-hand clothes from western countries. With inflation above 200% a year, and interest rates (during the first six months of the year) at 140%—now down to 90%—manufacturers and farmers have been squeezed. In a letter to the government leaked in the press on Nov. 12, Lonrho, a British multinational and one of the giants of Zambian agriculture, said it was pulling out of maize, wheat, soya and cotton. The closure of its cotton scheme alone will cost the jobs of more than 10,000 peasant farmers. Nearly a third of the biggest commercial farms have ceased production. . . . Wheat farmers, who grew a record crop in 1993, cannot sell it, because of a glut of subsidized American

flour imported from South Africa. By the government's reckoning, 40,000 jobs—more than 1 in 10—in the formal economy have been lost over the past two years."

## Science

### China announces success in fusion energy

China achieved "satisfactory results" with its first experimental device for controlled thermonuclear fusion, a spokesman at the China National Nuclear Corp. (CNNC) announced on Nov. 23, the official news agency Xinhua reported.

"This has prepared China to catch up with countries most developed in the nuclear sciences in searching for the source of energy after the 21st century," he was quoted as saying. The equipment, dubbed the "reverse-field pinch experiment device," was installed in May 1991 at the CNNC-run Southwestern Institute of Physics of Chengdu in Sichuan province.

"Using the device, scientists are trying to break a new path for the search based on the theory that deuterium, a substance abundant in sea water, could be used in thermal nuclear fusion to generate electricity," the spokesman said. "That means that seas and oceans could become an inexhaustible powerhouse for the human race."

## Labor

### Belgian trade unions escalate strike actions

Belgian trade unions are escalating their protests against government austerity plans. On Nov. 26, a one-day general strike called by the two main Belgian trade unions, the Socialist and Christian Democratic trade union federations, representing about 2.5 million workers, was effective in shutting down public transport and the postal service, and in keeping most

schools closed, Reuters reported. Airport flights were delayed, and the port of Antwerp was closed. The media have also been affected, with French-language newspapers closing down for the day. The trade unions designated the general strike as "Red Friday."

On Nov. 22, about 15,000 union members demonstrated in Antwerp, the second largest port in Europe, which was completely shut down by the strike.

The week before, the government announced its "social plan," which seeks to impose massive austerity in order to pay down the national debt. The measures include a three-year wage freeze, tax increases, and cuts in health spending and family allowances.

The unions, which are planning to stage a second one-day general strike on Dec. 10, have said they do not want to force the downfall of the current four-party coalition government, but to renegotiate the proposed plan.

## Russia

### Rent increases will boost housing crisis

Many more Russians will be made homeless by a 200% increase of rents and of expenses for other public services which is going into effect on Jan. 1, the German daily *Frankfurter Allgemeine Zeitung* reported on Nov. 24.

"Not only pensioners, handicapped citizens and families with many children fear that they will no longer be able to pay their rents, but also members of the so-called technical intelligentsia, scientists, artists, medical doctors and teachers. It will be a question of time only, before the next wave of beggars and homeless will hit the streets and central stations of Moscow."

On Nov. 2, Moscow Mayor Yuri Luzhkov introduced special "law and order" measures which led to the removal of all beggars and homeless from the streets of the city. What became of those thousands that have been arrested and deported, whether they received any medical and other aid from municipal authorities, is unknown, according to the daily.

## Briefly

● **UKRAINE** cut off electricity to Hungary for five days, causing Hungary to turn to western Europe, the Hungarian state news agency reported Nov. 26. Hungary now buys less than 10% of its energy from former Soviet republics. Russia had cut off electricity supplies to Ukraine the previous weekend.

● **CHINA** has blocked a move by Rupert Murdoch's News Corp. to buy into Shanghai's *Better Life* magazine, Hongkong's government-run radio said Nov. 25. The joint venture would have been the first western-Sino publication to infiltrate China's tightly controlled media industry. Murdoch had recently attacked Beijing's control of media.

● **LAYOFFS** were announced at Philip Morris and NCR on Nov. 24. Philip Morris will cut 14,000 jobs, approximately 8% of its employees. The company is the largest private employer in Richmond, Virginia. NCR, the computer division of AT&T, announced cuts of 7,000 jobs, or 15% of its work force.

● **THE FEDERATION** of French Farmers (FFA) announced Nov. 22 that it is "considering widespread national and European action" against the General Agreement on Tariffs and Trade agreement, scheduled to be finalized by Dec. 15.

● **THE AIDS** epidemic is a strategic threat to China and more effort must be made to block the disease from spreading, a cabinet official told a Shanghai seminar, *Wen Hui Bao* reported Nov. 26. "Prevention and control of AIDS should always be treated as a strategic issue in China's modernization," he said.

● **THE RUSSIAN** Fuel and Energy Ministry has proposed cutting crude oil exports by 6 million tons to compensate for an unusually early and cold winter, Russian TV reported Nov. 25. Heavy fuel oil exports should also be reduced by 1.5 million tons, Fuel and Energy minister Yuri Shafranik said.

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## How Willy Ley rallied the U.S. to explore space

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*The German-American space pioneer pursued every avenue to make the science, technology, and the future of space exploration available to American citizens. From Marsha Freeman's just-released book.*

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*In 1969 the United States achieved the age-old dream of sending men to explore Earth's nearest neighbor, the Moon. The handful of German space pioneers who designed and built the rockets to reach that milestone worked tirelessly during the 1950s to rally the nation to support such a great project. Many of them had started their research on space exploration in the 1920s, working with the father of space travel, Hermann Oberth.*

*The just-released book *How We Got to the Moon: The Story of the German Space Pioneers* by Marsha Freeman, relates the story of both the technical and engineering work that made the Apollo program possible, and also the campaign carried out over a period of 40 years through the printed word, radio, movies and television, and personal appearances by this handful of men that laid the basis for the announcement in 1961 by President John F. Kennedy which committed the nation to go to the Moon.*

*Over the past ten years, these men, including Wernher von Braun, Arthur Rudolph, and Krafft Ehrlicke, have been vilified in the press and hounded by the U.S. Department of Justice as Nazi war criminals. *How We Got to the Moon* traces the source of this slander campaign to Soviet intelligence and its U.S. condominium partners, who were determined to destroy the technological optimism created by the space program. The death of President Kennedy 30 years ago enabled the cultural paradigm-shift that ended the space program's role as a science- and education-driver for the United States a few years later, at the end of the Apollo*

*program.*

*Following is an excerpt from Chapter VIII, which describes the extraordinary efforts of one of the German space pioneers, science writer Willy Ley, to pursue every available avenue to reach the American public and organize support for the exploration of space. Sadly, one could hardly imagine turning on the radio or television set today and hearing a prominent group of scientists and pioneers discuss with millions of Americans the space frontiers mankind faces to conquer in the next century.*

Willy Ley was born on Oct. 2, 1906, in Berlin and in 1927 was one of the founding members of the German Society for Space Travel. Ley left his compatriots in the Society such as Wernher von Braun, after Hitler came to power, and sailed for America, arriving at the beginning of 1935. His friend and fellow writer Sam Moskowitz reported in 1966, "he started writing and publishing as soon as he got to the U.S."

Working closely with friends, such as G. Edward Pendray of the American Rocket Society, Willy Ley immediately started proselytizing. On March 8, 1935, after he had been in the United States for less than two months, he spoke at an American Rocket Society public meeting at the Museum of Natural History on "Rocketry in Europe." By 1937, Ley was billed in magazines as "the world's foremost rocket authority."

Throughout the 1930s, Ley wrote articles for aviation and flight magazines to explain the new science of rockets.

However, Ley concentrated on writing non-science-fiction articles for science fiction publications. His writing touched on every subject one can imagine that has fascinated scientists and young people alike. "Visitors from the Void," in *Astounding Stories*, was a report on a huge meteor that had struck Siberia. In it, he speculated that such a "visitor from outer space" could have transported life to Earth, in the spore state.

Ley published an article titled "Stations in Space" in the February 1940 edition of *Amazing Stories*, but this was not about Hermann Oberth's Earth-orbiting stations. "Space travel would already exist if we lived on Mars," Ley told his readers. Providing an explanation of the concepts of gravity and escape velocity, he wrote that there is so much less energy needed to go into the orbit of Mars, because of its lower gravity (to reach a velocity of only 3 miles per second) compared to reaching orbit around the Earth (a velocity of 7 miles per second) that surely if we lived on Mars, space travel would already have been accomplished.

Ley also pointed out that the Martian moons Phobos and Deimos are so small and so near the planet, they are almost irresistible. This "would increase the efforts of Martian rocket enthusiasts considerably and silence the critics at the same time," he proposed. Phobos and Deimos were perfect locations for spacecraft refueling stations, he said.

Ley made clear the moral of the story for Earthlings: Man should build a space station. "The existence of Phobos and Deimos is valuable to us even though we live on Earth," he wrote. "It constitutes an example of what space travel could gain by having near and comparatively small bodies around them." After all, transatlantic pioneers had considered building an artificial (floating) island midway between America and Europe, as "a fuel depot, repair shop, and temporary haven in bad weather."

Ley's article "Calling All Martians" appeared in November 1940. After reviewing the myriad theories about life on Mars and ideas of how to communicate with these intelligent beings, including a suggestion by Carl Gauss, Ley considers the development of language and how one would communicate through symbols with beings not familiar with any of our languages. A "letter of introduction" to the Martians should be prepared, he said, to show the expedition's planet of origin, and its relationship to Mars, and to demonstrate basic concepts of geometry and mathematics, which are universal. Some 30 years later, when scientists were planning the launch of the Pioneer 10 spacecraft to Saturn and Jupiter, they knew that after its planetary fly-bys, it would be the first man-made object to leave the Solar System. Reaching a similar conclusion, they placed aboard a plaque illustrating some of the concepts Ley had specified.

Willy Ley took as his model for communications with extraterrestrial life the "message to the future" contained in a time capsule buried at the site of the New York World's Fair in 1937, to be opened by archaeologists 5,000 years

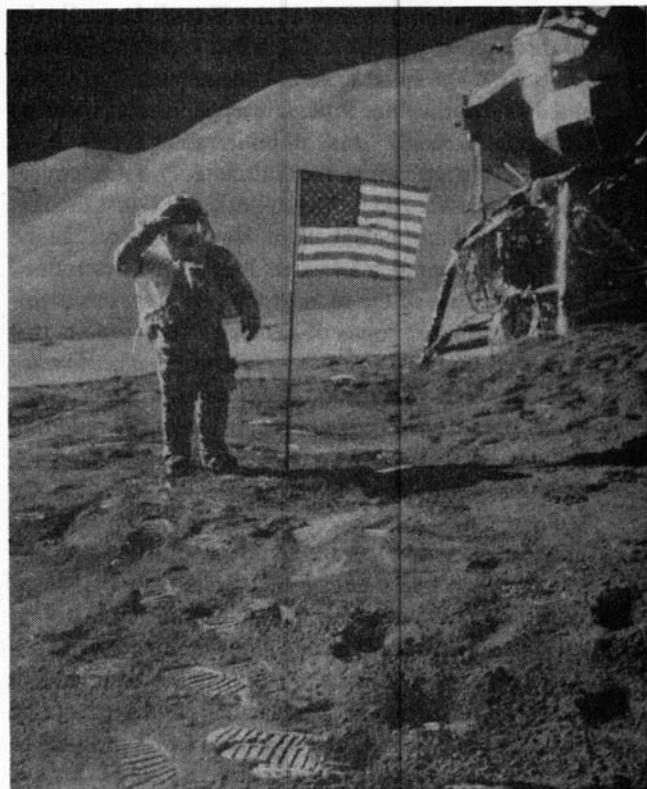
later. "The differences between a message to the future and a message to the Martians are mainly gradual," he wrote.

In 1940, Ley became science editor of the tabloid *PM*, and the next year published his book *The Lungfish and the Unicorn*, dealing with a subject which was his first love—zoology. During World War II, to explain basic principles of current interest, Ley published titles such as *Bombs and Bombing* and *Shells and Shooting*.

With all of his writings on a wide variety of subjects, it was space that would "catapult [Willy Ley] into the limelight during 1944 and 1945," Sam Moskowitz wrote.

An article in 1945 titled "Rocket to the Moon," published in *Mechanix Illustrated*, was the start of a very fruitful collaboration between Ley and artist Chesley Bonestell. Ley wrote the text for Bonestell's astronomical illustrations. Bonestell was born in 1888, and was drawing before he was 5 years of age. Until the age of 50, his art work centered on architectural drawings and renderings, but in 1938 he went to Hollywood as a special effects artist for the motion picture industry. At that time, Bonestell's interest in astronomical subjects flowered, and a series of his illustrations appeared in the May 29, 1944, edition of *Life* magazine, depicting Saturn as seen from five of its moons. His astronomical paintings also appeared in *Look* magazine, *Astounding Science Fiction*, and many other magazines.

Bonestell's collaboration with Ley after the war produced



Apollo 15 astronaut David R. Scott salutes the American flag on the Moon in 1971.

spectacular (and realistic) views of the surface and craters of the Moon, Earth-orbiting manned space stations, interplanetary spaceships, and missions to Mars. In 1949, the team produced its first book, *The Conquest of Space*, which included Bonestell's pictorial representation of the spaceship designed by Ley, that would become the model for most popular renderings of the subject.

In his introduction to *The Conquest of Space*, Ley writes that by 1949, Bonestell had already painted "half a hundred astronomical pictures." Color reproductions by Bonestell show aerial views of the Earth from space, reminiscent of today's images from remote sensing satellites. A view of the Earth from 2,000 miles is described as "a sight which people will see during the first trip around the Moon."

The Moon ship, designed by Ley and painted by Bonestell in *The Conquest of Space*, assumes the use of atomic power as fuel, and the renderings of craters, mountains, and lunar mare were surprisingly accurate. In fact, better images of these scenes were not available until years later, when the Apollo astronauts took photographs from a few miles above the lunar surface. The book describes the development of a lunar base requiring weekly transport missions that would be traveling from the Earth to the Moon. For the first time scientifically sensible renderings of what astronauts will do on the Moon appeared in print, accompanied by Ley's discussion of the basics of astronomy, and how the outer planets were discovered.

In a chapter titled "Vermin of the Skies," Ley tells the story of the discovery of the asteroid belt between Mars and Jupiter. In 1801, he relates, the mathematician Carl Gauss performed calculations for Prof. Giuseppe Piazza, who had been observing a small "star" in its irregular orbit. Gauss calculated its distance from the Sun as 2.77 astronomical units (an AU measures 93 million miles), and Gauss thought "there was something special about this very figure." In the 17th century, astronomer Johannes Kepler had determined that the relationship of the radii of the planetary orbits followed the five regular solids of geometry. Ley reports that Kepler wrote simply: "*Inter Jovem et Martem planetam interposui*—Between Jupiter and Mars I put a planet." Ley then traces the discovery of the major asteroids, reporting that between 1850 and 1870, there were an average of five new discoveries each year.

### The Collier's space series

In 1951, when astronomical congresses were beginning to take place in Europe, Ley had a meeting with Robert Coles, the chairman of the Hayden Planetarium in New York City. Ley was concerned that few Americans could attend the meetings in Europe, and urged that similar events be held in the United States. Coles approved Ley's proposal to organize a symposium at the planetarium. Ley chose Oct. 12, Columbus Day, or Discovery Day, for the event. Attendance was by invitation, and scientific and government institutions,

the press, and Armed Forces stationed in New York were invited.

The symposium was a great success. According to Ley, after it was over, "I was stopped by two gentlemen who identified themselves as being representatives of *Collier's* magazine. Our two-minute discussion led to another luncheon, which was the germ of the first *Collier's* symposium on space travel." One of the gentlemen was Cornelius Ryan. The presentations at the *Collier's* symposia were based on the speeches delivered at the planetarium by Willy Ley, Wernher von Braun, and Heinz Haber, in particular. Out of the symposia, eight articles about space appeared in a series printed in *Collier's* magazine, with the first appearing on March 22, 1952.

The release of the first article was preceded by an elaborate publicity campaign, including window displays of the *Collier's* art work in the American Express offices in Manhattan and downtown Philadelphia, press releases, kits for use by local radio and newspaper staffs and high schools and colleges, and news photos. This media offensive was certainly reminiscent of that waged by Fritz Lang before the release of the film *Frau im Mond* [The Woman in the Moon] in Germany in 1929.

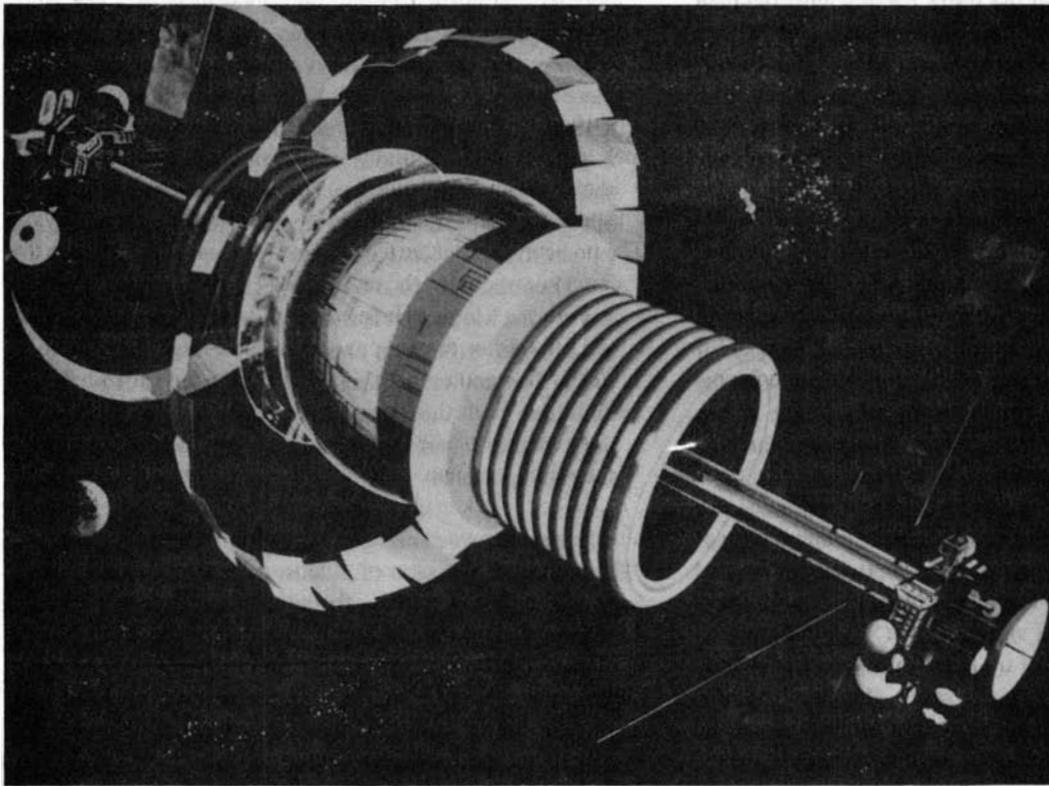
As part of the publicity, Wernher von Braun and Cornelius Ryan had speaking engagements in New York and Washington, D.C. It is estimated that 5.5 million people saw von Braun interviewed on television by John Cameron Swayze.

The *Collier's* articles produced a flood of inquiries to the publisher on how to become an astronaut, which led to articles in 1953 on the human aspects of space travel. The seventh article in the *Collier's* series, published on June 27, 1953, described a "baby space station" with a Rhesus monkey on board and included a proposal to study the medical effects of spaceflight while in orbit for 60 days. Such a station could be ready in five to seven years, von Braun said, as a precursor to a manned station.

*Collier's* decided to end the eight-part series in the summer of 1953 with an article about a manned expedition to Mars. But this article had to be delayed because of the large number of requests for information on how to train to be an astronaut. It finally appeared on April 30, 1954, incorporating von Braun's 1948 idea to build a flotilla of 10 Mars spaceships, to be assembled in Earth orbit. Mars would be home to 70 explorers who would stay for 15 months, having undertaken the most fantastic voyage man could then imagine. Many men who went on to work in the U.S. space program "attribute their initial spark of interest to the pages of *Collier's*," according to Randy Liebermann.

### From space stations to the Moon

The response to the *Collier's* series led to a project to make the material available in a more permanent form. In 1952, Cornelius Ryan edited *Across the Space Frontier*, with illustrations by Chesley Bonestell and others. The book was



A 1977 artist's rendering of a space station for 10,000 explorers similar to designs by Wernher von Braun.

an expansion of the scientific symposia that appeared in the pages of *Collier's* magazine, as Ryan explained in the introduction:

This book is a fascinating preview of how man can reach space and establish, 1,075 miles above the Earth, a huge wheel-shaped space station. What you will read here is not a science-fictionist's dream. These chapters embody the latest available scientific data on the many problems which man must face when he travels beyond areas of space. Here is a blueprint of a programme for the conquest of space, prepared by some of the world's best scientific minds on space research. . . .

The claim that huge rocket ships of the type here described can be built, and a space station created, is no longer challenged by any serious scientist. . . . All they need now is time—about 10 years—plus money and authority. . . . And when one considers the billions of dollars spent during World War II and on rearmament since the Korean war, such an expenditure would be small compared to the returns.

In a warning unheeded by the Eisenhower administration, Ryan continued:

This book is also an urgent warning that the United States should immediately embark on a long-range de-

velopment programme to secure for the West "space superiority," since a ruthless power established on a space station could actually subjugate the peoples of the world. Sweeping around the Earth in a fixed orbit like a second Moon, this man-made island in the heavens could be used as a platform from which to launch guided missiles. . . . We know that the Soviet Union, like the United States, has an extensive guided-missile and rocket programme under way. . . .

We have the scientists and engineers. We have the inventive genius. We have vast industrial superiority. We should begin a space programme immediately, for in the hands of peace-loving nations the space station could be man's guardian in the skies. . . . It would be the end of Iron Curtains wherever they might be.

*Across the Space Frontier* was lavishly illustrated. Wernher von Braun supplied the first chapter, headlined "Prelude to Space Travel," which would make excellent reading for today's congressmen and all policymakers, who urgently need a new sense of what man can accomplish if his sights are set on the stars.

Von Braun described the space station, "which [would] be man's first foothold in space." The huge, new "moon" was to be carried into Earth orbit in pieces, assembled there, and placed in a 1,075-mile polar orbit around the Earth. From that vantage point, the space station was to circle the globe

once every two hours, with the Earth turning West-to-East underneath it. In addition to making spectacular observations of the Earth, "from this platform, a trip to the Moon itself will be just a step, as scientists reckon distance in space. The \$4 billion cost, von Braun wrote, was only "about twice the cost of developing the atomic bomb, but less than one-quarter of the price of military materials ordered by the Defense Department during the last half of 1951."

Rockets would be built, according to von Braun, able to carry a crew and 30 or 40 tons of cargo to the space station. Such a rocket would stand 265 feet tall, measure 65 feet in diameter, and be equipped with 51 rocket motors capable of delivering 28 million pounds of thrust. By comparison, the Saturn V rocket that took Apollo astronauts to the Moon stood 365 feet tall, measured 30 feet in diameter and its engines produced 7.5 million pounds of thrust.

Von Braun estimated that about a dozen flights would be needed to construct the station, including the construction of a space observatory some distance away from the station and telescopes for mapping the Earth and heavens. The illustrations for von Braun's design, executed by Chesley Bonestell, remained a popular image of a space station until the 1984 initiation of President Reagan's Space Station program, when more modern planning and design work replaced it. Von Braun estimated that America would establish a permanent manned space station during the year 1963.

Ley ended the book on the following optimistic note:

The establishment and subsequent operation of the space station is undeniably a large-size project. But so was the liberation of atomic energy, so were Grand Coulee Dam and Boulder Dam. And so, at an earlier date, were the Panama Canal and the Suez Canal. . . . And there is one other thing that should never be forgotten even for a minute. The space station is, or will be, the first step toward the exploration of space. Any first step is said to be difficult. . . . But once it has been made the difficulties will diminish at a surprisingly rapid rate and the gate to the Solar System will have been opened.

*Man on the Moon*, which appeared in 1953, was the second installment of the *Collier's* symposium and magazine series in book form. It was also edited by Cornelius Ryan, who forecast in his introduction that after the establishment of a space station, within 10 or 15 years, mankind will have gone "another step forward—to the Moon":

The ships the explorers will use for the long journey through space will bear little resemblance to those depicted by the science-fictionists. In fact, their appearance is even more fantastic. But there is this difference: They work.

The reader may well ask if it isn't rash to attempt a

detailed technical description of vehicles that are at least a quarter of a century away. He may also wonder whether, by the time such vehicles are constructed, there may not be better solutions to the technical problems than those presented here. The answer, of course, is yes. . . . The purpose of this book, however, is to show that a lunar voyage is possible even now, by applying the basic engineering knowledge and technical ability available to us today. . . .

There have been many books written about journeys to the Moon, but few of the writers seem to know what to do with their explorers once they get them there. The authors of this book have tried to describe definitely both the types of scientists who will go on the expedition and the experiments and investigations they will perform.

"Here is how we shall go to the Moon," Chapter 3 opens. "The pioneer expedition of at least 50 scientists and technicians will begin its journey from the space station's orbit in three clumsy-looking but highly efficient rocket ships. . . ."

To build the Moon ships, 360 flights of three-stage supply rockets will be required to deliver construction material and fuel to the space station. They will "need about three times as much fuel as was consumed in the form of high-octane gasoline during the Berlin Airlift." This job will make use of a fleet of 15 ferrying ships, each making about 24 flights over a period of eight months.

Ryan and his collaborators understood the impact such an adventure would have on the public. The authors predicted that the takeoff from the space station to start the journey to the Moon would "be watched by millions. . . . Television cameras on the space station [would] transmit the scene to receivers all over the world."

During parts of 1952, 1953, and 1954, while the *Collier's* series and the books based on them were circulating, Willy Ley made an extensive lecture tour, which took him to 40 states and to Canada. In 1957, Ley described the atmosphere of public excitement about space exploration at that time, although he modestly does not say that he played a major role in creating it: "Scientific institutions, public lecture halls, the magazines, the newspapers, the radio waves, and the television channels were full of space-travel and satellite talk" (Ley 1957a, p. 330).

On tour, Ley explained the basics of rocketry and space-flight: "To a mathematician or astronomer this explanation is 'obvious,' but I have found that it isn't quite that obvious to highway engineers, judges, medical doctors, and just plain interested laymen."

### Walt Disney presents. . .

Public excitement about space travel was so great, in fact, that the architects of popular culture joined the bandwagon. After the appearance of the *Collier's* magazine series Willy

Ley received a phone call from Walt Disney who proposed that he make monthly trips to California, to be an adviser for a new Disney film, *Man in Space*. Ley agreed.

Ward Kimball, a collaborator of Disney beginning in the 1930s, related that Walt Disney had asked him for ideas for the theme of his planned Tomorrowland at the new Disneyland Park, then under construction in California. Kimball replied that he had read some very interesting articles about spaceflight in *Collier's* and said he found it "fascinating that such noted scientists believed that we would actually be moving into space.

Kimball studied the *Collier's* article, worked out some ideas with his layout people, and presented them to Disney on April 17, 1954. As reported in a 1992 biography of von Braun by Frederick Ordway and Ernst Stuhlinger:

We wanted to be cautious, however, and to retain, beside the more fantastic aspects, the serious aspects as well. . . . Our reputation was based on fantasy," explained Kimball, "but here we were to offer only a presentation based on solid science. People with imagination would come together with men who dealt with facts, to combine their resources.

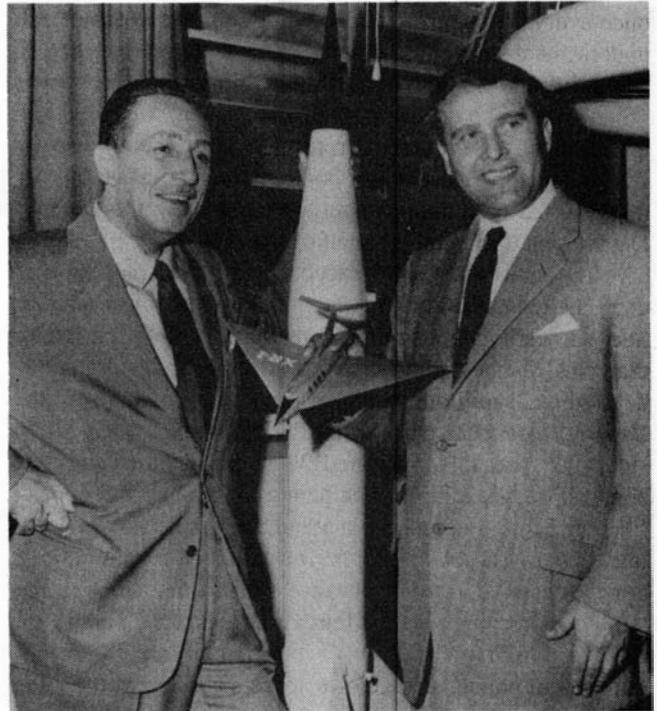
Disney was excited about the preparations made by his collaborators. "When we were finished," Bill Bosche, Disney's sketch-man reminiscences, "Walt was beside himself. He ran out of the story room, went up to a desk, and tore a blank piece of paper out of a notebook. He handed it to Kimball and said something that nobody had ever heard him say, 'Just tell me what you need!'"

With this support from his boss, Kimball set to work. He imagined a three-part show: "Man in Space" "Man and the Moon," and "Mars and Beyond." But first he needed some rocket and space experts. He remembered the *Collier's* series and got in touch with Willy Ley, who gladly agreed to cooperate. "Willy proved to be a virtual encyclopedia," Bosche recalls. "He could address almost every issue. . . . He was a very amusing guy and we all had great fun with him!"

Wernher von Braun and Dr. Heinz Haber also consulted on the television series. In the first show, all three consultants, plus Walt Disney and Ward Kimball, appeared on the program to explain to the audience what would follow. In all, Disney spent \$1 million to produce the three shows.

