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February 3, 1992

Lawrence M. Noble
General Counsel
Federal Election Commission
999 E. Street, N.W.
Washington, DC 20463

Dear Mr. Noble:

This letter is to serve as a complaint against Lyndon LaRouche and related political front groups promoting his candidacy for president and their political agenda. I have reason to believe the groups listed below solicit and spend contributions for federal political activities but do not report those contributions as required.

---Schiller Institute
---The New Federalist newspaper (Leesburg, VA 703/777-9451)
---Executive Intelligence Review (Northern Virginia 703/437-1266)
---Eastern States Distributors, Inc. (Drexel Hill PA 215/734-7080)
---Southeast Literature Sales, Inc. (Baltimore MD 301/247-4200, Norfolk VA 804/531-2295, Richmond VA 804/323-7462) I have documentation that SE Literature Sales received at least $591,753.06 in 1989 and $147,100.00 in 1990 from Helen B. Overington.*
---Southwest Literature Distributors, Inc., (Houston TX 713/789-6900)
---Midwest Circulation Corp. (Chicago IL 312/907-4000, Indianapolis IN 219/375-2728, Detroit MI 313/942-0626, St. Louis MO 314/961-6302, Minneapolis MN 612/874-1860)
---American Systems Publication, Inc. (Pasadena CA 818/577-9514, Livermore CA 415/449-3622, Seattle WA 206/362-9091)
---Hamilton Systems Distributors, Inc. (Ridgefield Park NJ 201/641-8858, Boston MA 617/380-4000)
---American Century Distributors, Inc. (Pittsburgh PA 412/885-7270).

*Other sizable contributions are made to some of the groups listed above.

This letter serves as a complaint regarding violation of the Federal Election Campaign Act and requests an investigation into the matter. Although some direct campaign costs and income may be reported as such, it is my information and belief that other income and expenses associated with LaRouche and the LaRouche organizations are not reported as political income and expenses.

Enclosed are three copies of The New Federalist. From them it is apparent that the paper's primary function is political -- to support Lyndon LaRouche and promote his candidacy for federal office and his political organizations.

prefers interim mail, April through December, at home address

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The articles in the publications primarily fall into the category of (1) announcing LaRouche's 1992 presidential campaign and his political goals, publicizing prophecies as coming true, and defending past actions against him, including his claimed status as apolitical prisoner; (2) attacking perceived political opponents, whether they are Democrats or Republicans such as President Bush; (3) supporting LaRouche candidates, such as Baltimore's John Asher or Virginia LaRouche Legislative candidates; (4) attacking groups or individuals who have exposed illegal or unethical LaRouche group activities, such as the Cult Awareness Network or Anti-Defamation League, or individuals such as Virginia Attorney General Mary Sue Terry who have prosecuted LaRouche followers.

As a political organization, all income to and expenses by Lyndon LaRouche and related groups, should be reported to the Federal Election Commission. Income should comply with election laws including reporting contributors, their addresses and occupation. Donations made to LaRouche and LaRouche organizations such as the ones listed above, should comply with campaign contribution limits. Expenses including office and solicitation expenses, telephone bills, publications (including their newspapers, magazines, and books), their conferences, travel, advertising and similar expenses related to their organization and its operation should be included.

Legal expenses associated with the defense of their political figures and their fund-raising solicitation schemes should also be included as political expenditures. They consider their leader a political prisoner and their organizational effort political as shown on the front cover of each of The New Federalist publications.

Please let me know of your findings.

Sincerely,

John Overington

John Overington

Enclosures
New Federalist 5/20/91, 11/25/91, 12/9/91
Executive Intelligence Review 9/29/89

I swear the above information is true and accurate to the best of my knowledge and belief.

John Overington

John Overington

Signed before me this 3rd day of February, 1992.

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EIR

Executive Intelligence Review

September 29, 1989 • Vol. 16 No. 39 $10.00

Bush held accountable for LaRouche's life

Cold fusion still generating heat

Coup talk in Moscow, as 1964 anniversary nears

After the "junk" collapse— time to change policy

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Sample Magazine

EIR

From the Managing Editor

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With the death of the leveraged buyout market, what might be called the Great-Great Depression is officially on. This week's *Feature* describes how much closer the Sept. 13–15 junk bond collapse has brought the economy to the run-on-the-banks stage of bankruptcy. But since the U.S. banking elite is not yet ready to admit that has been entirely discredited, they would rather allow the persecution of American patriot and economist Lyndon LaRouche—the one man who could get them out of the mess they've made of the physical economy over the past 25 years.

So, while Baker and Shevardnadze were shaking hands on various fantasies in Wyoming, the reality of the strategic conjuncture was brought home by the abrupt, deadly escalation of police-state actions against Moscow's Public Enemy No. 1—LaRouche. The scores of high-level Soviet officials junketing to the United States, have perhaps been pleased most by the way the U.S. government has been striving to apply the Soviet Union's brand of "justice" to LaRouche and his associates.

Turn to page 54, to read about—and join, if you have not already—the campaign to tell President George Bush that the world will hold him responsible if Lyndon LaRouche is killed in prison. During the week of Sept. 11 LaRouche, under a "medical" pretext, was forced to do heavy labor for three days without food, was operated on, and was then forced back to work the next day, after which he physically collapsed. Among the world expressions of outrage, we draw particular attention to those from Brazil (page 57), where the connection to LaRouche's plans for resolving the economic crisis, is being put in the national spotlight by Congressmen and Senators.

Next, as Foreign Minister Eduard Shevardnadze headed for his meeting with Secretary of State James Baker III (see page 52 for our correspondent's report), steps were taken to have Michael Billington, an associate of Mr. LaRouche, declared "insane," for the simple reason that he insisted on his constitutional right to have a jury decide on the politically-motivated charges *against him (page 58)*. Don't kid yourself, this Soviet-modeled "psychiatric prison" treatment is on the agenda for all political dissidents. In the next issues, we will bring you a full dossier on who's bringing this Gulag nightmare to the United States—and how to stop them.

John Sigerson

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Philip Ulanowsky

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Sept. 15, 1989, will go down in history as the day the junk bond market died, and the biggest depression of the 20th century began. It is also a vindication of the economic thinking of Lyndon LaRouche, who predicted over two decades ago that this would come to pass, unless the current "post-industrial" policies were reversed. Is it too late? Chris White reports.

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Banks on slippery slope of deflationary collapse

by William Jones

Hearings before the Financial Institutions Supervision, Regulation and Insurance Subcommittee of the House Committee on Banking, Finance, and Urban Affairs on Sept. 19, gave a small glimpse of the extent of the crisis facing U.S. commercial banking. The hearings, called by Subcommittee Chairman Frank Annunzio (D-Ill.) to examine the state of the federal deposit insurance institutions after their reorganization in the aftermath of the blowout of a large section of the U.S. thrift industry, revealed an extremely tenuous situation facing the U.S. banking system and the insurance organizations which are to protect their depositors from eventual losses.

During the last few years, public attention has been primarily focused on the rapid collapse of U.S. savings and loan institutions. In spite of the major overhaul of the Federal Savings and Loan Insurance Corp. (FSLIC) through its merger with the Federal Deposit Insurance Corporation (FDIC), the crisis still remains an open sore, and no one even now knows how much it will ultimately cost. Although the banking industry's insurance funds are not to be used for propping up the savings and loan business, it was thought that putting the S&Ls under the care of the more stable FDIC would imbue confidence in the thrift industry. Some warning voices were raised concerning the danger that the merger would put the FDIC at greater risk and possibly endanger the relative stability of the banks' insurance funds. Little notice, was taken, however, of how fragile the FDIC itself actually was.

Part of the truth, which has been far more fully exposed in *EIR*, came out in the testimony on Sept. 19 of three economists, R. Dan Brumbaugh of Stanford University, Robert E. Litan of the Brookings Institution, and Andrew Carron of First Boston Corp., who had done a study of hitherto undisclosed bank problems. Already back in 1985, Brumbaugh—then an economist for the Federal Home Loan Bank Board—had shocked the Senate Banking Committee by testifying that FSLIC was in fact bankrupt, but that the true extent of its losses had been hidden by the way S&Ls and government regulators kept their books. More recently, the three economists analyzed the books of 5,000 of the nation's largest banks, using the same techniques that provided that early warning of the crisis in the thrift industry. "It is like the FSLIC crisis in the past, where the banking regulators have an incentive to underestimate the cost," said Brumbaugh.

"The annual number of bank failures has topped 200 since 1987, the highest bank failure rate since the 1930s, and shows no signs of falling this year, despite earlier predictions by the FDIC to the contrary. More disturbing," Brumbaugh continued, "many more weak, or even insolvent banks remain in operation." The study indicated that hidden bank losses could wipe out $10 billion of the $14.1 billion reserves of the FDIC, leaving the fund too weak to protect depositors against a major economic downturn. Using a risk-adjusted capital ratio of 6% as an adequate level, the study found that 28 large banks with $23 billion in assets were still open, but insolvent. Another 48 institutions holding $43 billion in assets had risk-adjusted capital ratios below 3%. Still another 150 banks with assets totaling $926 billion had capital ratios between 3% and 6%.

One-third of banking assets are soft

"In short," Brumbaugh told the assembled congressmen, "roughly $1 trillion of assets—or one-third of the assets in the nation's banking system—were being managed as of September by banks with substandard capital ratios. The data did not include the roughly 8,000 banks with assets below $50 million—the group of banks where most bank failures

in recent years have been concentrated."

The issue of the capital ratio has been a bone of contention among the regulatory authorities—an issue which could determine the rate of collapse and the timetable for bank failures. Recently, Comptroller of the Currency Robert Clarke made a proposal that the capital ratio be reduced to 3% of assets. Clarke characterized a 3% minimum as the "floor" beneath the industry's new standard, in which capital requirements are based on the riskiness of a bank's loans. FDIC chairman William Seidman, on the other hand, has pushed for a 6% minimum, to better protect the FDIC from bank losses.

The lower figure might possibly help some of the insolvent banks to stay afloat a few months longer, perhaps serving to postpone a "run on the banks" until next year, but will thereby increase the volatility and the extent of the collapse when it does hit. Seidman's "safer" 6% capital ratio will assure that a ratchet of bank failures will come much sooner, with the more exposed banks biting the dust quite soon, perhaps as early as October of this year.

In principle a 6% capital ratio applies presently to banks generally; but in practice, it is not the case. In many banks, the 6% stockholders' money has already been set aside to cover past losses, so there is no protection left, commented Litan and Brumbaugh. The charge was confirmed by Clarke, who said at the hearing that a few banks' capital consists entirely of loan loss reserves. "Translated into English," said Litan, "they're gone."

The Brumbaugh testimony gives some indication of at least the tip of the iceberg. The FDIC's "problem bank" list, which counts all banks receiving substandard bank ratings from supervisors, indicates nearly 1,300 weak banks as of the first quarter of 1989. As the study points out, there are more than three times the number of problem banks now open for business than during the previous postwar peak year of 1976 (385) and more than six times as many as in 1981, when the nation was entering its deepest fiscal recession since the 1930s. "Quite clearly," admits the study, "the number of problem and failed banks could easily mushroom if the economy falls into recession."

Subcommittee chairman Frank Annunzio expressed alarm at the figures. "You gentlemen have painted one hell of a gloomy picture." When Annunzio asked if that meant that the FDIC is headed for failure," Litan replied, "For nervous Nellies like me, it means there's a problem out there that's worth worrying about."

FDIC chairman Seidman tried to allay fears that the insurance corporation would not have sufficient funds to cover eventual bank failures. "The Bank Insurance Fund is solvent and can meet the obligations as we foresee them today," he commented—conveniently ignoring the question of what he might foresee tomorrow.

The Vice Chairman of the Board of Governors of the Federal Reserve System, Manuel Johnson, was not quite as confident. He pointed out that at the end of 1988, the fund equaled less than 1% of all insured deposits. He pointed to the problems for banking stemming from the collapse in oil prices and "overbuilt real estate markets" in the Northeast and in pockets of the Southeast, which have "shown growing signs of weakness during the past year." "This factor," said Johnson, "combined with the rapid growth of real estate development lending by banks in those areas, suggests that some new problems will appear there."

But even Seidman had to admit that the junk bond exposure of some of the major banks could cause serious problems. "Banks have currently invested about $150 billion in leveraged buyout loans," said Seidman. "Rising interest rates or an economic downturn could result in highly leveraged businesses defaulting on these loans. . . . Should there be an economic downturn, defaults on such debt could increase the risk of failures and thereby increase costs to the FDIC." He assured the committee that the FDIC was taking "special supervisory action" to monitor banks' participation in high-risk junk bonds and highly leveraged loans.

The regulators might be uttering soothing words to calm the fears of the general public, but the banks are manifesting an entirely different awareness of the problem, and are scrambling to extricate themselves from the mess. The announcement on Sept. 20 that Chase Manhattan Corp. was boosting its reserves for possible loan losses to the developing sector by $1.15 billion—the highest levels of any major U.S. bank—now places them in the same category as Manufacturers Hanover, namely, those rare birds in the banking world who admit that they don't have sufficient reserves. Chase has also written off $125 million of real estate loans in Arizona, and is getting out of another major risk-ridden area, mortgage-backed securities.