"Man in Space" was planned for Disney's weekly television show, but was produced on film so it could also be released in movie houses. It was first shown on March 5, 1955, on ABC-TV. Willy Ley estimates that 42 million people saw the program, while Randy Liebermann quotes the figure of nearly 100 million.

The second show, "Man on the Moon," aired on Dec. 28, 1955. "The scene called for only a circumlunar reconnaissance flight without attempting a landing. The lack of any landing may have disappointed many viewers, but it



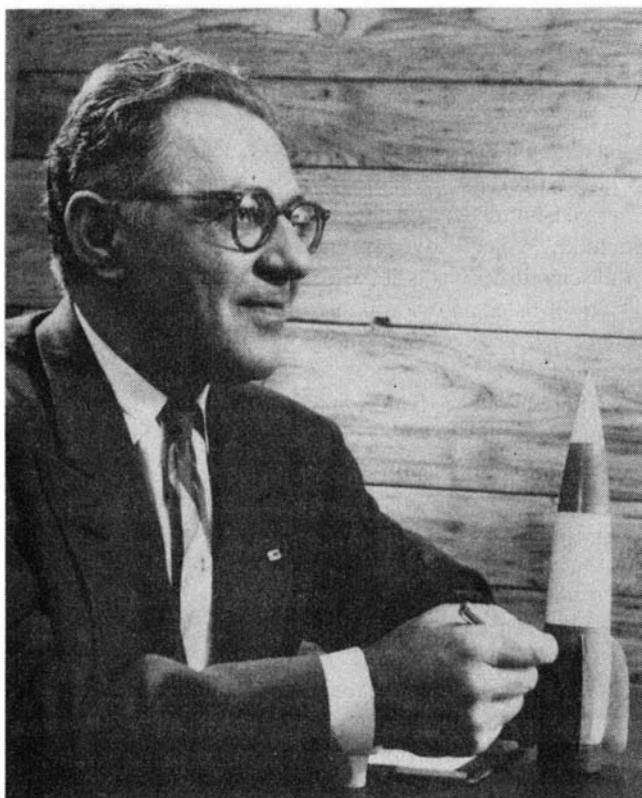
Walt Disney and Wernher von Braun in 1954 showing off some of the models of spacecraft used in Disney's television series promoting space exploration.

corresponded to one of Disney's ground rules for the series, that it be "based on solid science." The third show, "Mars and Beyond," was seen on television on Dec. 4, 1957, precisely two months after Sputnik.

The Disney series had a profound effect on many in the audience, including Dwight D. Eisenhower, the President of the United States. It thereby changed the course of the American space effort. Stuhlinger reported: "Shortly after the first Disney Space show had been presented to the television public, 'President Dwight D. Eisenhower borrowed the show and showed it to high-ranking officials at the Pentagon,' according to David R. Smith, the head of the archives at Walt Disney Productions. Six weeks later, he announced the intention of the United States to put a small unmanned satellite into orbit," during the International Geophysical Year.

During the 1950s, the German space pioneers were engaged in a quick-paced activity to build the popular support for space exploration they knew was necessary for a national program. Most ubiquitous was Willy Ley. As Sam Moskowitz describes it, "Everywhere one turned, Willy Ley's name was on a book, in a magazine, in the newspapers or in a catalogue endorsing a rocket toy. His face peered out from the television screen; his voice, instantly identifiable, seemed always on radio; and posters announced his lectures at major cities across the country."

Although frequently on the road, Ley found time to do a review of science books for children in October 1953, using



Willy Ley, 1906-69, died less than a month before the launch of Apollo 11, which landed man on the Moon. One of the most remarkable men among the German space pioneers, he chose not to become an engineer or rocket scientist, but a writer and educator.

the works of Jules Verne as a model. "All of Jules Verne's books had the intent of instructing: as somebody once put it, 'all his heroes had swallowed the encyclopedia and disgorged sections of it with or without provocation,' " Ley wrote.

Ley described his standard for children's books: "A science fiction story, and especially one for young readers, has to pass its science test first. It is not a question of whether the reader is taught a little or a lot, the point is that whatever he is taught must be correct." Five years later, Ley himself wrote a series of books for young people.

Willy Ley's book *Rockets, Missiles, and Space Travel*, which should be read by every literate person, was first published in May 1944 under the title, *Rockets*. In 1947, an expanded version was titled, *Rockets and Space Travel*, and the final title first appeared in 1951. With almost every new printing, Ley expanded and updated the book. The 1957 version of *Rockets* was published only months before Sputnik. It is a comprehensive history of the concept of space travel from ancient times through modern science, and an on-the-spot account of rocket development from the 1920s on.

Although after Sputnik space exploration was the major subject of interest to Ley and his readers, a compilation in

book form of the columns he published in *Galaxy Science Fiction Magazine* during the 1950s includes some of the most fascinating topics in the history of science: "Tribes of the Dinosaurs" (with illustrations by his wife, Olga); "Slow Lightning," about the ball lightning experiments of P.L. Kapitsa in the Soviet Union; "Strange Planet Next Door," which is not about Mars, but the world on the floor of the ocean; "The Early Days of the Metric System;" and "The Observatory on the Moon." Today, if one stayed home and spent time assimilating Willy Ley's articles and books, one would have a better education in science history than can be obtained at most high schools.

After the Sputnik shock, Ley was called upon to explain what the new "space race" was all about. In an article for the *New York Mirror* on Jan. 5, 1958, he responded to queries on the meaning of the phrase "space superiority," which had been used at Senate Preparedness subcommittee hearings:

"Bluntly speaking, it means that the Russians could prevent us from using space if they got there first. It is an equivalent of what has happened in the past—first with the sea and later in the air." Ley then guessed that "probably the most visible expression of space superiority will be the manned space station," and went on to describe some of the technical details of Wernher von Braun's enormous ring-shaped structure and its functions.

Two weeks later, Ley continued his explanation: "While in the long run, the purpose of the space station is peaceful and devoted to research and progress, the immediate and urgent purpose is to establish and maintain space superiority. This is accomplished by careful scrutiny of the ground. With the aid of optical equipment, it will be possible to see objects as small as single airplanes. . . . The fact that very little could be done without being observed is in itself a rather powerful deterrent."

### Why put man into space?

In 1960, the only space program that had been approved by the Eisenhower administration was Project Mercury, for single-man orbital flights around the Earth. But as Willy Ley warned in a *Space World* magazine article titled "Getting Around—After We Get There," published that year, although the lunar landing might be 8-12 years away, "being ready ahead of time would do no harm but *not* being ready would be a catastrophe." "A few weeks ago, I was sitting on the front steps of my house, looking at the full Moon and thinking about how to get around the lunarscape" he continued. . . . "This is a situation wryly familiar to travelers of today: After the jet has whipped you across the continent in 4 hours and 40 minutes, you stand at the airport, screaming for a taxi. Only another 10 miles to go, but these 10 miles are almost harder to cover than the previous 2,500."

Ley then considered various proposals for traversing the lunar landscape, including the use of solar energy during the two-week lunar day; one by Wernher von Braun for powering

a vehicle with a turbine driven by the decomposition of hydrogen peroxide, which would have to be supplied from Earth; using energy stored mechanically in a flywheel; using atomic power; and Hermann Oberth's Moon Car. Vehicles were also considered for use on Mars, where the presence of an atmosphere, though very thin, allows the possible use of blimps and other aerodynamic vehicles, in addition to land rovers.

In early 1961, before President Kennedy's announcement of the Apollo program, there was a very limited idea of what man could do in space. This was an interesting turn of events, because in the early prehistory of the space program it was assumed nearly everything would be done directly by men, including taking photographs and making observations, "largely because modern instrumentation didn't exist."

But, Ley wrote, "With the advent of guidance systems, telemetering, and television, the original idea of Man-in-Space was temporarily pushed into the background. . . . Carried away by their own accomplishments, some space planners even began to argue that there was no compelling need to put man into space." Ley argued to the contrary. "We now know that this reasoning was hasty at best and simply wrong in many cases," he wrote. "Certain unmanned satellite experiments which have failed miserably would not have gone wrong if a man had been aboard."

This is even more true today, when, on every Space Shuttle science mission, the astronauts have had to "troubleshoot" problems in experiments to save them from failure. "A manned satellite in orbit is not only a weather observing device, or a superlative astronomical observatory, or a monitor of possible enemy activities. It is also an inhabited 'house' in space. . . ." Ley continued. Ley discussed the Space Lab designed by the Martin company, which is similar in outline to the current space station designs, to make his point.

In March 1961, still before President Kennedy's Apollo announcement, Ley addressed the potential commercial applications of space technology in an article titled "Space Prospecting." "Almost exactly 30 years ago a German engineer and I were standing on the proving ground of the Verein für Raumschiffahrt (Society for Space Travel) in Reinickendorf, Germany, watching the take-off of one of the early experimental liquid-fuel rockets," Ley began. The engineer asked Ley what would finally make money in rocketry. At that time, the answer he got back was "mail rockets, and Earth transportation." It is interesting looking back now, that neither of these two particular applications of rockets has proved to be commercially viable.

Ley then proposed that prospecting for space materials will be carried out from the lunar base. Asteroid mining will be of real value, he asserted, adding, "but don't try too hard to figure out what will be commercially viable in the future. . . . The commercial aspect of a certain voyage of 1492 was based on cheaper shipping of silks and spices from the Orient. Columbus could not foresee the immense flow of trade—

including everything *but* silks and spices—that would come from the new world bonanza he had discovered."

Writing again in *Space World* in April 1961, Ley turned to answer questions posed to him during a lecture series the preceding winter, about the uses of nuclear energy in space. Project Rover, he explained, was a project of the Atomic Energy Commission in the 1956-1957 period. But before Sputnik: "Project Rover suffered from the disease common to all scientific projects at the time—it was artificially starved by a tight-fisted and thoroughly unimaginative bureau of the budget. Rover feasibility studies virtually died of monetary malnutrition."

After Sputnik, \$15 million was allocated for the construction of test facilities, and nuclear energy was being developed for use in the upper propulsion stage of the Saturn rocket. Nuclear-powered propulsion systems should be ready by 1965-1966, Ley reported. Nuclear propulsion "will boost our space program out of the Chemical Stone Ages into the Astronomical Age, speeding up the conquest of space vastly." As it turned out, for trips to the Moon it was found that the Saturn V engines could be upgraded sufficiently with liquid hydrogen upper stage propulsion systems and the Apollo program did not require nuclear propulsion.

It was well recognized, however, that nuclear propulsion would greatly enhance, and perhaps even be required to enable, manned missions to Mars. But when the manned Mars program was cancelled after Apollo, so was the nuclear propulsion program. It has only recently been resurrected, on a small scale.

It was a sad moment for the Space Age when Willy Ley died on June 24, 1969, less than a month before the launch of Apollo 11. He had already purchased his plane ticket to fly down to Cape Canaveral. Lester del Ray wrote in an obituary:

It was largely Willy's work that killed the public antipathy to rockets after their use as a terror weapon [during the war] and began to make people dream of space again. When Kennedy proposed the race to the Moon he mentioned large sums required to finance it. . . . Yet when public polls were taken . . . the people were willing to support our space venture. . . . Somehow, through all his articles, Willy and those who were converted by him had managed to convince half the nation [to spend the money needed to go to the Moon].

Willy Ley had the rare ability to make the most difficult, and to many, obscure, concepts in science accessible to the non-technical but interested public. He always looked at the present state of science from the shoulders of the giants of the past, which then informed his view of the future. In a December 1958 lecture at the Franklin Institute in Philadelphia, Ley remarked, "It is easy to prophesy the future because it is a future which began quite some time ago."

## Grim Russian winter dwarfs Yeltsin's election charade

by Konstantin George

General Winter, the most fearsome commander, has arrived in Russia. The country, like much of eastern Europe, is suffering its coldest early winter in some 50 years. This is the context within which the first-hand reports from Russia, provided to *EIR* by two leading dissidents must be read. The already crippled Russian economy can hardly take a further blow from the weather: Strikes crippling the energy sector threaten to assume nationwide proportions. Coal miners of the Kuzbass fields in Siberia, Vorkuta in the far north, and the Rostov-on-Don region are threatening unlimited strikes, unless the government pays months of back wages. A strike by 7,000 natural gas workers, under way in western Siberia since Nov. 22, was joined by local construction workers, teachers and doctors, showing how unrest can spread. Many strikers were last paid in April, and the families have run out of money even for food. They are threatening to reduce gas deliveries to central Russia, starting Dec. 1, which would cause widespread industrial plant shutdowns.

In late November, Deputy Prime Minister Yegor Gaidar and other officials scurried around these regions, trying to buy off the miners with pledges to pay back wages, in order to prevent a social eruption before the elections on Dec. 12. But the onset of the winter overshadows the electoral charade, which many western commentators continue to portray as a triumph for democracy.

The specter of social unrest has raised the in-fighting in Yeltsin's government to a fever pitch. Allies of Prime Minister Viktor Chernomyrdin demand the dismissal of Finance Minister Boris Fyodorov, whose cost-cutting measures left 400 billion rubles owing in back wages for coal miners alone. On Nov. 26, Energy Minister Shafranik accused the Finance Ministry of having allocated only 40% of the funds set aside by the government for winter energy needs, leaving the state energy sector with 8 trillion rubles in unpaid accounts.

The winter will see the military-based dictatorship in action inside the Russian Federation, and in an escalated drive to restore the Empire, through reconquest of the former Soviet republics that became independent in 1991. The main target will



*Famine-stricken villagers who have left their homes on the way to St. Petersburg: a scene from the past, but only too timely. Inset: Front-man Boris Yeltsin applauds.*

be Ukraine. Moscow will also put the finishing touches on its reconquest of the Caucasus, largely completed during 1993. In the Russian North Caucasus, it is moving to terminate the “independence” of the “Republic of Chechnya,” which seceded from the Russian Federation in the autumn of 1991.

The reality of Russia as a dictatorship, with the military calling the shots, can be seen by the events of Nov. 17. The day began with the publication of a series of decrees from Yeltsin, expanding the powers of the police and troops of the Interior Ministry to stop and search passengers and baggage of any private vehicle or public transportation, as well as railway stations, airports, etc. Homes can be raided and searched for “illegal firearms,” to round up “rowdies” and “anti-social elements.” Another decree provided for rounding up the homeless and drunks, for “hygienic” and “medical” checks. The decrees legalize indefinite “preventive detention” of individuals, without formal charges. Within a week, thousands of homeless people disappeared from the streets, subways, and railway stations of Moscow and other cities.

Also on Nov. 17, the Interior and Security ministries were instructed to work out stricter controls on “anti-social manifestations among youth and adolescents.” Deputy Security Minister Stepashin announced the creation of a new unit in the Department to Combat Terror, to stop or prevent “anti-constitutional actions by extremist groups.” On Nov. 22, this was buttressed by a newly created commission to “ensure

order” on election day. It is nominally headed by First Deputy Prime Minister Vladimir Shumeiko, but its five members are chiefly deputy ministers of defense, security and interior.

Rounding out the day, on Nov. 17, Yeltsin, in military uniform (a rarity), toured military industry facilities in the city of Tula, south of Moscow. He visited the elite Airborne Division based at Tula, where he observed demonstrations of assault tactics and hand-to-hand combat.

In Tula, Yeltsin showed himself as the front man for a military-based dictatorship. He promised that spending for military R&D will be increased, and that Russia will remain an internationally competitive arms producer, keeping a world class military-industrial complex: “Russia cannot be allowed to fall behind the [western] industrial states in this sector,” above all in “research and technology.” Yeltsin demonstratively adopted the military-industrial complex’s position on conversion to civilian production, denouncing the conversion of high-technology military facilities to produce low-technology consumer goods. “We won’t get very far by producing samovars,” he said, referring to one of the Tula military plants that had switched to samovar production.

In discussing Tula with *EIR*, senior Russian strategic experts confirmed that the military has become the arbiter of Russian policy. They stressed that the term “military” should not be misconstrued to mean the person of Defense Minister Pavel Grachov. Most important, they said, is what they term the “Defense Ministry Collegium”—the General Staff, the five deputy defense ministers who head the five branches of

the Armed Forces, and Deputy Defense Minister Gen. Boris Gromov, who is pivotal in this collegium. These sources acknowledged the singular importance of Yeltsin's trip to Tula, as a public signal of a decision for a long-term rearmament program, running into the next century, with emphasis on advanced weaponry. Heavy attention will go to developing ballistic missile defenses, a crucial, unpublicized part of the new Russian military doctrine proclaimed in October.

Finally, these sources confirmed that Russia will use the winter crises in neighboring countries to force these former Soviet republics back into the Great Russian fold. The prime target would be Ukraine, which—in their words—has been subjected to “a joint NATO-Russian squeeze,” using the pretext of Ukrainian administrative possession of nuclear weapons.

### **Ukraine being readied for reconquest**

The first portent of what Ukraine can expect came on Nov. 21 from Russian Foreign Minister Andrei Kozyrev. He appeared on TV, nominally to respond to the Nov. 18 decision by the Ukrainian Parliament to ratify the Start I Treaty, while keeping the more modern part of the ICBM arsenal on its territory, the SS-24 ICBMs, for some years. The next day, the U.S. State Department condemned the Ukrainian move as threatening to delay implementation of Start I. This extended the U.S. policy of internationally isolating and boycotting Ukraine, to soften it for reconquest by Russia. On Nov. 13, when it was announced that President Clinton would visit both Moscow and Minsk, the capital of Belarus, in January, and that President Nursultan Nazarbayev of Kazakhstan had been invited to visit the United States in early 1994, Ukraine was the only one of the four Community of Independent States (CIS) republics with nuclear weapons on their territory to be excluded from Washington's diplomatic agenda.

Kozyrev employed unprecedented invective against Ukraine. He thundered that Ukraine's decision had created “an extremely serious situation for the entire system of international relations.” Therefore “we are forced to speak of” the rise of “a new atomic power.” In an allusion to further American-Russian action against Ukraine, he added that Russia is investigating the situation, and “in this regard, is in regular contact with other leading countries of the world.” The next day, Kozyrev even compared Ukraine to the dictatorship of North Korea.

The bluster about nuclear weapons, however, conceals the main axis of Russian pressure on Ukraine: economic blackmail. Suffering an American-led western boycott, Ukraine depends nearly totally on Russia for energy supplies, above all for oil and gas, but also for nuclear fuel for its reactors. Russia is confident that its ability to curtail or cut off energy supplies at will, will force Ukraine to capitulate.

Following Kozyrev's denunciations, Russia threatened to limit or stop energy supplies, citing the ruble equivalent of \$700 million Ukraine owes Russia for past deliveries. Theoretically, Ukraine could raise the funds to pay this ruble

sum by adjusting domestic electricity and fuel prices to match the high—70% of world market—prices it pays for Russian oil and gas. But this would finish off its economy, already hit by hyperinflation, running at 100% per month in the second half of 1993. The energy crisis has been compounded by strikes by ethnic Russian miners in the eastern Ukraine Donetsk coal basin. These strikes are led by strike committees controlled by pro-separatist ethnic Russians.

Ukraine, too, is going through the worst winter since World War II. In late November, daytime temperatures fluctuated from  $-10^{\circ}$  to  $-20^{\circ}$  C [ $+14^{\circ}$  to  $-4^{\circ}$  F]. Heating and electricity use is rationed and subject to repeated cuts.

### **Moscow meddling in the Caucasus**

Kozyrev also delivered a virtual ultimatum against Armenia. The issue was an alleged Nov. 20 attack by Armenian forces just outside the region of Karabakh on an Azerbaijani convoy carrying a Russian “peace mediator.” Armenia admitted that local self-defense forces had shot at the convoy, but in response to a provocation by Azerbaijan. The attacks were neither ordered by nor known to the Armenian government in Yerevan. But Moscow, having broken the independence of neighboring Georgia, wanted to turn its attention to Armenia. Kozyrev demanded an official Armenian apology for the incident, and “security guarantees” for Russian officials traveling in combat areas. He denounced Armenian “territorial aggrandizement” against Azerbaijan.

Russia's tilt toward Azerbaijan is related to events in the North Caucasus, in the Russian Federation, where Moscow plans to end the secession of the Chechen Republic and crush proto-separatist movements among other Muslim tribes of the region. Russia requires the support of the two Caucasus republics bordering on the North Caucasus: Georgia and Azerbaijan. Even with Moscow stooge President Haidar Aliyev ruling Azerbaijan, it would be impossible to get Azerbaijani backing for campaigns against North Caucasus Muslims, without first appearing as anti-Armenian by supporting Azerbaijani demands for Armenia to withdraw from the parts of Azerbaijan it has occupied.

Signs of Russian plans for a military conquest of Chechenya emerged simultaneous with the convoy incident. The Russian State Electoral Commission reported that Chechenya will boycott the Dec. 12 elections, and said that it had turned the matter over to Yeltsin for further action. As if on cue, a wave of bombings hit government buildings in the Chechen capital of Grozny, on Nov. 22. Evidently one reason for the large-scale transfer of Russian combat forces from the Kaliningrad region on the Baltic coast to the North Caucasus is preparation of a military option to terminate the secession of Chechenya. The bombings began to create the pretext for such a move. These coming Russian troop transfers will concentrate more Russian forces in the Caucasus, opposite the southeast flank of NATO, than at any time during the Cold War.

## 'Russia is sitting on a powderkeg!'

*Vitali Urazhtsev is an elected People's Deputy of the Russian Federation, a member of the Supreme Soviet, or Parliament, abolished by Boris Yeltsin's Decree No. 1,400 of Sept. 21, 1993. He served on the Parliament's Committee on Foreign Affairs and Foreign Economic Ties, and was leader of the "Reform of the Army" deputies group. He headed the first independent trade union of Russian military servicemen, Shield, which he founded in 1988. A convinced anti-communist, he was expelled from the Soviet Army in 1989, where he held the rank of lieutenant colonel.*

*He was an active defender of democratic institutions, both in August 1991, when a group of Communist Party, KGB, and military officials declared themselves to be the State Committee for the Emergency, and after Yeltsin's imposition of rule-by-decree in September-October 1993.*

*At the present time, he is in hiding. He has been accused of "organizing mass disorders" in Moscow, because of his actions in defense of the Constitution suspended by Yeltsin. Urazhtsev is one of the few people alive and not in prison, who was an eyewitness and participant in the central events of the October crisis. He was in the White House, the Russian parliament building, in the hours before it came under tank and artillery fire, and during its shelling on Oct. 4, with the leaders of the Parliament and with Aleksandr Rutskoy, Russia's elected vice president who became "Acting President," according to the Constitution, after Yeltsin's illegal decree.*

*Urazhtsev's account of the September-October events and his thoughts on the situation in Russia should be of interest for anyone still wondering whether what happened in Russia in early October was a victory for democracy, or a return to the worst times of totalitarianism.*

*Vitali Urazhtsev was interviewed for publication in EIR on Nov. 26, 1993, in Russia. The following is Part 1 of the interview, which is translated from Russian.*

**EIR:** Tell us how the events began for you, which ended in the bloody finale of Oct. 3 and 4.

**Urazhtsev:** I think the mass media have reported and commented on the events of Sept. 21-Oct. 4 in a very one-sided manner. TV and press coverage treated the actions of the deputies as thoughtless and criminal, while the actions of

those who attacked and shelled us were portrayed as heroic and correct. We are put on trial, and not they. The casualties were 17 killed among the government's forces, and as many as 4,000 civilian dead. On one side were 1,500 defenders of the White House. On the other side, there were over 100,000 fully armed troops. The precise number of dead is still being covered up and will probably never be known. That is how the Yeltsin regime intends to conceal its crimes.

I was at the epicenter of what happened. But I caution, that my opinion is that of an interested party. It is subjective. But I will try to be honest and to tell what I saw and experienced. Since Yeltsin's Okhrana is not sleeping, I will use initials for the names of some of the people involved.

I spent Tuesday, Sept. 21, 1993, with Moscow City Council Deputy Viktor Kuzin, chairman of the Council's Subcommittee on the Defense of Civil Rights, at Moscow's international airport, Sheremetyevo-2, trying to fly to Washington to work on saving Lyndon LaRouche, the American dissident, and his associates. LaRouche was effectively given a life sentence, since 15 years imprisonment, for a 70-year-old man, is a life term.

It's a lie that everything's fine in America. They torture people there, as well. The Bushes and Clintons are fine fellows, perhaps even more proper than our Yeltsin. But their consciences are not clean. Their arms, like Yeltsin's, are bloody up to the elbows. "Where there is power, there is no justice," as they say. All the dirty dealers support and protect each other. Our Sergei Kovalyov, chairman of the Supreme Soviet's Committee on Human Rights, who has become bureaucratized as a Yeltsinite official, will hardly come to their defense. It is not profitable to spoil your relations with the American big shots, or else they won't invite you there any more.

At the airport, there was some kind of foul-up with the tickets. Our departure was rescheduled until 7 a.m. the next day. I now think that this foul-up may not have been accidental. The coup began that evening.

I maintain that the coup was really in preparation since December 1992, since the 7th Congress of People's Deputies. I was one of the deputies who voted for the impeachment of Yeltsin. Yeltsin promised us then, that he would never forget that we did that. That was his threat.

Yeltsin was nurturing his desire to finish off the Parliament for a long time. A narrow-minded person, he is always looking for an enemy. His entourage often exploits this peculiarity of his character. On Dec. 10, 1992, at the 7th Congress, and again on March 20, 1993, he attempted to impose a state of emergency. On the second occasion, I spoke at the Congress. The Congress, the Supreme Soviet, and the Constitutional Court resisted imposition of the so-called "special administration of the country." Yeltsin made his third attempt during the 9th Congress, when he again tried to pressure the Parliament, demanding extraordinary powers.

Well, now Yeltsin has gotten what he wanted. All the

power is in his hands. What has changed for the better? Not a single problem has been solved, and Yeltsin cannot solve anything. He thinks he can do something by issuing decrees. But nobody will implement those decrees.

The redivision and mass theft of property is under way. Yeltsin is now becoming a brake for his own entourage, because of purely physical peculiarities, his inclination to drink, and irresponsibility in making certain statements. He often shows his cards. I think that this is not some super-intellectual ability of Yeltsin, as our press likes to depict it, to launch trial balloons. In August, for example, Yeltsin blabbed that there would be artillery training, that he would never forgive the deputies, and he promised to dissolve the Parliament. All this was stated openly. One minute he says he doesn't want to hold presidential elections, the next he asserts Decree No. 1,400. These are all minuses, not pluses. But our servile press and TV prefer to pass this off as the signs of a super-genius.

**EIR:** Who do you think is behind Yeltsin? What forces, what are they socially?

**Urazhtsev:** These are the dregs. It's a motley and ill-assorted team. It's only held together by a mutual assistance pact. Its basis is mercenary interest and a striving to exploit the troubled time in which we live, in order to seize property, especially economic facilities, and to use the power of position to do this. In order to get rich. There is a new distribution going on today, a return to capitalism, so they tell us. So why not, each of these people thinks, become a big capitalist? Here you have greed, and nothing more.

As for their politics, there are people among them who are sincerely convinced that they are right, but most of the people around Yeltsin today are lumpens, who landed in fairly prestigious positions, to their own surprise.

The poverty of thinking on the part of [Mikhail] Poltoranin, or [Vladimir] Shumeiko, or [Sergei] Yushenkov (strange as it might seem, since he's got a *kandidat* degree in philosophy) shows that what unites this motley chorus around Yeltsin is above all the idea of holding on to power. Any political clothing will do, for them. The main thing is to be in power. Each day they live allows them to widen their influence, and to grab another chunk of the national wealth, in the course of privatization.

The main clamp, of course, the magnet that brought them together, is Yeltsin, who at a certain stage of things was a unifying figure. Today, Yeltsin is degenerating more and more and is becoming less and less predictable for his own entourage, and he is not just up to his elbows, but covered with blood from head to toe, and he reeks of the smell of corpses—well, the court makes the king.

Yeltsin lives in a certain atmosphere, where he himself doesn't know what's really going on. He doesn't know what a crash awaits our economy. Since January 1993, Russia

owes the interest on credits received in the past. But there is no money. No convertible currency. It's all been stolen. The country has been bled dry, and is in its agony. Because first Gorbachov and then Yeltsin and his team were in power, the situation is very grave. It is so grave, that I don't even know what serious politician could tackle fixing it today, and improve the state of affairs. It can't be done just with slogans. It will take decades of intense work, to bring Russia back to life as a nation. And for this, the country needs to be led by a political figure who has the support of at least two-thirds of our people.

**EIR:** Do you think the people in power today could revive the country?

**Urazhtsev:** No. These people have relied on terror. They carried out a coup d'état. Historically speaking, they are doomed, beyond a doubt. They launched an adventure, and stained themselves with blood. Now they are trying to declare that pre-planned bloodshed a noble deed. Look at their logic: A certain number of people are in the White House. They mock us constantly, for two weeks, ringing us with barbed wire, and not letting people in. No food, no light, no heat, no communications. Then they bring over 100,000 troops into Moscow, from all the branches: the Air Force, Ground Troops, Special Forces.

The world community should understand, that Yeltsin has created himself an Okhrana [czarist secret police]. These are his *oprichniki* [the guards of Czar Ivan the Terrible, sixteenth century], his Chekists [Soviet secret policemen], headed by Mikhail Barsukov; his Directorate of the Presidential Guard. It has 18,000 men. It has specialists in wire-taps, storming various sorts of buildings, cryptography, document forgery, and perustration of correspondence. They have every foreign currency. Its structure parallels that of the Ministry of Security (the KGB), but it has more capabilities.

In June, I visited an area on the boundary between the Balashikhin and Nogin Districts of Moscow Oblast, looking for a model of the White House that had been set up on one of the training bases of Yeltsin's Okhrana. This was a life-size model, which storm units could practice on. They were in training for this, already then. At the time, *Nezavisimaya Gazeta* and the TV news laughed at us, deeming our suspicions groundless. Of course, we People's Deputies were not let anywhere near the place.

It is clear, that Yeltsin cannot rely on the Army. For him, the Army is [Defense Minister Pavel] Grachov, the Taman and Kantemir Divisions, and the Tula Airborne Division. These are elite, well-fed units, whom Yeltsin gave 3 billion rubles each, and promised 150 apartments each, in Moscow and its suburbs.

All in all, this is simply a gang. The country today is ruled by a gang. The chief mafioso, of course, is Yeltsin. Sure, he tries to keep face before the world. He tries to say

nice things. Clinton, Mitterrand, and the others support him, because the existence of Yeltsin is useful for western leaders, since this great country, Russia, once so grand and powerful, has been turned into a third-rate power, and has become virtually a raw materials appendage of the West.

**EIR:** In your view, is such support wise? Is it in the strategic interest, the national security interest, of the western countries?

**Urazhtsev:** By no means! Russia might repeat the fate of Egypt under Sadat, when a group of young officers shot the President during a parade. If such forces exist, they will not forgive Yeltsin for the bloodletting. Neither the peoples of the Caucasus, nor the Russians will forgive him.

Even the 40-day mourning for those who died showed that everybody has understood what is going on, no matter what the press lies. The day will come when those who are lying today, will cry that they were forced to do it. That day will come very quickly, since the country is not the same as it was after Stalinism.

Is it a good long-term plan to support the Yeltsin regime? I would say that this tendency always existed in American policy and continues to exist. Remember how they supported Gorbachov, and looked askance at Yeltsin. Now they've placed their stake on Yeltsin, and they don't understand what's going on.

The huge staff of the American Embassy in Moscow is an unprofessional group of routinized individuals, carrying out political orders. They don't report back the truth. As a member of the parliamentary Committee on Foreign Affairs and Foreign Economic Ties, I met a large number of American correspondents and diplomats, located here. The majority of the diplomatic staffers are the same old Bolsheviks, only now under Clinton's banner. These fellows don't give any accurate information to America. When they're passing on information they've been given, they're de facto carrying out orders to deceive.

**EIR:** What could happen in Russia now?

**Urazhtsev:** Russia is sitting on a powderkeg—the hurriedly, poorly built oil and gas pipelines; the terribly underdeveloped rail network; if communications break in just one place, some significant part of the country will begin to suffocate. Picture Moscow, cut off from any energy supply.

The regions of Russia have quite a high level of consciousness. They are not afraid. Yeltsin's Taman, Kantemir, and Dzerzhinsky Divisions, and the Directorate of the Presidential Guard, will not suffice to strangle and hang 150 million people of Russia. Therefore, the capabilities of this central structure, which is living like a parasite and wants to make everybody dance to its tune, are quite limited. It tries to show its might to everybody, but this is only an appearance. And only the mass media

keeps up this appearance.

This immediately became clear on Oct. 3, when we freed the White House. And today, the regime is unable to counter the bold and honest statements of citizens of Russia, such as [filmmaker] Stanislav Govorukhin. Despite all barriers, truth breaks onto the television screens. Total censorship cannot exist.

Since I went underground, I tried to publish 15 articles. *Moskovsky Komsomolets* rejected three of them, *Kuranty* rejected one, as did *Komsomolskaya Pravda*, *Sevodnya*, and other so-called democratic publications. *Pravda* and *Sovetskaya Rossiya* aren't coming out. But, nevertheless, my articles were able to appear in two newspapers.

**EIR:** In sum, what would you warn the West about?

**Urazhtsev:** Why is this regime doomed, and how is it dangerous for the West? This must be understood well. There is a real threat of partisan war. The relatives of the victims, and political forces, will never forgive the blood that was spilled. That bloodshed cannot be justified in the name of democracy.

This was a blatant seizure of power. But one can come to power on bayonet points; it is not so comfortable to hold power on them. Thus this regime has condemned itself.

Can Russia revive? It is very difficult. Yeltsin says: There are no worthy leaders in Russia, besides me. There is no alternative to me. But people said the same thing about Gorbachov!

There are always such forces. But absolutely not [Vladimir] Zhirinovskiy! And not those pro-fascist structures, obtuse and limited, who understand everything, have it all worked out, and have no doubts whatsoever. Watch out for people who say they know everything. These are the most dangerous people. What's the difference between a fool and a normal person? The fool has all the answers. Take Zhirinovskiy.

Life is so complex, contradictory, and hard to predict. The main thing is not what is in our head, but what is behind the walls of that house. The task of any government, and any official is to take into account life's game of patience, which is dealt out new every day. Put it into a system.

How is Russia dangerous, being today in the hands of irresponsible people? Explosions, sabotage, more than one more wave from a Chernobyl to pass over the world. The pollution of the environment, which has acutely worsened under the Yeltsin regime: poisoning of the air, the seas, the soil, genetic damage to Russia's people, and aggravation of the food problem (we will be going around with hand outstretched all the time, and there are already cases of human meat for sale).

And now, the nuclear danger. Nuclear weapons are extremely dangerous in the hands of a fool. People say that our nuclear missiles are not aimed at America. That is all nonsense. Everything is as it was. Nothing has changed,

except for political declarations. This is an insane capability. In November, the newspaper *Sevodyna* published an article on one of our 30-ton thermonuclear bombs—2,400 Hiroshimas! And such bombs today are in the hands of people with a criminal mentality.

**EIR:** You're not exaggerating?

**Urazhtsev:** They are quite capable of using these weapons. During the last days of the seizure of the White House, I spoke with very high-ranking people, in particular with the cosmonaut Vitali Sevostyanov, who has known Yeltsin for 30 years. He said that Yeltsin would do anything to stay in power. He would even organize a nuclear world war.

It should be understood that Yeltsin's statements about the Parliament being crazy have some foundation. Yeltsin himself began as a deputy of Russia. Before becoming chairman of the Supreme Soviet, and then President, he was one of them, and was nominated for high office by the people he today defames as mentally deficient. Absurd!

In the case of Yeltsin and his close entourage, we should speak not about mental deficiency (that would be too easy an explanation), but about vice of another sort. What an unscrupulous lot there is around Yeltsin today! Shumeiko, Poltoranin. Listen to the ravings of Poltoranin or Shumeiko, look at what [Yegor] Gaidar does—an obvious sadist. Look at what kind of *duci* we have around Yeltsin today. Look at what they look like. Yuri Luzhkov, I believe, visited you in the United States not long ago, in mid-September. He's Fantomas [criminal in a popular detective story—ed.]. It's obvious. There is a method of determining by external evidence, whether or not a given person is criminally inclined. And this person is third after Yeltsin, in the hierarchy of state officials! Poltoranin! They're all thieves. Gaidar—a vampire. He sucks blood, at night. And these people, are "Russia's Choice"?! [The name of the main pro-Yeltsin electoral slate—ed.] This gang? Pure raving!

Of course, this regime is doomed. It's another question, what ruins it will leave us. If it's smoking ruins, we'll all be choking.

Yes, we are Upper Volta with missiles. But this Upper Volta will burn not only its huts.

Therefore, one has to see sober, rational people in Russia. There are such people. But it doesn't suit the leader of Upper Volta for such people to be visible, or to exist at all.

Why did the regime shed blood? When does a regime shed the blood of its own citizens? At the moment it is mortally threatened. Almost nobody came out to support Yeltsin. Fifteen hundred people, maybe. But on Oct. 3, I brought 200,000 people from October Square, and we lifted the blockade of the White House. That's why Yeltsin hates me to death, thinking that I thought the whole thing up, and brought those people.

*Next week: The events of Oct. 3 and 4.*

## Could the elections be free and fair?

by Konstantin Cherevnykh

**Editors' note:** *Konstantin Cherevnykh is a journalist from St. Petersburg, Russia. In this article, first published in the German newspaper Neue Solidarität, he analyzes the political battles taking place before the elections slated in Russia for Dec. 12. This vote will select a new State Duma, decreed into existence by Boris Yeltsin.*

On Sept. 21, Yeltsin abolished the elected Parliament, or Supreme Soviet of the Russian Federation, by decree. Although the Parliament attempted to resist its termination and the Constitutional Court ruled that Yeltsin had violated the Constitution of the Russian Federation, Yeltsin summoned support from key Army units to crush the Supreme Soviet by force. On Oct. 4, the Parliament building was shelled, with heavy casualties. Some leaders of the Parliament are in prison or in hiding. The new Duma has been dubbed a "pocket Parliament" or even a new Politburo, since Yeltsin is also seeking ratification of a new Constitution, under which he will be able, as President, to exercise the ultimate veto over the new body by dissolving it.

If Cherevnykh's report recalls a Byzantine Empire court chronicle, it is also testimony—as he maps the network of banks behind the political parties and blocs—to the impact of western-brand "free market" reforms in Russian politics: Everything, from influence to television time to the franchise to proclaim new "sovereign republics" in the middle of Russia, is for a price. As the Russian economy slumps further into an abyss and justifiable rage builds against the wholesale destruction of the country that has been billed as "reform," it becomes more and more dangerous for western governments to applaud the corrupt horse-trading described in the West as the flowering of democracy.

The so-called victory of democracy achieved on Oct. 4 in Russia has been the occasion for the discreditation and dissolution of legislative bodies at all levels. The *soviets* (elected councils) are now being blackballed as communist and reactionary, by the official propaganda. Only a few years ago, during the first free elections (which were much freer than the ones being prepared now) the same political leaders now responsible for this smear, called the same *soviets* democratic.

In several city councils, such as those of Moscow and St.

Peterburg, those elections left the communists in the minority. The *sovets* became an opposition force, not because of the presence of communists, but because they tried to exert control over the Executive branch, especially concerning the distribution of property.

After Yeltsin's Sept. 21 Decree No. 1,400, abolishing the Supreme Soviet, the property of the Supreme Soviet became the property of the President's Administration. The Constitutional Court also lost part of its property, the moment it was suspended by Yeltsin. That has become traditional for Yeltsin's regime: All those who didn't show loyalty to his rule, lost not only their name and their fame, but also part of their property.

Property became the most important issue among democratic leaders in Russia. Yeltsin, Anatoli Sobchak, Gavriil Popov, and a lot of others left the Legislative branch in 1990 or 1991, for the Executive branch of government. Yeltsin was elected President in 1991, Sobchak and Popov became mayors of the two biggest Russian cities, St. Peterburg and Moscow. Shortly afterwards, they started speaking about the need for strong executive power, concentrated in the hands of a small number of people.

As mayor of Moscow, **Gavriil Popov** was the first to say that the Moscow City Council had become an obstacle to reform and should be dissolved. He tried to do that de facto, by redrawing the city's electoral districts, and dissolving all the district *sovets*. Thus he succeeded in removing all bodies that might have monitored him and other officials, as they manipulated city property as they wished. But he acted too quickly and underestimated the City Council (Mossovet) officials, who blocked his measures and forced him to resign.

The new mayor of Moscow, **Yuri Luzhkov**, took office in March 1991. This official, from an old team and with a lot of experience in management, exploited the struggle between Yeltsin and [Speaker of the Parliament Ruslan] Khasbulatov. He manipulated a number of party financial groups, which profited from selling and leasing out highly valuable Moscow real estate. The most powerful of these, a financial group called *Most*, or Bridge, had its headquarters on the 25th floor of the Moscow mayoralty building. After the "new October Revolution," as the massacres of Oct. 3-4 are called in Russia, Luzhkov, with Yeltsin's support, dissolved the district councils, as well as the Mossovet, under the pretext that some of their members had taken part in the opposition movement. He thus was able to acquire an enormous amount of property.

Luzhkov was pursuing not only his own interests, but those of a huge economic group, which is actually the owner of the biggest Russian petroleum extraction companies. The most important figure in this group is Prime Minister **Viktor Chernomyrdin**, the former minister of the oil and gas industry. Chernomyrdin is supported by the industrial ministries' elite: Vice Premier **Aleksandr Zaveryukha**, Central Bank head **Viktor Gerashchenko**, Minister of Foreign Trade **Oleg Davydov**, and Minister of Industry **Oleg Soskovyets**.

## Two blocs in the government

This group within the Russian government is called the economic bloc, as opposed to the so-called democrats' bloc, which includes Yegor Gaidar, Anatoli Chubais (head of the State Property Committee), and Mikhail Poltoranin (head of the Federal Information Center, or propaganda department). Poltoranin was editor of *Moskovskaya Pravda*, when it was run by the Moscow city committee of the Communist Party of the Soviet Union (CPSU) under Boris Yeltsin, in 1986-87.

Three other political figures should be mentioned in context of the democrats' bloc: Gennadi Burbulis, Sergei Shakhrai, and Vladimir Shumeiko.

Like Yeltsin, **Gennadi Burbulis** hails from Yekaterinburg. He lost his position of State Secretary, when Yeltsin failed to win support from the Army and the security ministers for his first attempt to dissolve the Parliament, in December 1992. Burbulis was made the scapegoat for this defeat, but he remained head of a political think-tank called Strategy. Recently he was elected as head of the executive committee of the new electoral bloc Russia's Choice, whose chairman is Sergei Kovalyov.

In the spring of 1993, Vice Premier **Sergei Shakhrai** said he intended to be elected President in future elections and tried to form his own political party. In this he has succeeded only now, heading up one of several slates formed for the Dec. 12 vote. Shakhrai also tried to exploit the controversy between the President and the Parliament, and he opposed dissolving the latter in September 1993. He deemed it too early. After the tragic events in Moscow, he indicated his disagreement with Yeltsin's extraordinary measures, and founded the Party of Russian Unity and Concord. It received semi-official support from Oleg Soskovyets and Viktor Chernomyrdin, and financing from the Foreign Commercial Bank (Inkombank), the Imperial Bank, and the All-Russian Stock-Market Bank.

Shakhrai's bloc also includes the new political movement Businessmen for a New Russia, led by **Konstantin Zapulin**. The latter belong to Luzhkov's group, so it is easy to see that Shakhrai has actually joined, or put himself at the disposal of, the economic bloc.

**Vladimir Shumeiko** succeeded Burbulis as head of the State Personnel Administration. He set his sights on becoming the number-two man after the President. In the summer of 1993, Yeltsin hinted that his successor should be "as tall as himself," which was interpreted to mean that he was choosing between Shakhrai and Shumeiko in favor of the latter, because Shakhrai is short and Shumeiko is as tall as Yeltsin.

In September 1993, Shumeiko came into conflict with **Mikhail Poltoranin**. Each pretended, firstly, to control the mass media and, secondly, to be author of the new state ideology. Both were accused by the Parliament of corruption. The latest statements by Shumeiko opposing Poltoranin and

accusing him of cynicism, reveal that Poltoranin had attempted to create a split between Shumeiko and Yeltsin, thus pushing Shumeiko toward the economic bloc. Shumeiko, who at first was number two on the slate of Russia's Choice, later withdrew his name.

With Yeltsin's decision not to hold presidential elections until 1996, Poltoranin has probably succeeded in convincing Yeltsin not to make Shumeiko his successor.

### **Banks behind the slates**

The popular figure **Grigori Yavlinsky** has formed another democratic election bloc, which declared itself to be in opposition to the government and Yeltsin. He is known as a former ally of Communist Party leader and Soviet President Mikhail Gorbachov, and a future candidate for presidential elections. Yavlinsky's bloc includes mostly scientists, and some politicians who were in the party Democratic Russia, before it was transformed into Russia's Choice. It is supported by the above-mentioned Bridge group, centered on the Most Bank (Russian for "Bridge Bank"). It also depends on money from the economic bloc, and can be easily used by the latter.

Several other banks are supporting both Russia's Choice and Yavlinsky's bloc, just to be sure. One of them is Menatip, one of the most powerful financial structures, which most likely originated from CPSU monies.

Also of note is **Yuri Skokov**, former head of the Security Council, who was removed for insubordination, when he refused to support Yeltsin's second attempt to dissolve the parliament, in March 1993. Skokov is the leader of the Production Workers' Confederation and was preparing to create a strong electoral bloc on that base. Being supported by some banks (Unikom Bank, Prof Bank), he united some moderate nationalists, some socialists, some businessmen engaged in petroleum extraction, and Cossacks. His bloc was named Fatherland and would certainly have become the main opposition force in the new Parliament, but after the Communist Party of the Russian Federation got permission to take part in the elections, Fatherland lost part of its electorate and could not gather the necessary 100,000 signatures in time to qualify for the ballot.

Another new significant financial and political group that failed to achieve ballot status is the Consolidation Party. This organization was initiated unofficially by **Ruslan Khasbulatov**. It united the joint ventures Inter-Ural (Aleksandr Tikhonov) and Germes (Valeri Neverov). The Consolidation Party gathered the necessary number of signatures, but a few days later there was an official finding, that this and several other opposition groups allegedly violated some laws in gathering signatures. (Only 13 of 21 parties or blocs that submitted the required 100,000 signatures were accepted to participate in the elections. Of the parties that failed, five were opposition parties.)

Civic Union, previously headed by Vice President **Alek-**

**sandr Rutskoy**, has also formed a bloc to take part in the election. Rutskoy being incarcerated in Lefortovo Prison, Civic Union is now led by **Arkadi Volsky** and **Oleg Rumyantsev**, who was secretary of the constitutional committee of the Supreme Soviet. But, deprived of support from the Supreme Soviet, it has exposed its inability to become an independent political structure; The big industrial companies, whose interests it expresses, lack the financial means to support its campaign on a large scale. In early November, the leaders of Civic Union stated that they, like Shakhrai's bloc, support Chernomyrdin as prime minister. In other words, it also stands for the economic bloc.

Among the smaller political blocs that will take part in the elections is the Russian Movement for Democratic Reforms, founded in 1990 by elements of the Gorbachov elite, including some new officials like **Gavriil Popov** and **Anatoli Sobchak**. In 1992, the Movement began to oppose some of the measures taken by then Prime Minister **Yegor Gaidar**, executor of the decontrol of prices known as "shock therapy." It is well known that Gorbachov and Yeltsin are rivals within the old Soviet *nomenklatura*, who still hate each other. Probably because of this, people belonging to this group, including a former member of the Gorbachov Politburo, **Aleksandr Yakovlev**, will play a moderate opposition role.

### **Crafting the opposition**

The organizers of the coming election campaign have done everything possible to avoid the return of the former oppositional parliamentarians into the new legislative organs. When the Fatherland bloc failed to gather 100,000 signatures, its leaders explained that a plane carrying 30,000 signatures from Siberia was delayed for several hours, but this was not taken into account by the central election bureau. Thus the potential opposition representation in the new Parliament will be limited to the Agrarian Union, the Communist Party of the Russian Federation, and the Liberal-Democratic Party, better known as the party of **Vladimir Zhirinovskiy**.

The Agrarian Union was able to gather the largest number of signatures. But since it will evidently get no support in urban election districts, it will not get more than 20%. The Agrarian bloc opposes Gaidar's team, but it will support the conservative part of the economic bloc around Vice Premier Zaveryukha and Central Bank director Gerashchenko. Probably it will oppose the majority of the Parliament on some rural issues. This bloc is financed by several banks that have to compete for influence, such as the Agrarian-Industrial Bank, which was formed (like many banks) thanks to money from the CPSU.

**Gennadi Zyuganov**, leader of the Russian communists, has never behaved as an orthodox communist, although he has been co-chairman of the National Salvation Front. He has never supported the plan for a strict communist restorationist constitution, promoted by some orthodox communists. Also, Zyuganov insisted that members of his party should not par-

ticipate in demonstrations for the Nov. 7 anniversary of the Bolshevik Revolution of 1917. Thus, he drew a line between his party and the other communist parties, of which there exist about five!

Zyuganov often repeats that "Russia has exhausted its limit of revolution and civil wars"; in other words, that he doesn't consider himself a revolutionary. He stresses that any future Russia must include all forms of property. These slogans appear more social-democratic than communist, and therefore many orthodox communists call Zyuganov an opportunist.

Zyuganov several times praised the appointment of Chernomyrdin to the post of prime minister in December 1992, and continues to support his holding that position. He also praised Sergei Shakhrai for his "sober point of view," when Shakhrai had just supported Chernomyrdin. Considering that Zyuganov has never uttered a word of support for Yuri Skokov and has always rejected any attempts to reunite the Communist Party of the Russian Federation and the Socialist Labor Party (one of Skokov's parties), although their political views appear quite similar, one has to conclude that Zyuganov is Chernomyrdin's man.

### The Zhirinovskiy factor

I have to say a few words about **Vladimir Zhirinovskiy**. Experience shows that he is the best-suited figure to discredit any idea or any politician near to him. The question of whether or not he is part of the opposition is seldom discussed any more, because it was quite evident from the moment he appeared on the political scene, that this was just a sham opposition.

Zhirinovskiy emerged in early 1990. *Moscow News* wrote at that time, that his party was "the first opposition party in our country," despite the fact that the Democratic Union had been founded two years before! But this line was repeated, and the emergence of Zhirinovskiy's party was interpreted as a sign of new thinking and pluralism.

At first it was called the Social-Democratic Party, but later he changed his mind and the "Social" became "Liberal." It was learned later, that Zhirinovskiy was financed by the Commercial Bank, run by **Aleksandr Zavidiya**. There is documentary proof that this bank was capitalized by special resolution of the Central Committee of the CPSU. When Zhirinovskiy launched his Liberal-Democratic Party, he pledged he would never oppose the CPSU of Gorbachov.

How Zhirinovskiy functions as a pseudo-opposition is exemplified by the case in which several Russian officers were arrested in Latvia in 1991. Zhirinovskiy led a communist protest demonstration at the Latvian embassy in Moscow, shouting that they must be released immediately, otherwise Russians would throw Latvians out of their houses and other threats. When the officers were set free, it was interpreted as a success for Yeltsin, but of course, Yeltsin could not have done himself, what Zhirinovskiy did. (In a similar trick, Rus-



*Yegor Gaidar, architect of the shock therapy measures destroying Russia, at the White House in 1992. He had been appointed First Deputy Premier by Yeltsin.*

sian Gen. **Aleksandr Lebed**, commander of the 14th Army, Russian forces fighting alongside separatists in the Trans-Dniestr part of Moldova, was later used to make very chauvinistic, offensive statements against the Moldavian President, in order to stop the war between Moldova and the Trans-Dniestr Russian separatist movement. It was handier for Moscow if Lebed made such statements, rather than, say, Foreign Minister Andrei Kozyrev.)

In the new Parliament, Zhirinovskiy will also have a certain function to fulfill. If some idea is being discussed that is not favorable for Yeltsin or maybe Chernomyrdin, Zhirinovskiy could begin chattering on the subject until it becomes impossible to discuss anything. In other situations, he may create a disorder that could stop the work of the Parliament itself. And if a situation such as in September 1993 repeats itself, he will be the man to shout: Take up arms! Shoot! and so on.

The deputies of Zhirinovskiy's party, at least in St. Petersburg, are known as people "with loud voices, and little intellect." It will be very easy to use them for any kind of provocation.

### The real opposition

The democratic opposition—meaning democrats, who were democrats before and have remained democrats now, and who don't misuse the word "democracy" by attaching it

to Yeltsin's authoritarianism—is scattered in different blocs. Most of its members are not even part of a party bloc, but try to run in single-mandate districts, as independent candidates. But their chances look bad, as they seem to be unable even to collect the required amount of signatures within the very short period of time.

Instead of them, the districts will be won by people who have a lot of money from any source: businessmen, or so-called businessmen, who understood even several years ago, that everything and anything can be bought, in the “new social relations” under Yeltsin.

To my mind, it is very difficult, even almost impossible, for true democrats to make their way into the new Parliament.

### Byzantine power games

As was to be expected, the events of Oct. 3 and 4 led to a sharp controversy between the democrats' bloc and the economic bloc in the Russian government, after the elimination of their common rival, Khasbulatov. Signs of this conflict could be seen already at the beginning of September, when Moscow Mayor Yuri Luzhkov and Vice Premier Oleg Lobov criticized the privatization methods of the State Property Committee under Anatoli Chubais.

Then Yeltsin returned Yegor Gaidar to the government as first vice premier. **Oleg Lobov** was made secretary of the Security Council, which nowadays doesn't play any significant political role. These measures preceded Yeltsin's dissolution of the Supreme Soviet, which sharply opposed Gaidar and his team. Yeltsin was evidently trying to avoid an alliance of Khasbulatov and the economic bloc, against the democrats' bloc and himself.

But the economic bloc probably gained more profit from the Moscow events than did Yeltsin himself. Yeltsin has become more dependent on the Army structures, and the unwillingness to support him exhibited by many generals, shows that the Army will probably soon try to play its own independent role in Russian politics.

### Media wars

In mid-October, newspapers and television channels controlled by the rival groups began an argument. The TV program “*Itogi*” (Results), financed by the Bridge group, tried to emphasize Yeltsin's inability to manage the Armed Forces. Their opponents highly praised Defense Minister General Grachov and criticized the Moscow city administration, i.e., Mayor Luzhkov, for not taking adequate measures to avoid involvement of common citizens in the bloodshed.

One TV program run by Gaidar supporters even stressed that the demonstrators on Oct. 3 “for some reason” did not touch the offices of the Bridge group, located in the same building as the Moscow Mayoralty, which was seized. (Actually, there was no reason why the demonstrators should be concerned with anything else than the mayor's office, and they would not have known what was located on the 25th

floor of the 33-story building. Besides, they were in a hurry to reach the Ostankino TV center as soon as possible.)

Some days later, Aleksandr Zaveryukha demonstratively left a government conference, saying that the “reformers” (meaning Gaidar) were not taking care of the needs of agriculture. Zaveryukha is responsible for agrarian policy.

On Nov. 21, the newspaper *Sevodnya*, also sponsored by the Bridge group, protested against a new attempt by the State Property Committee to ruin the national oil-refining industry. That problem has become crucial in the conflict among rival parts of the elite. Equating “victory of democracy” with “victory of privatization,” **Anatoli Chubais** declared his intention to reorganize the most prominent oil and gas extraction corporations, including Gasprom, led by Chernomyrdin, so that the petroleum-extracting organizations could not control the actions of oil-traders for three years. This was a true intervention into the financial interests of the economic bloc, an attempt to break their monopoly on oil trading. Of course, this would surely have led to a similar monopoly under Chubais's State Property Committee. According to the state program of privatization (passed by the now-banned Supreme Soviet, but still in effect), this committee is allowed to become owner of a majority of privatized state enterprises. That would be the final result of the so-called “people's privatization by vouchers.”

Then *Nezavisimaya Gazeta*, a newspaper truly independent of either the democrats' bloc or the economic bloc, published a plan of Gaidar's group, to be realized after the election of the new Parliament on Dec. 12. *Nezavisimaya* cited reliable sources around the Council of Ministers. If Russia's Choice wins a decisive majority, the plan said, the first task will be to appoint the new prime minister: Gaidar, for sure. Secondly, **Viktor Gerashchenko** will be replaced at the top of the central bank, by current Finance Minister **Boris Fyodorov**. The report said that a total attack against the fuel and energy complex, the main component of which is the oil and gas industry, has already been prepared in Fyodorov's Finance Ministry.

### Yeltsin's defensive measures

As we saw on Oct. 3 and 4, an attack can be realized not only by means of words, but by military force. A policy based upon sharing illegitimately acquired property doesn't feel bound by legitimate ways and means.

Yeltsin himself does not want to become a victim of his allies' plots against each other, and has taken his own measures to stabilize the situation, as he puts it.

Strange as it may seem, such events as the proclamation of the Ural Republic with its own constitution, and then the decree on the buying and selling of land, can be explained by the interests of the Russian President.

Not a word of reproach had been said against the newborn Ural Republic, until very recently. It was formed in Yeltsin's home region, where he ruled for many years as a

Communist Party official. I did not believe what the Supreme Soviet opposition figures like Sergei Baburin had said, that the Ural Republic was proclaimed on orders from the President, but in September an official of the President's office in St. Petersburg told me that this was really so. He confirmed that the Ural Republic was formed after a phone call by **Sergei Filatov**, head of the President's Administration. Meanwhile, a colleague of mine learned from the President's representative office in Yekaterinburg, the new capital of this state within a state, that the purpose was the Ural officials' desire to gain export privileges, respecting foreign trade and taxation, as the national republics within the Russian Federation have obtained: the right to form joint ventures between Ural and England, Ural and Germany, Ural and the United States, and so on. Thus a financial basis was being established, to feed the President's Administration, rather than the oil industry.

In the case of the decree on buying and selling of land, for which Democratic Russia has been struggling for two years, and which could be signed only after the elimination of the Supreme Soviet, the outcome deeply disappointed the radical democrats. The free sale of land is to affect only a minor part of rural land, leaving the land in big towns, and even the majority of collective farms, safe and sound. The agrarian lobby is blamed for that, although it is evident that this lobby is not so mighty that the President couldn't have opposed it.

The reason for such care can also be explained by the interests of the President's structures, because they don't want either bloc to gain super-profits. If the land in Moscow, for example, can be easily bought and sold, the elite of the Moscow Administration (controlled by the economic bloc) would become extremely powerful landowners, able to buy any political party, any Army unit, and anything else.

It seemed certain that Yeltsin was going to withstand the encroachments of the economic bloc, but on Nov. 8, Mikhail Poltoranin declared that the government "includes many totalitarian persons" and must therefore have a counterweight. He said that a special organ must be created, something like a new regional council uniting regional leaders and opposition figures, naming Mikhail Gorbachov as an example.

The week before, an All-Russia Zemstvo Movement was organized, also by Gorbachov's people. Thus, another political group has entered the ballgame, and may already have played a decisive role in the conflict between the democratic bloc and the economic bloc in the government. Poltoranin's statement could be a service to Yeltsin's rivals from the Gorbachov camp, indicating that Yeltsin is losing support even among his closer friends. In other words, Gaidar's team is becoming weaker.

Chernomyrdin has repeated that he is loyal to the President, and that he agrees with the prolongation of his reign until 1996.