In spite of the reassurances of Seidman, Clarke, and others, the banks themselves are admitting the problem—with their feet. But no matter how fast they scramble, the accumulated years of benign neglect in this fantasy world of financial "junk" are going to take their toll. One noted London analyst had the following comment to make: "It is the beginning of the end of the world as we have known it over the past decade. The Seidman testimony brought to the light of day the fragility of the insurance corporation. A period of global deflation has begun. The downward spiral is on."

Will the Bush administration be able to pull the chestnuts out of the fire? The scenario of careful "crisis management" relied on by Bush's current economic and financial advisers to take the administration smoothly through the economic crisis without a major upheaval, has pretty much played itself out. The stalemate in Congress over the capital gains tax and catastrophic health insurance indicates the Gramm-Rudman-Hollings sequestration will be brought into effect, hitting the U.S. budget like Hurricane Hugo, and leaving the administration financially crippled when the tornados start to hit the financial world. If the Bush administration is to effectively deal with a crisis of this magnitude, new gimmicks won't be enough.

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Banca Nazionale del Lavoro scandal in Italy may have Irangate links

The Banca Nazionale del Lavoro (BNL), the huge Italian government-owned bank, has been embroiled since the beginning of September in a scandal which is shaking not only the Italian financial world, but which could also fit another piece into the puzzle of the Western networks that work in tandem with the Soviet Union to finance international terrorism and manipulate regional wars around the world. Investigations are still on-going, and one cannot as yet draw definite conclusions. But it seems more and more clear that BNL's subsidiary in Atlanta, Georgia was involved in a large undercover scheme to finance weapons trade with Iraq. In Italy, the BNL is also under investigation for financing weapons trade with Iran.

The facts that have emerged so far are the following. The Federal Bureau of Investigation in the United States, between Aug. 4-5, entered the offices of BNL's branch in Atlanta, Georgia, and under the direction of Agent David Rosario began a search of the bank's records. The FBI discovered that the director of the Atlanta subsidiary, a Lebanese named Chris Drogoul, had issued over 2,500 letters of credit totaling $2.64 billion to Iraq, ostensibly to permit Iraq to import machinery and agricultural products from U.S. and European firms—all apparently without the knowledge of BNL's central office in Milan. All the operations between the Atlanta BNL and Iraq were found in entries on a personal computer owned by Drogoul, which he kept in his house for use as a sort of "parallel accounting" system.

The arrangement worked like this: Whenever Iraq had to reach an agreement with some foreign vendor, it would tell the vendor to ask the Atlanta BNL for financing. The bank subsidiary would take out short-term, high-interest loans from U.S. banks, and would issue long-term credits for the transactions with Iraq. Part of those credits, $1.02 billion worth, were covered by the Iraqi central bank, while another $700 million were covered by the U.S. Commodity Credit Corporation. The involvement of the CCC was made possible by means of a unique procedural loophole. Although the CCC is used primarily to finance export of U.S. agricultural products, the CCC has also the peculiarity, unlike the Import-Export Bank, of not being affiliated to the Union of Bern, which includes all the major foreign trade insurance institutions, all of which have agreed to block all large financing with Iraq, which is considered unreliable.

It is said that the transactions under investigation had been arranged only in the course of the past two years. But the Iraqi embassy in Rome recently declared that the agreements with the BNL were already reached in 1982.

Bank directors must have known

The BNL is the largest Italian bank, with $82 billion in total assets. It is 74.5% owned by the Italian Treasury Ministry, while another 22% is owned by public insurance and pension funds. The BNL was created by Mussolini's fascist regime during the 1930s as a means of supporting the cooperative system; in the postwar period it has remained under Socialist Party control. Until the scandal broke out, its president was Nerio Nesi, a member of the Socialist Party's "left" wing. Nesi resigned, and has been replaced by Giampiero Cantoni, another Socialist.

The amount of money involved in the BNL financing of Iraq is so big (the alleged exposure of the BNL Atlanta with Iraq is $2.64 billion, compared with BNL's total foreign exposure of $3.05 billion) that it is obvious that the whole scheme must have been known to the whole leadership of the bank—and not only to the local Atlanta director, as Nesi tried to assert when the scandal broke out. It is also difficult to imagine that BNL's major shareholder, the Treasury Ministry, did not know about it either. And the Bank of Italy, which exercises tight control over all banking activity, must have known, too.

The Italian press has speculated that the fact that the son of Bank of Italy director Azelio Ciampi is a director of the BNL in New York, which oversees the operations of the Atlanta branch, might have something to do with the Bank of Italy's benign attitude toward BNL's activities in the United States.

At the moment—conveniently for all who have been implicated in the scandal—the (already replaced) director of BNL in the Americas, Luigi Sardelli, has disappeared, and is now on the "wanted" list of the international police organization Interpol. Sardelli was the person directly responsible for Chris Drogoul in Atlanta, and is the one who "must know" how the whole operation came about. Until Sardelli is found, the recently resigned leadership of BNL in Rome can still try

to maintain their line that they did not know anything—even though Italian Treasury Minister Guido Carli has already admitted that the BNL people in Rome must have known something.

The Bulgarian connection

The network in which the Atlanta BNL office was involved included the Bulgarian state company Kintex, whose name acquired international fame when it arose in the context of the investigation of the attempted assassination of Pope John Paul II on May 13, 1981. At the time, Kintex was already being investigated as an important nodal point in the international drug and weapons networks. Chris Drogoul was introduced to Kintex by a United Kingdom-based Iraqi firm, Matrix-Churchill.

According to an article appearing in the Italian weekly *Panorama* on Sept. 24, Admiral Martini, the chief of the Italian military intelligence agency SISMI, warned already in 1988 that Iraq was making a lot of "purchases" (obviously of weapons), and was demonstrating an ability to spend large quantities of money.

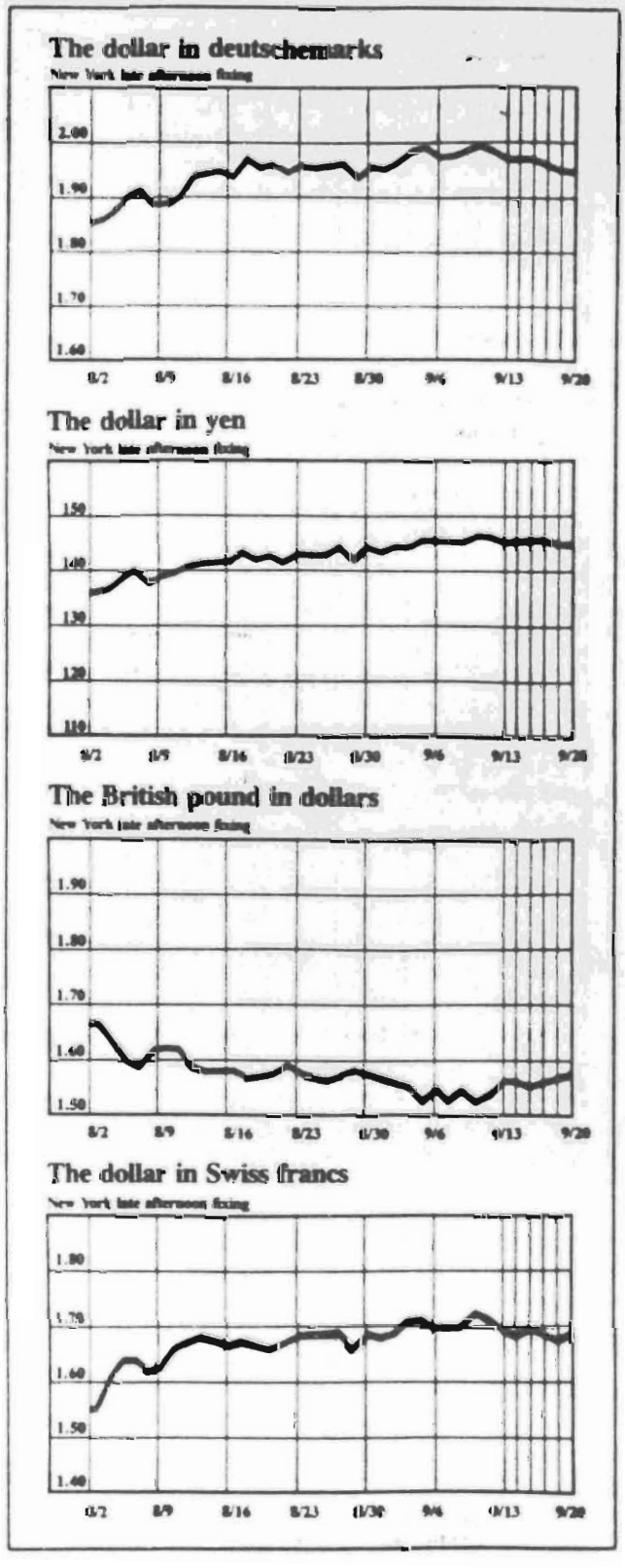
Even if the technicalities of the functioning of the whole operation are still to be clarified, one can immediately see the similarities with the operations partially revealed during the course of the Irangate scandal in the United States—i.e., a big network working through big international banking conduits for the purpose of financing secret weapons deals which ultimately go for fueling the Middle East conflict.

Indeed, the two scandals may actually be two sides of one and the same operation. Just as it would be ridiculous to think that the Atlanta operation was unknown at some level in the Italian political leadership, it would be even more absurd to think that it was unknown to people in the U.S. administration. It was in the United States that Drogoul collected the money to be lent to Iraq. One large lender of money for the BNL Atlanta operation was reported to be one of the Morgan banks; it was the Commodity Credit Corporation which guaranteed large portions of the BNL credits to Iraq; and in addition to the list of Italian firms that might have been involved in the deals, the Italian press has reported that several U.S. firms were also involved, including General Motors.

So it is difficult to believe the official explanation that the FBI only began the investigation after it had received an "anonymous tip."

The question arises: Why was the operation blown, and why at this time? One explanation could be that it was in the period June-July that Gen. Michel Aoun launched his operation to free Lebanon from the Syrian occupation. Aoun seems to be supported by Iraq, and has been abandoned by the U.S. government in favor of Syria. Could it be that the intent of the scandal is to sabotage this crucial line of support for Lebanon, so as to speed up the establishment of a "Greater Syria" as part of U.S.-Soviet "New Yalta" arrangements?

Currency Rates



Stanford 'thought control' engineers manipulate farm-state decline

by Marcia Merry

Now under way in North Dakota is a series of 39 "town hall meetings" on the economic and social future of the state. No friendly citizen effort, these meetings are part of a stage-managed campaign, designed in large part by SRI International (formerly the Stanford Research Institute, a California-based think-tank), to manipulate public opinion in a way to accept the current economic decline of the state, and to make way for worse to come.

The North Dakota operation goes by the name of "Vision 2000." Similar campaigns are in various stages of implementation in Iowa, Nebraska, Wyoming, Minnesota, Pennsylvania, and Florida. The Iowa program is called "The Iowa Futures Project." There is also a Wyoming "Futures Project." The activities involved in these projects are so cynical that if you run up against any "public interest" project on the economy in your area—in whatever part of the country you may live, and it uses "2000," or "Vision," or "Futures," or "Global," in its name, you are well advised to investigate whether it isn't run by the "thought control" engineers at SRI International.

The gist of the SRI projects is to set up statewide committees of business, government, and other active people, who then are the official sponsors of activities to assemble funds, hire SRI International staff, court media attention, and schedule "town meetings" to orchestrate public confusion and acceptance of pre-planned conditions of economic decline.

Of course, this agenda is never discussed in these terms. Instead, New Age lingo is used about "seeking a new direction," "taking control of our state's destiny," "enhancing the quality of life," and so forth.

Behind the rhetoric, the SRI International staff produces an economic development program that, in each state, would spell disaster for the residents. These manipulation experts then conduct operations to give their rotten programs an aura of public approbation.

'Is North Dakota dying?'

Look at the process now under way in North Dakota. In recent months, a group called the North Dakota 2000 Committee was formed, with 28 members. The committee staff includes three associates of the Center for Economic Competitiveness, SRI International, Menlo Park, California. The committee's goal is to conduct activities in the name of "Vision 2000" for the state. On Sept. 9, a one-hour "special report" on "Vision 2000" was broadcast on all commercial and public television stations in North Dakota.

Within a short time after its formation, the North Dakota 2000 Committee produced a summary report printed as a mass-circulation 12-page publication, which was designed to express concern for the state, convey legitimacy for the actions of the "Vision 2000 Committee," and to justify the SRI International involvement is what is to be an eventual "strategic action plan" prepared for the state this fall.

The paper is entitled, "Is North Dakota Dying? Will We Stand By and Watch?" and features a dismal, full-color painting of a family staring into a dark, fenced-in field. Three questions appear under the painting: "What kind of future will our children have to look forward to in North Dakota? How can we continue our quality way of life? What opportunities are available to you?"

The paper has low-level commentary on the state's economic condition, a few proposals, photos and innocuous comments of 17 members of the Vision 2000 Committee, and a saccharine-sweet section headlined: "Who is SRI and why are they qualified to help us develop North Dakota's economy?" The paper ends with the time and place listings for the 39 town meetings sponsored by the Vision 2000 Committee for September and October.

Who is SRI? Good question! First, look at their economic proposals and analysis of the state of North Dakota. Then look at their pedigree.

The SRI evaluation of North Dakota is that the state is in trouble because it has relied on production of raw agricultural commodities and energy, whose prices can be expected to be low. Additionally, the SRI/2000 Committee notes that the federal budget deficit jeopardizes the income to the state that currently comes from agricultural subsidies and defense expenditures.