Also in November, **Andrei Makarov**, a prominent figure

of Gaidar's team, was removed from his post on the Anti-Corruption Committee. This occurred the day that a group of state investigators came back from Canada, where they were investigating acts of corruption committed by former State Prosecutor **Stepankov** and his friend former Gen. **Dmitri Yakubovsky**. It is well known, that Shumeiko and Poltoranin had been implicated in these corrupt deals. Documents proving their involvement are very valuable for Chernomyrdin and the economic bloc.

Thus the latest tendencies in the Russian government elite show that the economic bloc, especially its centrist part led by Chernomyrdin, is the most reliable ally of the President. Also, this segment of the ruling circles is less engaged in infighting, than is the democrats' bloc, and can thus muster forces against the Gaidar team.

But this does not guarantee that monetarism will come to an end in Russia, if Gaidar is not appointed prime minister. The most important issue for Russia's ruling circles today, as this article has illustrated, is not programs or views or projects, but the manipulation of property and power. So, monetarism will remain, as long as it doesn't hurt the interests of Chernomyrdin or those industries led by him and his closest allies.

On Nov. 9, 1993, Yeltsin dissolved the Yekaterinburg City Council, the same that had declared the Ural Republic. Perhaps he no longer needs that source of financing, because he has drawn closer to Chernomyrdin. If he doesn't need to oppose Chernomyrdin, he also doesn't need the Ural Republic, which on the other hand could easily discredit him, if his financial sources were exposed. At the same time, to the people in Yekaterinburg he has become a traitor. This proves the saying: "If Yeltsin doesn't have enemies, he creates them himself."

But even if Yeltsin and Chernomyrdin work together and form a bloc that eliminates the figures of Gaidar's team one by one, this does not mean that Yeltsin has achieved absolute control over the most important political groups, social layers, and financial groups. Many parties and groups, due to the very selective work of the central election bureau, have been excluded from the election and will likely remain Yeltsin's enemies.

Yeltsin must remember that, having deceived so many men of his elite, he can never be sure whether he also will be deceived by them one day, or the day after.

There is a film by Stanislav Govorukhin about the time before the October Revolution, titled "The Russia We Lost." And what is now the new Russia we have got? Those opposition leaders who are not already in jail, claim that Yeltsin acts like a typical Communist Party secretary. I can't accept that point of view. To my mind, Yeltsin acts like a typical Russian czar, resembling not Peter I, who brought western culture into Russia, but rather his great-grandson Paul I, who betrayed so many of his nearest allies that finally he became their victim.

## Germany needs an industrial policy

by Helga Zepp-LaRouche

*In view of the worldwide economic depression and the threat of international conflicts, Germany urgently needs a new intellectual elite. As this week's "Report from Bonn" (page 60) indicates, the entire postwar political party establishment is undergoing a collapse. In that context, Helga Zepp-LaRouche, national chairman of the Bürgerrechtsbewegung Solidarität (Civil Rights Movement-Solidarity), has announced her availability as a candidate for federal chancellor in the 1994 elections. What follows is her announcement, which provides at the same time a broad strategic overview. It appeared in the weekly Neue Solidarität and was translated from the German original by John Sigerson.*

The speed with which the global collapse is proceeding, is truly frightening. But I am no less concerned over the failure of the elites in all industrial nations—with the possible exception of France—to deal with the crisis. Although the global depression is becoming increasingly dire, up to now, not a single government has developed any idea of how to reverse it. Russia, Ukraine, and the entirety of eastern Europe are heading into a catastrophe; but no western government has a policy for Russia which might promise some success. Genocide is being committed in the Balkans and in many parts of the so-called Third World. And what is Europe doing about it? Europe's moral condition is itself a catastrophe!

Europe's political class would prefer to tolerate genocide in Bosnia, rather than state openly that Great Britain has been backing the Serbian aggression from the very outset, on geopolitical grounds. What has become of the assurances we heard for decades: "Genocide, never again!"?

Like a teacher's pet, Bonn is acceding to the Anglo-American diktat over the General Agreement on Tariffs and Trade (GATT), and is destroying hundreds of thousands of healthy pigs, ruining the livelihoods of tens of thousands of pig farmers, while just next door in the Balkans, 4 million

people are threatened with death by starvation and cold! Have the politicians and bureaucrats forgotten that it is a sin to throw away food for no reason?

The leaders of Europe would prefer to shrug their shoulders and accept the fact that the present financial system and free trade is condemning 80% of the world's population to a living hell, rather than admit that policies based on neo-malthusianism are wrong, and that free trade is destroying our planet.

Just four short years ago, anyone who might have said that the Bonn government would one day create conditions within Germany's new states much worse than they were under communism, would have been written off as a madman. And if, back in the 1960s, someone had predicted that Germany would one day entirely turn its back on scientific and technological progress, no one would have believed him.

How has it come to pass, that all these horrors have now been accepted as a matter of course, that our political elite is now merely managing its own demise, and that there has been no public outcry?

All this would have been unthinkable 25 years ago. The problem is that in the meantime there has been a transformation of values. Most people did take notice as step by step, the basic assumptions of judgment among the population were undermined, liberalized, and replaced with other, different values. Considered in this light, our citizens have just the politicians they deserve, since after all, it was those citizens who elected them to office.

The recent election results in Canada, which left the Conservative Party with only two parliamentary seats out of their previous 157, and in Italy, where in municipal elections communists and fascists emerged as the winners, while the Christian Democrats slid below the 10% mark, clearly show how the voters are paying the politicians back for their impotence.

The fact that the PDS (Italy's reformed communists) and

the MSI, led by Mussolini's granddaughter, won elections, marks the collapse of the political system which has sustained the Italian state since the end of World War II. In the runoff elections on Dec. 5, Christian Democrats, Social Democrats, and other voters will now only have the options of voting communist, fascist, or not at all.

Thus have Italy's political institutions been so devastated by the conditionalities imposed since the 1970s by the International Monetary Fund, and by a destructive austerity policy, that very soon, the Italian nation may now quite possibly fragment into a separate North, a central region, and a South.

### French criticize free trade

The only country whose elites seem to have begun to wake up, is France. An acrimonious debate over fundamental principles is currently raging in our neighbor country, over the threat to France's very existence in the event that free market economic policy is continued, and France capitulates in the General Agreement on Tariffs and Trade (GATT) negotiations. France could easily succumb to the same fate as Italy and Russia, and could do so much sooner than one might think.

There was a sudden recognition that under those conditions, the labor market, already plagued with 3 million unemployed, would finally collapse altogether, thereby threatening to crumble the very foundations of the state. France is faced with the alternative of either defending itself against the insanity of Anglo-American free trade, or else going under. It is most likely similar considerations prompted President Mitterrand, in the middle of the strike against Air France, to take a more conciliatory attitude toward Air France's employees.

Among the indications that people in France are now addressing questions of fundamental import, is the remarkable fact that the latest encyclical of Pope John Paul II, *Veritatis Splendor*, tops the bestseller list and has already sold more than 200,000 copies. In this encyclical, the pope explains that in contrast to the currently prevailing *Zeitgeist*, there indeed do exist universally valid, knowable truths, and that even in the conduct of our daily lives, the universal and eternal natural law is a concrete measure for judging what is good, and what evil.

Shaken by a vision of the potential destruction of the nation, some in France are beginning to question the premises upon which political decisions have been based. Considering the enormous pressure which Great Britain and the United States have been putting on France to agree to the so-called Uruguay Round of GATT, it is of the utmost significance that Maurice Allais, winner of the Nobel Prize for economics, has just issued a detailed refutation of a World Bank and OECD study which has served as the basis for these trade negotiations.

Allais points to the study's absurd contention that with a partial liberalization of world trade, along with a 30% reduction in agricultural subsidies, a \$213 billion increase in world



*Helga Zepp-LaRouche at the Kremlin Wall in 1993. "No western government has a policy for Russia which might promise some success."*

income could ostensibly be attained by the year 2002.

The highly respected economist emphatically warns against accepting the conclusions of a study which has been based on a highly disputed model of world trade. The idea that for months, these completely erroneous assumptions have been used by political responsables as an aid in their decision-making, is downright frightening, when one considers that the fate of millions hangs in the balance.

The errors and omissions in the study are in fact enough to make one's hair stand on end. The report contains no quantification whatsoever, and only gives percentages. No precise figures are given for the actual relative economic power of the 22 regions studied, nor for their value of production, subsidies, import volumes, etc.

The study assumes from the outset that man is equivalent to the beasts; it makes no distinction between relative wage levels in each of the 22 regions, and assumes full flexibility in the employment of labor. It simplistically postulates that full wage flexibility will automatically lead to full employment. In other words, it simply claims that the destruction of "expensive" workplaces and the transfer of production into cheap-labor countries—e.g., from the Ruhr region in Germany into Slovakia—will result in the workers in the Ruhr finding another, more poorly paid job.

The study gives no consideration to distortions resulting from exchange rate fluctuations, nor does it reflect the fact that speculative financial transactions are currently taking

place on the order of \$1 trillion each day—40 times the normal daily volume of trade.

Allais further points out that it is absurd to treat the question of industrial and agricultural subsidies in simple monetarist categories, without also considering their overall economic effects on consumption, production, tax revenue, etc. The actual costs of commodity production, of maintaining a productive labor force, of building infrastructure as a precondition for creating new workplaces—all these factors are not considered at all.

According to Allais, the study is so completely unscientific, that it has no practical value whatsoever, and is nothing but a gigantic mystification on behalf of a simplistic ideology of dogmatic and unhampered free trade.

The fact that Allais faces off so uncompromisingly against monetarism and free trade at a time when this ideology of usury and greed is threatening to ruin the entire world economy, is all the more fascinating because it is a virtually crushing condemnation of the econometric model upon which the World Bank study is based.

### **LaRouche's contribution to economic science**

It is no accident that my husband, the American economist Lyndon LaRouche, developed his own economic method through a refutation of precisely the same mathematicians upon whose work the World Bank's model was derived. In the 1930s, the Austrian arithmetician John von Neumann presented his so-called "theory of games," claiming that any economic system can ultimately be reduced to a complex set of linear equations.

Together with the economic theoretician Oscar Morgenstern, von Neumann proceeded to publish *The Theory of Games and Economic Behavior*. This book, along with the methodologically closely related information theory of Norbert Wiener, greatly influenced the shape of current economic theory.

In dealing with the monetary system per se, it might be an interesting game for computer nerds to stick 30,000 linear equations into a single model, and then to come up with the sum of \$213 billion of economic value added to the world economy by the year 2002. Such a computer nerd might even succeed in entirely blotting out from his memory the existence of starving continents and collapsing economies. But this has nothing whatsoever to do with the actual economy.

LaRouche developed his own economic method in the physical-economic tradition of Leibniz, Alexander Hamilton, Friedrich List, and the Careys. He demonstrated that the assumption that an economy can be reduced to a set of linear equations, ignores what is in fact the sole source of increases in social wealth: the human individual's creative reason, and his capacity to continually form new hypotheses. Through the mediation of science and technology, technological progress is brought about, which, in turn, permits increases in the productivity of labor. This increase in productivity is the sole

source of social wealth.

Arithmetic equations are completely unsuited to represent these processes, which are necessarily non-linear. LaRouche further developed the geometry-oriented mathematics which had been fashioned by Nicolaus of Cusa, Leibniz, Riemann, and Cantor. Among LaRouche's special accomplishments was his recognition of the significance of the Cantorian theory of manifolds for understanding negentropic process in physical economy, and the positive influence which this recognition has on breakthroughs in modern physics.

In October of this year, LaRouche was selected as corresponding member of the Academy of the One Hundred in Moscow, Russia's first independent academy. Explaining his reasons for the selection, Academy member Prof. Bencion Fleischmann said that LaRouche might be considered the founder of a new direction in the natural sciences.

So let all the Rexrods, Lambsdorffs, and Breuels scream all they want: Maurice Allais and Lyndon LaRouche are the only competent economists far and wide—Allais especially because of his devastating critique of monetarism and speculation, LaRouche for having devised concrete development programs for the reconstruction of the world economy on the basis of his further advances in this method.

Rexrodt and company in the meantime are not exactly bathed in glory. They simply did not notice how incompetent the theoretical foundation of OECD policy is—which merely confirms what the miners in Bischofferode and the Monopol coal pit already know: When it comes to economic policy, the politicians don't know what they're talking about.

If there is one thing on which a large part of the French elite completely agree with LaRouche, it is this: A Marshall Plan for Russia and the entire East represents not only our only possibility to perhaps avert the catastrophe before it is too late, but is also the only route by which the West can once again achieve full, productive employment.

### **Who lost Russia?**

The West is bound to wake up from its fatal indifference over the coming months, once General Winter imposes his harsh regime upon Russia, while only the general chaos perhaps holds off a neo-imperialist, Great Russian consolidation of power. At the very latest, once the new condominium between Washington and Moscow results in a few bloody surprises, the public debate will have to begin over who is actually to blame for having so miserably missed the great historic opportunity of 1989, and over who is responsible for the West having no better answer to the collapse of communism, than to plunge the people there even more deeply into poverty and despair.

What is certain at this point, is that Margaret Thatcher and George Bush, with their geopolitical games, will stand out as the true guilty parties, because they spared no effort to prevent Russia from emerging as a new competitor on the world market, and to prevent Germany from playing any significant role in the economic development of the East.

Russia has never really recovered from the brutalization of the Mongol conquest and occupation, and has never gone through a process such as the Italian Renaissance, which in the western part of Europe made possible the full unfolding of the individual personality.

Today, following the brutal implementation of shock therapy, the Russian military remains as the sole force integrating Russian society; and thus, a return to the cultural matrix of Moscow as the "third and final Rome" appears to be a quasi-natural reflex. And if the neo-malthusian, monetarist policy is continued any longer, Russia will surely be driven into a hopeless situation where even the first use of nuclear weapons, which is now being openly talked about for the first time in connection with the new military doctrine, becomes a very real possibility—and not only for Ukraine.

There is only one way out: Continental Europe, under the leadership of the Franco-German alliance, must immediately return to a policy in the tradition of the collaboration between Leibniz and Peter the Great. The West today must offer exactly the same infrastructure program which LaRouche already proposed back in November 1989 as a concept of political stabilization through economic development.

Furthermore, the idea of Leibniz's academy, the economic policy of Count Witte, and the reforms of Alexander II must likewise be taken up again. But above all, the West must be made to understand that the intelligentsia in Russia, which in times past has been largely tied into the military-industrial complex, represents the only force able to transform the country.

It would be the height of folly for the West to force a conversion of the high technology of the military-industrial complex into simple consumer goods production. On the contrary, the West must help Russia to utilize its highly qualified scientists to transform Russia's productive capacity into leading-edge areas in the civilian sector, so that the population can hope for a real opportunity to improve their living conditions.

The crucial issue for any competent western policy toward Russia, is how Russia can be transformed from an empire into a republic. For centuries, the Russian people have lived under dictatorships, first under the czars and then under communism, and consequently have been steeped in a culture of collective consciousness. The task at hand today is therefore to have the Russian people experience, through personal familiarity with scientific and technological progress, that strengthening of individual character which alone can serve as the basis for true democratization into a functioning republic. And for this, the catalytic role of the Russian intelligentsia, and their incorporation into civilian high-technology fields, are indispensable.

When western politicians give so much as lip-service to Yeltsin as a "democratic reformer," even after he has just crushed the democratically elected Parliament with the military's assistance, they are only demonstrating that they do not have the slightest grasp of the history of

Russia or of democracy.

## Why I must run for office

In light of the pathetic policies of the Bonn government over the past four years; in light of the fact that at the Social Democratic Party's recent convention in Wiesbaden, the situation in Russia was not even brought up; and considering the bottomless and intolerable immorality shown by all established parties—the Greens included—in writing off the so-called Third World, I consider it necessary to make myself available as candidate for federal chancellor in the next parliamentary elections.

No one can deny the fact that ever since November 1989, with our proposal for a "Paris-Berlin-Vienna Productive Triangle" as the kernel of a Eurasian infrastructure program, I have been the only one to date to have a concept of how Russia and the eastern European states can be drawn into peaceful cooperation.

Similarly, no one can dispute the fact that ever since 1976—i.e., for the past 17 years—I and my associates have been intervening to establish a new and just world economic order, and have been formulating concrete development programs for every region of the world. As a result, the global reconstruction program associated with the name LaRouche is regarded today by many people in the East and in the South as their only alternative and their only hope.

The beginnings of a debate over the principles of a correct economic theory can be seen not only in France, but also in the United States. The latest issue of the American magazine *Atlantic Monthly*, for instance, reported in 26 pages to its astounded readers, that free market economy and free trade isn't the be-all and end-all, and that there also exists a much more successful economic tradition, namely the physical economy of Leibniz, Hamilton, and List.

One of the most important aims of my candidacy, is to spark such a debate in Germany, too. For, as important as it is for France to harken back to its own tradition of Colbert and the Ecole Polytechnique, it is nevertheless true that what happens in Germany will ultimately decide whether Europe is destroyed by free trade, or whether it develops its own industrial policy before it is too late.

The absence of any discussion here about List and Witte, can be traced to the fact that Germany has become a land without a history. Two lost world wars, and the reeducation during the postwar years, have precluded the development of an institutional German elite, with only a few exceptions, such as Adenauer.

My candidacy therefore has set as its goal the formation of a new political elite which can lead the country out of this crisis—not an elite in the sense of a power elite, but rather an intellectual and spiritual elite, which can stand on the same moral plane as Nicolaus of Cusa, Leibniz, Schiller, and Beethoven.

Virtually all of the currently dominant ideas—transfer of production, "globalization of production," securing an ostensi-

ble "zone of stability" by building a new "Limes" wall beyond which the "zone of instability" (i.e., 85% of the world) will be allowed to sink into chaos—are utter nonsense.

We need a reasonable industrial policy for Germany and for Europe. As chancellor, I would do precisely the same as Felix Klein did with the Göttingen Circle in the last century: I would meet regularly with top representatives from industry and science, and would set priorities for production and research for the upcoming period.

It almost goes without saying, that certain economic sectors serve the common weal and are prerequisites for the development of industry, even though they are initially unprofitable in and of themselves; among such sectors are modern infrastructure—such as the European-wide expansion of the Transrapid—energy production and distribution, and telecommunications. In these sectors, it is necessary that the federal government take over the startup financing, so that the benefits can be distributed throughout all other branches of production.

Certain specific priorities are obvious. Germany is still barely clinging to its lead in magnetically levitated train technology; this must be turned into a top export item, along with the inherently safe high-temperature nuclear reactor. Daimler-Benz should rethink its priorities, and should not assemble cheap consumer goods abroad, and must return to promoting the high-technology sector. MBB's Sanger project, and space travel in general, must open up future markets as they bring about advances in current production through the introduction of new materials and industrial processes.

This must go hand-in-hand with tax legislation to favor production and research, and to make speculation highly unattractive.

Precisely because of the dangerous world situation, our security and defense policy must not yield to panic over the government's bankruptcy, but must truly proceed from the interests of Germany and of Europe.

Do we really want to merely look on as the violence among children and young people grows to monstrous proportions, as their games become simple imitations of the horror videos now flooding the market? And, as a recent advertisement in the French daily *Liberation* asked, do we really want to wait until the process of Americanization becomes so far advanced that Europe can no longer recognize its own interests?

It is urgent that we return to the Humboldt ideal of education, which puts the formation of the individual's character at the top of the agenda, and which seeks to convey universally valid values of history, values which are the sole means of enabling the young person to develop his or her inborn creative potential.

We have arrived at a dramatic point in our history. We urgently need a quick change of course. I would like to call upon all readers of this newspaper to join with me in a debate over the issues I have sketched out here.

## Italian vote polarized by free-trade insanity

by Claudio Celani

Naples, 1994. At the economic summit of the Group of Seven industrialized nations, President Clinton lands, emerges from his helicopter, and is greeted by the mayor—Mussolini. A nightmare? It could very well come true if the Italian Social Movement (MSI) candidate in the Dec. 5 runoff for the mayoral elections, beats her leftist opponent. Alessandra Mussolini, granddaughter of the Duce, placed second in the first round of mayoral elections on Nov. 21 with 30.8% of the vote, and will now challenge Antonio Bassolino, a traditional communist who came in first as a candidate of the PDS (the reformed Communist Party)-centered leftist coalition.

A choice between a "communist" and a "fascist"? Yes, sir, and if you vote in Rome, 200 km to the north, your choice on Dec. 5 will be between another "fascist," MSI Secretary General Gianfranco Fini, and another "communist," Francesco Rutelli. In Genoa, the choice is between "communist" and former prosecutor Adriano Sansa, and a representative of the separatist Northern League. The list is endless. The polarization of political life is everywhere. One has to go to minor cities to find traditional "moderate" parties in the runoff, such as in Macerata, where the Christian Democracy (DC), the main government party, made it past the first round.

The general picture is total left-right and north-south polarization, with the Northern League confirmed as the largest party in northern Italy (although failing to achieve a "breakthrough to the sea"), the left emerging as the leading party nationally, and the right wing undergoing tremendous growth in central and southern Italy. The DC, which in the general elections last year still got 30% of the vote, collapsed to about 10% on average. Its main coalition partner, the Italian Socialist Party (PSI), has practically disappeared from the scene. If general elections were held now, the government coalition would barely get 15% nationwide.

### Revolt against austerity

It is clear that the gigantic corruption scandals which hit government parties and have dominated political life for the last year and a half are a crucial motivating factor behind the vote. But Italians are no puritans. They can live with scan-

dals. What determined the revolutionary vote of Nov. 21 is the tremendous economic crisis and the unpopular austerity measures of the current government, a government of "technicians," led by former Bank of Italy boss Carlo Azeglio Ciampi, who have made a religion out of budget cutting and privatization, i.e., the selloff of state-owned industry.

The revolution was triggered when the Ciampi government recently reformed the legislation dealing with public employees. Since the foundation of the Italian state, a state employee could never be laid off. This ensured a secure job for hundreds of thousands of Italians and, at the same time, a secure constituency for government parties. The decision of DC Secretary Mino Martinazzoli to support the government, which has announced layoffs in the public sector and has raised the income tax rate on the middle class to the highest among OECD nations, could yield no other result. In addition, Martinazzoli, who, contrary to most Italians, is a bit puritan, reformed the party away from local political machines involved in "corruption," and these machines turned *en masse* toward the MSI, as they did in Rome and Naples. Or, where the DC (and the PSI) had a working class base, such as in Genoa, they lost it to the PDS and the Northern League.

### A different story in Palermo

In Palermo, the story is different. In this city, the DC formerly won up to 50% of the vote. After the regional party leader, Salvo Lima, was killed by the Mafia, and his national faction chief, Giulio Andreotti, accused by former mafiosi of being the boss of Cosa Nostra, the DC disintegrated. Its place has been taken by Leoluca Orlando, a former Christian Democrat who has turned Jacobin and has founded a movement called La Rete. Orlando has run with the slogan "No to the Mafia." He won 75% of the vote in Palermo, where mafia votes have always been decisive. Has the Mafia disappeared? Hard to believe.

Orlando is a strange character. A recent article in the weekly *Epoca* reported that his father was close to the Mafia. That may be a reason why his son changed his name from Cascio to Orlando. Former Prime Minister Giulio Andreotti accuses Orlando of being behind the conspiracy that accuses him of being chief of Cosa Nostra.

It is a fact that Orlando has close ties to the FBI. In 1985, he made a trip to the United States with a Fullbright grant and came back totally changed. And it is the FBI which controls mafioso witnesses, such as Tommaso Buscetta, who periodically release statements which are used for political ends.

This leads us to the involvement of foreign interests in the destabilization of Italy, which we have dealt with already in several articles in the past. An entire establishment, which has ruled the country for 40 years, is being replaced, and the choice is between former communists, separatists, and neo-Fascists. If we do not want to see the picture in black and

white, however, one has to say that the Communist Party in Italy has always been different, having been part of defining the democratic Constitution. The PDS, furthermore, became even more "westernized," although in the wrong period, thereby assuming all the trappings of decaying western politics, such as environmentalism, cultural relativism, malthusianism, etc. Therefore, the main candidate to run the next Italian government looks more like a mixture between the U.S. Democratic Party and the German Social Democracy.

Their candidates reflect this. While the front-runner in Rome, Francesco Rutelli, is a radical environmentalist, the one in Naples, Antonio Bassolino, is linked to the trade unions and has "traditional" views on industry and privatizations. The PDS candidate in Genoa, Adriano Sansa, is a Catholic former prosecutor who became famous in the 1970s investigating corruption linked to the private oil industry.

"The election has shown that Italian voters want a Democratic Party and a Republican Party, or Labor against Tories," Mariano Pane, a shipowner from Naples who has many friends in U.S. conservative circles, told *EIR*. Pane is hoping that such a system could develop out of the PDS-MSI face-off, but he is skeptical. "There is too much stupidity on both sides," he said. He, like many others, thought that business leaders such as media tycoon Berlusconi would tilt the balance toward that evolution, but he was disappointed when Berlusconi, making his entrance into politics the day after the vote, declared that he supports MSI chief Gianfranco Fini in the Rome runoff.

For those who wish American-style politics, neither Fini nor his PDS counterpart, Occhetto, are suited to lead the progressive-moderate scenario. "Let us see how the IMF [International Monetary Fund] and the EC [European Community] react when the PDS gets into the government, because the PDS wants to have a spending policy," Pane said. Other commentators, such as London *Sunday Times* columnist Norman Macrae, worried on Nov. 28 that a "populist" force could emerge out of the right-wing front that would endanger Italy's support for free market schemes. Macrae compares what he calls "the Italian disease" to Ross Perot's opposition to the North American Free Trade Agreement and to France's revolt against the General Agreement on Tariffs and Trade.

In fact, much of the vote which went to the MSI has nothing to do with fascism, but could easily take a positive, nationalist direction. But maybe the *Sunday Times* commentator was simply shocked when he read an article from Giorgio La Malfa, former head of the Republican Party and guru of the pro-IMF and free-market faction, in the Milan daily *Corriere della Sera* on Nov. 18. "I repent," La Malfa wrote, admitting that unless a big investment program in high-technology infrastructural projects were urgently promoted, the current social and unemployment crisis could turn into total chaos. La Malfa found an immediate echo in the PDS leadership. Is this the "Italian disease" which the monetarists fear?

# Terrorist scenario for Venezuela is exposed on election eve

by Cynthia R. Rush

A mobilization by the Ibero-American Solidarity Movement (MSIA) inside Venezuela and throughout the continent has badly damaged the Venezuelan Radical Cause (Causa R) party and its plan, which is backed by the U.S. State Department and Cuba's Fidel Castro, to seize power through armed insurrection if it failed to gain a clear electoral victory in the Dec. 5 presidential elections. As of Dec. 2, the last day on which political propaganda was allowed to be released, each of the three major candidates—-independent and former President Rafael Caldera, Social Christian Osvaldo Alvarez Paz, and Radical Cause's Andrés Velásquez—were all predicting their overwhelming victory. But, while polls vary widely, in at least one, Velásquez's position had dropped from being neck-and-neck with Caldera to giving him 18% against the former President's 31%.

The threat of armed insurrection is the strategy of the São Paulo Forum, the umbrella group of Ibero-America's narco-terrorist and pro-terrorist organizations set up by the Cuban Communist Party in 1990 to take over the continent starting with Venezuela. Among its members are Colombia's M-19, El Salvador's FMLN, and Nicaragua's Sandinistas. Radical Cause's leaders, especially Velásquez and Secretary General Pablo Medina, have been forced onto the defensive by the MSIA mobilization, which included the release of a hard-hitting exposé, "Radical Cause wants to Install a Narco-Terrorist Dictatorship in Venezuela," which was also circulated by the Venezuelan Labor Party (PLV), whose secretary general is Alejandro Peña Esclusa.

The volatile pre-election environment is such that Venezuela's Supreme Court debated, but rejected, invalidating Velásquez as a candidate because he had failed to resign as governor of Bolívar state, which is a technical violation of election law. The Armed Forces are fully mobilized to prevent any disturbances on election day, but the country is rife with rumors of a military coup, especially in the event of a Radical Cause victory.

Clearly worried about a military move against Radical Cause, and the development of a situation not under its control, the Clinton administration sent Assistant Secretary for Inter-American Affairs Alexander Watson to Caracas just days before the election to threaten anyone who would overturn "democracy." Arriving in Caracas at the same time was

Richard Feinberg, former president of the Inter-American Dialogue (IAD) and currently responsible for Ibero-America at the U.S. National Security Council. The IAD is the Washington, D.C.-based think-tank which dictates President Clinton's policy for Ibero-America and which has openly backed Velásquez. The IAD promotes the "selective" legalization of the drug trade, and the dismemberment of the Armed Forces.

The State Department has reason to be worried. The MSIA/PLV statement not only exposed Radical Cause's ties to the São Paulo Forum, six of whose member parties are fielding presidential candidates in their respective countries over the next year and a half, but it also documented the São Paulo Forum's unsavory relationship with the IAD and with high-level State Department and Clinton administration personnel.

The MSIA exposé appeared in such Venezuelan dailies as *Ultimas Noticias*, *El Mundo*, and *Diario de Caracas*, and has been echoed in statements by leading Venezuelan political and military figures. Defense Minister Vice Adm. Radamés Muñoz León warned on Nov. 23 that the "guerrilla international" may be preparing to disrupt Venezuela's presidential elections, and pointed to attacks on Venezuelan military border posts by Colombian narco-terrorists. Those narco-terrorists, he warned, have ties to the subversives inside Venezuela who hope to destabilize the country on election day, an unsavory reference to Radical Cause and the São Paulo Forum.

The Miami-based *Diario Las Américas* also published two articles using the MSIA information, as did media in Panama, Brazil, and Peru, all pointing to the São Paulo Forum's plan to "set fire" to the continent, beginning with the Venezuelan elections. As a result of the exposé, Alejandro Peña has received several death threats, but a larger number of citizens called to support the MSIA, welcoming its determination "to tell the truth" about Radical Cause. The news of threats against Peña was also published in leading Venezuelan dailies.