The committee concludes, "The challenge will be to identify where we have a competitive edge—or where we can create an edge—and pursue the development of unique products to fill a specialized niche. This, then, is our vision for North Dakota's place in the world economic marketplace. . . .

"To accomplish this vision, North Dakota must develop

several key elements."

Then follows a list of recommendations: 1) a cluster of technology-intensive research firms; 2) programs to train workers; 3) a "climate" to encourage risk-takers; 4) a commitment to quality-of-life institutions such as schools; and 5) new investment sources.

Sound nice and nebulous? That's the idea. You are supposed to think you have nothing to disagree with, and you are to attend the town meetings. But in fact, the thoughts you are supposed to have about the economic crisis in North Dakota are already pre-programmed by SRI International. The overall concept is that deindustrialization of traditional manufacturing and energy production will take place, traditional high-technology farming will disintegrate, and quality education and social services will give way to occupational re-training.

The core of the SRI proposals is warmed-over "cottage industry," but with the twist that the orientation should be for the "global marketplace." By this is meant that there should be no expectation of federal, state, or local statutes to protect chosen industries, occupations, or labor standards. All is to yield to the needs of the "international marketplace." According to John Melville, one of the SRI functionaries, "We give recommendations on how to get geared up for a global economy."

Concretely, the SRI-approved "new" industries are ridiculous. When Vision 2000 talks of "new aerospace-related, energy processing-related, and food processing-related clusters" of research centers for new products, they have in mind such new items as North Dakota-made pasta, or even pasta from certified "organically grown" wheat. The example given of a new manufactured good is a special snowmobile. "New services" in the state are understood to be tourism-related.

With little variation, this is the same kind of thing recommended for the other states where SRI International is active. One new "alternative" economic activity for Iowa is river-boat gambling, now being organized in the Quad Cities area for the Mississippi River.

Social engineering=brainwashing

All the talk of this kind of "innovation" diverts attention from the breakdown process under way in these states, where there is a large out-migration from the rural areas, while the cities are decaying. In practice, the "Vision" and "Futures" projects foresee providing large pools of low-cost labor to local facilities owned by multinational companies, with a few "regional agro-industrial metropolitan centers" replacing the dying local villages and towns. Already in states like Iowa, such companies as the "big three" meatpackers (IBP, Cargill, and ConAgra), which dominate all U.S. beef and pork slaughtering, plan to operate when and where they choose, with no restraints.

SRI International tolerates no talk of anti-trust suits, or emergency measures such as debt moratoria to keep farmers on the land. John Gardner, the head of the Iowa Futures Project, said, "The state must diversify its economy away from agriculture."

The SRI International staff has carefully worked out arrangements for how they conduct their public meetings to stimulate discussion of their economic proposals. They send out workshop materials in advance, with pre-prints of "key SRI findings and conclusions" on the economy. They then give people attending the meetings a set amount of time to answer such questions as, "How do you feel about this?" on a scale of one to five. Group leaders and recorders report on the "consensus" reached on the pre-formulated issues.

In Iowa, the first round of these sessions has ended, and the extension service of the U.S. Department of Agriculture has been brought in to form a group of community leaders called the Public Education Policy Project (PEP), whose purpose is to implement the recommendations of the SRI International report for Iowa. According to John Gardner, 100 Iowa newspapers and five of the largest television stations are now supporting the goals of the Iowa Futures.

The credentials of the SRI group to conduct this kind of social engineering go way back to an integrated network of sinister think-tanks founded by Dr. Kurt Lewin, and his associates at the London-based Tavistock Institute, around the time of World War II. During the war, the Tavistock Institute was the headquarters of the British Army's Psychological Warfare Bureau and also dictated policy to the U.S. forces in matters of psychological warfare. From this root, grew an entire postwar network of outfits that today are deciding how to brainwash Americans into accepting a global economic system controlled by a few powerful political and financial interests.

At the Tavistock Institute, Dr. Kurt Lewin and cohort John Rawlings Rees studied the techniques and methods of mass social engineering, including manipulating dislocated peoples, refugees, orphans, and other potentially depressed populations. Lewin and Rees fostered the Stanford Research Institute and a string of other such centers in the United States and abroad.

The job of all these social research centers is to conduct mass-scale psychological profiling and social manipulation. In the farm sector, many Tavistock techniques have been used to rein in political activity by farmers in times of economic crisis. These techniques include hot line call-in numbers, support groups, farm coalition groups, Farm Aid/Willy Nelson benefit concerts, and other such efforts. The net effect has been to blunt citizens' legitimate anger, and keep them from organizing themselves politically to reverse the crisis.

Now, SRI is even advocating the reorganization of the agricultural states, to eliminate whole communities if necessary, to conform with their "future vision." And this process is already well under way. Since 1980, 600,000 American farmers have left the land.

Agriculture by Marcia Merry

An apple a day?

That may soon become a thing of the past, if the radical environmentalists win their fight to ban pesticides.

At a Sept. 7 Washington, D.C. press conference to release a report called "Alternative Agriculture," spokesmen for the National Research Council claimed that if pesticide use is vastly reduced or eliminated in this country, it will barely be missed, because so many chemicals are used on fruits and vegetables for only "cosmetic" reasons. When reporters for the fresh produce industry questioned this—and pointed out the simple fact that many consumers know that a blemished apple may rot faster than a clear one, the know-it-all NRC spokesmen dismissed this out of hand.

Now that the fall harvests are under way in the northern orchards, and the damage estimates are coming in from Florida, California, and elsewhere on prospects for fresh produce without chemical protection, the lies and exaggerations by the NRC become obvious.

First, take the case of Alar, the chemical used as a growth regulator that gives an apple a better appearance and prolongs shelf life. Because of an orchestrated public scare campaign this spring, the manufacturer of Alar, Uniroyal Chemical Co., took the product off the domestic market in June. The Environmental Protection Agency has proposed banning any food that has a residue of Alar as of May 31, 1991. The EPA has set January 1990 as a tentative time for banning the sale or use of Alar altogether.

What this all means, is that "an apple a day" is fast becoming a luxury for millions of Americans. For thousands of the orchards that have been coerced to stop using Alar, this may be the last year of operation. In New York state, many growers are ruined. The apples have fallen to the ground early, and when picked up, can only be used for processing, at best. Instead of $10 a bushel, the grower is getting $2—less than cost.

The EPA has demonstrated no risks from Alar, but has moved to ban the chemical in response to "widespread public fears," about the safety of the food supply. The EPA said this spring, "There is not an imminent hazard posed to children in the consumption of apples at this time, despite claims to the contrary."

A scare campaign is now being run against the fungicide EBDC (ethylene bisdithiocarbamate), widely affecting fruits, vegetables, and some grains.

On Sept. 6, three chemical companies announced a voluntary restriction of sales of the chemical for more than 70 crops, leaving it available for use for about 13 remaining crops. The companies (Du Pont, Pennwalt, and Rohm and Haas) say they are seeking to avoid the hysteria expressed against Alar, but the results will be the same. The EPA is preparing a far-reaching ban on the fungicide, to be announced in the near future.

Fungicides are especially vital in Florida, where about half the nation's winter vegetables are produced—an annual harvest worth at least $1.3 billion. In the warm, damp climate of the rich "macklands" and other parts of Florida, only selected chemicals can protect the plants to yield good harvests.

In testimony to the House Agriculture Committee this June, a vegetable grower from Naples, Florida noted that "organic" produce (grown without chemicals) costs twice as much as traditionally grown produce, and asked, "What are we as growers to do? We want to satisfy the concerns of all our consumers, but we also know that without the judicious use of chemicals, fruits and vegetables cannot be produced at the current volume and at a price that most consumers can afford."

The new, "voluntary" restriction of the EBDC applies to apples, citrus fruits, carrots, mushrooms, and lettuce, among many other types of produce. For most growers, the restrictions cannot be "juggled" between crops in a way for them to survive financially.

Last October, the EPA classified as potential carcinogens more than 70 of the over 360 pesticide ingredients licensed to be used on foods. The advocates of "alternative agriculture" assert that mass-scale banning of pesticides will not affect the quality or quantity of fresh produce, because other "alternative" plant and food protection techniques can be used (biological controls through predator insects, hardier plant types, etc.)

But on the scale necessary, such techniques are not within the financial or scientific farming options of the produce grower. The public is plainly being misinformed.

Richard Harwood of the Winrock Institute, a member of the NRC committee that authored "Alternative Agriculture," told reporters Sept. 7, "blemish-free standards on apples and oranges," should be relaxed. Protecting the "lustre on oranges," especially citrus for processing, "isn't important."

The rosy cheeks on a child from "an apple a day," are also not important to Harwood and his colleagues.

From New Delhi by Susan Maitra

The price of perestroika

Gorbachov's reform schemes put the Indo-Soviet economic relationship into a new light.

During his mid-September visit to Moscow, Indian Finance Minister S.B. Chavan flatly rejected the Soviet Union's request to redesignate Indo-Soviet bilateral trade and credit in Indian rupees instead of Soviet rubles.

Behind the request, forwarded months ago, is the Kremlin's plan to devalue the ruble by 50% in preparation for making it convertible. It would also make it easier for India to repay Soviet ruble credits, a windfall that would be wiped out with a redesignation of credit agreements in rupees.

Though India has frequently adjusted the value of the rupee vis-à-vis the basket of currencies that determines its external value, the ruble-rupee exchange rate has been kept fixed for more than ten years. This has enforced an overvalued ruble, a fact which has helped India maintain an export surplus with the U.S.S.R., but which cost the Indian treasury precious foreign exchange in areas where those exports were linked to imports involving hard currency.

Since it has borne the liability of higher repayments owing to the overvalued ruble for all these years, India sees no reason to accommodate the Soviets at this point. That was the conclusion of extensive discussion on the matter in both the prime minister's office and the Finance Ministry.

But, if Soviet moves are any indication, this is not the last of it. While Chavan and Co. were in Moscow, Soviet Minister for Foreign Economic Relations Igor Khotsialov was in New Delhi preparing for the visit of a high-level Soviet delegation in October for the second formal meeting of the Indo-Soviet Working Group on New Forms of Economic Cooperation. Khotsialov told the Delhi press that the October meeting would go into the ruble-rupee revaluation issue "in greater depth."

Khotsialov said a reassessment of the arrangement was necessary in view of changed conditions and the high volume of Indo-Soviet trade which was slated to increase more than two-fold. Indeed, trade turnover, which was $2.2 billion in 1986, appears to be headed for achieving the target of a 2.5-fold increase by 1992. In 1989, trade turnover had jumped to $4.2 billion, compared to $700 million in 1953 when the rupee trade agreement was signed—an annual increase of 25%.

Still, Indian analysts point out, even when Indo-Soviet trade turnover reaches its target, at some $5.5 billion, it will not amount to more than 2-3% of total Soviet trade—compared to some 30% of India's total trade. As the Kremlin looks increasingly to the West, does India stand a chance? they ask.

Moscow has already made clear it is not willing to do India any special favors where foreign exchange is concerned. India's request to increase the supply of crude oil and other petroleum products beyond the 4.5 million tons agreed upon for 1989-90 was turned down in July, as all Soviet supplies are committed to the hard-currency markets. As a result, India will have to meet 75% of its 18 million ton oil import requirement this year with hard currency.

Another spat had erupted a month earlier. Soviet officials declined to supply foundry-grade pig iron to India, as specified in the bilateral trade plan for 1989, on the grounds that India had failed to supply alumina as promised. The Soviet officials made clear to Indian Commerce Secretary A.N. Verma at a meeting in Moscow, that the pig iron would be exported to other countries to earn foreign exchange, and Moscow threatened to suspend non-ferrous metal suplies to India as well, if the alumina was not forthcoming promptly.

Foreseeing the changing geometry, Indian and Soviet planners began exploring "new forms of cooperation" several years ago—focusing on co-production, joint ventures, and collaboration in third countries. But so far, not much has materialized.

Of the Indo-Soviet joint ventures in the Soviet Union, only one is actually in joint operation. That project, an Indian Tourism Development Corporation (ITDC) restaurant in Moscow, does not exactly hold promise for future breakthroughs. Though a success among Moscow's restaurant-goers, ITDC officials and the Indian government are watching the buildup of blocked ruble profits with growing distress.

Soviet laws do not allow repatriation of profits made by joint ventures on sales within the U.S.S.R., and according to analysts here, there is no clear policy on repatriation of profits made from sales to third countries. Western businessmen have jumped at the *perestroika* policy to the tune of setting up nearly 1,000 joint ventures in Russia, but unlike Indian entrepreneurs, they are mainly interested in taking advantage of the relatively cheap Soviet labor to produce for their international operations.

Business Briefs

Black Economy

Drug trade vital to banks, Journal admits

An article in the *Wall Street Journal-Europe* of Sept. 12 admits that the banking system is heavily dependent on the drug trade and drug-money laundering.

"If drug money helped the economy boom, what happens if the drug war succeeds?" the *Journal* asks. Lawrence Kudlow of Bear Stearns investment bank is quoted, "It's almost undeniable that drug traffic, regrettably, has been a big stimulant to the economy."

The *Journal-Europe* then notes that drug money, so far, operates "underground" in the economy. What would happen if the money were brought above-ground, by taxing drug sales? Alan Reynolds of Polyconomics consultancy says that doing this "could be healthy for the banking system."