## On the defensive

The impact of the MSIA exposé inside Venezuela has forced Velásquez and Medina to deny any association with the São Paulo Forum, despite Radical Cause's documented ties to the narco-terrorist coalition. Radio and television in-

interviewers have repeatedly asked them about the São Paulo Forum, provoking hysterical responses from both.

On Nov. 19, Eladio Larez of Radio Caracas Televisión confronted Velásquez with details revealed in the MSIA statement, although not mentioning the source, and commented that "people are not making these accusations gratuitously." Completely out of control, Velásquez leaped from his chair and interrupted, "that's not true. Radical Cause does not belong to any international Forum . . . absolutely not!" When asked why people "make this link" then, Velásquez pathetically explained that it was because he and Medina had received several "invitations," including to the United States. But, he added, the São Paulo Forum is just an informal group of people promoted by Brazilian Workers Party candidate Luiz Inacio "Lula" da Silva, and "we don't see the sin of participating in that."

The party's status has been further complicated by charges against Medina, made by Army Lt. Raúl Álvarez Bracamonte on Nov. 12, and elaborated in later statements to the press. Álvarez told a military judge that Medina had been the recipient of weapons stolen from the Defense Ministry in March 1992 and handed over originally to jailed Col. Hugo Chávez, leader of the February 1992 coup attempt against Carlos Andrés Pérez (CAP). Medina had distributed some of those weapons to Caracas neighborhoods, Álvarez charged. In an interview in the Nov. 25 *El Mundo*, Álvarez pointed to Medina's numerous trips to Cuba, and accused the Cuban intelligence agency, the DGI, of financing Medina's activities. He also named the Cuban ambassador to Venezuela as one of Medina's closest collaborators, and warned that if Radical Cause won the elections, it intended to offer an economic bailout to Cuba using Venezuela's oil.

Based on Lieutenant Álvarez's accusations, the Second Military Tribunal of Caracas requested that the Supreme Court determine whether there were grounds for trying Medina, who is a congressman, on charges of rebellion, concealing weapons, offending the Armed Forces, and refusal to give sworn testimony. If the Supreme Court concludes there is sufficient evidence to merit a trial, it would strip Medina of his parliamentary immunity.

### **A provocateur**

Radical Cause's leaders are showing the strain. On Nov. 23, following a government event of "democratic reaffirmation" convened by President Ramón J. Velásquez at the Miraflores Palace, Medina accosted Defense Minister Muñoz León in a hallway, grabbed him by the arm, and accused him of framing him up by refusing to consider exculpatory evidence on the weapons possession charge. Muñoz coolly responded that Medina would have to present his evidence to the courts, not to the Defense Ministry, while his aides separated the two.

Medina's thuggish behavior provoked a series of media attacks on him, and elicited support for the defense minister

from several quarters. *El Diario de Caracas* editorialized on Nov. 25 that "it's obvious that Medina went to Miraflores to provoke." This shows, the daily added, that "Radical Cause, or at least its secretary general Pablo Medina, may be prepared to provoke further incidents during that great act of democratic reaffirmation to take place on Dec. 5." Muñoz called Medina a "provocateur," and warned that "these are the types of people who hope to rule this country. The people must identify them and see how irresponsible they are." He vowed that the Armed Forces would continue to carry out raids and searches to find the stolen weapons mentioned by Álvarez Bracamonte.

Medina's verbal assault on the defense minister has also led to public squabbles among Radical Cause's leadership. Andrés Velásquez accused Medina of hurting his electoral campaign, and charged him with holding "personalist and authoritarian" attitudes. Velásquez even portrayed himself as a defender of the Armed Forces against Medina's claims of a coup plot. Medina whined that the only person defending him against charges of weapons stockpiling is his mother, who took out an ad in the newspaper on his behalf.

### **Radical Cause's strongest defenders**

Proving the point the MSIA makes in its exposé, Radical Cause's strongest defenders are the very members of the unholy alliance made up of the São Paulo Forum's narco-terrorists, the IAD, and the State Department.

Coinciding with Radical Cause's rantings against Venezuela's Armed Forces, the "former" narco-terrorist and presidential candidate of Colombia's M-19, Antonio Navarro Wolf, launched a tirade against the Venezuelan National Guard, accusing it of abusing Colombian residents in Venezuela and of accepting bribes.

In Caracas, the State Department's Alexander Watson threatened that a military coup in Venezuela would be met with an immediate negative reaction from the United States. In the midst of an unstable situation continent-wide, the U.S. would view any overturning of "democracy" based on free-market economic reforms as extremely dangerous, particularly if the armed forces were involved. In tandem with Watson's remarks, the Dec. 1 *El Universal* quoted an anonymous "high-level U.S. government official" who warned that "undemocratic" countries such as Cuba and Haiti had suffered severe economic crises because of their political isolation. With a message obviously intended for Venezuela, this official noted that President Clinton had offered to extend the North American Free Trade Agreement to all Ibero-American countries "as long as they are democratic."

Just days earlier, Gustavo Roosen, president of Venezuela's state-owned oil firm PDVSA, warned that a military coup would be met with a Haiti-style embargo of Venezuela and repudiation by all of Ibero-America. Roosen is a backer of Radical Cause, and his company, as reported in the IAD's most recent annual report, is a financial backer of the IAD.

# Civil war looms in South Africa, despite the new constitution

by David Hammer

After intensive, months-long negotiations, spokesmen of the ruling National Party, the African National Congress (ANC), and various smaller parties on Nov. 17 concluded a final agreement on a new, one-man, one-vote constitution for the Republic of South Africa. On April 27, national elections will take place, which the ANC is widely expected to win, but it will begin governing on Dec. 6, through the "Transitional Executive Council," a de facto national unity government with the ruling National Party. A five-year transitional period will follow the election, during which a new, permanent constitution will be drafted by the Parliament elected in April.

The interim constitution eliminates the 10 homelands and nominally independent black states established in the apartheid era, and divides the country into nine new states. The central government has wide powers to intervene in the states, and any questions of interpretation will be settled by the new Constitutional Court, appointed by the President.

Though applauded by the world's news media, the "new South Africa," as demonstrated by the accompanying interviews, is plunging toward brutal repression at minimum, and more likely, civil war.

Some of the country's key constituencies boycotted the constitutional talks, including the Inkatha Freedom Party, which represents most of the country's approximately 8 million Zulus, and the Conservative Party and the Afrikaner Volksfront, representing much of the Afrikaner population. These organizations, together with others, had demanded that a permanent constitution which would guarantee strong regional powers be drafted first, with national elections to follow afterwards.

The fear of the Zulus, the Afrikaners, and many other whites and blacks is that without such safeguards, the ANC, which is dominated by the hard-line South African Communist Party, would, once in power, carry out the sort of imprisonment, torture, and murder that it has admitted conducting against its own members in concentration camps in Angola, Tanzania, and elsewhere during exile.

As the enforcers of International Monetary Fund austerity, the ANC will have to repress even its own base. This was acknowledged by the pro-ANC *Financial Times* of London on Nov. 29: "Popular expectations will soon strain the intentions of even the most benevolent government; at that point,

it must either give in to populism, or suppress it. The latter now seems most likely; the new South Africa will start with a hefty dollop of the old."

The April elections themselves will be fraudulent. Even U.S. Project Democracy spokesman Patricia Kiefer of the South Africa Project of the National Democratic Institute admitted to the *Washington Post* on Nov. 29: "I don't think by any standard it is going to be free and fair—there's too much intimidation and violence already in the political culture."

The accompanying interviews are from two of the country's key political figures. Each highlights the urgent necessity of a large-scale, genuine economic development program for South Africa if it is to have any chance of avoiding disaster.

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## Interview: Mwezi Twala

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### S. African 'solution' is a U.S.-made sham

*Mwezi Twala is a former African National Congress (ANC) commissar, and now the chairman of the Returned Exiles Coordinating Committee, comprising many former ANC members who were put through ANC torture and detention camps in Angola and elsewhere. He is also the regional organizer for the Vaal Triangle region (south of Johannesburg) for the Inkatha Freedom Party. He was interviewed on Nov. 29.*

**EIR:** Could you give us your assessment on how things stand in the country after the agreement on the interim constitution and the scheduled April 27 elections? According to the world's news media, this inaugurates a great new period of freedom, prosperity, and so forth for South Africa. How do you see it?

**Twala:** Our view is that the ANC and the government, which are both agents of imperialism, just puppets of British finance and the U.S. administration, have implemented a plan that is not South African-made, which is made in the United States. The man who authored this was Bill Swing, who was U.S. ambassador to South Africa. A lot of meetings were held before the Record of Understanding, between the ambassador, the ANC, and the government, where they were instructed to carry out the suppression of other patriotic organizations and parties in the whole negotiation process. The solution that they have come up with which is hailed as an outstanding breakthrough is just a sham. For us, we view this as an imposition of a solution by outside forces, which is not suitable to our situation, as we see it.

If you look at the Freedom Alliance which is constituted by the Inkatha Freedom Party, the Conservative Party, and others, which are so diverse, so opposed to one another in their political positions, yet they have come together and they are able to come up with a compromise solution to the problem. This shows how people, if they are genuinely involved in negotiations, can come up with a solution.

**EIR:** Are you saying, and if you are, what proof do you have that Bill Swing was directing the suppression of other elements aside from the National Party government and the ANC in the negotiations?

**Twala:** Well, a lot of meetings were held prior to the Record of Understanding in the American Embassy by these organizations. They were secret meetings, the results of which we were never told. I mean it is surprising that a party like the National Party, which espouses federalist policies, can not see eye to eye with another party which has a similar program, like the IFP, and yet find agreement with the ANC. The ANC is a communist organization, which wants a centralized form of government in South Africa where it can exercise absolute power.

If you look at the ANC, which has been very, very close to Moscow for many years, for over four decades, when the Soviet Union collapsed, it shifted from its masters in Moscow and got a new master in Washington. So that one can see clearly that Mr. Mandela and Mr. de Klerk have been bought with money. During the 27 years he was in prison, Mr. Mandela never had a penny, never did a day's job, but today he is so wealthy he has several houses worth millions.

**EIR:** Are you sure of that, that he has several houses worth millions?

**Twala:** He has, yes. He has several houses worth millions, and also is building another house in the Transkei which is worth several million. Where did he get so much money? He also has this Thebe Investments, I think it is called, of which he is a director. Where does he get all these millions he now has, if he didn't sell our own people, sell his birthright? So we find ourselves in a very, very difficult situation. It is

unacceptable to a lot of people, both black and white, this so-called big achievement.

**EIR:** When was this Record of Understanding agreed upon?

**Twala:** Last year. And to camouflage the whole thing, the American government decided to withdraw Bill Swing from South Africa and sent in a new ambassador to try and hide the identity of the author of the so-called South African solution, and of course there are plans, according to newspaper reports, that Bill Swing will be coming back to South Africa with another sort of think-tank organization, which is supposed to promote democracy in South Africa.

**EIR:** You know where Bill Swing is now, right? If I am not mistaken, he is U.S. ambassador to Haiti.

**Twala:** I heard that he would be coming back to South Africa.

**EIR:** No doubt when he's finished with Haiti, bringing "democracy," bringing Jean-Bertrand Aristide back into Haiti.

**Twala:** The ANC and Aristide have a common feature, the necklacing. The people responsible for necklacing in South Africa are being promoted to become the next government, just like Aristide.

What I would say is that there is a groundswell of resistance growing, from both black and white.

**EIR:** The way it is normally portrayed in the press is that, even though the National Party has slipped down to 11% in the polls, that the NP and the ANC represent the overwhelming majority of the population, and anything else is just a very small bunch of malcontents, either on the white side, or the small group around Inkatha on the other, but with negligible numbers. How would you respond to that?

**Twala:** The IFP is a big political party in South Africa. I would say that the ANC and the National Party, they are portrayed as large parties and as having the largest majority of people in South Africa by the media, and in certain polls, about which one must ask, "where were they conducted, who was interviewed for those polls?" But it is all disinformation. They think by portraying this in the media, they will be creating the political opinion of the people. I should think they forget one thing. The South African people are not peasants like it has been in Africa. They are more advanced than the other African states, which have in the past been manipulated very, very easily by the media.

So the stage has been set for resistance. The [Afrikaner] Volksfront has just today announced that it is not going to recognize this Transitional Executive Council, but will have its own transitional government, which will run parallel to that of the Transitional Executive Council.

Mandela has indicated, because they are scared of a referendum, like in Bophuthatswana, like in KwaZulu, and so on, because this was another option, that these regions would

indicate, via referenda, how they wished to be governed in the future, instead they have manipulated everything through the Kempton Park talks to destroy these entities. And they say, the ANC has just said it would send in tanks to Bophuthatswana to destroy it, instead of using democratic methods like a referendum or a plebiscite to find out how the people in Bophuthatswana want to see their future. They don't want to give the people a chance to say what they want. They are imposing solutions on the people.

We are being pushed toward a civil war, although one can say that the civil war is already in its initial stages, because in certain areas it has been raging for many years. It is a low-intensity civil war. The ANC is now deploying thousands of MK [Umkhonto we Sizwe, the ANC's armed wing] forces, armed. You will find that there is now a force of 2,000 MK armed with equipment, in the south of Johannesburg, on a property owned by Anglo-American Corp., because this was an old compound which used to house mine workers, at Shaft 17, near the FNB Stadium. They are housing about 2,000 there, and these are deployed in the south of Johannesburg, and the government *knows* that there is this armed private army, and is doing nothing about it. Fifty MK men now arrive at Jan Smuts Airport every Friday, and are being sent to Natal [where Inkatha is based]. They come from Uganda, Tanzania, India. This has been happening regularly for the past 3-4 months. Also a special force is being trained in Ghana, reportedly with CIA help. The CIA is definitely training some of the ANC security, including some of the same guys involved in the atrocities in the detention camps. There are chartered flights carrying arms being flown into the Transkei and then by Transkei government vehicles out around the country. There are also flights with arms from Angola, Mozambique, and from the former East bloc countries, all with tacit agreement from the South African government.

So what we can expect is, that as soon as the Transitional Executive Council comes into place, and according to the plans of which we have documentary evidence, there will be a total war against the IFP. The current low-intensity war against the IFP will be intensified beginning Dec. 16, until April 15, where they said that by then the IFP will be in disarray. And when they call off their forces, to say, "stop the carnage," it will be only a few days before the elections, but the level of violence, which will be under their control, will subside to a large extent. The international community will then declare the elections on April 27 as "free and fair." These are the plans they are implementing. The de Klerk government is collaborating with all that is being done. It is being done with their knowledge.

**EIR:** You have actually seen ANC documents to this effect, personally, and you are certain they are genuine?

**Twala:** I positively identified them as being genuine, yes.

**EIR:** We just got one report that 17 Inkatha organizers have

been killed just in the past two days, in Tokoza, east of Johannesburg.

**Twala:** Our people are being killed daily. Especially in that area, we find that our people are under siege. I had to take a convoy on Friday which was taking food and medicine to Kwesine Hostel in the East Rand. We were under fire all the way when we went there, and even when we came back. You become surprised that the government is not doing anything, yet it knows that our people there are under siege. They are not able to go out of those areas. The taxis, which are the most popular means of transportation, are not running. The only means they can use is the train, and it is very, very irregular because the ANC sabotages the railway lines daily to cut off these people from getting relief supplies, or even to go to work. There are three hostels there, near one another, all under siege. And the houses around the hostels, because there are IFP people staying there. They are all staying there.

**EIR:** The one thing that is crucial for the possibility of an actual stable solution for South Africa is a program for the rapid development of the physical economy. You are familiar with the program Mr. LaRouche put forward for the Middle East, major components of which have been adopted by the Palestine Liberation Organization and the Israelis as the cornerstone of their recent accords. Has there been any discussion that you are aware of for such a program for South Africa?

**Twala:** No. The only development which is being promised, is what they term a "quick start" for the South African economy, a loan that has been promised by the International Monetary Fund, which is in fact not a "quick start," it is a "quick death" for South Africa's economy. They want to enslave us to an IMF debt and its conditionalities, which will make sure that the South African economy never recovers. So that is a major problem.

**EIR:** I noticed some forces in the ANC had talked about nationalizing the Reserve Bank to provide credit for industrial growth, but then that was withdrawn by the ANC leadership within 48 hours.

**Twala:** It was just a faction, which is aware of the IMF loans and their consequences. The only way for the Reserve Bank, is that we have to destroy it, and put in its stead a national bank in order to be able to push the economy forward. But the only problem is that if, under an ANC government, you have a national bank, it is not a responsible organization. It will use the opportunity of running a national bank to enrich itself, not using the bank to create loans for those who would like to establish new enterprises and new factories, and for the building up of the economic infrastructure of the country. They will use it to line their pockets.

**EIR:** At this point, what do you think the prospects are that the IFP will formally enter the election process on April 27? I was told that the first election ad by the IFP was taken in a

newspaper the other day.

**Twala:** The Central Committee has just announced that it will not be able to take such a decision unless the conditions they have made for acceptance of a new constitution are met; if their basic demands are not met, they will not participate in the election. And, of course, they said an extraordinary conference of the IFP will be held in January, and that will decide whether we go into elections or not, even when our conditions have not been met. Of course, that would legitimize the constitution which has been made in the United States for us.

**EIR:** Are there any other points you would like to stress?

**Twala:** I think the only thing we have to do is to prepare ourselves for this—I would call it—"program of extermination." We have to prepare ourselves for resistance against it. Because this constitution, which is being hailed as a breakthrough, we will be made to accept it through blood and iron. As the ANC has said, it is the tanks which are going to be rolling against us. It doesn't even hide the fact that it is going to carry out repression as soon as it can have control over the SADF, the South African Defense Force specifically.

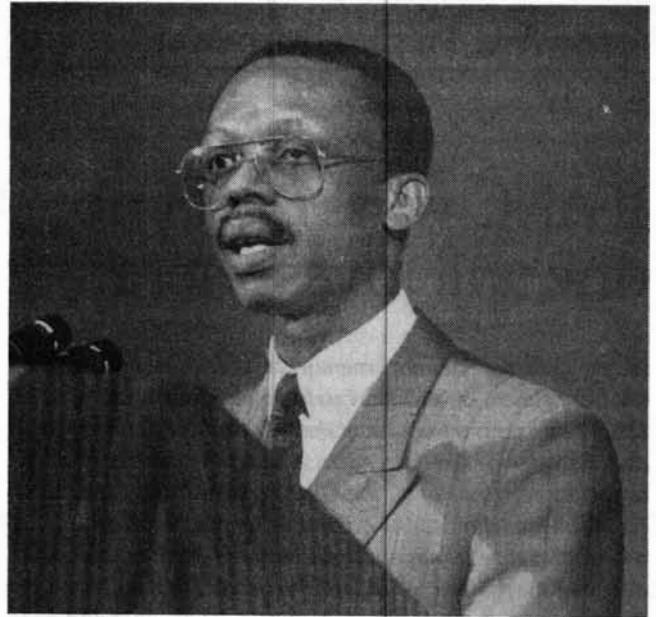
**EIR:** And that begins with the initiation of the Transitional Executive Council on Dec. 6, is that correct?

**Twala:** Yes.

**EIR:** You are generally familiar with Mr. LaRouche's program for economic development. How do you see the necessity for those ideas to be applied in the current South African situation?

**Twala:** I would say this. If the South African political role-players were serious about the future of this country, *before* they addressed the question of political power, they were supposed to tackle the most urgent program, which was the question of the economy, and reach a consensus on how the country's economy could be improved. I think it should have been from that basis, after having come to an agreement for a way forward for the economy, obviously from that would have flowed a basis for a political settlement.

Now, the political solution was imposed on us, and obviously the economic program that has been envisaged for us is that of the IMF, that is what will prevail. Any other economic solution, as designed by Mr. LaRouche, will be rejected, because the people calling the shots now, obviously, are British financiers who are using the U.S. administration to implement their plans. So the LaRouche economic plan for our region would be rejected out of hand by these (I would say) puppets of these British financiers, the puppets which are in South Africa. Because Mr. LaRouche himself is a political prisoner who has been imprisoned specifically for having enlightened leaders of the developing world on what and how they should improve their own economic situation. It is mainly the anger of these British financial institutions



*Haitian thug Jean-Baptiste Aristide: One common feature with the ANC is "necklacing." Another, is that the U.S. State Department's Bill Swing is working to bring both to power.*

which has insisted, using trumped-up charges, to incarcerate Mr. LaRouche in prison. Obviously, his programs would not be accepted at this point because they offer hope to our people. And they do not only offer hope, they offer the only solution which would make African countries in particular to be able to develop and use modern technology and to improve generally the standards of living and exterminate forever ignorance, illiteracy, and disease in Africa. And they do not want such economic plans. And they do not want people in Africa to know about such plans.

**EIR:** It is almost shocking, if you look at the *Financial Times* of Nov. 18, they talk openly about how there is agreement between the National Party and the ANC that "temporary repression is the highest post-election priority."

**Twala:** Yes, there is a plan. I mean, how could a champion of democracy, so-called, the United States, allow Yeltsin to kill and destroy the emerging democracy in Russia through a dictatorship which he has imposed? How could they abet, help him out in this repression? One becomes surprised that these countries are using double standards. Yeltsin is an agent of British finance in Russia, and, of course, he will be given all the support he requires to enslave his own people, to subjugate the economy of Russia to IMF control. So it is a similar thing. Any government which is legitimate, according to them, is a government that allows the IMF and British finance to rip off our people. It doesn't matter whether it is democratically elected, or whether it is a dictatorship. I mean how could they try to reinstall a genocidal criminal like Aristide in Haiti?

## If ANC wins 60%, no one will invest here

*Major General Tienie Groenewald is the former head of the Department of Military Intelligence of the South African Defense Forces, a founder of the "Committee of Generals," and a leader of the "Freedom Alliance" comprised of the Inkatha Freedom Party, the Conservative Party, several of the black homelands, and other smaller parties. He has been a central figure in negotiations between the Freedom Alliance and the African National Congress (ANC), and between the Alliance and the ruling National Party over the past several weeks. He was interviewed on Nov. 29.*

**EIR:** The London *Financial Times* recently has spoken of "temporary repression" after the April elections, while Project Democracy figures in the United States talk openly of civil war. These same people also say that the elections are not expected to be free and fair, yet they should go ahead. You have been dead center in the middle of developments in South Africa recently. Could you give us your overview?

**Groenewald:** If we look at the planning by the ANC, then there is no doubt whatsoever that they plan a three-phase strategy. I am looking at a document here. It is quite significant that in the latest ANC documentation, they realized that they would have to make concessions to get the different parties to participate in the elections. And the participation in the elections is aimed at legitimacy.

Now, Phase 1 of their planning will go up until the date of the election. In this phase they plan to be the de facto government through the Transitional Executive Council [TEC]. Secondly, they plan to carry the "national democratic revolution," as they call it, through the election by a 60% majority, which is all they require to write their own constitution. To deal with what they call the "reactionaries," they will use the mechanism of the TEC, which is the Department of Defense, Department of Law and Order, and Intelligence Departments, over which they will have control. And then to divide the security forces from their political power base. This means to destroy the loyalty of our own security forces for our own government, and also the security forces of Bophuthatswana, the Ciskei, and the police in KwaZulu. They do this also by a very hectic propaganda campaign, whereby they tell them if they do not indicate their loyalty now, when the new government is appointed, they will have no place in the new defense force or the new police force.

So, these people, to be assured of a career, must join up with the ANC. Phase 2 starts on April 27. Here, their aims are as follows: to take over the government *fully*, to write their constitution through what they call "mass participation." In other words, to involve Cosatu [the ANC-allied Congress of South African Trade Unions] and other workers' organizations, so whenever there is the least bit of opposition from the other members within the constitution-writing body, they plan mass actions and so-called "workers' actions." As soon as the constitution is then finished, to start a program of reconstruction and affirmative action, which is basically taking away from the whites and giving it to the blacks. This is reverse apartheid. Then to empower the workers, they should have complete control in all the factories, all the corporations, to institute "commissions of truth" and thereby getting rid of the National Party members and other so-called reactionary members within the government.

I read a very interesting document. They plan to use the South American example, whereby by means of commissions of truth, they indicate what crimes were conducted by people like [President F. W.] de Klerk, Roelf Meyer [cabinet minister and chief government negotiator], and myself under apartheid, and thus neutralize them in the Parliament, and of course to charge certain people, and hold their own Nuremberg Trials. I have complete documentation on this.

**EIR:** Are you sure the documentation is valid?

**Groenewald:** Oh, yes, very much so. And then, of course, to transform to socialism. Now Phase 3, according to them—they are not quite clear when it should begin—but a certain part of Phase 3 should begin the moment they have political power. And that is 1) render all opposition irrelevant, 2) form a classless society conducive to communism, and 3) form the SACP [South African Communist Party] as the "head" and the workers as the "body." In other words, the Communist Party should then take over the leadership.

**EIR:** Are these SACP documents or ANC documents here?

**Groenewald:** These are SACP documents, but naturally, supported by the [ANC] National Executive because most of the members are members of the SACP. Of course certain elements of the documents, when presented to the National Executive, do not say that the SACP should take over the leadership. What they say is that the "workers should take over the leadership." This is the kind of terminology they use.

**EIR:** So the documents you have in your hands are SACP documents?

**Groenewald:** They are SACP documents, but also documents presented to the National Executive of the ANC. So there is no doubt whatsoever that they would have a repressive regime, and the reason for this is the following. First of all, they have made *enormous* promises and created enor-

mous perceptions among the people. And most of the black people believe that as soon as the ANC wins the elections, they will get nice houses in fancy areas, a Mercedes-Benz, and a checkbook. So there are these expectations which must be met.

Secondly, they have created nearly two generations of children with no discipline and no schooling, who cannot hold any jobs. They have created, through economic sanctions, enormous unemployment. They have no control over the SDUs [Self Defense Units in the black townships], or the youth organizations, or the women's organizations. In other words, to discipline the people, they would have to institute draconian measures never seen under the "apartheid regime." And also, through the so-called truth commissions, to control their own people, they will also institute, in the Vietnam-style, "people's courts." They will bring people before so-called people's courts and have them executed for so-called crimes committed during the liberation struggle.

**EIR:** Have you seen documentation to this effect?

**Groenewald:** This is basically what has come out even during our negotiations with the ANC.

**EIR:** That is what they said?

**Groenewald:** Yes. They said that the truth commissions will also be employed amongst black people to determine what black people have been involved in so-called "illegitimate activities," such as necklacing. But you see, these tactics were used in Vietnam, too. They used criminal elements to terrorize the people, and then once they are in control, these criminals are normally hated by the people. Then they ask the people to point them out, and they hold people's courts, and they get judged and executed in public. So this is to establish their authority.

So there is no doubt whatsoever that besides the fact that there will be enormous socialist measures, they will have to have very draconian measures to control their own people.

I think slowly this is starting to come through, where people begin to realize the kind of situation they will have. But although people abroad see it, South Africans don't yet realize what is going to happen. The ANC is still the good guys.

But from the point of view of the Afrikaner people, who were devastated in the Anglo-Boer War in the beginning of this century and had to flee the farms which had been burnt and devastated and gain employment in the mines, in the civil service, in the various government-created companies and corporations, we were really a people impoverished. But we created after the Anglo-Boer War our own organizations which mobilized the poor people and created job opportunities, even supplied them with food. And then through a secret organization like the Broederbund, we created Afrikaner organizations, big banking institutions, and financial institutions such as Sanlam, in which we mobilized the remaining

capital and financed Afrikaner businesses. And then when we gained control over the government, we also got the government to supply jobs through the railways, and through the roads department, even though we used pick and shovels. We also created ISCOR [the state iron and steel corporation], ESCOM [the state electricity commission], SASOL [the state oil-from-coal corporation], these kinds of large state corporations with the aim of giving our people employment.

Now, I am saying this because the ANC's current planning for the economy and for so-called "reconstruction and affirmative actions," is that, first of all, where 80% of all state employees are Afrikaners at the moment, they will be placed on unlivable pensions, and, with a high inflation rate, those pensions won't be worth anything, and they will be replaced with black people over a four- or five-year program. You also find that the pressure on these large corporations such as the railways, ESCOM, and ISCOR, is for very quick replacement of these people by black people. So we expect in about four to five years time, we will have unemployment among the Afrikaner people of possibly 60-70%. But now the problem is, because we will have a socialist regime, we will not be able, for the Afrikaner, to create institutions whereby we can see to the socio-economic uplifting of our own people. Because anything which is seen as white is seen as racist and won't be allowed. If you create any kind of organization, or even a company, to provide employment, you will have to provide employment on the basis of the population distribution. In other words, through socialist programs and so-called anti-apartheid legislation, the right to uplift our own people is lost. And this is a very devastating move.

Now, I am saying this because that is not going to leave our people with any other alternative, and if people have lost everything they have, then basically the only thing left to do is to fight. I am saying this to indicate that we already have a civil war between Inkatha and the ANC in which, in the last two and a half years, more than 10,000 people have been killed, and we are really on a knife edge at this stage.

I should point out that the negotiations with the Freedom Alliance have been going quite well. We've had enormous concessions by the government, and today we seem to have reached agreement on quite a number of points. But the government must now negotiate this with the ANC. And I don't think this is possible. I don't think that the ANC is going to agree, for example, to the states having their own police forces and that kind of thing. If they do not agree, then basically there is only one alternative. We will have to boycott the elections and we will slowly move into a position of ungovernability. And this will eventually, in this kind of Bosnia situation, lead to secession, and once we do apply secession under those kinds of conditions, I think it will be accepted by the international community. Because it will be the only way in which you can get peace in the country. And this is the kind of scenario I see developing. Mainly because



*Durban, the capital of Natal, the stronghold of Inkatha. The Freedom Alliance here would support Inkatha in the elections.*

the ANC, with victory in their grasp, is not going to release it at this stage. And the Afrikaner and the Zulu people will never accept that kind of domination.