The paper estimates that the drug trade in the United States is 10-15% of Gross National Product. "Inadvertent profiteers" in the luxury professions—autos, jewelry, real estate—who have benefited from drug-related money, will be the first to feel the "economic withdrawal" if the drug trade is stopped.

Markets

Economist predicts 1,000-point drop

The Dow Jones Index will collapse more than 1,000 points by year's end, according to the prediction of U.S. economist Walter Williams in his latest advice to investors.

"At the very outside, we will see a U.S. stock market crash before the yearend. Further, [Treasury Secretary Nicholas] Brady's 'circuit breakers' will aggravate the market fall this time," Williams warned. "It could be far worse than October 1987. The major difference between today and October 1987 is that the dollar is not yet under panic selling. But that's coming."

Williams, not normally pessimistic, says the U.S. economy is already deeply into an economic recession which will last for several years. As confidence of foreign investors begins to erode in coming weeks, he expects that the flight of billions of dollars out of the United States will also trigger an estimated 25% fall of the dollar against major currencies in the final quarter, forcing the Federal Reserve to increase interest rates.

Williams lists major corporations including Boeing, Aetna Life, and Barclays Bank among his clients, and warns them to "be 100% out of stocks," adding that the U.S. economy's estimated $9 trillion in private and public debt will exacerbate the downturn, creating "serious dangers."

Williams warned that "mortgage-backed securities will be the next sector to be hit after the collapse of junk bonds. . . . Reports from banks across the country are all the same . . . real estate prices are dropping. Suburban New York is down 20% since 1987. Mortgage-backed securities, which is a debt market much larger than the junk bond market, will be the next hit."

Legal and General, a leading U.K. life insurance company, predicts in its latest investor letter an imminent 10% or more fall in the London FTSE-100 stock market. Such a fall in London stock markets could trigger world panic, reports Williams. "The U.K. economy is going into a hard recession and interest rates are extremely high. This will eventually hit the London stock market prices. More than Japan, Britain through the City has been the major foreign investor in the U.S. since 1982. London could be the more likely trigger than Tokyo. But we are very close to a world liquidity panic."

Energy

India first to make U-233 nuclear fuel

The Radiometallurgy Division of Bhabha Atomic Research Center has successfully manufactured U-233-bearing fuel for India's next generation of nuclear reactors.

Dr. C. Ganguly, head of the division, said in mid-September that this is the first reactor to use U-233-bearing fuel, the most efficient fissile material in thermal reactors.

Use of U-233 is the second phase of India's nuclear power program. The first phase consisted of developing an indigenous heavy water reactor fueled by natural uranium. The third and final stage includes development of fast breeder reactors using U-233 as fissile material and breeding U-233 from thorium 232 in the same reactor. India has already in operation a 40 megawatt test breeder reactor and the plan is to go for commercial production of breeder reactors by the end of this century.

International Credit

IMF status is in jeopardy from bad loans

The amount of bad loans held by the International Monetary Fund rose sharply last year, to $3 billion, or about 10% of its loans outstanding, the *New York Times* reported Sept. 15. Officials of the IMF admitted that "the organization was anxious about the slow but steady rise in the number of countries in arrears over the past decade."

"The rise in arrears is considered unusual because the fund holds preferred-creditor status, which means it must be paid ahead of other lenders to the third world except for the World Bank," the *Times* reported.

As of April 30, 11 countries had not repaid $3 billion in loans from the Fund for more than six months. The countries were Guyana, Kampuchea, Liberia, Panama, Peru, Sierre Leone, Somalia, Sudan, Vietnam, Zaire, and Zambia.

The *Times* notes that the IMF has a pool of $120 billion in currencies and gold contributed directly by its members. The World Bank, on the other hand, must borrow from financial centers the money that it lends. Of the IMF's $120 billion pool, only $70 billion in hard currencies is suitable for international lending. Of that $70 billion, only $30 billion has been lent out, but the IMF is now trying to obtain more funds from member states.

The Bush administration is expected to support the IMF's request, but the increas-

ingly shaky Fund portfolio may raise questions in the U.S. Congress. Rep. Jim Leach (R-Iowa), a strong IMF backer, told the *Times*, "Arrearage implies loans may be in jeopardy and taxpayer funds diverted. This promises to be one of the most difficult issues when the quota increase comes before Congress next year."

Third World Debt

Bank cartel refuses write-down for poor

The Institute for International Finance (IIF), which represents 184 banks that hold more than 80% of the loans to the Third World, warned in a letter to the policymaking committees of the International Monetary Fund and the World Bank that if the banks are forced to take large losses from writing off a portion of their existing loans, the banks would be unwilling to grant new credits.

The letter, written by the IIF's managing director Horst Schulman, points to the Philippines and Mexico as examples of the type of behavior the banks consider acceptable. Both countries had continued to pay money to the banks while negotiations to restructure and write down their debt were going on.

"Interest arrears are a major impediment to banks' willingness to engage in voluntary debt and debt service reduction," Schulman stated in the letter, according to the *Financial Times* of Sept. 17.

Finance

Japan wants more power in the IMF

The Japanese want a greater controlling role in the International Monetary Fund (IMF), if they become its second-largest contributor, according to the *Journal of Commerce* Sept. 18.

The *Journal* reports on plans for the annual meeting of the IMF and World Bank, which began the third week in September, where the IMF is seeking a doubling of its resources, which are contributed by member states, to about $220 billion. Japan, now the fifth-largest contributor, is slated to replace Britain as the second-largest contributor, after the United States, if the proposed increase in contributions is approved.

However, Tokyo is reported to be demanding that, in return for this greatly increased contribution, a Japanese representative be made the next managing director of the IMF, a post that has traditionally been held by a European. The *Journal* reports that a final decision will most likely not be made until the end of the year.

Food

West Germany's Co-op files for receivership

West Germany's Co-op supermarket chain filed an application on Sept. 13 to go into receivership, in the biggest potential bankruptcy in West Germany's history. The firm employs 46,000 people, and is the country's fifth-largest food retail chain. The application was made after creditor banks failed to reach agreement on a $1 billion bailout plan.

Talks broke down when U.S. and Japanese bank creditors of the 73-bank group refused the terms offered by DG-Bank, whereby they would write off 75% of the old debt in return for an immediate 25% cash settlement. An earlier reorganization this past spring broke down in August, when the full extent of Co-op's unsecured loans was revealed to be 2.2 billion deutschemarks, instead of the 1.2 billion first estimated.

Under the laws governing receivership, Co-op can write off 65% of its debt if it pays off the remaining 35%, and then it can reorganize. There are two roadblocks to this. First, it is highly unlikely it can raise the 35% required. Second, with its application for receivership, it has lost lease rights to its store sites, which can be seized by the landlords. Already, Co-op has stopped selling fresh milk because it hasn't the cash to purchase it.

Briefly

● **CHENGTU AVIATION**, a Communist Chinese company, is ready to go ahead with plans to build nose cones for McDonnell Douglas, the *China Daily* reported Sept. 5. Chengtu is expected to complete the first nose cone in early 1991. McDonnell Douglas has sent funds, materials, and technical staff to China.

● **A TRADE DEFICIT** in U.S. services was registered for the first time in over three decades, as the U.S. paid out $176 million more to foreigners in interest, dividends, rents, and other payments for services than it took in for the second quarter.

● **THIRD WORLD** nations paid more to the World Bank than they received in new loans for fiscal year 1989 for the second year in a row, as the World Bank took in $1.5 billion more than the $21.36 billion it lent.

● **CONSUMERS** were overcharged $26-29 billion for food in 1987 due to consolidation of grocery store chains, according to Dr. Willard F. Mueller, University of Wisconsin food industry economist.

● **GENERAL MOTORS** announced that the Chevrolet Caprice/Buick Estate station wagon assembly plant in Lakewood, Georgia will be closed next spring, putting 3,200 people out of work. This is the eighth assembly plant to be closed since August 1987. GM is terming the shutdown "an indefinite idling," to circumvent the United Autoworkers contract which prohibits any permanent closings.

● **HONG KONG'S** Trade Development Council and the General Chamber of Commerce are planning promotional drives to boost Hong Kong-Soviet trade. The Hong Kong-Heilongjiang Trade Fair in August was used as a major opening into that province's booming consumer goods trade with the Soviet Union, the *South China Morning Post* reported.

'Cold fusion' is still generating plenty of heat

Nuclear engineer Ramtanu Maitra toured the U.S. labs, which are producing remarkable results. Maitra and Carol White tell what the 'science mafia' has blacked out.

If we were to be guided by the popular press or the hegemonic science journals, then it would seem like the excitement over the potentials of the Fleischmann-Pons cold fusion experiments was another flash in the pan, or just the product of media hype. However, as Maitra has learned from a tour through some U.S. research laboratories, this is far from the case.

The truth is that cold fusion research is still producing extremely exciting results, regardless of the decrees to the contrary from the science mafia, led by *Nature* magazine editor John Maddox and the gurus of the American Physical Society. They declared that the appearance of fusion taking place at room temperature must be an artifact of measurement errors; they are not interested in reviewing ongoing work which disproves their thesis.

The Japan story

This is not the case in Japan, where, to the contrary, there is top-level sponsorship for the research. Fortunately, cold fusion experiments do not require large infusions of money, even if they are in fact not the simple matter implied by University of Utah electrochemists Martin Fleischmann and Stanley Pons, who first announced their discovery on March 23. As the following report will make clear, cold fusion—whatever it really is—is here to stay. It may well be the case that power applications of the process will not be a reality in the near future, but the scientific implications of even the findings to date are so enormous, that there is no question but that the fallout from them will be equally great, however they are applied.

A Japanese symposium held on July 31 was not widely reported internationally; nonetheless the results reported were extremely exciting. Ten research teams announced results which included findings of tritium and excess neutrons and heat in their experiments. The conference, held in Tokyo and sponsored by the Electrochemical Society, found the deuterium-deuterium reaction to be definitely similar to that found in thermonuclear fusion.

Successful replications of the Fleischmann-Pons results had been found at the University of Tohoku, the University of Hokkaido, Aoyama-Gakuin University, and by a joint group from Tokyo University of Agriculture and Technology and the Japan Atomic Energy Research Institute.

This reversed a previous statement by the last group which had said that they found "no clear evidence" of tritium; now they announced that they had found both tritium and a vast amount of heat.

Previously the same doubts expressed in the United States and Western Europe had prevailed in Japan, but the results described in presentations at this symposium changed the situation. The earlier atmosphere of skepticism was such that when two researchers at the University of Hokkaido announced June 2 that they had succeeded in creating cold fusion, they did so with hesitation. Tadahiko Mizuno and Tadashi Akimoto, both assistant professors in the department of engineering, commented that they had not intended to conclude that cold fusion had taken place in their experiment. Such trepidation is now a thing of the past in Japan.

The Institute of Fusion Science announced on Aug. 1 that it has decided to begin joint research on cold fusion by assem-

bling three topical groups, involving 80 scientists from 25 institutes, colleges, and universities. The three groups are: 1) a group to detect neutrons in detail; 2) a chemistry group to find the most appropriate conditions in deuterium electrolysis; and 3) a physics group to conduct theoretical research on the reaction mechanism. The private sector is also involved in the research, although this is not being featured in public reports by the institute.

A variety of experiments

In the area of neutron production, Hokkaido researchers Mizuno and Akimoto constructed their experiment in a physics laboratory 5 meters underground, surrounded by a thick concrete wall, and separated from the outside by three sets of doors. They began their electrolysis experiment in late March, using palladium and platinum immersed in a solution of heavy water (D_2O) and lithium-deuteroxide (LiOD). The underground experiment lasted about 18 days. Neutrons were measured at 10 times above background on average, and 20 times above background (1,140 neutrons per hour) at peak. Mizuno said the experiment was a preliminary test to confirm the basic principle of cold fusion, and that now they have to accumulate more data.

At the University of Osaka, Akito Takahashi and his colleagues at the Department of Engineering announced July 30 that they had detected neutrons which they thought were produced by their cold fusion experiment. The number of neutrons detected was greater than that observed in nature and two to four times greater than what was reported in the experimental data from Stephen Jones at Brigham Young University in Utah. The Osaka electrolysis experiment, using a palladium electrode dipped in heavy water and lithium sulfate (1 mol/liter), lasted for about a week each time and was repeated five times. The researchers tried to detect neutrons at two different energy levels—fast neutrons and thermal neutrons. What they found was that the energy of fast neutrons was 2.4 million electron-volts (MeV), the same level as those of neutrons produced in deuterium-deuterium fusion reactions. The observed data of the fast neutrons and the thermal neutrons were consistent, and both levels were greater than the normal background level. Takahashi said they switched the electric current between 0.8 amps and 0.4 amps every 2.25 minutes. As a result, deuterium that is going out of the electrode in the current-drop phase tends to meet deuterium that is coming in. The deuterium atoms thus come close to each other, increasing the possibility of fusion reactions.

At the Bhabha Atomic Research Center in Trombay, India, one of the largest nuclear research centers in the world, the Fleischmann-Pons experiment was earlier confirmed. Dr. R. Chidambaram's physics group, equipped with a laboratory and staffed with scientists as good as the best in the world, observed neutron generation. "We have surely seen neutrons here, and some cold fusion is certainly going on," said Dr. Chidambaram, a renowned physicist. "The process seems to depend on so many poorly understood parameters—it is not a straightforward experiment . . . If the process was simple and straightforward, we should have struck gold by now. We haven't. On the contrary, we are still trying to find out the basic parameters of the experiment. . . . But like ceramic superconductors, we may be onto something that may be a long way from practical use."

At the Tata Institute of Fundamental Research (TIFR) in Bombay, India, the cold fusion experimenters recorded a phenomenal temperature rise of 1° centigrade per minute. Dr. K.S.V. Santharam, head of the chemical physics department, said: "We detected the presence of neutrons and gamma rays at a level above that of normal background radiation. I estimated about 2 in every 50,000 deuterium atoms were fusing."

U.S. science mafia spreads pessimism

One can sympathize with the agitation of fusion scientists working on conventional experiments in thermonuclear fusion which are withering on the vine for lack of funding. As the Sept. 15 issue of *EIR* reported, they quite rightly fear for their very scientific lives. Not so those scientists at the large, prestigious laboratories who, without serious justification, have from the beginning pooh-poohed all experimental findings which went against their prejudices.

Besides demanding the proof, proof, and more proof that experimental findings were not errors of measurement, they demanded that these proofs be presented in record time. The charge was led by scientists from the Massachusetts Institute of Technology, Yale University, and California Institute of Technology, among others, where well-known experimentalists, using the latest diagnostic equipment, failed to duplicate what Fleischmann and Pons had done in a modest laboratory at the University of Utah. These well-heeled scientists reported failure to observe a significant amount of heat or generation of neutrons at a level which could justify calling the process fusion.

There are ample reasons why the experiment cannot be easily duplicated, and as Prof. Robert Huggins at Stanford University in California has explained, it's actually a difficult experiment. But the science establishment has been more interested in trying to spread skepticism about whatever experimental results the different groups working on cold fusion have already validated, rather than perfecting their own experiments.

It is not merely cold fusion which has generated exceptional heat: The discussion process about the experiments has unleashed a series of irrational statements from many prominent scientists. Some, like Dr. Moshe Gai of Yale University, took recourse to suppressing facts to justify their abrupt conclusions. Dr. Gai, whose experiment was published in *Nature* (Vol. 340) July 6, 1989, said categorically that "no statistically significant deviation from the background was

Ramtanu Maitra (right), editor of Fusion Asia *magazine, visits the University of Utah Metallurgy Laboratory. Dr. Sivaraman Guruswamy (left) and Dr. Milton Wadsworth (center) have confirmed the surplus heat energy generation from cold fusion as reported by Drs. Fleischmann and Pons.*

observed in either gamma ray or neutron detectors." Yet, at least one scientist who knew what was going on with Dr. Gai's experiment has reported, through private communications, that Dr. Gai did observe neutron bursts, but chose to suppress this in his report.

Whether Dr. Moshe Gai was acting instinctively as an "establishment scientist" or was merely trying to publish his paper in a journal which does not want to publish anything positive about cold fusion experiments, is another question.

What, however, is clear is that *Nature*, like Dr. Gai, has few kind words to say about cold fusion. John Maddox, *Nature*'s editor, in the same July 6 issue, cited various experiments, including Dr. Gai's, to muster his own conclusion that it seems the time has come to dismiss cold fusion as an illusion." The Yale group, Maddox stated, "has done its best to replicate the conditions of the original experiments, but has failed to replicate their results." The whole thing, Maddox declared, seems to have been "a brave leap of the imagination." The role of detractor is obviously a sympathetic one for Maddox, who last year tried to destroy the reputation of French biology researcher Jacques Benveniste, by similarly suppressing uncomfortable information.

New findings, new facts

At the University of Utah where the cold fusion findings were first announced, optimism runs high. In spite of the Energy Research Advisory Board's draft interim report, which they consider premature, stating that the evidence of cold fusion is unconvincing and, therefore, "no special programs to establish cold fusion research centers or to support new efforts to find cold fusion are justified at the present time," the Utah has allocated seed money of $5 million to set up a cold fusion research center at the University of Utah in Salt Lake City. The work of the center, as Pons pointed out, is to replicate and validate the Fleischmann-Pons experiment and to work on the theoretical physics in order to explain the phenomenon. Dr. Rossi clearly stated that these are the present objectives and after these are achieved, things will continue from there.

At the Metallurgical Laboratory at the University of Utah, Dr. Milton Wadsworth and Dr. Sivararnan Guruswamy, perplexed by the assertive negativism of the establishment scientists, have noticed a significant amount of heat energy generation from palladium cells bathed in deuterium hydroxide. In certain cells they have witnessed energy bursts, in the form of sharp spikes, generating at least 1 million joules of energy at their peak.

One interesting result from this work is their discovery that the energy generation does not occur steadily. From the point of view of developing a new mode of power generation, this is obviously problematical, but scientifically it is of great interest.

In some experiments, Utah found sharp pulses, but the heat bursts were noticed only once over a seven- or eight-week period in these cells. More intriguing, perhaps, is the finding of the Wadsworth-Guruswamy team that 99.295% pure palladium rods function as better heat generators than the 99.5% pure palladium cathodes. This issue of materials, which both Dr. Wadsworth and Dr. Guruswamy are looking into, they have found to be excruciatingly puzzling. Nonetheless, there is no question that they have witnessed surplus heat energy generation from the Fleischmann-Pons set-up.

Findings at Texas A&M

At Texas A&M in College Station, Texas, the experimental findings are expected to exert a lot of pressure on the skeptics. The earlier work in this university by the Center for Electrochemical Systems and Hydrogen Research and the Department of Chemistry, presented at the Workshop on the Cold Fusion Phenomenon at Santa Fe, New Mexico, just two

neutron in the nucleus—and the deuterium released is absorbed by the palladium lattice.

So far, everything Fleischmann and Pons had said was acceptable to all scientists. But when the two electrochemists reported that the deuterium atoms inside the palladium crystal lattice underwent fusion, all hell broke loose within the "established scientific community." As proof, Fleischmann and Pons offered measurements of heat generated by the cell as well as the observation of a few neutrons, which are essential by-products of the fusion process. But these results came under heavy criticism from some of the "established scientists" and the two professors were accused of sloppy work.

Besides the threat to hegemonic—although in our opinion scientifically bankrupt—physics theory, there is also the nagging issue of malthusianism. During discussions with coauthor Maitra, Dr. Hugo Rossi, Dean of Science at the University of Utah, who was recently appointed director of its Cold Fusion Research Center, pointed to the "sinister" statement of Jeremy Rifkin. Rifkin, a hard-core malthusian masquerading as an environmentalist, had earlier said that if cold fusion becomes a reality then abundant energy will be available, which will cause a population explosion on Mother Earth. If Rifkin or his friends in the scientific community have their way, it would be safe to presume that they would try their best to shut down the development of such a potentially prolific energy source.

Moreover, those scientists who have dedicated their entire career to generating fusion energy in laboratories through the high-temperature, high-density route—such as nuclear physicist Harold Furth—are so obsessed with hanging onto what they would like to believe, that they are making a nuisance of themselves with their knee-jerk reactions. Associated with this obsession is the fear, understandable if irrational, that in the wake of the cold fusion wave, the high-energy fusion experiments will be further neglected by the funding agencies.

Clearly, as hundreds of millions of lives are threatened by the collapse of industry and agriculture, the crash effort to produce fusion energy—by all means—becomes a matter of urgency. To propose to cut funding one avenue of research for another would produce tragedy verging on criminality.

Fifty years ago, the possibilities of harnessing fission energy and fusion power were still in the future. Today, we seem to be on the verge of new experimental discoveries about the very essence of matter. Not only the work of Fleischmann and Pons, and their associates, but the past years' discoveries which have expanded our notion of electrical semiconductors as well, pose a whole new frontier not only of physics per se, but of biophysics as well.

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Perhaps the most upsetting feature of the Fleischmann-Pons experiments to the science establishment, has been their very simplicity. Today, physics and mathematics have followed the same path, relinquishing the only fruitful road to discovery through the methods of a constructive geometry, and replacing them by a dependence upon deductive logic, with its sterile axiomatic foundations. From the standpoint of deductive method to which the science establishment adheres, creative mental processes have no valid existence in our universe, nor are major scientific breathroughs predictable.

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months after Fleischmann and Pons had made their startling findings, indicated observation of excess heat generation. The electrolyte, which was a D_2O-LiOD solution, later showed the presence of tritium. The findings, which were significant to those working in this area, however, failed to make much impact on those who refused to believe.

Later, a team in the Department of Chemistry and the Cyclotron Institute at Texas A&M carried out an experiment using palladium electrode bathed in D_2O-LiOD (0.1 mol/liter). The objective was to generate tritium—the heaviest known isotope of hydrogen, which contains two neutrons and one proton in its nucleus—which does not exist in nature and is formed when the lithium present in the LiOD captures a free neutron released through nuclear reactions. The result turned out to be a stunner. The tritium produced during the experiments in 11 electrolysis cells under observation was 100 to 100,000 times more than that expected from the normal isotropic enrichment of electrolysis. The Texas researchers have sent their samples to such noted and established laboratories as Battelle, Argonne, Los Alamos, and General Motors. These laboratories came up with a tritium count that was no different from what the Texas researchers had found.

Looking at physics afresh at Brigham Young

At Brigham Young University in Provo, Utah, Dr. E. Paul Palmer, who worked with Dr. Stephen E. Jones on the low-level generation of neutrons with the Fleischmann-Pons set-up, is convinced that "something is surely happening" which physics must explain. Dr. Palmer, not a believer yet, does not expect that water will be able to be heated for commercial purposes through the cold fusion process in a decade or so, but he is aware that careful experimentalists have already reported findings which the present understanding of physics cannot explain. But as Dr. Jones points out, on the basis of the present conception of fusion, as developed to date by nuclear physics, it would be inaccurate to call the Fleischmann-Pons experiments "fusion."

While Dr. Jones is not ready to close the door on cold fusion, he, like Dr. Palmer, agrees that it is time to take a fresh look at the physics. He also points out that in order to do that, however, we need to do some very careful experiments and use the findings to set the basic parameters on which the new understanding of physics has to be based.

What do all these findings mean? It is too early to predict, because so little is known about a whole gamut of physics associated with the experiment. The tritium work, under Dr. Kevin Wolfe, Nigel Packham, and their team at Texas A&M, will be hard to ignore or dismiss as irrelevant. The work is thorough, and preventive measures were undertaken to protect the experiment from any contamination. Still, it would be naive to believe that finding of tritium factories will change the basic belief-structure of the science establishment. There are rumors that the allegation that the experiment was contaminated with tritium was leveled against the Texas A&M researchers as a ploy to discredit their findings.

But the Texas A&M work will open up a floodgate. Aleady the word is out—currently, private communication between scientists remains the most efficient way to pass information—that Glen Schessoff at the University of Florida, in Gainesville, has done closed calorimetry and has lit a glow lamp using the Fleischmann-Pons type of arrangements. At the Santa Fe Research Center in Columbia, Tennessee, Joe Champion has observed 40-600% surplus heat from a large single cell. At the University of Minnesota, Dr. Richard Oriani in the Chemical Engineering and Metallurgical Group has also observed a significant amount of surplus heat generation. Dr. Robert Huggins at Stanford University has duplicated the Fleischmann-Pons experiment and witnessed surplus heat. The list is growing longer every week.

Why such acrimony?

In order to answer this question, one has to look historically at various examples of groundbreaking research over the years. Establishment scientists, who made themselves acceptable by wearing blinders and who look only at what is considered as "accepted theories," will obstinately and arrogantly refuse to look at new findings. According to Dr. A. John Appleby and Dr. Supramaniam Srinivasan of Texas A&M, the problem with gaining broad credibility is that the cold fusion results emerged from the "Third World universities in the United States." What they meant is that the findings were not made at Princeton, Yale, MIT, or Caltech—the wealthy universities and research centers where the high priests of American science reside and from which citadels they make their pronouncements.

There is no doubt that the Texas team is partially right about the attitude toward non-Ivy League schools. But, there is more to it. Most important is the fact that the findings emerging from cold fusion experiments have begun seriously to bring into question the validity of many existing nuclear physics theories. The "well-established" quantum mechanics, which deals with the micro-universe, could very well also become a casualty. Such an upheaval within the scientific establishment is nerve-wracking to most "established scientists." It means they must get involved in new work, shedding the old beliefs and denouncing the old theories, whose mastery had won them fame and authority. It is anyone's guess at this point how many former Nobel Prize winners' work in these areas may turn out to be "also-rans" in the search for physical laws.

The announcement by Dr. Martin Fleischmann and Dr. B. Stanley Pons at the University of Utah last March claiming they had produced a fusion reaction in a simple electrochemical cell, consisting of a palladium and platinum electrode placed in a glass tube with heavy water, shocked the world. According to these two electrochemists, a voltage applied across the electrodes splits the water into oxygen and deuterium—a heavy isotope of hydrogen with one proton and one

neutron in the nucleus—and the deuterium released is absorbed by the palladium lattice.

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The geometric secret of Stradivarius

By Professor Bruno Barosi, director of the acoustical physics laboratory, Cremona Institute of Violin Building.