**EIR:** The argument in the press of course is that there are some sour grapes from some so-called "disgruntled whites," and from Inkatha, but ultimately they will be forced to go along with the elections, or get nothing. Even the IFP has started taking out ads for the election in the papers.

**Groenewald:** The conditions which we want for participation in the election, were the conditions agreed to by the national executive of Inkatha yesterday. And these conditions are the ones which the government broadly agrees to at the moment. They believe they can convince the ANC to accept these conditions, but I don't believe they can do it, or if they *do* convince them to accept them, the program of intimidation during the elections will gradually blow up into a greater degree of violence.

I should point out that if we can have a free and fair election, although the Freedom Alliance at this stage is only a negotiating alliance, we haven't announced a so-called election alliance, but opinion polls already indicate that we have more support than the government and the Nationalist Party and that we could even at this stage get up to 35% of the votes. This would be 35% of the total votes, black and white. The important thing, if we can get the kind of money which the ANC gets, and which our government, although I can't prove it in public, that the government takes from the taxpayer to wage an election campaign. We have no money and if we can get \$50-100 million to wage this campaign, we have a very good chance of beating the ANC. Because, the

Freedom Alliance has created enormous expectations and is extremely popular. Saturday, for example, although [Mangosuthu] Buthelezi would not agree to this, local Inkatha supporters and other members of the Freedom Alliance, even the AWB [Afrikaner Resistance Movement], had a very big meeting in Vereeniging yesterday, a rally and a march, with thousands of people there. Here you had blacks and AWB members parading together and attending joint meetings. This is a sign which is extremely encouraging. What people are saying is that if such diverse organizations as the Conservative Party and Inkatha can become allies, then the Alliance has a formula which makes it possible to bring even ANC members and Nationalist Party members within such an alliance. So there is a formula which provides for a solution.

**EIR:** The Freedom Alliance would itself run as a political party?

**Groenewald:** Yes. This decision will be taken in the next week or two. But what will happen is that at national level, the Freedom Alliance will run as a political party, but at the regional level, the different members will support the dominant Freedom Alliance partner within that particular state. For example, in Natal, we will all support Inkatha. In the Transvaal, Inkatha and probably hundreds of thousands of other black people will support the Afrikaner Volksfront. In the western Transvaal, they will support the Christian Freedom Movement of President Mangope [of Bophuthatswana].

**EIR:** You were saying that the national executive of Inkatha had agreed to certain things, in which case they would partici-

pate in the elections. What were their demands?

**Groenewald:** These were the exact conditions laid down by the Freedom Alliance. In other words, first of all, our proposals as far as the functions of the states and the central government should be accepted, which gives the states sufficient power to control their own destiny. That is so-called Clause 118 of the Constitution. Secondly, Clause 121 of the Constitution, where we determined that we would like powers to tax our people so that the states are not entirely dependent on the central government for financial grants. Thirdly, that the constitutions of the states should be completed and accepted before the elections, in other words on April 27, the election should be both for the national government, as well as the governments in the different states. Fourthly, that the boundaries of the different states should be finalized by April 27. Fifthly, that the deadlock-breaking mechanism should be changed to the international standard of 66% to change any clauses in the constitution—two-thirds, which is the accepted norm. Both to change the constitutions of states and of the present constitution, so that the ANC would need at least 66% within Parliament to change the constitution, or to accept the new constitution. This would give some guarantees. Sixthly, that the so-called constitutional principles should be amended accordingly, as far as functions are concerned, as far as finances are concerned, and so forth. That the private ownership of property should be enshrined in the constitution, which it is not at the moment, and that the principle of self-determination should be accepted. And these basically are the conditions which we have also set.

**EIR:** I would think there is very little chance the ANC would actually agree to this.

**Groenewald:** Actually, I don't think so. We have also had extensive talks with the ANC, and because they realize we might end up in a complete bloodbath, I think there is a good chance they might agree to this, but only so that they can get control over the central police and defense forces, and in this way use them to establish their position of power according to the three phases.

**EIR:** Even though you see that to be the case, you still think that the several points you elaborated above would be sufficient against that sort of activity?

**Groenewald:** Yes. I think when it comes to the functions of the different states, it has basically been accepted that the police forces will be the responsibility of the states and that the so-called territorial forces, which means in South Africa the commandos and the local regiments, will be under control of the states, and also that certain elements of taxation, such as the income tax for example, will be the complete responsibility of the states. And the other functions which they have already agreed to is all cultural matters and sports matters and things like that. It seems to be moving very much in the

direction which we had hoped it would. And in that particular case we would probably participate in the election. The only question then is, can we prevent intimidation? That is a vital question.

**EIR:** Everything we have seen, at least in the terms in which the constitution is written now, the states, or provinces as they are called, have no power to tax, and the central government has the right to intervene on virtually anything, particularly where security matters are concerned.

**Groenewald:** That was what they had agreed to previously. And it would appear at least that the *government* assures us that if we provided them with this package, which we did today, and which they were very happy with, that they have an agreement with the ANC that the ANC would accept such a package, under the condition that we then participate in the process. To sum it up, it would appear that there is a possibility that we could end up in a constitutional dispensation which was relatively free and democratic, but in a situation where there is already a very high level of violence, and where there is no indication that the ANC is decreasing this level of violence, they might be paying lip service to such agreements for the purpose of carrying out such massive intimidation. For example, in the last two days, 17 Inkatha political organizers were assassinated in Tokoza, on the East Rand, east of Johannesburg. Seventeen. And it wasn't even mentioned in the press. Now this will lead to retribution and the whole cycle of violence will start all over again.

**EIR:** So you are saying that they could agree to these things, but with massive intimidation get 60% of the vote, and therefore vitiate precisely the agreements they had made?

**Groenewald:** Yes. Also because in the Transitional Executive Council, they will have the dominant share. So they could basically dictate the actions of the police and the security forces in that particular period, which is a very worrying factor.

**EIR:** As has been mentioned in numerous places, no matter what political agreements are arrived at per se, the essential question is what the economy is going to look like, whether there is any kind of program to get large-scale economic growth. How much has this been discussed? As you know, Lyndon LaRouche had proposed the program that the PLO and the Israelis largely adopted as the cornerstone of that major political breakthrough there. Is there anything like that afoot here?

**Groenewald:** That's an absolute requirement and the ANC is not looking at anything like that, and neither are we at this stage. We are hoping we could have some discussions with *EIR* on exactly that. Now, I would like to stress that *no one* abroad is going to be involved in investment in South Africa under the current conditions. Specifically, if the ANC gains a 60% majority, no one is going to invest in South Africa.

# Advocating genocide and enjoying every minute of it

by Mark Burdman

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### **The Real World Order: Zones of Peace, Zones of Turmoil**

by Max Singer and Aaron Wildavsky  
Chatham House Publishers, Chatham, N.J., 1993  
212 pages, paperbound, \$16.95

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Do you want to feel good about the perspective that nearly 90% of the world's population, outside of the United States and Europe, will find itself in chaos, with untold millions dying from famines, epidemics, and wars over the next decades? Does the prospect of large-scale genocide make you happy? Then *The Real World Order: Zones of Peace, Zones of Turmoil*, by Max Singer and Aaron Wildavsky, is just the book for you.

*The Real World Order* is the most blatant expression of a strategy that might best be called "geopolitical triage," in which the perspective of writing off large numbers of non-white peoples of the world is welcomed as the basis for the geopolitics of the West. Certainly, in the past decades, an attitude favoring the triage of Third World nations has predominated in such institutions as the International Monetary Fund (IMF) and in malthusian-ecologist groups such as the Club of Rome and World Wildlife Fund (World Wide Fund for Nature), but triage was not so openly and triumphantly proclaimed as the basis for global strategy. Now that the accumulated effects of malthusian policies have driven large parts of the world into collapse, types like Singer, a co-founder of the Hudson Institute, and Wildavsky, a well-connected strategist who taught at the University of California at Berkeley until his recent death, step forward to celebrate the consequences. *The Real World Order* brings together crude American pragmatism, a utopian "democracy and free markets" triumphalism, and a social Darwinist survival-of-the-fittest ideology, all into one morally insane package.

As repulsive as the world view of Singer and Wildavsky may be, the book is required reading to understand a growing trend among "new world order" ideologues. The book re-

ceived significant publicity in the English-language press in Europe during September-October, with commentators portraying it as either a harbinger of emerging American policy or an expression of what Washington's policy has already become. Certain knowledgeable Europeans fret that policies favoring the elimination of large parts of the non-white world will gain ground quickly in the United States, under conditions of growing economic and social crisis.

### **Millions will die unnecessarily**

The "key to understanding" the world, according to Singer and Wildavsky, is to separate it into "two parts" that are strictly divisible, one from the other. The first are the "zones of peace, wealth, and democracy," comprised of North America, western Europe, Japan, Australia, New Zealand, and maybe a few smaller countries around the world. In these "zones," which represent less than 15% of the world's population, are concentrated the vast majority of its power and wealth.

Contrasted to these, are the zones of "turmoil, war and development," with the emphasis on "turmoil and war" for at least the next one or two centuries. They write: "There is distressing disorder in the six-sevenths of the world that is not yet wealthy and democratic. Neither we nor anyone else is going to make that part of the world stable or peaceful in the next few decades. Millions of people will die unnecessarily in the next century—from starvation and disease, from war, and from government murder—and we cannot stop these horrors from happening. . . . The fundamental conditions that now exist in the zones of turmoil, as well as the lessons of history, make it clear that these zones will be the scenes of wars and revolutions, and of mass murders, famines, and epidemics caused by governments or by wars. Stability would be an impossibility. The modern media will give us a front-row seat at one scene after another of devastation and death."

We need not fret over this, they advise, since, after one or two centuries, these "adolescent" regions will grow up, and experience "development" like the lucky 13% has done. But the more fundamental "strategic" point in all this, is that "nothing that happens in the zones of turmoil will threaten

the existence of vital interests of the countries of the zones of peace." In other words, what happens in such giants as China, India, South Africa, Russia, etc. is essentially irrelevant to the peace and well-being of the 13% or so that have "made it"!

U.S.-based writer Richard Reeves captured this mood in his review in the Sept. 24 *International Herald Tribune*. Reeves praised the authors' "optimistic" differentiation between the "zones of peace" and the "zones of turmoil," the latter described as "everyplace else, the 85% of world population living in Sarajevo, Mogadishu, and other miserable places," which will undergo "decades of slaughter and famine."

By normal standards, such a vision of the world would horrify anybody with even a shred of Judeo-Christian morality, or would provoke speculation that its authors had been released from an insane asylum that was cutting its budget. To any halfway-sane person, the perspective that as we approach the year 2000 the vast majority of the world is going to hell, would signify the absolute failure of the "global system." But this is not what Singer and Wildavsky think. For them, such a situation is "profound good news" (their words), a cause for exultation. We live in a "historically unprecedented situation"; the only problem is a subjective one, that Americans don't really know how wonderful things are, and are susceptible to being led around by disciples of gloom and advocates of radical change. They write: "We have been given a Cadillac and are drowning in moans about the fullness of the ashtray and the need to buy gas."

As indicated by this last sentence, the authors' arguments are advanced with the worst kind of venality. The "democratic world," they write, "has most of the money," in a world in which "most politics follows the money." They betray an absolute ignorance of the laws of economics, in explaining why "peace in the zones of democracy is compatible with war in the zones of turmoil": "Modern economics has reduced the economic importance to the great democracies of the outcome of conflicts in the zones of turmoil. Our prosperity depends on our productivity, not on what happens in the zones of turmoil. So much of the world's money is in the zones of peace that it is not worth fighting over what is in the zones of turmoil."

This mood extends to their view of Russia. They disagree with those whom they call "traditional internationalists," such as former National Security Agency head Gen. William Odom and foreign policy influential Eugene Rostow, who fear the grave potential threat to the West represented by a resurgent Russian Empire. According to Singer and Wildavsky, Russia is nothing to worry about. It will become "weak and unimportant," as it descends into internal disorder and collapse. "We do not have to be afraid of Russia. . . . Nor need we treat Russia as a great power." In fact, they advise holding Russia responsible for the crimes of the Bolsheviks, denying Russia and other former Soviet republics the right to possess nuclear weapons by subjecting them to the "Iraq treatment," and, even possibly having the United States oc-

cupy Russia to "impose democracy" on it, as in postwar Germany and Japan: the kind of utopianism that is the perfect way to drive the world toward a new general war!

The same cretinism extends, at least implicitly, to the war in former Yugoslavia. Chew over this morsel: "The World War I model—of small disputes outside the main arena leading to big wars between the central powers—is unlikely to apply in the future. Conflict between England and Germany in their former colonial areas will not lead England and Germany to go to war, any more than bitter conflict between their soccer teams will."

In reality, there are not "zones of turmoil" because of the "lessons of history," but because of a conscious policy by British-centered geopoliticians, working through such organizations as the Club of Rome, IMF, and the World Wildlife Fund, to destroy the social and economic fabric of whole nations. The apparent relative success of the United States and other countries is, in significant part, due to the successful looting of the Third World over the past two decades. In many cases, this process of deconstruction has been aided by destabilizations carried out by the Anglo-American intelligence services. The case of the Iran-Iraq War, when every major western power poured weapons into the mutual slaughter of hundreds of thousands of people, is exemplary. Following that 10-year conflagration, the new world order crowd exploited the circumstances of the Persian Gulf war to drive a once prosperous Iraqi nation toward Stone Age-level conditions, through U.N. sanctions.

Singer and Wildavsky, of course, are not just covering up for these facts. They are the lying propaganda whores for such institutions as the IMF. They glibly write, at one point, that a primary argument for imposing "democracy" on countries is to create a legal system that "makes the collection of debts possible."

### **Continuous war and unrest**

In the United States, their book fits into the most radical wing of the "Project Democracy" spectrum. The authors heap praise on the National Endowment for Democracy, Freedom House, the late Friedrich von Hayek, and Michael Novak, who attempts to unite savage liberal economics with Catholic theology, and they agree with the utopian thesis that we have reached the "end of history now that liberal democracy has triumphed" of former State Department official Francis Fukuyama. They propose the reform of the United Nations, to have it be controlled by a "U.N. Democratic Caucus," that would, via a weighted voting system, be run primarily by the United States. Their work is complementary to that of Harvard University's Samuel Huntington, chief propagandist for the Trilateral Commission and New York Council on Foreign Relations. In the Summer 1993 issue of the CFR's *Foreign Affairs*, Huntington put forward the thesis that the United States should mobilize for a "war of civilizations" during the coming years, in which "the West" will be pitted against "the rest."

The danger posed by the combination of Singer, Wildavsky, and Huntington is that, under conditions of foreign policy chaos of the Clinton administration, such lunatic ideas could step into the void and define the policy of Washington. Both the German *Welt am Sonntag* on Nov. 28, and U.S. commentator William Pfaff, in the Nov. 4 *International Herald Tribune*, have written that Huntington might emerge as the “Mr. X” of the 1990s, a reference to the late-1940s pseudonym used by George Kennan in elaborating his strategy of “containment” of the Soviet Union, which became the basis for American global strategy at that time. Pfaff warned that Huntington’s strategy could lead to “something like racial war” of a Hitlerian type. (Underscoring the bizarre state of mind of strategists today, Pfaff had earlier, on Oct. 9, welcomed the Singer-Wildavsky book as a “realistic” alternative to the “desiccated Wilsonian . . . idealistic and sentimental view of history” of the Clinton administration, adding that “what happens in China, Iran, or South Africa is marginal to what happens in North America, western Europe and Japan.”)

Senior London *Guardian* commentator Martin Woollacott wrote Sept. 29 that Singer-Wildavsky exemplify a “new mood,” which was somehow the real inner message of President Bill Clinton’s U.N. General Assembly speech, with his theme of pulling the United States back from a wider role in U.N. “peacekeeping” actions. Woollacott wrote that the Singer-Wildavsky thesis “has obviously struck a chord in America. The notion is simply that the rich world will carry on as a comparatively pleasant place to live, free of major violence, while the other 60 or 70% of the globe will—is already—descending into a brutish state of continuous war and unrest.” The attitude should be to “do nothing” about these “zones of turmoil.”

In Europe, the book should be compared and contrasted with the book of Jean-Christophe Rufin, *L’Empire et les Nouveaux Barbares: Rupture Nord-Sud*, (see *EIR*, Nov. 26). Rufin describes how, in the “post-Cold War” period, there is a tendency toward reviving the Roman imperial idea of the “Limes,” the defense walls which separated the “empire” from the “barbarians.” Now, in the 1990s, that conception is being re-created, to separate the North from the South, large parts of which are written off, where chaos reigns. However, Rufin, former director of the Doctors without Borders, does display a certain kind of conscience and regret about what he is describing, even if he stoically and cynically portrays such a world system as inevitable and irreversible.

### **A warning from Edgar Allan Poe**

In the real world, nothing like what Singer and Wildavsky describe will ever come to pass. While the descent of large parts of the world into hell is likely under current policy, there is no way that North America and western Europe will emerge unscathed from the devastating consequences of this. Edgar Allan Poe’s “Masque of the Red Death” would be a useful way to understand this. What could be more absurd

than to believe that epidemics will take their toll in defined “zones of turmoil,” and stop at the geographical points defined by Singer and Wildavsky? Have they signed a contract with the AIDS virus to this effect?

There is also the impossibility that the moral decay caused by sitting in one’s “front-row seat” and watching genocide will not corrode and destroy the “spectator” as well. Ancient Rome, where spectators cheered as Christians were eaten by lions, was morally destroyed from the inside. In the United States, violence is *already* endemic in many places, where yuppie strategists like Singer and Wildavsky would never dare to tread. Indeed, responsible observers, such as the liberal Arthur Schlesinger who would ordinarily disagree with Lyndon LaRouche on most points, have echoed LaRouche’s warning that the nation is on a course toward disintegration.

Singer and Wildavsky represent that faction of the U.S. policy establishment which hopes to channel the moral rotteness of significant segments of the American population into an overt fascism, with the idea that eliminating large numbers of people were to seem enjoyable. That probably explains, at least in part, why they exclude discussion of the reality of violence and unrest within the United States. Undoubtedly, they and their co-thinkers hope to turn this fascistic attitude against the “zones of turmoil” within the United States and to have the unruly ghettos “dealt with,” so that the peace of the graveyard can reign supreme. That kind of game is very dangerous, and will, sooner or later, become a “Harlow’s monkey,” destroying its architects.

The authors ultimately resort to threats against the bearers of bad news: The main problem, they say, is Americans “choosing to ignore the good news.” And then follows the threat: “Feelings of American guilt and failure, perceptions of crisis and impending disaster, are such misunderstandings of the world that they *stand in the way* of effective programs to make the world better. Since there is good reason to believe that current trends will bring wealth, peace and democracy within a century or two, there is a lot to lose. We need to understand the process now working, to make sure that we do not make radical changes that interrupt it. . . . Those who seek radical change insist that things are getting worse and deny that there will be any progress at all unless their radical remedies are used. . . . It is prudent to *beware of those* who deny the virtues and prospects of the system that have brought wealth, democracy and peace to our one-seventh of the world and that seem likely to bring those blessings to much more of the world in the next century.”

In these contorted words, one hears the voice of that Anglo-American new world order faction which has demanded the incarceration of Lyndon LaRouche, who has committed what Singer and Wildavsky would undoubtedly perceive as the greatest “crime”—which might interfere with their plans—questioning the axioms of the “new world order,” or, in other words, telling the truth.

# Guatemalan cult figure Menchú draws applause in India

by Ramtanu Maitra

At the fourth Indira Gandhi Conference just concluded in New Delhi, Indians were treated to a rare spectacle. A gamut of western geopoliticians, including Robert "Body Count" McNamara, feminists, activists, and political scientists from abroad were on hand espousing their concern for the world community. Among them all, the media reports say, the one who "moved to tears" a section of the Indian elite attending this solemn occasion was none other than the Guatemalan activist, Nobel Peace Prize winner in 1992, and pro-terrorist cult figure Rigoberta Menchú.

Weaving her homilies with the modest economic background she comes from, Menchú called for a "worldwide mobilization of people" which could pressure governments. She also confessed that she believes, not in governments or the military as a requirement of every nation, but "peace movements involving women and non-governmental organizations" (NGOs).

## Anti-military and pro-terrorist

Menchú, having claimed earlier that she was a proud terrorist once, was at least truthful. She has committed umpteen crimes against her Third World nation, Guatemala, in order to earn accolades from the West. She was instrumental in pressuring former Guatemala President Jorge Serrano by organizing street demonstrations and forming an alliance with the head of the Farabundo Martí National Liberation Front guerrillas, responsible for the murder of thousands of civilians including hundreds of children, and Shafik Handal, a member of El Salvador's Communist Party. Menchú was reacting against the imposition of emergency rule by the President, who had the support of the Armed Forces. President Serrano had claimed that the emergency rule on May 25, 1992 had become necessary to stop the drug trafficking which had "began to infiltrate sovereign institutions of the left and right." He also pointed out that the quantity of drugs confiscated in Guatemala by then had amounted to \$2 billion which almost equals the annual budget of Guatemala.

On May 29, the military was pressured to withdraw its support from President Serrano, announcing that Vice President Gustavo Espina should succeed him as President. Menchú, with help and support from the United States, the Organization of American States (OAS), and Guatemala's monied elite, collapsed this option, all vowing that there would be

no aid for Espina, because he was supported by the military.

On June 5, Ramiro de León Capio was elected as President of Guatemala by that country's Congress. As soon as Dr. De León took over, Menchú praised his election and called for negotiations with the guerrillas. Succumbing to the demands made by Menchú, Dr. De León purged the military.

With such credentials one might wonder what Menchú was doing in India. For the last decade, India has been under the gun of various terrorist and secessionist forces. It is widely known that the Khalistani movement to create chaos and force the separation of Punjab from India was heavily orchestrated from the outside and caused an immense loss of lives.



*Rigoberta Menchú (left) at an event sponsored by the Inter-American Development Bank and the Smithsonian Institution in Washington last October. "Her human rights campaigns fit right into the mould of the new world order."*

It had set back the country's progress and created enmities between the Sikh and Hindu religious communities. In fact, Mrs. Gandhi, in whose memory the conference was held, was a victim of two Khalistani terrorists, and her son, former Prime Minister Rajiv Gandhi, was a victim of terrorists from Sri Lanka. It is indeed astounding that Rigoberta Menchú, whose pro-terrorist and anti-military stance has further weakened the drug-infested Guatemala, was invited at all.

### Human rights campaign

Menchú's human rights campaign has the same aroma as that of the West, and it is not difficult to realize why the West would like to promote her. Her "human rights" campaigns fit right into the mold of the new world order and the stated foreign policy of Washington. In every international forum, India has been bombarded with this campaign, carried out sometimes through various non-governmental organizations, such as Amnesty International or Asia Watch. These are no doubt also the idols of Rigoberta Menchú, and this is where she fits right in.

There is yet another aspect of Menchú that causes uneasiness. During her address she spoke of the great values imbibed from one's cultural tradition. What she was talking about is her campaign on behalf of the indigenous people. As a representative to the United Nations, Menchú is deeply involved in pushing the indigenous people's causes.

### Bestiality promoted

In an interview with *Vision* magazine in late 1992, Menchú had said that the revival of ancient religions such as the Mayan is critical to "national liberation." Menchú and the Guatemalan National Revolutionary Union (UNRG), a narco-terrorist group with which she has worked for more than 10 years, believe that with the help of the United Nations, they will be finally able to divide Guatemala along ethnic lines, force the indigenous Indians into their hands, and wage war against the Christian church. One shudders to think what Menchú would have done in India where even without a Nobel laureate, ethnic rivalries are splitting the country apart. Those in India who believe that the political campaign by the chauvinist Bharatiya Janata Party, and its front organizations, has created a climate of extreme hostility, should take a good look at what Menchú is promoting in her own country and why the West is showering accolades on her.

The bestial concept that Menchú espouses on behalf of the indigenous tribes can be traced to the document prepared by the International Indian Treaty Council, of which Menchú is a spokesman and a board member. That document, presented to a U.N. Indigenous People's Conference in which she participated, decried mankind as "the weakest of all creatures," less worthy even than "wolves" because "humans are only able to survive through the exercise of rationality since they lack the abilities of other creatures to gain food through use of fang and claw."

## Bosnia crisis will kill religion

*Unless the international community can, even at this late hour, come up with a moral rather than geopolitical response to the Balkan crisis, "all of the intellectual efforts exerted by open-minded scholars of theology and philosophy" from both Islam and Christianity are doomed. This was one of the conclusions advanced by Dr. Hans Koechler, president of the International Progress Organization (IPO) and chairman of the Department of Philosophy at the University of Innsbruck, Austria, in a roundtable discussion Nov. 25. The IPO has sought for decades to work for dialogue between these two religions.*

*EIR reprints this speech below, entitled "Islam and the West: The Conflict in Bosnia-Herzegovina and Its Consequences for a New World Order."*

*Koechler's speech was delivered during the run-up to the latest round of "peace" negotiations, which were held on Nov. 29 and 30 in Geneva between Bosnian President Alija Izetbegovic, Bosnian Serb leader Radovan Karadzic, Serbian President Slobodan Milosevic, and Croatian President Franjo Tudjman. There were no breakthroughs in those talks, which was all too predictable given the threatening posture taken by European Community "mediator" David "Dr. Death" Owen.*

*On Nov. 25, Owen, who is a blatant apologist for Serbian genocide, issued a new round of warnings to Bosnia if it does not grovel in face of Serbian territorial demands. Owen was backed up by British Foreign Secretary Douglas Hurd, who during a parliamentary speech on Nov. 19 warned Bosnia that "if the present political vacuum and lack of political cooperation persists, the parties cannot expect the humanitarian commitment to continue indefinitely."*

*The United States' criminal refusal to lift a finger to halt the genocide in the Balkans was accurately characterized by Leslie Gelb, head of the New York Council on Foreign Relations, who told the MacNeil-Lehrer News Hour on Nov. 27:*

*"I don't think anyone is trying to come to grips with it now. They're all hoping Bosnia will fade away, and that it won't trigger a wider war in the Balkans, although almost everyone thinks that's precisely what will happen." Gelb said that the current proposals to ease up sanctions on Serbia are "all fake . . . all phony in the end," and are "designed to absolve us from the responsibility with dealing with genocide."*

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## Dr. Koechler's address

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As an organization in consultative status with the United Nations and Unesco, we are watching with grave concern the policy of double standards followed by the United Nations and leading western nations vis-à-vis the conflict in Bosnia-Herzegovina. While the acquisition of territory by force is inadmissible according to the U.N. Charter, collective enforcement measures to protect the Muslim people of Bosnia and Herzegovina to stop the massacres and the policy of ethnic cleansing, and to check the aggression against Bosnian territory, have never been seriously considered by the veto powers in the Security Council. The western powers are engaged in lip service to the "just cause" of the Bosnian people and in humanitarian relief action only.

Unfortunately, old-fashioned power politics are being revived in Europe. The "New World Order" for the Balkan region means the resurrection of the geopolitical constellation and rivalries from before World War I. No lesson has been learned from history, neither by the European "geopoliticians" of the type of Lord Owen (and colleagues) nor by the internationalists in the U.N. headquarters. Not only is the pre-World War I constellation being "reinstated" and the imperialists' maxim of "divide and rule" (*divide et impera*) revived, but no lesson has been learned either from the atrocities of the holocaust in World War II. The world is again watching and merely shedding tears when crimes against humanity are being committed in horrifying proportions—unseen since World War II.

Since its foundation more than two decades ago, the International Progress Organization has been propagating a better understanding and peaceful co-existence between the Muslim world and Europe, based on mutual respect among equal partners. Already in 1981, the IPO had organized an international symposium in Rome about the "Concept of Monotheism in Islam and Christianity," which brought together leading scholars of theology and philosophy from both religions.

It is sad to see that all the intellectual efforts exerted by open-minded scholars on both sides are doomed to fail through an increasing alienation between the Muslim world and the West due to the latter's neo-colonialist attitude and hegemony-seeking strategy in the regions that had to be evacuated by western colonial powers earlier this century.

The quest to regain zones of influence is overshadowing any serious effort to understand the meaning of Islamic revival and religious awareness in many countries, from Indonesia to Morocco. The term "fundamentalism" is used in a negative sense in order to avoid any serious effort to analyze the meaning of Islamic revival in many countries. As a result of this—in the words of the Egyptian scholar Olfat Agha recently published in *Al-Ahram*—"throughout the West, Islam has rarely been discussed outside a framework of political

interests, prejudice or passion at any time since the Middle Ages."

In this context, the Muslim community in Bosnia-Herzegovina is left to its fate vis-à-vis a powerful neighbor who has the advantage of having inherited a military infrastructure of the former unified state of Yugoslavia. No credible action is taken in the defense of the Bosnian Muslims, because no vital economic interests of the West are at stake. The only *real*, serious political support is coming from the member states of the Islamic Conference who, however, have no permanent seat in the Security Council and therefore cannot take effective measures to stop the genocide. It is no wonder that this "geopolitical constellation" making the Bosnian Muslims the victims of hegemonic rivalries of western powers is an important factor in the ever-increasing alienation between the Muslim world and the West. The peaceful, multi-cultural community in Bosnia-Herzegovina has abruptly been disbanded, not the least because of the passive western attitude of "letting the conflict burn out," as a British official put it earlier.

The IPO has warned of the destabilizing effects and of the dangerous consequences not only for the Balkan region but for the whole of Europe on numerous occasions. We have presented the facts time and again to the United Nations Commission on Human Rights, only to get vague statements of condemnation and regret.

We welcome, however, the courageous stand of Austria, and in particular of Foreign Minister Dr. Alois Mock on the issue of Bosnia and European-Islamic dialogue. We sincerely hope that efforts such as his will have an impact on those who impose their old-fashioned *realpolitik* of World War I on the European continent.