Professor Barosi delivered this speech to the conference, "Giuseppe Verdi and the Scientific Tuning-Fork," hosted by the Cini Foundation and Levi Foundation and organized by the Schiller Institute and the Italian Harpsichordists Association, on June 20, 1989 in Venice, Italy. An account of the conference and some of the other key speeches appeared in EIR *No. 33, Aug. 18, 1989. The conference pivoted around the theme of the need to return to Verdi's tuning fork of A=432, which is the highest possible setting for a Concert A based on the "physicist's pitch" of middle C set at 256 Hertz. Already supported by a majority of the leading opera singers, this initiative, prompted by the scientific work of Lyndon LaRouche and the discovery that Verdi had backed a decree to establish A=432 in Italy in 1884, has won increasing approbation from leading instrumental musicians as well.*

As an expert on the old Cremona violins, the most treasured in the world, physicist Bruno Barosi lent his authoritative voice to the drive to return to the lower tuning, starting with the Schiller Institute's first conference on the subject, in April 1988, and has since actively promoted Italian legislation in that direction.

Our violin building school had already been concerned with this problem of the tuning fork, when the Schiller Institute raised it with us, because the problem of the preservation and utilization of the instruments of the ancient Cremonese school has always been a live problem, both for the instruments belonging to the City of Cremona, and for the instruments belonging to the greatest concert artists.

Parenthetically, what is most often heard or written about the famous Cremona violins is—putting it kindly—fables. "The secret of Stradivarius was in the varnish," or "the secret of Stradivarius was that he went around at night knocking on the trees to find out the fundamental note upon which to build the violins." Stradivarius was a person of great acumen and outstanding sensibility, living in a time, the 18th century, when in Cremona there was a flourishing school of physics and mathematics of Beltrami and Cusanus (not Cusanus the Cardinal), Gardanus, and other persons who gave rise to a hotbed of ideas which Stradivarius probably drew upon a great deal, and to which he added his personal abilities and sensibilities.

The violin—as well as the viola, the violoncello—is an instrument which is extremely contradictory from a physical standpoint. It is a machine which plays two opposite roles at the same time. The first is a static role: The lightweight structure (it weighs 220-225 grams) must hold a tension, a force, in order for the strings to sound, of about 21-22 kilograms, which then presses on the bridge, and hence on the curvature of the soundboard, which at the center, at its greatest thickness, is 3 millimeters of wood, at around 8 kilograms. At the same time, it must be capable of moving, oscillating around a position of equilibrium, and hence of vibrating, maintaining a constant static equilibrium. Such structures in physics are exceptional. The exceptionality is given by the fact that the violin, like most instruments, was born as an imitation of the human voice (people say the violin has a human sound, which is emotionally moving) and not vice versa.

So there is an adaptation, and the secret is that this "box" (which you have probably heard called a resonating box, but this is incorrect), is a coupler between the strings (which are the sound source) and the air of the environment surrounding the instruments, which is the "charge" or utilizer. It's a very simple comparison: From a cybernetic viewpoint, the violin is a "nonstable multivibrator" and is comparable to an electrical transformer, which everyone is acquainted with. The "primary" is the strings, the "secondary" is the surrounding air, and the coupler, the magnetic core, is the box itself.

The discovery of this optimal coefficient of coupling lies in having correlated the internal volume to the external surface. When one talks of raising the frequency (all the instruments of the old Cremonese school having been "tortured," insofar as not one of them still has its original fingerboard), the desire to make them play at a higher frequency involves an adaptation of the system, which cannot help but intervene on fundamental parts of the system.

What happens when you raise the pitch

You cannot go and remake the height of the ribbing to vary the volume, as the surface would remain the same; the coefficient would vary, for which reason the sonority of the instrument would diminish a great deal. So one has to increase the tension of the strings. To stretch the strings means to increase the tension by about 4 kilograms. To increase the tension by 4 kilograms involves an increase in the forces which are distributed on this structure, which can be com-

FIGURE 1
Parts of a violin

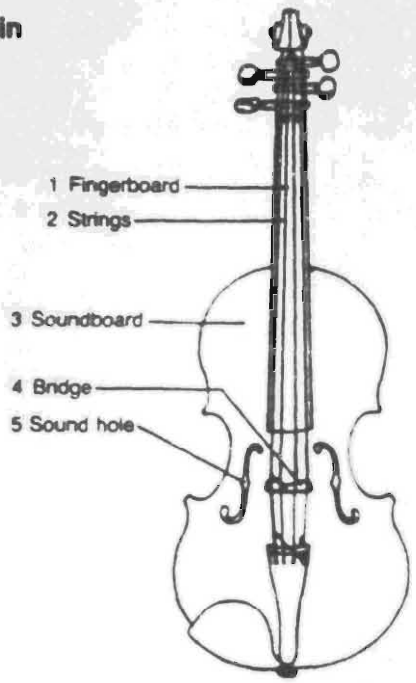
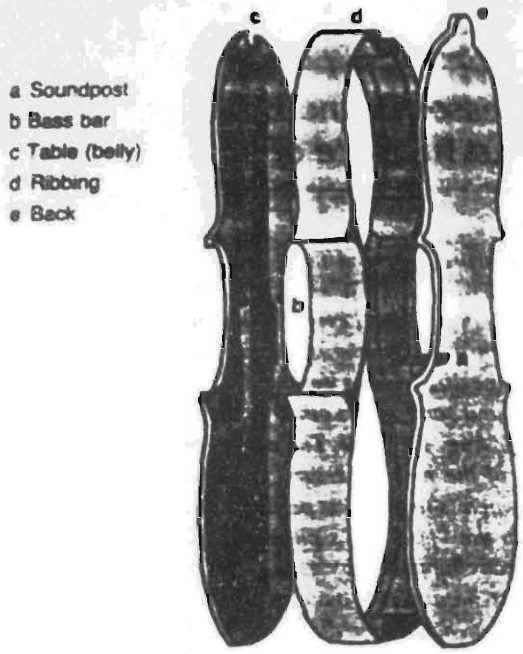


FIGURE 2
Interior of a violin



The soundpost (a) set under the right foot of the bridge, transmits vibrations to the back of the violin (e). The bass bar (b), glued to the back of the table (c), stiffens the body and distributes the vibrations.

pared to an egg: If you grab an egg in the middle of its points you cannot break it, because the sum of forces is equal to zero, so it is in perfect equilibrium. If you analyze well the form of the violin, the sum of all the forces equals zero.

If I increase the tension, even though going from 21 to 25 kilos is not exceptional, the overstress on the instrument is not just the result of the amount, but above all of the duration. A structure of this type, stressed for extremely long periods, will give way, because the discovery, the "novelty" introduced by Stradivarius with respect to the previous school, that of the Amati, was precisely that of slightly varying the curvature, of not attaching the table by means of a joint, but of gluing the table; and hence statically speaking, a table which *rests* at its two extremes, has a greater rise than a slab which is *joined* at its two extremes.

This is the reason why the Stradivarius violins have more sound, and the perfection of the form is the reason why they sound better. It relates to having a loud sound and a pleasing sound—the color of the sound, we call it timbre—the psychological response which the human brain gives to a vibration between 16 and 16,000 Hertz, although now that we have become deafer, and the norm goes from 20 to 20,000 Hz. The hearing threshold has increased in intensity, and the psychological response is proportional to the logarithm of the stimulus, i.e., it is not linear, it is a logarithmic spiral which goes back to the theory of sound, of the harmony of the universe developed by Jonathan Tennenbaum [see *EIR* Vol. 16, No. 33, page 30].

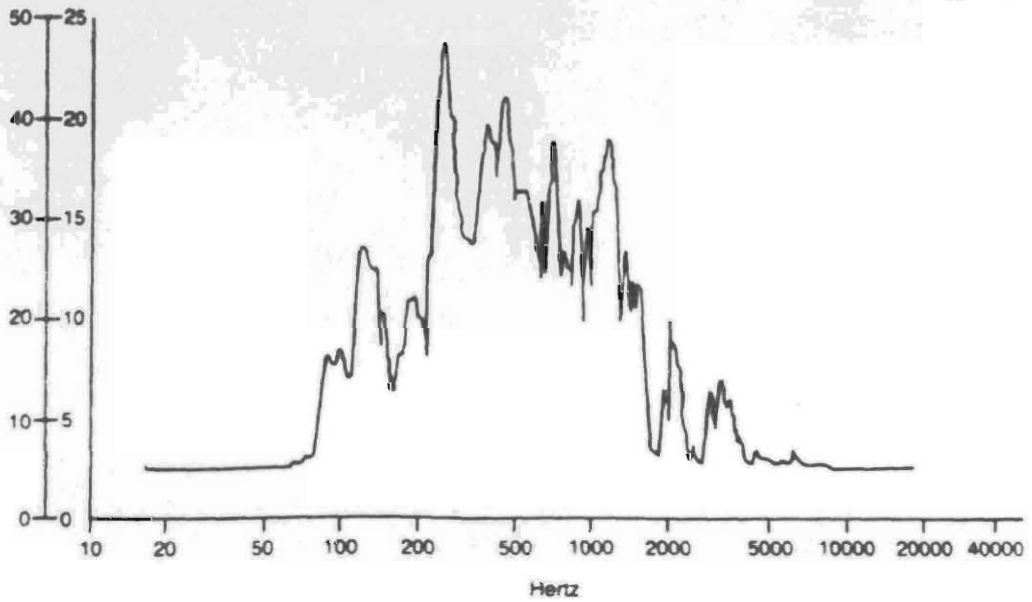
To increase tension means to shorten the average life of the instrument. When I said these things for the first time, Uto Ughi blew up, even though he is a friend, and said it was not true. I told him that within five or six months his Stradivarius would have to be rebuilt. The Amatis in the collection of the City of Cremona are not fit for concert use, except in a hall half the size of this one, because since they are earlier than the Stradivarius structure, they no longer hold the tension and they are instruments on their way down—museum pieces.

The preservation of this patrimony is a preservation which forces us, as a moral obligation, to hand on to those who will come after us the masterworks of human genius, of Mankind's creativity. They are unrepeatable instruments. Our violin building school makes very fine instruments, but they are not Stradivarius violins, which are unrepeatable, because like all the works of the human genius, just as Man is unrepeatable, each of us is unrepeatable, and so the works of human genius are unrepeatable.

The increase in tension involves a significant shortening of the average life of the instrument. The great concert artists who stretch their strings to 445-450 will soon realize the damage they are doing to their instruments—damage they try to fix, as some have already tried to do, with a very bad

FIGURE 3

The spectrographic profile of the 'Omobono' violin



The logarithmic graph shows the point of maximum sonority of the "Omobono" Stradivarius violin, which occurs around C = Hertz.

restoration, i.e. by replacing the bass bar, reinforcing the table, above all under the soundpost, because increasing the tension on the strings means increasing the reaction, which tends to flatten the back and arch the table. This means a distinct upward reaction which compresses and flattens the instrument, with the damages that are provoked, not so much by the increase as by the *length of time* of this increase. This is what really brings on the illness of these instruments.

The crucial experiment

It was also necessary to demonstrate that by returning to A = 432, without changing anything of the interventions already carried out on the instruments, that not only was the instrument better off from the static standpoint, but—what really counts—that the instrument was better from the sound standpoint, both in terms of emission, that is, quantity of sound, and in quality of sound. So we took a great violinist, Norbert Brainin, and a great instrument, a Stradivarius. We took the Stradivarius to be analyzed, monitored, we gave it a "check-up." The "check-up" gave these results: With the Verdi A, not only does the instrument sound louder, but it sounds better, it satisfies the listeners better, and it has an exceptionally pleasing timbre. The resistances are significant, above all from the modern string instrument makers, because the devil is always making pots, but not lids. So the violin builders, even those of the same school, who had started to waver, have had to become become aware.

Now I will show you the graph of the Omobonus Stradivarius of Brainin, but also the Cremonese 1715 du Cremona (**Figure 3**). They have a typical Stradivarius profile like an I.D. card. You can see right away if an instrument is a Stradivarius or not from the spectogram. The greatest response in breadth and hence in sonority, and as a result in timbre, is given by the instrument at 256 Hz, that famous 256 Hz which is the C natural invoked again this morning, this C that reflects the harmony of the universe and so forth. The envelope of Figure 3 is characteristic. This point which is around 80 Hz is the resonance of the box, which is why the construction of the instrument is such that according to Helmholtz's rules it sounds only at integral multiples of 80 Hz. I will now show you the spectrographic analysis, that is the characteristic makeup of the sound, i.e. the formants which define the timbre, of the Brainin Stradivarius tuned at A = 432 and A = 440. You will see that in comparison to the 440 tuning, with the 432 tuning the Stradivarius violin has a much richer sound, a much more "pleasing" timbre. This test was not conducted on some crummy violin, with some poor fiddler. You will hear the difference between the same Bach piece executed with the tuning at 432 and at 440. The person playing is Brainin, on a 1736 Stradivarius.

In closing, I would say that we have to thank the Schiller Institute and above all the inventor and promoter who gave the first spark to this initiative, Lyndon LaRouche, with an ingenious intuition, which has since been backed up by the facts. I think that the scientific demonstrations reported are obvious, and that they show that the return to A = 432 not only will prolong the average life of these instruments, but will also cause them to be more appreciated.

After junk bond collapse, time to change course

by Chris White

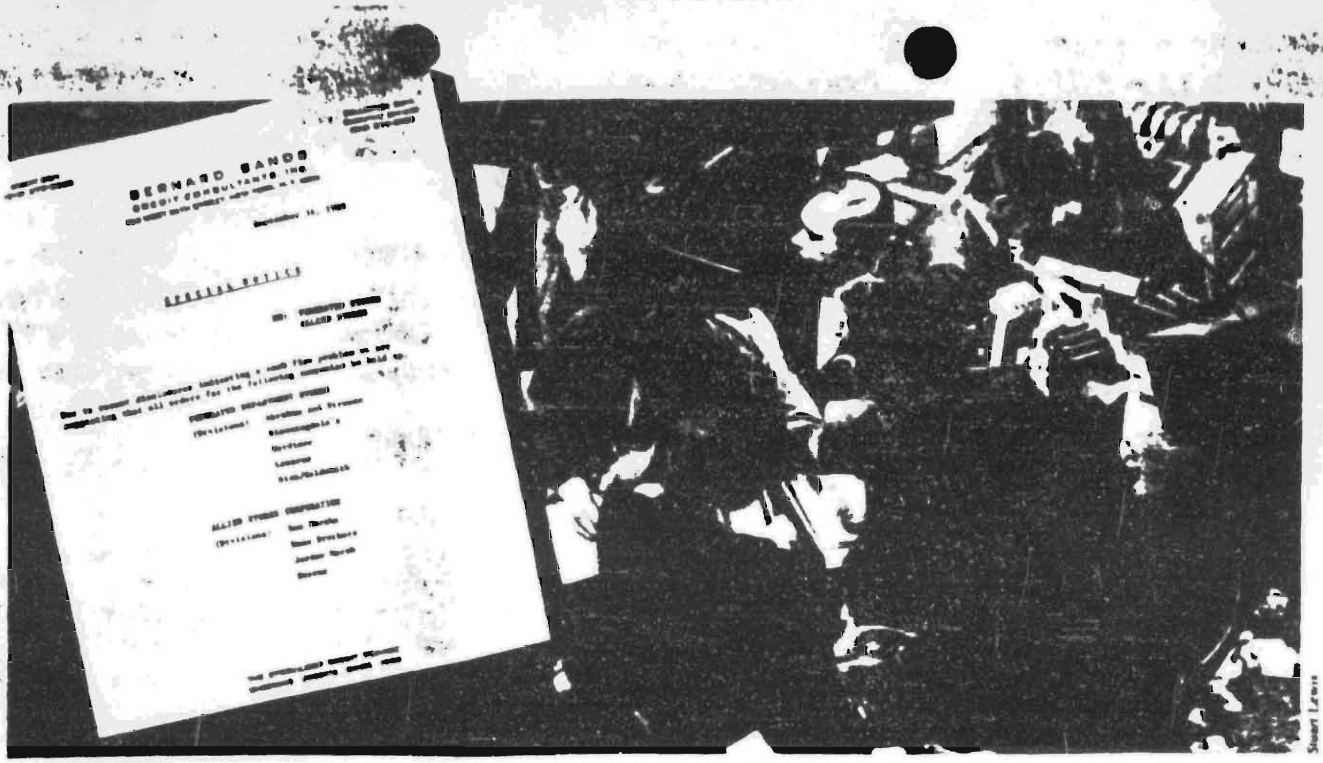
Friday, the 15th of September, 1989 will be a day that goes down in history. That was the day Canadian financial front-man Robert Campeau finally defaulted on $450 million of interest payments due the investment house First Boston, and brought down the junk bond market.

Campeau is the nominal head of the Canadian Campeau Corporation, which fronted for the leveraged buyouts of Allied Department Stores, for $3.3 billion in 1986, and Federated Department Stores, for $6.7 billion in 1988. The default sets into motion the deflationary collapse of some part of the approximately $20 trillion worth of claims of debt and instruments of financial speculation accumulated against the U.S. economy, in particular, during the course of the so-called Reagan Recovery of the period 1982-89. It also sets in motion a plunge into the depths of the worst economic depression of the century.

Campeau's default sealed the doom of the estimated $200 billion per year market in below investment grade securities, known thanks to the press mavens, as "junk bonds." On Wednesday, Sept. 13, the market in junk paper went through a collapse, comparable—according to dealers like those at Lazard Frères—to what hit the world's stock markets in October of 1987. On Thursday, Sept. 14, things were no different. Campeau's formal default, on Friday afternoon, now means that devalued junk paper will begin to bring down the face value of all interest bearing paper to its own level.

In that sense, on Friday, Sept. 15, we entered a deflationary spiral. According to the jailed U.S. economist and congressional candidate Lyndon H. LaRouche, "Forget about the events leading up to, and including last Friday's crisis. The question now is, what is the rate of the acceleration of the spiral, has it moderated, has it slowed temporarily? Nevertheless, it is inexorably going to continue. It is not going to reverse. It is going to accelerate." The question also is, what has to be done to get out of it, and who is capable of doing it?

Alone among U.S. politicians, and also among the so-called economists,



Robert Campeau's junk bond empire hits the skids, as the retail chains owned by his Canadian Campeau Corporation defaulted on their debt payments, were put on the black list of their suppliers, and found themselves shunned by the Wall Street markets (background photo).

LaRouche stands vindicated by what happened on Friday, Sept. 15. He has warned, since early June of 1989, of the potentials for another seismic market shock this fall. Since early September, he has been warning, from his jail in Rochester, Minnesota, that the timing for such a fall collapse, could be anticipated around Oct. 10, plus or minus the few days necessary for the results of the quarterly settlements of accounts now under way, to sink in. It was LaRouche too, from June of 1987 onwards, who projected the timing of the October 1987 stock market debacle, which became known after Oct. 19 that year as "the market meltdown."

LaRouche's record on such matters is to be compared with the program of the present Bush administration, since the President's Jan. 20 Inaugural Address. The President, and his top officials, like Nicholas Brady at the Treasury Department, have insisted that everything is under control, and can be kept under control, including such matters as the insolvency of the savings and loans, and the collapse of leading Third World debtors.

The default of Campeau, and the accompanying collapse of junk paper, ought to be taken as proof positive that they and their crisis management co-thinkers have been absolutely wrong. When it comes to matters of the economy and financial policy, they do not know what they are talking about. Because that is the case, nothing they have to say about any other matter, no matter how obsessively they believe it, will be of much import either, because the world isn't organized the way they think it to be, and their attempts to do what they intend, including the crisis managers' favorite occupation of buying time, will consequently be more and more visibly counterproductive.

Publicly, Brady from the Treasury, and the faceless bureaucrats at the Federal Reserve, continue to insist that everything is under control. "No banks will fail because of Leveraged Buyouts," a widely reported, but wisely anonymous Federal Reserve official told the press Sept. 15. His remark was part of a coordinated effort to squelch rumors that as many as three major New York money center banks, and at least two investment houses, had gone, or were about to go belly-up. The same day, Treasury Secretary Brady told the National Association of Securities Dealers meeting in Washington D.C., that leveraged buyouts are okay, because "there are literally assets behind it."

Given the record, it is better to be more concerned about what LaRouche has to say now, and attribute clinical significance to the utterances of his opponents. In statement from the Rochester, Minnesota federal prison on Tuesday, Sept. 19, LaRouche advised, "The only interesting distinction to be made now is not a question of if there is a crash coming. The crash has happened. Now, the question is, when the shock effect of the crash is felt. It is now a matter of the acceleration of the deflationary spiral, which will continue to accelerate at either a slower or faster rate anyway. The question is, will the rate of acceleration reach those velocities which will cause a shock effect. . . ? The depression is now on. The biggest depression of the 20th century is now in

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progress. It's on. The only thing to be concerned about, in terms of that itself, as I have indicated, is whether the financial shock effect happens now in October, or whether it delays itself into March."

Which stage of bankruptcy are we in?

LaRouche has previously warned, given present desperate efforts to roll over—yet again—the quarterly maturing portion of debt service and claims of approximately $20 trillion of combined debt and speculative income claiming instruments, that it would be much better to take the crash now, than delay, till say March, for a far worse crash later.

Choice of words, given the associations of everyday usage, inevitably leads to some confusion in this respect. When people think of the events associated with the word "crash," or "collapse," in this context, they think of the kind of event that happened on Oct. 19, 1987, or on Oct. 29, 1929, or even of the day when Franklin Delano Roosevelt shut down all the banks, and declared a bank holiday, to avoid panic-stricken runs against the banks.

What people think of in this connection—even if those with direct, or even indirect, knowledge of what happened in the 1920s and 1930s, are diminishing in number—is the third and final level of bankruptcy. The deflationary collapse spiral which will follow from the shattering of the junk bond market is the beginning of the overdue phase of runs-against-the-banks. Runs-against-the-banks are the third and last level of bankruptcy. Financially, at the second level, the system has been bankrupt since 1984-85. And, economically, at the first level, the economy has been functioning below its breakeven level since the period 1979-82.

If the economy is below breakeven, not enough wealth is created, through production, to cover the physical costs and expenses of maintaining the society's existence. That is what has happened with the United States, as is demonstrated by the increasing poverty, unemployment, continued under-investment in maintenance of plant, equipment, and infrastructure, and incapacity to produce more than four-fifths of what is consumed, that have been the hallmarks of the "prosperity" that was called the Reagan Recovery. And, the world as a whole is in much worse shape on this account, than is the United States, in part because U.S. refusal to produce for its own consumption, has been robbing the means from those who would otherwise do so.

Financial paper builds up

If on top of that, financial claims are permitted to increase beyond the capacity to service those claims, financial bankruptcy ensues, for the fiction that claims against wealth are being honored is maintained by either printing money, or creating new titles to wealth. Then comes the time, like Friday the 15th, when it becomes clear that paper as paper, isn't worth anything if it can't be converted into goods. And then, in the third and final phase, the accumulated, effectively unsecured paper, is deflated back to an approximation of the level the shattered economy can support.

Since especially 1987, the growth of junk bond-financed leveraged buyouts has been used to postpone the day of reckoning for what was to come. In part, this had to do with the elections in 1988—no financial inconvenience, in the form of bank panic, could be permitted to interfere with the smooth orchestration of the 1988 election results—and in part with the dominant financial powers attempting to hold on, at any cost, to their power. For the policies of before the election did continue after it. As part of this effort, for example, interest payments on some of the leveraged buyouts of 1987 and 1988 were delayed, by 18 months to two years, and even longer, in the case of RJR Nabisco.

Now, the day of reckoning has come. The coming crash will not only sweep away those whose opposition to what LaRouche stands for led to his judicial frameup and jailing; it will also sweep away the financial institutions on which their power depends. And then, what will replace them and their methods?

The above might describe the form of what has occurred and is about to occur. But the point is somewhat different. What is the difference on these questions between LaRouche, who has successfully projected developments on the financial and economic front, and not just over the last few years, but back into the 1950s, and those of his opponents, who have obsessively insisted that he is wrong? For, if he has been borne out by the course of events, it is not he that is wrong, but those of his opponents who insanely insist that their way of doing things—despite the patent disasters that have ensued, and the far greater ones that will—is the only one tolerable. This difference is a matter of method.

To change the course of events that have been unleashed since the collapse of the junk bond market on Sept. 15, methods must be changed. The only available alternative to that which leads predictably, and repeatedly to disaster, despite the insistence that everything is really under control, is that developed by LaRouche. This question of method, between LaRouche, who has been right, and those of his opponents who insist that they in any case have the power to do what they want, despite the fact that they are repeatedly wrong, is chief among the reasons why LaRouche is in jail. Those who would not give up their power, knowing that the way they used it led, and leads to disaster, are about to see the basis of that power destroyed.

The laws of physical economy

LaRouche calls the method he invented the method of the ontological transfinite. The method is based on the discovery and mastery of the knowable principles of physical lawfulness which have made mankind unique of all universal creation.

The question for all of us can be posed in the following way. Our mortal lives are but a brief moment compared to

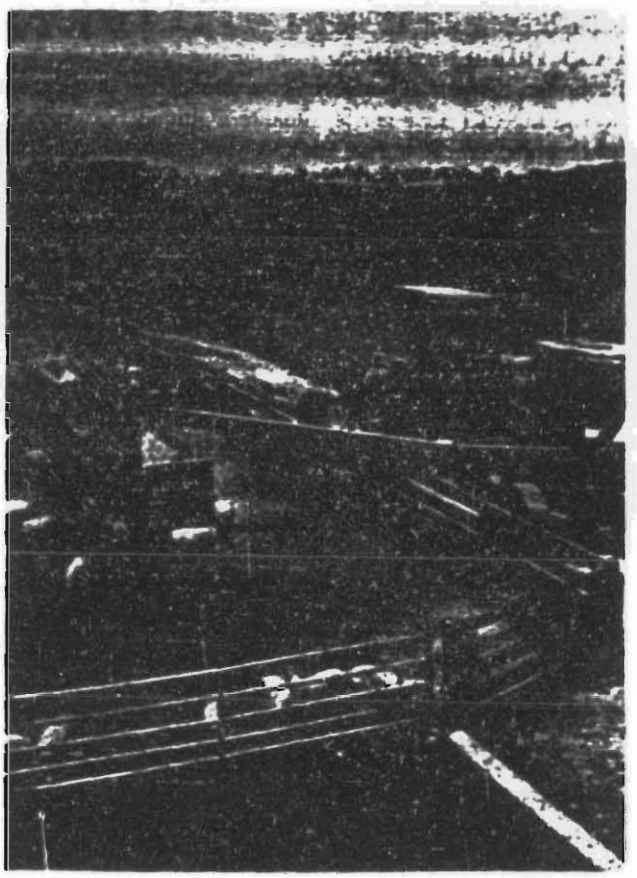
the recorded history of the species, and its pre-history, and the history of the universe as a whole. The one thing we do know with certainty is that we will die. If all we crave are the pleasures and so-called gratifications of the flesh, which last but an instant, what is that brief life worth, relative to the eternity that is the history of the human species as a whole? Such pleasures don't outlast the body which craved them. How then can we ensure a purpose that this brief life given us has some durable meaning, that will endure after we and our generation are gone, and make our lives worth living in the eyes of those who come after us, as enriching the totality of that which went before?