### An instrument of confrontation

It is regrettable that under the slogan of the "New World Order," the United Nations—after the end of the East-West conflict—is gradually becoming an instrument in the confrontation between traditional western interests and a "restive" non-western world that for many is being represented by Islam. It is unfortunate that the conflict in Bosnia and Herzegovina is contributing to reinforcing old stereotypes on both sides. For many in the West, an "Islamic threat" is a convenient surrogate for the earlier "communist threat" in the global strife for power and hegemony in the 21st century.

Only if the international community as represented by the United Nations will effectively abandon its policy of double standards vis-à-vis the Muslim world, and in particular vis-à-vis the people of Bosnia and Herzegovina, will a major confrontation in the future be avoided. If present geopolitical trends are not quickly corrected, and if no lasting basis for cooperation with the Muslim world is established, the tragedies we are witnessing now will only be the beginning of a much bigger confrontation, threatening the stability of the whole of Europe and the Middle East.

## Second German Republic at twilight

*Buried in scandals, the political establishment may not survive 1994: Germany today looks like Italy did a year ago.*

**K**ohl is finished, he has exhausted himself psychically and physically," a senior, anonymous member of the CDU (Christian Democratic) party was quoted as saying about the German chancellor, in the *Frankfurter Allgemeine Zeitung* on Dec. 1. "A Christmas recess is urgently required. Kohl needs time to think things over, to gather new strength and develop a concept how to get through the next year," the politician said.

The article in the daily, which has close ties to the Bonn policymaking establishment, shed light on the alarming reality behind Kohl's façade of "everything is all right." The surprise Nov. 25 pull-out of the Saxonian Christian Democrat Steffen Heitmann, Kohl's personal choice for federal President for the May 1994 elections, and the surprise resignation of the CDU-led state government of Saxe-Anhalt on Nov. 29, have hurt the chancellor more than he or his close aides admit.

Heitmann quit when he realized that his own party was not willing to counter the media-run defamation campaign that portrayed him as a quasi-Nazi because he endorsed conservative values against the liberal *Zeitgeist*. Since the CDU leaders never wanted to challenge the *Zeitgeist*, they sank Heitmann's chance of running a serious campaign. To many conservative-minded CDU members and voters, the fact that their party will now be forced to rally behind a liberal candidate, will be another reason to turn their backs on the CDU.

The second big blow against Kohl

and the CDU, the resignation of the Saxe-Anhalt cabinet, came at the peak of new revelations about over-paid cabinet members and administration officials. This was designed as a last-minute effort to preempt a no-confidence motion launched by the opposition SPD, and to preserve the CDU coalition government with the liberal Free Democrats (FDP). But CDU tactics made things worse: The ex-cabinet members face trial on corruption charges, and the FDP wants early elections anyway; the SPD no-confidence motion which may lead to early elections as well, will be voted on in mid-December.

The CDU, trying to cover up the Saxe-Anhalt mess for months by saying "let them all bark, we're safe," the CDU there has lost the initiative, and is sure to lose everything—the role as the biggest determining group in the state parliament, the government, and its reputation among voters. Polls indicate that the CDU may even end up with 11-12% of the vote in early elections, less than a third of what it had in October 1990.

A few weeks before the "mammoth election year" of 1994, with 17 different campaigns on the federal, state, municipal, and European level, the Saxe-Anhalt crisis is a writing on the wall for Kohl and his party.

The fact that the opposition Social Democrats (SPD) are also in trouble over various scandals, does not help Kohl and the CDU, but is indicative of the deep crisis that has hit the political party establishment. In many ways, the scene in Germany resembles Italy

about a year ago, shortly before that country stumbled into its latest crisis and saw the Christian Democrats vanish as a major political factor in the Nov. 21 municipal elections in big cities.

As for the SPD scandals, they reveal a moribund opposition party incapable of drawing major benefit from the CDU's crisis. For example, the SPD in the city-state of Hamburg had to hold early elections in September, because a court ruled that manipulated selection of candidates in 1991 invalidated that year's elections; it lost its absolute majority and has still not found a coalition partner with which to form a government. The Hamburg SPD senator in charge of urban development, Traute Mueller, resigned on Nov. 25, when her lover, Karl Wand, was uncovered as a longtime spy for the former East German foreign intelligence.

Then, evidence piled up throughout November that a part, if not all, of the SPD leadership in the state of Schleswig-Holstein had been involved, or at least knew about an intelligence-style dirty tricks and slander operation that overthrew Gov. Uwe Barschel (CDU) in October 1987. Days later, Barschel was found dead in the bathtub of a Geneva hotel room, in what was hastily officially ruled a "suicide."

Such revelations may soon topple the SPD-led government of Schleswig-Holstein, and will not leave Rudolf Scharping, the SPD challenger to Kohl in the October 1994 elections for national parliament and for chancellor, unscathed. He may hope to at least have enough votes to replace Kohl simply by becoming chancellor of a "grand coalition" with the CDU. The depth of the crisis may put an abrupt end to the careers of many politicians that seem safe now. It is likely that Kohl will go; it is not at all certain that Scharping will come.

## The military is in the crosshairs

*Attacks on Ibero-America's militaries are escalating and narco-terrorists are stepping into the breach.*

A new wave of attacks on the armed forces in Ibero-America is occurring at the same time that narco-terrorist forces of the so-called São Paulo Forum, backed by Cuba, are making a combined bid for continental power.

The case is clearest with respect to Colombia, where *The Palace of Justice*, a book on the tragic November 1985 siege of Colombia's Supreme Court by the narco-terrorist M-19 and authored by Colombian-Irish journalist Ana Carrigan, has just been published which blatantly whitewashes the M-19's links to the drug cartels and openly accuses the Army of responsibility for that massacre. The book's unsubstantiated charges have the same pro-terrorist stench as *State Terrorism in Colombia*, released earlier this year by a gaggle of "human rights" organizations, which identifies 500 military targets, by name, rank, photo, and background, for assassination.

The appearance of the Carrigan book is also apparently intended to boost the electoral chances of Antonio Navarro Wolf, chieftain of the since-amnestied M-19 guerrilla group, and now one of the São Paulo Forum's presidential candidates. Navarro Wolf is infamous for his assertion that the Supreme Court was chosen as an M-19 target because it "was one of the last, if not the last, respectable institution in the country."

Carrigan's book dovetails with ongoing efforts by the Colombian Attorney General's office to curtail and ultimately dismantle the Armed Forces, which remains the last bastion of

national defense against narco-terrorism. In the recent period, alongside the ousting of numerous hard-line military commanders by civilian Defense Minister Rafael Pardo Rueda, the Attorney General's office has won increasing oversight over military functions, in the name of protecting "human rights."

On Nov. 22, the Attorney General's office proposed a "radical transformation of the Armed Forces' disciplinary regimen," and announced that it would be presenting the Congress with a bill early next year that would give it greater control over the military.

This office is infiltrated from top to bottom by narco-terrorists. Former Deputy Attorney General Guillermo Villa Alzate was fired from his post this fall when his close ties to the Cali cocaine cartel were uncovered. Even as investigations were ordered to see how far the corruption has spread, a new scandal broke on Nov. 27, when it was discovered that several bodyguards of Attorney General Carlos Gustavo Arrieta were members of the FARC narco-guerrillas. The bodyguards had been recommended by former Attorney General Horacio Serpa Uribe, who is now the campaign manager of Liberal Party presidential contender Ernesto Samper Pizano.

Despite the recent increase in bloody warfare on the part of the FARC and ELN terrorists, the Gaviria government has persisted in seeking "peace negotiations" with these murderers. As part of these efforts, it has just named Ricardo Santamaría Salamanca as Colombia's new ambassador to Cuba. Santamaría, who was

Gaviria's "peace adviser" during the past year, was a coordinator of the 1991 Constituent Assembly which banned extradition of drug traffickers as part of a deal with the cartels, and during 1987-90 was heavily involved in the negotiations that led to an amnesty for the M-19 and three other narco-terrorist groups.

While the Colombian military struggles to survive, its Peruvian counterpart is facing a renewed onslaught by the international financial elites who see it as the last obstacle to wholesale looting of the country. These elites' favorite battering ram, as always, is the international human rights lobby. As international speculator George Soros, who has been buying up Peruvian debt paper, recently demanded in a *New York Times* interview, "civilian control of the military" is the condition for foreign investment in Peru.

As if on cue, the "Cantuta affair" (the alleged kidnapping and murder by the Peruvian military of 10 terrorist sympathizers on La Cantuta campus in 1992) has been revived with the discovery of several skeletons, and bits of hair and clothing, at a military shooting range. The anonymous informant is the same who provided a hand-drawn map several months earlier which led journalists to a separate gravesite, at which suspected human remains were also discovered. DNA testing in London is being conducted to determine whether the remains belong to the "Cantuta 10."

Then, as now, the head of Army Commander Gen. Nicolás Hermoza is being demanded by leftists and "human rights" militants both at home and abroad, despite the lack of serious evidence implicating the Armed Forces. Not accidentally, one of the loudest voices is the human rights group Americas Watch, on whose board sits George Soros.

# International Intelligence

## *Owen says partition of Bosnia is inevitable*

Lord David Owen, the European Community's pro-Serbian "mediator" in the Balkans war, said on Nov. 25 that the division of Bosnia-Herzegovina into three separate states, including a Muslim-dominated state, was inevitable, and blamed Washington for this state of affairs.

Owen said that the United States, reluctant to send ground forces to implement the earlier Vance-Owen plan, "killed the plan off" at a State Department news briefing last May 20. "History will, I suspect, judge that what was abandoned was the only hope of keeping Bosnia and Herzegovina together and made the emergence of an independent predominantly Muslim Bosnian Republic inevitable," he said.

Owen said that the parts of Bosnia allocated to the Serbs and Croats would eventually join Serbia and Croatia, respectively.

## *Sudanese President rejects western slanders*

Sudan's President Omar Hassan Al-Bashir, in a wide-ranging interview with the French daily *Le Figaro* published on Nov. 25, outlined his government's reform policies as an alternative to tribal-ethnic chaos, its support for religious freedom, and its rebuttal of American charges of Sudanese involvement in terrorism. He emphasized his wish to improve economic ties with France.

Asked about the meaning of the Oct. 17 "self-dissolution" of the military junta, and the naming of him as President of the Republic of Sudan, he replied: "This self-dissolution is not a political maneuver. We have gone from revolutionary legitimacy to constitutional legitimacy. There will be a transitional period, at the end of which, in 1995, legislative and presidential elections will take place on the basis of universal suffrage."

On the issue of religious freedom, General Bashir explained: "The Sharia, the Is-

lamic law, and traditional law inspire our legislation. But this decree also stipulates that 'any religion that comes from the Book, notably Christianity, and the practice of any other well-known recognized religion, is a matter of the freedom of choice of individuals.' There will be no constraint in anything concerning the liberty of belief."

Concerning the U.S. State Department's putting Sudan on the list of terrorism-supporting nations, Bashir stated: "I publicly refuted these accusations. This motion seeks to isolate Sudan among the civilized countries. In fact, the campaign of calumnies began, curiously, soon after the Gulf war. They accuse us of supporting terrorist organizations, including Islamic Jihad, Hezbollah, the networks of Abu Nidal and Hamas, and of wanting to export the Islamic revolution. According to the Americans, who claim to have intelligence 'from good sources,' we are training in closed-off camps, in so-called 'ghost farms,' terrorist groups. I invited the United States to send an official delegation to come to investigate, on site. The American government didn't respond. I asked the American ambassador in Khartoum, without him having to betray his sources, to come with me, on the ground, and to show me where these training camps are located, which his government talks about. He didn't follow up my proposal."

## *Serbia funds war by organized crime*

The Slovenian weekly *Delo* reports that one of Serbia's main sources for financing its war is organized crime run by top military and political officials, which involves drug trafficking, slave trading, and prostitution, protection rackets, and so forth. The boss of this crime syndicate is former Yugoslav Army Counterintelligence head Gen. Nedeljko Boskovic, who is still in Yugoslav intelligence and works closely with Gen. Mirko Negovanovic.

The racket reportedly includes Serbian dictator Slobodan Milosevic, members of Parliament, and other military leaders.

According to the article, the Internal Security Service of Serbia used its agent in the Netherlands, Dragan Rumenic, to establish working ties with the local drug underground; organized prostitution was also initiated, involving women from Romania, Poland, Russia, and South Serbia.

The real ownership of the relevant dummy companies and banks is in the hands of a group led by Slobodan Milosevic.

Drug trafficking in western Europe is run by David Romano, governing board member of the Serbian-Jewish Friendship Society, and by Predrag Lazarevic. Also involved is Vojislav Seselj, who splits the take from drug sales and prostitution with Slobodan Milosevic through the Serbian-controlled Cyprus Offshore and Yugo-Arab Bank, as well as the Israeli Bank Leumi.

## *Conference in Germany on LaRouche's method*

The Schiller Institute and the Civil Rights Movement-Solidarity have announced an international conference to be held Dec. 10-12 in Mainz and Wiesbaden, Germany. The theme of the meeting will be "History as Science: Perspective for a Worldwide Renaissance"; it will focus on Lyndon LaRouche's analysis of the current world crisis, and his proposals for reversing it. Panels will include:

- A Historic Turning-Point: Implications of the Crisis in Russia
- A Positive Development Strategy for the 21st Century As an Alternative to the Neo-Malthusian 'Limes' Concept
- The Necessity of Building a Worldwide Civil Rights Movement
- Implementing the Middle East Peace Plan: A Mission for Europe
- Toward a Dialogue Among Judaism, Christianity, and Islam: Rejection of Crimes Against Humanity
- The Science of Physical Economy (Leibniz, LaRouche) as the Key to Solving the World Economic Crisis
- The Relationship between Development and Potential Population Density

- Developing the Mind: Classical Education and the Concept of the Transfinite Infinite
- Lyndon LaRouche's Scientific Discoveries: Fount of a New Renaissance?
- Practical Implications for Today's Science
- Why Bach, Beethoven, Haydn, Mozart, and Brahms Foster Children's Intelligence
- The Role of *Motivführung* in Classical Composition
- The Human Voice as the Basis of All Classical Music
- Dvorak and the American Spiritual
- Two Possible Futures for China: The Worst Catastrophe Ever, or a Golden Renaissance
- The Confucian Tradition in China, and Its Relation to Europe's Intellectual History
- The Attack on the Sovereignty of the Nations of Ibero-America.

### ***Primakov warns NATO not to expand membership***

Yevgeny Primakov, head of the Russian Foreign Intelligence Service, warned in a press conference in Moscow on Nov. 25 that "we cannot remain indifferent if NATO expands to our borders." Several former East bloc countries have asked to join the NATO alliance.

"This expansion would bring the biggest military grouping in the world with colossal offensive potential directly to the borders of Russia," he said. "If this happens, the need would arise for a fundamental reappraisal of defense concepts on our side, a redeployment of armed forces, a change in operative plans."

Primakov also stated: "Public opinion in the Russian Federation has long been formed in the anti-NATO spirit, and it cannot change in an hour. . . . Former Warsaw Pact allies . . . joining NATO . . . will be taken by a considerable part of Russian society as the approach of danger to the Motherland's borders, thus promoting anti-western

forces and isolationist tendencies."

If one discounts the small strip where Poland borders on the Russian Federation's Kaliningrad exclave, no new members of NATO would share a border with Russia. Poland, Slovakia, and Hungary border, not Russia, but Belarus and Ukraine. Primakov's statements are consistent with the new Russian military doctrine's assertion that the external borders of the Community of Independent States and those of Russia are identical.

### ***Serbia charged with atrocities in Kosova***

Serbian killings and torture of ethnic Albanians in Kosova are creating rising tensions that could erupt into open conflict, warns the International Helsinki Federation for Human Rights (IHF), in a report issued the week of Nov. 21. "Every ethnic Albanian, including women and children, is a potential victim of police abuse," the report states. "Groups such as journalists and former members of police as well as political and human rights activists seem to be chosen as special targets. The methods of harassment range from verbal insults and meaningless identity checks in the street, to arbitrary detention and torture or ill-treatment—not infrequently with fatal consequences, including death—and summary shootings of demonstrators or killing of unarmed individuals."

The IHF further charges that "the region has been placed under virtual colonial control which has resulted in a total marginalization of the Albanian majority in Kosova. The entire province has been gradually Serbianized. . . . The IHF is deeply concerned that the Serbian oppressive policies carried out in Kosova aim at a permanent change in the demographic structure of the region."

According to the report, at least 22,000 Albanian teachers, 1,800 hospital workers, 1,300 radio and television staff, and 300 judges had lost their jobs since 1990. Tens of thousands of Albanians have left Kosova or gone into hiding to avoid service in the Serbian Army.

## Briefly

● **MANFRED WÖRNER**, the NATO secretary general, said that NATO was moving closer to admitting east European countries. "Even if there are no immediate plans to enlarge NATO, giving such a perspective would increase the stability of the whole of Europe, particularly if we are also willing to enhance fundamentally our security relationship with Russia," Wörner told a defense conference in London.

● **VENEZUELA** is the first western country to resend an ambassador to Baghdad. According to the Nov. 16 *Jordan Times*, Ernesto Velasco Rojas has taken up his position as ambassador to Iraq. It is reported that U.S. Secretary of State Warren Christopher has already complained to the Venezuelan government. Rojas commented to the press that "my mission will be 95% petrol, 5% politics."

● **VACLAV HAVEL**, the President of the Czech Republic, warned in commentaries in the *New York Times* and *Die Welt* on Nov. 28 that capitulation to Russian threats will lead to a "New Yalta" and a new "Cold War." Havel drew a parallel to 1938, when western democracies capitulated to threats from Hitler. If the West now fails, Havel warned, this will strengthen imperial ambitions in Russia.

● **THE SYNOD** of the Catholic Church in Africa will be held at the Vatican from April 10 to May 8, the Vatican announced. The synod will bring together all the bishops of Africa, where the church has 92 million members. The working session of the synod will be followed by a "celebratory phase," when Pope John Paul II travels to Africa to report the results.

● **KAZAKHSTAN'S** President Nursultan Nazarbayev blasted Moscow on Nov. 24 for declaring it would protect Russians abroad, and said the policy reminded him of the Nazis: "When someone talks about the protection of Russians not in Russia but in Kazakhstan, I recall the times of Hitler, who started with protecting the Sudeten Germans."

## Systemic world crisis is forcing new thinking

by H. Graham Lowry

The devastating global economic crisis has begun to force at least part of the U.S. establishment to rethink its fundamental policy axioms, especially the lunatic free-trade doctrines which have turned the world's productive resources into a pile of junk. In the process, attention is finally being given again to the economic principles of the American System, upon which the former industrial and agricultural might of the nation was based.

The public airing of this debate in the United States follows earlier eruptions in continental Europe, and especially France, over the destructive incompetence behind the proposed General Agreement on Tariffs and Trade (GATT). Leading French economist and Nobel Prize winner Maurice Allais, in a two-part series in *Le Figaro* in mid-November, blasted the conclusions of the World Bank and the Organization of Economic Cooperation and Development (OECD) as "fundamentally erroneous" and economically ruinous. Allais warned "that the fate of tens of millions of men and women throughout the world is at stake" (see *EIR*, Nov. 26, p. 6, Dec. 3, p. 18). In a followup article on Dec. 1, Allais presented "nine imperative reasons" why France should not sign the GATT accord—the first being that "universal free trade is an unreasonable and unacceptable objective."

### A look at the 'American System'

The most notable evidence of current rethinking in the United States is an ongoing series in the *Atlantic Monthly*—historically the policy journal for a section of the New England establishment—authored by its Washington editor James Fallows. The November and December installments of the three-part feature, drawn from his forthcoming book *Looking at the Sun*, reflect a recognition that the current crisis is *systemic*, that no patchwork application of existing policies

will reverse it, and that long-prevailing axioms are thus open to question in a fundamental way.

The first article, an examination of Japanese success and American failure in sustaining their semiconductor industries, notes that the outcome cannot be explained by "American economic rules." When reality does not fit the rules, Fallows concludes, "We can invent exceptions and special clauses to account for the variation—much as the Ptolemaic astronomers did when they tried to fit the motion of the planets into their theory that the Sun revolved around the Earth. Or—we can look again at our basic ideas."

The article in the December issue, "How the World Works," challenges the "Anglo-American world view" expressed in the economic theories of Britain's Adam Smith and David Ricardo. Fallows reports his surprise at discovering that modern Japan—as well as Germany and other parts of Europe, Asia, and even Russia during various periods of the 19th and 20th centuries—developed their economies more along the model of Germany's Friedrich List. List, of course, was trained in the United States by the American System opponents of Smith's school of imperialist looting, and was steeped in the nation-building ideas of Alexander Hamilton and Mathew Carey before his return to Germany in 1832. Fallows has belatedly discovered the broad influence of List's 1837 *National System of Political Economy*—a work he says he never got his hands on until the spring of 1992.

### Rediscovering our history

Well over a century after the founding of the United States, its leaders and citizens knew that its existence depended on successfully combatting the British free-trade rationale for sucking the blood out of other nations' farms, industries, and populations. The works of Hamilton and Mathew Carey,

and his son Henry; the economic development policies of Henry Clay and Abraham Lincoln; the history of America's extraordinary rate of road, canal, and rail construction; and the importance of protective tariffs for domestic industries, were common knowledge among vast numbers of Americans. *EIR* devoted its entire Jan. 3, 1992 issue to the record of those achievements and their impact around the world.

Fallows cites a number of useful examples, and even notes, with apparent astonishment, that as late as the 1880s, "the University of Pennsylvania required that economics lecturers not subscribe to the theory of free trade." Far from placing its future in the hands of "free-market forces," Fallows reports, America became an industrial power "not by waiting for it to occur but by deliberately promoting the desired result."

These are the rules for economic growth today, he says. "Once, we knew them—knew them so well we played by them, and won. Now we seem to have forgotten how the world works." He shudders at a mid-1980s survey of leading graduate schools of economics, in which only 3% of the students said "a thorough knowledge of the economy" was very important to becoming a successful economist.

### **LaRouche was right**

These glimmerings of recognition concerning the nature of the current crisis may soon become a spotlight on the economic science of Lyndon LaRouche, who possesses the only competent track record on evaluating and forecasting the disintegration of the world's economies over the past 30 years. On the weekly "*EIR* Talks" radio broadcast on Dec. 1, LaRouche noted that the specter of an imminent international monetary collapse, coupled with the emergence of a military dictatorship in Russia in response to the "shock therapy" measures imposed by the Anglo-Americans, has produced "absolute desperation" among parts of the U.S. and European establishment.

Therefore, LaRouche observed, "a section of the establishment is forced, as the *Atlantic Monthly* case indicates . . . to a new thinking, a thinking about dumping what we call the post-industrial society, rock-drug-sex counterculture kind of paradigm which has been dominating increasingly in the United States since 1964.

"So the idea of going back, say, 30 years later, to the direction of the kind of policies that President Kennedy represented, with his space program and so forth; that thinking is alive in part of the United States, as in the French and other parts of the European establishment.

"The other part of this, which is interesting, of course, is that what James Fallows writes, parallels and even duplicates, in significant part, what *EIR* published as a report in the beginning of 1992 on these kinds of problems, including the references to List and Hamilton and so forth, the specific references. So there are people in the establishment who recognize that I have been right when they and their fellows

have been wrong (or at least badly mistaken), who are not willing to support me but will turn in my direction, as the French turned in the direction of my thinking as well as Maurice Allais on economics, and say, 'Well, we may not like the guy, we may not support him; but he is the one on the block with the ideas we need to consider, not his way but our way at this time of crisis.' And that's what that means."

LaRouche also warned against the deadly illusions based on skyrocketing stock prices and "profitable downsizings" of major companies. "People have to understand that this is not a stock market or cyclical business crisis, this is a systemic crisis. What's going on? Derivatives as such are sucking the lifeblood out of the world economy. How does this work?"

He cited the typical case of firms taken over by corporate raiders. "They grab the company and they do what's called asset-stripping; and this means not paying to replace depreciated equipment, shutting down entire productive sections of the company, and selling it off as real estate assets on real estate markets and things of that sort. So what they do, is they take a company which is at a loss; and they will get a one-time profit out of it—apparent profit on the books—by destroying or collapsing part of the company and turning that part of the company into cash. . . . Now the markets will perceive, through the derivatives mechanism, that this cash has a notional capital potential of 10 to 15 to 20 times the amount of cash flowing through. . . .

"So you have a process in which virtually the entire economy is now operating way below breakeven; that is, if you take all farms, all manufacturing, and so forth of the U.S. economy, the U.S. economy is operating at a loss in physical terms. However, a portion of the economy is rich because it is looting, through asset-stripping, the economy. It takes away your job, for example, and takes what was used to employ you, sells it off at, say, 20¢ or 30¢ on the dollar; turns that cash into an investment fund, capitalizes it, increases the notional value of the financial markets. And all the yuppies on Wall Street go home with an increase in salary or bonuses or commissions or whatnot—while you starve. . . .

"This is exactly like a cancer. The cancer sucks the healthy parts of the body to feed the cancer; and the cancer is growing. The cancer is *prosperous*, i.e., derivatives, junk bonds, are prosperous. . . . It's a parasite killing its host—which means that the host, if it continues, is going to die of the cancer. And then the cancer will die too. And that's what I mean by a systemic crisis. *We have the worst financial speculative bubble in the past 600 years; the worst bubble, in terms of size and implications, in all known history.* . . .

"So when people say, 'Yes, but when is the stock market going to crash?' The stock market will crash when the economy crashes. . . . And we better stop looking and saying everything is all right, the stock market is fine, and look instead at the economy; because the fate of the stock market depends upon the day that the economy stops breathing; then the stock market will collapse. And that day is not far away."

# High court ruling shows FEC wronged LaRouche

The U.S. Supreme Court on Nov. 29 let stand a July ruling by the U.S. Circuit Court of Appeals for the District of Columbia that requires the Federal Election Commission (FEC) to certify Lyndon LaRouche's 1992 presidential primary campaign for federal matching funds. This action by the U.S. Supreme Court affirms that the Federal Election Commission had no authority to deny matching funds to LaRouche's 1992 presidential primary campaign.

Debra Hanania-Freeman, a spokeswoman for LaRouche and for the Committee to Reverse the Accelerating Global Economic and Strategic Crisis: A LaRouche Exploratory Committee, which was formed for a LaRouche presidential bid for 1996, in a statement issued in response to the court's decision, said:

"We are, of course, gratified by the Supreme Court's ruling. The decision not only affirms that Lyndon LaRouche was a victim of wrongdoing by the FEC, but also stands as a sharp rebuke to the FEC's long history of corruption, bias, and abuse of power in its dealings with Mr. LaRouche.

"The FEC's 1992 ruling not only denied the LaRouche campaign the use of approximately half a million dollars in campaign matching funds, but also resulted in the denial of ballot access in many state presidential primaries where qualification for matching funds is the sole criterion for ballot status. We were still able to achieve ballot access in some of those states, but only after going to court or being forced to conduct expensive and exhausting petition campaigns.

"The FEC was a corrupt agency that was working directly with LaRouche's enemies, specifically the Anti-Defamation League of B'nai B'rith (ADL), which had already played a major role in the judicial railroad that resulted in LaRouche's unjust imprisonment in January 1989, in a blatant attempt to injure LaRouche's ability to have a voice in the 1992 presidential race.

"The FEC knew in 1992 that their actions were illegal. They admitted then that LaRouche had fulfilled all the legal requirements to receive matching funds, but denied him the money anyway. That denial was based solely on wild allegations by the ADL.

"This wasn't the first time that the FEC was caught in bed with the ADL. In 1990, the FEC found that the ADL had in fact violated federal election laws by distribution of hate literature against LaRouche, yet condoned those violations

of law by deciding to take absolutely no action against them.

"This is also not the first time the FEC has been reprimanded by a federal court for wrongful action against Lyndon LaRouche. As far back as 1981, New York Federal District Court Judge Charles Brieant, in an opinion on FEC actions against LaRouche, said that 'it would be hard to imagine a more abusive visitation of bureaucratic power.'

"Now, again, we have a ruling that shows that Lyndon LaRouche was a victim of wrongdoing. But the same thing can, and must, be said about LaRouche's being put into prison. Federal Judge Albert Bryan knew LaRouche was innocent, that that whole case was a fraud, but he rammed it through. The Fourth Circuit knew LaRouche was innocent, but they rammed it through. And, the U.S. Supreme Court had access to everything they needed to know that LaRouche was not only wrongly convicted, but that he was innocent.

"I would hope that this recent ruling by the Supreme Court is a step toward the vindication of Lyndon LaRouche, and of those LaRouche associates who were also unjustly persecuted and imprisoned solely because of their association with him."

## 'Star chamber' proceedings

LaRouche's 1992 presidential primary campaign had met all legal qualifications for matching funds in December 1991, but was denied eligibility by the FEC based on an unprecedented arrogation of power and indulgence in "star chamber" types of evidence. Though confused and rambling, the FEC's argument boiled down to the single principle that, in the agency's judgment, LaRouche's statutory promise to comply with the provisions of the campaign laws could not be believed because of his purported past "bad acts."

The Appeals Court summarized its opinion, simply stating "that the [Federal Election] Commission is not authorized to appraise candidates' good faith, honesty, probity or general reliability." The Supreme Court's refusal to hear the case leaves the Federal Election Commission no further option but to comply with the lower court's instruction "to certify [the campaign's] threshold submission for disbursement by the U.S. Treasury, for all qualified uses to which [the campaign] is by law entitled." The decision is a significant defeat for the FEC, which spared no effort in its attempt to derail LaRouche's 1992 election drive.

## No alternative

The Supreme Court decision leaves the FEC no further option but to comply with the July instruction by the lower court "to certify [the campaign's] threshold submission for disbursement by the U.S. Treasury, for all qualified uses to which [the campaign] is by law entitled." Campaign spokesmen say that they are in the process of determining appropriate uses for the anticipated half-million dollars. Follow-up actions are also being evaluated, in consultation with the campaign's attorneys.

# Media got one thing right— LaRouche has been granted parole

The U.S. Parole Commission announced on Nov. 30 that Lyndon H. LaRouche, Jr., the economist and statesman who has been in federal prison since 1989, after he was convicted on trumped-up “conspiracy” charges, will be released on parole on Jan. 26, 1994. At that point he will have completed five years of a 15-year sentence.

Associated Press, Reuters, and other news wires began on Nov. 30 to publicize the fact that LaRouche has been granted parole. The AP wire read as follows:

“Perennial presidential candidate Lyndon LaRouche will be paroled from federal prison Jan. 26, the U.S. Parole Commission said Tuesday. The 61-year-old [sic] LaRouche was sentenced in 1989 to 15-year imprisonment for mail fraud and tax evasion [sic] and is imprisoned at the federal correctional institution [sic] in Rochester, Minn. The decision by the parole commission follows a Sept. 29 hearing. Under the terms of his parole, he will be under the supervision of a federal probation officer until Jan. 26, 2004. LaRouche has run for President in each election since 1976. He was sentenced following a 1988 conviction related to campaign fund-raising [sic].”

As usual, the major press has butchered many of the facts. LaRouche is 71, not 61, of course. He is imprisoned at the Federal Medical Center, and was not convicted on the charges cited, but on charges of conspiracy to commit mail fraud and one count of conspiracy to confuse the IRS.

An expanded AP wire on LaRouche being paroled appeared Dec. 1 in the *Chicago Tribune*. While it correctly stated LaRouche’s age as 71 and rectified a few other misstatements, it reported that “he was convicted in 1988 on 11 mail fraud charges and one count of conspiracy to defraud the Internal Revenue Service by deliberately defaulting on \$30 million in loans from supporters of his campaign.” The latter part of the sentence is hokum, since the IRS charge was unrelated to defaults on campaign loans, and the amount of money involved in the “mail fraud” charges was \$294,000—less than 1% of the figure alleged in the story!

## Politically motivated frameup

The AP story as carried in the *Tribune* and some other papers did quote from LaRouche’s allocution made when he was sentenced on Jan. 27, 1989, when LaRouche told the judge that he was the victim of a government campaign to

“eliminate me from the political scene.”

“LaRouche pushes apocalyptic views, warning of impending financial disasters and strongly attacking prominent people and institutions,” the story continued.

On Dec. 2, the *New York Times* carried its own version of the story, a sloppily concocted mixture of facts with lies and half-truths. It called Mr. LaRouche “the political extremist who was convicted of fraud and income tax evasion [sic—the same misstatement] in 1988.” *Times* writer David Johnston went on to invent a nonexistent quote from Mr. LaRouche’s lawyer, Odin P. Anderson, claiming that Mr. Anderson “said his client intended to reestablish himself as the leader of a political movement.” The *Times* further reported, this time correctly, that LaRouche “would work to prove that he was wrongly convicted.”

“Mr. Anderson said the commission did not explain its reasons for the parole decision. . . . But he said that Mr. LaRouche had met the parole criteria, including good behavior and no indication that he represented danger to the community,” the *Times* article stated.

“Mr. LaRouche, who has run for President in every election since 1976, including 1992 when he campaigned from his cell, plans another run in 1996, Mr. Anderson said. . . .

“Mr. Anderson said Mr. LaRouche won parole even though he had never expressed remorse for his crimes. He has steadfastly denied any criminal activity or any knowledge of any by anybody associated with him and will maintain that to his last breath,” the article reported,

## Who is Lyndon LaRouche?

Lyndon H. LaRouche, Jr. is a celebrated economist, who was recently elected a corresponding member of the International Ecological Academy of Russia for his economic work, and is the author of several groundbreaking works on physical economy. He founded the *Executive Intelligence Review* in 1974 as the outgrowth of a private intelligence service he had encouraged his associates to develop, with the major emphasis on providing accurate, independently verified information for shaping programs for development to reverse the worldwide monetary and economic crisis.

LaRouche was born on Sept. 8, 1922 in Rochester, New Hampshire, and has been a candidate for President of the United States in 1976, 1980, 1984, 1988, and 1992, as well

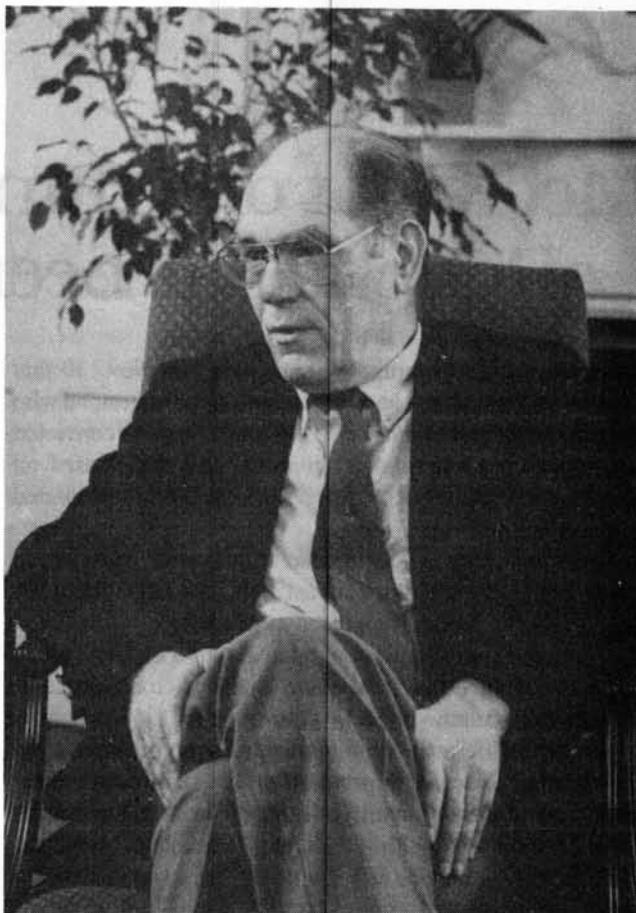
as a candidate for Congress in 1990.

In the area of state policy, LaRouche is notable for his defense of the Third World nations' rights to technological progress, and for his vehement opposition to New Age ideology and practices. He came under savage attack for his policies toward the Third World and because of his sponsorship of the strategic measure eventually known as the Strategic Defense Initiative (SDI), on behalf of which LaRouche carried out an exploratory back-channel with Moscow through high-level Soviet officials. This lasted for 13 months.

LaRouche was convicted on federal conspiracy charges in 1988, in a trial that amounted to a travesty of justice. So far, the U.S. Department of Justice, as it did in the case of Office of Special Investigations victim John Demjanjuk, has suppressed the facts which it had in its possession from the outset, which show LaRouche and his associates to be innocent—and has persuaded the courts not to hear the facts.

The LaRouche case has become one of the most notorious political cases internationally. Appeals to President Clinton and other U.S. authorities, to act to release exculpatory evidence and free LaRouche, have come from hundreds of parliamentarians from around the world, as well as religious leaders, former heads of state, and other notables.

LaRouche's political record is being serialized in the weekly newspaper *New Federalist* in a series of timelines. This record, which LaRouche's 1996 election campaign—the LaRouche Exploratory Committee—plans to turn into a book, shows in an objective fashion that LaRouche and his movement have more credibility on many subjects over the past decades than most other political figures.



Lyndon H. LaRouche, Jr.

## Va. paper recycles FEC arguments against LaRouche

"Felons shouldn't run," proclaims an editorial in the *Daily Press*, a Hampton Roads/Newport News, Virginia newspaper owned by the *Chicago Tribune*. The editorial, subtitled "LaRouche, others must lose right to seek office," is practically a carbon copy of the arguments made by the Federal Election Commission's General Counsel in the LaRouche case—arguments which the U.S. Supreme Court rejected on Nov. 29.

The editorial begins by bemoaning the fact that the federal courts say "the U.S. government owes convicted felon Lyndon LaRouche \$139,000," and goes on to argue that if the courts are right under the law, then the law must

be changed. It concludes as follows: "Giving LaRouche matching funds would be absurd. But the real travesty in the case is that LaRouche, a convicted felon who lost his right to vote, can qualify as a candidate for any elected office. The Constitution takes away a felon's right to vote; the Congress must take away a felon's right to be a candidate."

The first question to be asked about this is: What was the editorial writer smoking when he wrote this one? Or, did he simply word-process the FEC's losing Supreme Court brief?

The second question would be: What constitution was he reading? The U.S. Constitution does not take away a felon's right to vote; this is up to the states. (The 14th Amendment merely permits a state to do so.) And Congress cannot take away a convicted felon's right to be a candidate, as the editorial demands. The qualifications for federal office are established by the Constitution itself, and Congress cannot change them—nor can the FEC or the Anti-Defamation League, much as they might try.

# 'LaRouche was right' candidates tell voters

Nancy Spannaus, fresh from her Virginia gubernatorial campaign which was the critical factor in defeating the hated former state attorney general Mary Sue Terry, announced on Nov. 17 that she will run for U.S. Senate in 1994, seeking the Democratic Party nomination for the seat now held by Chuck Robb. A longtime associate of Lyndon LaRouche, who announced in August that he was forming an exploratory committee for a 1996 presidential campaign, Spannaus will head "a national slate of candidates for Congress and Senate," she said in her announcement. "My campaign will assert the authority of the movement headed by LaRouche."

"I will present the timeline of the crucial turning points over the last 25 years, and ask the question—who was right? From economic policy, to cultural policy, to foreign policy, the record will show that only economist Lyndon LaRouche and . . . his ideas have moral authority and credibility in the midst of the current breakdown crisis. Either the U.S. population faces that reality, or we are headed for an even more devastating disaster." Spannaus is editor-in-chief of the weekly newspaper *New Federalist*, which has now published some 30 pages worth of timelines on LaRouche's record over the last quarter-century. An expanded version is planned to appear as a book.

Citing only a few examples, Spannaus continued, "LaRouche warned from the 1960s on about the dangers of IMF [International Monetary Fund] economics, of the New Age counterculture, and the British geopolitical outlook, and presented workable alternatives. If you compare him and his policies with the candidates and policies now being offered to the electorate, the rational choice couldn't be clearer."

Spannaus referred to her opponents as a "squabbling array," none of whom "have challenged, or will challenge, the geopolitical basis for our tolerating genocide in Bosnia, for example. None will offer an anti-IMF, pro-progress alternative to the economic debacle we see building up a new strategic threat in Russia, or to the free fall of our own economic base. None will challenge the New Age mentality which has led us to prefer Disneyland to ports and nuclear power plants, to embrace Nazi euthanasia as health 'cost-cutting,' and to cynically present school-based brainwashing and executions as solutions to the destruction of the family, economy, and morality."

She blasted Oliver North, who hopes to capture the Republican nomination, as "undoubtedly the least fit for public office," for his "role in running police-state operations against his political opponents, like LaRouche, and his par-

ticipation in running mind-destroying drugs into the U.S. . . . If North were chosen by the Republicans, he could expect to face the fate of Mary Sue Terry—whose politically motivated misconduct in the persecution of LaRouche contributed in large measure to her humiliating defeat in the Virginia governor's race."

## A growing nationwide movement

On Dec. 2, Philip Valenti announced he was joining the growing national "LaRouche candidates" movement. He announced that he would run for the Democratic nomination for governor of Pennsylvania, at a picket line at the Amity Elementary Center in Douglassville protesting the ravages of "outcome-based education" (OBE). In 1992 Valenti became widely known in his campaign for the Democratic nomination for U.S. Senate. Valenti's aggressive campaign helped pull a significant turnout in Pennsylvania for Democrat LaRouche, who received about 22,000 votes in the presidential primary, placing him ahead of Tom Harkin and Bob Kerry. Valenti himself won close to 50,000 votes.

His gubernatorial effort is expected to aim at stopping "spiritual child abuse" in the schools, politely called OBE. The Pennsylvania legislature mandated OBE for each of the 501 school districts last year, leading to a parents' revolt led by Peg Luksig and Anita Hoge. The Amity Elementary Center is part of the Daniel Boone School District, one of the first OBE pilot districts in the state. The district is also implementing the "group dynamics" technique of Dr. William Glasser, called "Control Theory/Reality Therapy." Glasser was booted out of the Orange Unified School District in California in 1971 by parents who exposed his connections to satanic groups like the Theosophical Society.

In California, Ted Andromidas announced his candidacy for U.S. Senate on Nov. 4 in Los Angeles, for the seat held by Dianne Feinstein. Andromidas, who was one of the thousands of citizens targeted by the Anti-Defamation League of B'nai B'rith spy apparatus, has charged that the ADL's "World of Difference" program violates its tax-exempt status by disseminating "materials in opposition to U.S. Democratic presidential candidate" Lyndon LaRouche. On Nov. 26, Senior State Sen. Dr. Charles Greene announced his candidacy for U.S. Congress in the 33rd C.D. in Los Angeles. Greene, 73, has a colorful background: A doctor of theology, he is a former dairy farmer and rodeo rider, and the first African-American to run for Los Angeles County sheriff. As a leader of the Prince Hall Masons, Dr. Greene has played a major role in the fight to have the statue of Ku Klux Klan founder Albert Pike removed from a public square in Washington, D.C.

In addition to Spannaus's Senate race, 13 Virginia citizens and 7 Marylanders have announced their candidacies for local city councils, school boards, and state legislatures. "LaRouche was right" candidacies are expected soon in Illinois and New York.

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# National News

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## NAFTA opponent Perot called 'another LaRouche'

The front page of the business section of the Nov. 21 *San Antonio Express-News* carried a column entitled "Suddenly, Another Lyndon LaRouche," denouncing billionaire Ross Perot for his opposition to the North American Free Trade Agreement. Scott Burns, who usually dispenses financial advice in his column, devoted his space to the debate between Perot and Vice President Al Gore.

After confessing that he voted for Perot last year, Burns wrote, "Ross Perot can tell a good story. He makes assertions with a confidence that seems irrefutable. . . . He also shares a spooky trait with the now-imprisoned former candidate for President, Lyndon LaRouche. LaRouche regularly weaved the most preposterous facts together in a way that appeared convincing, but never survived close examination. That, in my mind, makes Perot the Lyndon LaRouche of the 1990s."

Contrary to Perot's accurate, if limited, reasons for opposing NAFTA, Burns pulled out the well-worn clichés that NAFTA will increase U.S. employment by allowing greater exports.

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## Educrats at the public trough: a case study

On Nov. 23, the school board of Loudoun County, Virginia, an upper middle-class suburb of Washington, was treated to a lengthy exposé of its own school budget, which projects a 30% increase in spending over two years, by an irate parent.

Dana Scanlon, a parent from Sterling, Va., explained that she took the time to read the budget, "and I found a school system which values social workers above teachers . . . but we only provide foreign language instruction to 3,000 of our 17,000 students! I found a school system which is dangerously close to becoming a laboratory for the latest fads in group therapy and psychological manipulation of our children."

County teachers are notoriously poorly paid, she said, adding: "Did you know that the starting pay for a social worker is \$36,000, or about \$8,000 more than the starting pay of a teacher? . . . The Loudoun school system employs 6 psychologists, and proposes to hire an additional intern. It employs 2 social workers. It employs 4 sex educators, and proposes to employ 5 in future years. It employs 2 so-called 'drug-free' specialists. And of course, it employs a whopping 47 guidance counselors, who are to be joined by an additional 7 by 1995. Note that in the elementary schools we employ more guidance counselors—18—than reading instructors—16! This translates into our system spending about \$3 million today on guidance counselors, with an additional million proposed. We spend a quarter of a million now on the psychiatrists, and that is supposed to go up to \$400,000."

One budget item Scanlon cited was even motivated by the need to "provide professional growth workshops to address identified needs of counselors." "Forgive me," she said, "but I actually entertain the old-fashioned notion that the purpose of our schools is to meet the educational needs of our children!"

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## White House, Reno at odds on crime fight

Policy differences with the White House may be part of the reason that Attorney General Janet Reno's attacks on mandatory minimum sentences and on other "get tough on crime" measures haven't gone anywhere, suggested the Nov. 26 *Washington Post*. Three days earlier, *New York Times* columnist Anthony Lewis also took note that Reno's effect on crime legislation has been minimal.

Lewis noted that Reno had spoken out against mandatory minimum sentences and the "federalizing" of state crimes, yet the Senate had just passed a bill full of new mandatory minimums which includes a provision to make any crime involving a gun that has crossed state lines a federal crime. Certain congressmen "counted on the Justice Department to bring some rationality into the debate. But they say they got no help

from Attorney General Reno," said Lewis.

A Washington source told *EIR* that Clinton has moved away from his original agenda for the Justice Department, which was to reverse Bush administration policies, but Reno is still operating on her original mandate. The source said that David Gergen is key to this shift in Clinton's orientation toward an alliance with Republicans on certain issues, including crime and NAFTA.

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## Pedophiles fight to stay part of U.N. group

The North American Man/Boy Love Association (Nambla) and other pedophile groups are fighting to retain their membership in the International Gay and Lesbian Association (ILGA), which was accorded status on July 30 as a non-governmental organization at the U.N., according to the Nov. 27 *Washington Times*.

However, after the homosexual newsletter *Lambda Reports* revealed Nambla's membership in ILGA, the United States began to backpedal on its vote to extend NGO status. On Oct. 19, John Blaney, deputy U.S. representative to the U.N. Economic and Social Council (Ecosoc), issued a statement denouncing pedophilia and expressing regret that the United States had supported an Ecosoc committee recommendation that ILGA be approved. However, Blaney said he only would withdraw the U.S. vote if he failed to get "satisfactory clarification" that ILGA will not overtly promote pedophilia in its "process of consulting with Ecosoc."

The *Times* noted that, since 1985, ILGA has consistently supported abolishing age of consent laws which prohibit sex with minors.

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## Julia Child takes aim at 'Bambi syndrome'

World-renowned chefs Julia Child and Paul Prudhomme spoke out against the food fads that ignore how poorly we treat people in order to "save the animals," in a joint interview the December 1993/January 1994 is-

sue of *Modern Maturity*, published by the American Association for Retired Persons.

Young people don't know anything about livestock, said Child. "They've never been on a farm, yet they make all this to-do about veal. Animal rights people are difficult to deal with. They never knew that, in the old days, you raised the calf tied up next to its mother. Or if you had a lot of male calves you just threw them in the ditch. . . . A male calf from a milk-cow strain doesn't mature to make desirable beef. In the old days you only kept as many males as you had milk cows to feed them, since veal is a calf raised on cow's milk. . . . Now, with the development of special feeding techniques using milk and milk by-products, a milking mother isn't needed since any calf can be raised as veal."

Prudhomme added, "It's sad that we treat animals better than we do other human beings." Child agreed: "It certainly is. If homeless people could live as nicely as specially fed calves, they'd be very lucky indeed." To Prudhomme's comment that "I don't want to see animals elevated to the same value as human beings," Child responded, "It's the Bambi syndrome—when we start thinking of them as people and not animals."

## Maryland bishops urge mercy, not executions

The three Catholic bishops whose dioceses include parts of Maryland issued a statement in early November against Maryland's first scheduled use of the death penalty since 1961, after the state Court of Appeals refused to stop the execution of John Thanos, now set for March 3, 1994. According to Catholic News Service (CNS), Washington Cardinal James Hickey, Baltimore Archbishop William H. Keeler, and Wilmington, Delaware Bishop Robert Mulvee wrote that, while traditional church teachings recognize use of the death penalty in extreme cases, such teaching "now must be applied to a society in which increasing violence manifests a growing disrespect for human life. . . . We are concerned that capital punishment further advances a destructive anti-

life attitude."

The statement proposed alternatives to execution that would satisfy society's need to protect itself from dangerous criminals, and quoted from the *Catechism of the Catholic Church* that "public authorities should concentrate on these means 'because they better conform to the concrete conditions of the common good and the dignity of the human person.'"

CNS notes that other religious leaders in Maryland have also spoken out against the death penalty in the state, and quotes Rev. Dave Rogers, pastor of south Baltimore's Grace United Church of Christ and chairman of the National Interreligious Task Force on Criminal Justice: "Why do we kill people who kill people to show that killing people is wrong?"

## Women's group says ADL acted like McCarthy

The Women's International League for Peace and Freedom (WILPF) has a feature article denouncing the spying operations of the Anti-Defamation League of B'nai B'rith (ADL) in the November-December 1993 issue of its publication *Peace and Freedom*. Los Angeles branch president Blanch Spindel says, "Tactics used by the ADL . . . smack of those used in the McCarthy era." In its heyday, WILPF included many Communist Party members and sympathizers who were the victims of McCarthyism.

*Peace and Freedom* said that WILPF's Los Angeles branch has joined the Coalition to Protect First Amendment Rights to combat spying by the ADL and its agent Roy Bullock, who was paid by go-between Bruce Hochman, and Bullock's work with then-San Francisco police inspector Tom Gerard to pass information about U.S. citizens on to the South African government.

Of the League, *Peace and Freedom* said: "The ADL, established in 1913 to protect the civil rights of individuals, reversed its position in the late 1940s. It became partners with police departments required by law to refrain from spying on peaceful organizations. It became a collaborator with the FBI in gathering information on peaceful groups of all types."

## Briefly

● **ANIMAL RIGHTS** activists promoted an "Adopt a Turkey" campaign this Thanksgiving, which urged that individuals buy a live turkey, pay to keep it alive, and give up eating meat.

● **NEW YORK** activists who are fighting the so-called Rainbow Curriculum, have filed a class-action suit against the New York City School Board and Schools Chancellor Ramon Cortines seeking an injunction to protect schoolchildren from pedophile teachers and counselors, and curriculum that promotes sexual perversion.

● **GEN. COLIN POWELL**, the former chairman of the Joint Chiefs of Staff, is being eyed by both Virginia Democrats and Republicans as a possible candidate to run for Chuck Robb's Senate seat next year, according to the Nov. 27 *Washington Post*. Democrats are put off by the fighting between Gov. Doug Wilder and Robb, and many Republicans are wary of Oliver North.

● **PRESIDENT CLINTON** told reporters at a news conference on Nov. 23 that "I'm satisfied with the finding that Lee Harvey Oswald acted alone," in the murder 30 years ago of President John F. Kennedy. "I'm also very satisfied with the work done by the Secret Service in my behalf," he added.

● **ALBERT GORE'S** "national information superhighway" is a menace to children, according to thousands of parents and electronics experts now sounding the alarm. Children of any age can log on, and find online offers in "cyberspace" for sex, drugs, homosexual thrills, and Satanism.

● **JONATHAN POLLARD** should not receive a presidential commutation of his life sentence, editorialized the Dec. 2 *Washington Post*: The Israeli spy "knew the seriousness of his offense. . . . That he was spying not for an enemy but for a friend does not so much lighten the breach of his trust as underline its grossness."

# The clash of civilizations

Recently a number of books and articles have pretended to defend western civilization against the depredations of the hordes of the "non-white races." Thus on Oct. 13 of this year, an up-and-coming German parliamentarian named Friedbert Pflueger warned an audience at the Evangelical Academy in Tutzing in Bavaria about a growing threat to Europe posed by countries of the developing world.

"In the 19th century," he said, "there were wars between nations; in the 20th century, wars between ideologies; and in the 21st century, there will be wars between civilizations, on a worldwide level." To strengthen his contention, he cited from the Summer 1993 lead article in the New York Council on Foreign Relations' *Foreign Affairs* magazine by "political scientist" Samuel Huntington, entitled "The Clash of Civilizations?"

Huntington wrote: "Differences among civilizations are not only real; they are basic. . . . These differences are the product of centuries. They will not soon disappear. . . . The world is becoming a small place. The interactions between peoples of different civilizations are increasing; these increasing interactions intensify civilization consciousness and awareness of differences between civilizations and commonalities within civilizations." This is followed by: "The interactions among peoples of different civilizations enhance the civilization-consciousness of people that, in turn, invigorates differences and animosities stretching or thought to stretch back deep into history."

Extracts from Huntington's piece have appeared, in translation, in the European press. At a time when large numbers of people (in the former East bloc, Africa, Ibero-America, and elsewhere) have been stripped of the very means of existence through the usurious banking practices of the World Bank and the International Monetary Fund, or through a war of extermination (Bosnia), such an argument is akin to a philosophical treatise by Heinrich Himmler on behalf of the practices of Hitler's SS. Huntington directs the John M. Olin Institute for Strategic Studies at Harvard University, which gave the world Jeffrey Sachs.

The Huntington thesis contrasts sharply to the traditional Christian view of evangelization. A case in point is the experience of the young American nation with the Cherokee nation. The book, *Trail of Tears, The Rise and Fall of the Cherokee Nation*, by John Ehle, tells a devastating story documenting the brutality of Huntington's predecessors such as Andrew Jackson, who drove the Indians from their homes in the eastern United States to resettle in the West.

What is remarkable is the other side of the story and what happened 60 years before Jackson's brutality. Within the span of a lifetime, from 1780 until 1830, the Cherokee leadership were in the process of transforming their nation and their people. Their first priority was to make available to their children the most advanced education possible, not merely to have them learn the rudiments of English and mathematics. The combined influences of the church, polyphonic music, and the constitutional process of building a new nation modeled upon the United States of America were the motive force for this.

One of these Cherokee children of the new America, Elias Boudinot, expressed all of this in a speech he gave in Philadelphia: "You behold an *Indian*; my kindred are *Indians*, and my fathers sleeping in the wilderness grave—they too were Indians. But I am not as my fathers were—broader means and nobler influences have fallen upon me. Yet I was not born as thousands are, in a stately dome and amid the congratulations of the great, for on a little hill, in a lonely cabin, overspread by the forest oak I first drew my breath. . . . In after days, I have had greater advantages than most of my race; and I now stand before you delegated by my native country to seek her interest, to labor for her respectability, and by my public efforts to assist in raising her to an equal standing with the other nations of the earth."

The United States of today, can either follow the Christian tradition represented by Boudinot, or the brutal paganism of an Andrew Jackson or Samuel Huntington. The choice should be obvious.

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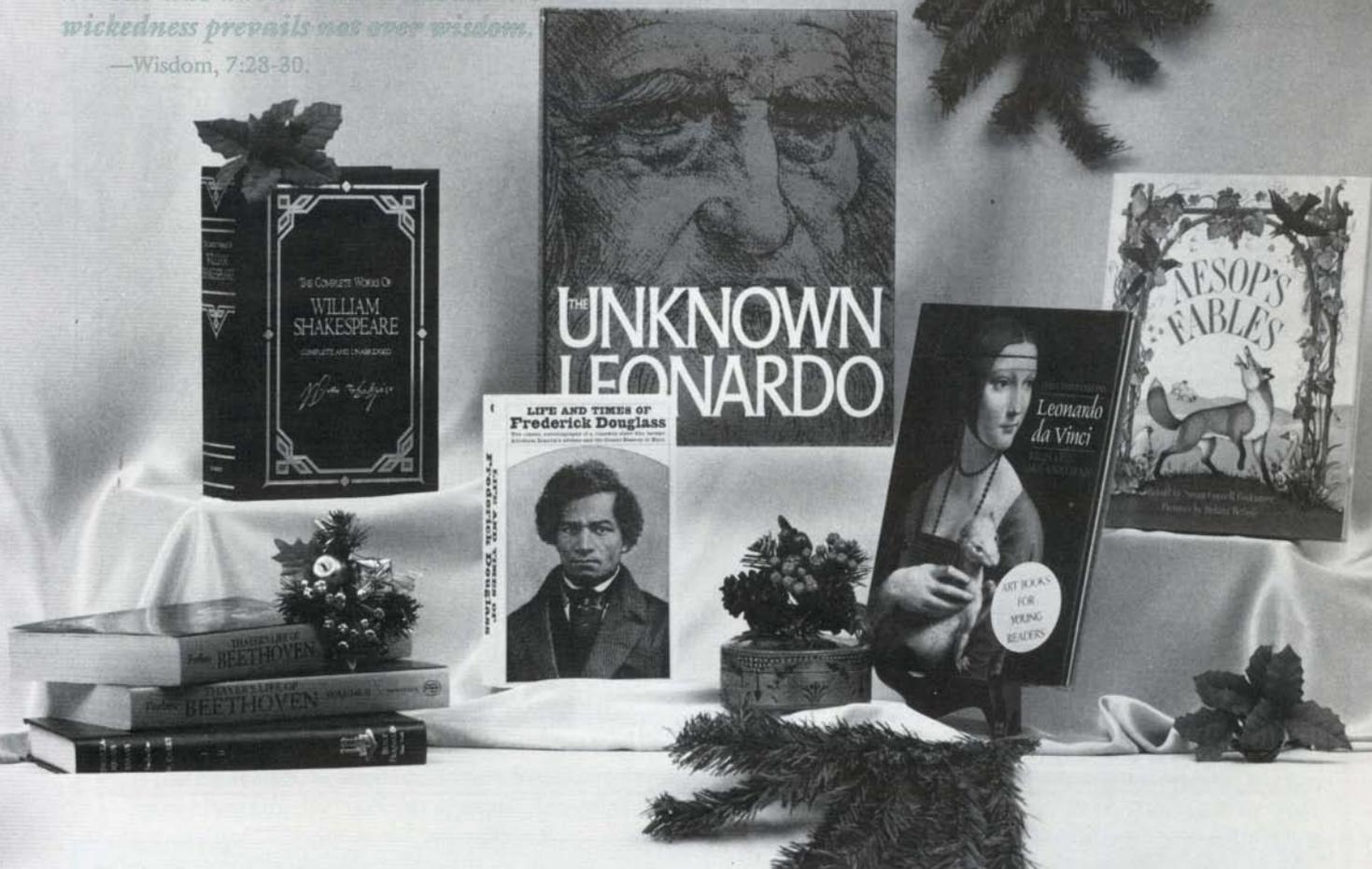
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