The answers come from human history as a whole, and it is from human history as a whole, viewed from the standpoint of the mortality of the individual, that the fundamentals in LaRouche's method, including its application in economics, are posed. In human history the efficacy of the ontological transfinite as the ordering principle of physical lawfulness in the universe is reflected as an increase of man's potential relative population-density. The anthropologists assume, wrongly, for reasons which can be found in LaRouche's book *So, You Wish to Learn All About Economics?* and *There Are No Limits to Growth* that the earliest form of human society is that which they call hunting and gathering. Given the land area required to support an individual in that mode, the population potential could never have exceeded more than a couple of million such individuals. Yet over the course of his existence, man has increased his potential by three orders of magnitude, to 5 billion today, with the potential for 50 billion, if the technologies available today were efficiently diffused.

Alone in creation, man has transformed the conditions of his own existence to so progress. The progress can be measured in the reduction of the number of improved, cultivated, and inhabited hectares required to support the human individual, or nuclear family reproductive unit. Land is defined as habitable or cultivable by the level of technology available to make the improvements which produce the increasing density of population. The increase is relative to the potential defined by the technology. The better, however, any such society within the history of human development increases its population-density, within a particular mode of technological organization of its labor, the more surely such a society is dooming itself, sooner or later, to extinction. For the resources defined by any particular technological mode of organization of labor, are finite relative to that mode of organization. The more successfully such a society exploits such resources, the more surely they will be depleted relative to the possibility of such depletion.

Each such mode of organization of labor correlates with a characteristic division of the population between urban and rural, agricultural and non-agricultural, and with the life expectancy, effective working life, and the educational level required to produce a next generation of workers.

Progress can be measured in the reduction of the number of improved, cultivated, and inhabited hectares required to support the human individual, or nuclear family reproductive unit. How many people can be fed by a hectare of land cultivated by the Indian farmer's primitive means? How many using the Iowa farmer's powerful tractor and automated feeding equipment?



The subject of economics, as human history as a whole, is the mastery of the knowable principles by which the transformation of human society, through transforming the technological organization of labor, might be accomplished such that human society endures. How to organize the work of this generation such that one might be reasonably assured, at the end of one's life, that the grandchildren might be able to undertake the same task as it presents itself to them. Primary, then, is the development of the creative powers of mind of the individual at the service of the species as a whole.

There is an unbridgeable gulf between this type of approach, and the methods of crisis management that have dominated over the last years. The differences concern the respective conceptions of man and the universe, such that the crisis manager, with his insistence on getting through the next week, without the appearance of disruptive crisis, emphasizing in his practice the fixity of the human identity, must thereby side with the lower beasts against the human species. And since the creative powers of mind, which alone distinguish man from the beasts, are denied, such crisis managers, as the ones who have administered the affairs of state in economic and financial policy for the past generation, must axiomatically be incapable of dealing with a real crisis, never mind the kind of crisis that was unleashed on Sept. 15.

Desperation measures

So far, their effort has gone in the direction of attempting to hold together the financial situation. Ultimately, whether next month, or next March, this must prove to be as effective as the efforts of the little Dutch boy once were to plug the hole in the dike. The financial situation cannot be held together because it is bankrupt. Yet they insist on coming up with the same type of insanities which drove the economy below breakeven, and bankrupted the financial system. The Comptroller of the Currency, an official at the Treasury Department named Robert Clarke, has a proposal to halve the reserve requirements of the banks. This translates into permitting the banks to double the volume of liabilities they may hold against the same level of reserves. It makes their bankruptcy worse. And it will make the crash worse when it comes. Clarke claims the proposal has the support of officials at the Federal Reserve, as well as the Treasury.

The Federal Reserve has approved regulation changes so that the banks may market their loans as securities. This way assets, which are no longer performing at face value, no longer need be kept on the banks' books; they can be sold, for a commission, which counts as income, and passed around from bank to bank, like the proverbial hot potato. This doesn't help either. It simply increases the velocity at which the fundamentally bad paper is cycled through the system, thereby presumably reducing the risk to any particular part of the system at any particular time.

These are the kind of desperation measures being put forward, by those who do not know the proper function of credit and finance, to get through the weeks ahead, by any means. The crash of Campeau and the junk bond market will ultimately spell the end for that too. But the question is how fast it will do that. For by such means a bad crisis now, will become a real catastrophe by the spring.

Basis of credit policy

Credit and monetary policy ought not to be a mystery. Money surely does not grow on trees, but it does come out of a printing press. Whatever the orthodox say, money happens to be created by political fiat. There is a level of wage and salary income, combined with investment and maintenance requirements, which permits the economy to function at the rate of advance in productivity required to maintain an increasing rate of increase in potential relative population-density. At today's usury- and speculation-bloated currency levels, this would be the equivalent of about $5 trillion per year in current dollars.

Since we do not produce at those levels, nor do we have sufficient workers with the surviving skills to produce at those levels, it would be insane to print that volume of money and put it into circulation. There is nothing to buy with it. But if the lifetime of an investment in capital improvement is extended relative to the three-generation time-frame that fits our historical mission, credit can be extended to finance productive improvements and employment in the volume calculable as self-financing by means of the cheapening effects of productivity increases and advances in the power of labor. Such credit can be monetized so long as the money created doesn't exceed the cheapening effects of the productivity increases, and the volume of goods put into circulation increases. This way the economy begins to grow in a self-sustaining way, and the banks are compelled to function as they should.

Campeau's default highlights what happens when money is used for the opposite purpose, to strangle mankind's capacity to ensure his own survival, through usurious debt. Though the question of the relative velocity at which the pace of events will proceed is unsettled, the outline of the economic and financial consequences, in terms of accumulated vulnerabilities, is clear enough, to substantiate LaRouche's warning that it were better if the collapse be taken now.

The financial consequences are one part of the matter. Campeau defaulted on Friday, Sept. 15; the approximately $200 billion per annum secondary market in below investment grade junk debt collapsed beginning Sept. 13. This is the market where paper contracted to finance leveraged buyouts and other transactions involving below investment grade paper, is sold back and forth.

As with the stock market collapse in October 1987, the collapse took the form of a panicked effort to pull out of that kind of paper, based on the fact that the victims of buyouts

would rapidly go the way of Campeau.

The market is primarily handled by the large investment houses, among them Drexel Burnham, First Boston Corp., Merrill Lynch, Morgan Stanley, and Goldman Sachs. These houses have been left holding both the devalued paper from the panic which erupted Sept. 13-15, and at least $7 billion, and certainly in excess of $10 billion worth of new junk bonds which were slated to be introduced to the market for the refinancing of old deals, or to facilitate the financing of new deals, such as the in-progress buyout of Time-Life.

Eerily, the *Wall Street Journal* had begun to run, by Sept. 21, the same kind of articles that were published after the stock market crash of October 1987. Exactly, how does one compute the attributed value of this paper, is the question now being asked? The answer is, at whatever the price the so-called market will bear, and if no one will buy the stuff, then it is no longer worth the paper it is printed on. So at first sight, the investment houses which hold the collapsed and the unsold paper are, so to speak, in very bad shape.

But it is worse. The takeover binge since 1987, based on the continual upward motion of the Dow Jones Index, promising vast rewards if new, higher stock values could be cashed in on by selling off companies with lower book values than their stock or other assets, has contaminated all financial values. With the collapse of the market in junk debt, already all other paper outstanding has effectively been collapsed to this discount already reached in the junk markets. It is only a matter of time before this becomes perceived as the shock effect devaluation of all paper instruments.

Before the second week of September, the Securities and Exchange Commission was investigating the extent to which mutual funds, and other institutional investors, were overvaluing holdings of junk investments. Charges ranged from as much as 30% over what the paper would command if sold, to as low as 5-15% below. The collapse of Sept. 15 makes those numbers conservative.

LaRouche's proposals for economic reform

Lyndon LaRouche's major initiatives in the economic domain prior to 1985 were encapsulated in the 1985 book, *Program for America*, issued by The LaRouche Democratic Campaign. Other publications listed here have appeared as books or articles. This list is exemplary, but by no means comprehensive:

April 24, 1975 International Development Bank proposed in Bonn, West Germany.

Oct. 19, 1979 Warning that Volcker's high-interest measures will lead to disaster.

Aug. 2, 1982 Publication of *Operation Juárez*, a book-length proposal for turning the Ibero-American debt crisis into a continental Common Market and a worldwide economic boom.

June 1983 *There Are No Limits to Growth*, 225-page book published by the Club of Life.

February 1984 *So, You Wish to Learn All About Economics? A Textbook on Elementary Mathematical Economics*, 191 pages.

1984 Nationally televised presidential election campaign broadcasts: **Feb. 4** "Stopping the Worldwide Economic Collapse." **March 17** "Great Projects vs. Kissinger Genocide." **April 27** "The United States Under President Reagan's 'Hoover' Recovery." **June 1** "Stopping the Present Spiral of Worldwide Financial Collapse." **Sept. 3** "The Emerging Food Crisis in the United States."

April 1985 "The Global Financial Breakdown Crisis," introduction to the EIR Quarterly Economic Report.

August 1986 *La Integración Ibero-Americana*, 340-page manual on Ibero-American integration based on LaRouche's Operation Juárez, with introduction by Lyndon LaRouche. Serialized in *EIR* in 1986-87.

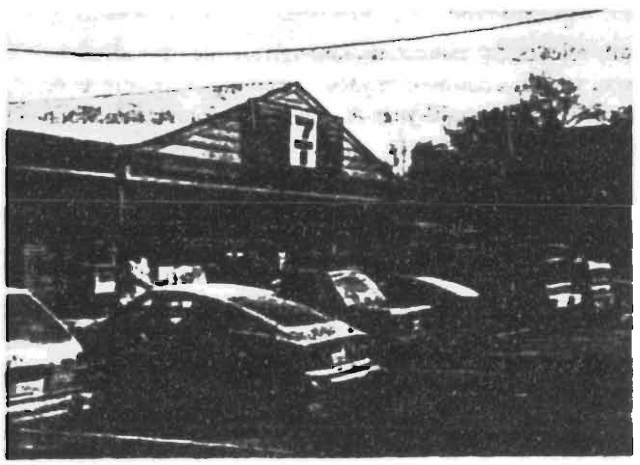
Jan. 30, 1988 LaRouche outlines "The Tasks of Establishing an Equitable New International Monetary Order," at a conference on the collapse of the Bretton Woods System, in Andover, Massachusetts. (Published in *Development Is the New Name for Peace*, Schiller Institute, 1988.

March 3, 1988 In "The Woman on Mars," a nationally televised presidential campaign broadcast, LaRouche outlined the enormous profit to the civilian economy to be expected from a 40-year program to colonize the Moon and Mars.

July 19, 1988 LaRouche at Democratic Convention in Atlanta, Georgia warns delegations that U.S. food deliveries to U.S.S.R. could become trigger for war. Organizing begins for Food for Peace movement, which is founded in September in Chicago.

Oct. 12, 1988 At a press conference in Berlin, LaRouche outlines a policy to bring about German reunification by "economic diplomacy," establishing "food for peace" agreements in which the U.S. and Western Europe cooperate to rebuild the economy of Poland.

The junk bond disease is hitting at all levels of the economy: from the big banks with more than $1 billion in loans, such as the five-times-over bankrupt Manufacturers Hanover, to the chains that run food, department, and convenience stores, such as 7-Eleven.



The largest holders of the junk paper issued by the investment houses are supposedly the mutual funds and the insurance companies. This is according to a recent study by the General Accounting Office. Those agencies are supposed to hold in excess of 30% of all the junk bonds issued. Pension funds, individuals, and savings and loan institutions each hold between 7-10% of the rest. Among the pension funds with significant LBO exposure are those of New York State, which has backed the junk issued by Kohlberg Kravis and Roberts in support of takeovers since 1984, and the pension funds of Massachusetts municipalities. The trust funds of Harvard and Yale universities have also been put into junk.

So these are among the institutions which will be affected by the spreading losses.

How major banks are affected

The financing for the takeovers and deals represented by the LBOs has been extended by the major banks. Generally, for each such takeover, the ratio is in the range of one part junk bond to four parts other debt; bank direct lending now accounts for two of the four parts, and indirect lending, through intermediaries such as specially formed limited partnerships accounts for the rest.

For each dollar of junk debt which collapses then at least four dollars' worth of associated financing comes down too. This is minimally $1 trillion, given the $200 billion secondary market in junk. This is about the same magnitude as the amount of stock that was liquidated during the Oct. 19, 1987 panic.

The loans issued by the banks to finance the deals turn sour as well. Paine-Webber estimates the exposure of banks which have committed more than $1 billion to junk bond financing at about $40 billion; other estimates, for example that of *Financial Times* columnist Anatole Kaletsky, put the exposure at approximately $150 billion. On the low estimate, all banks with more than $1 billion of loans, with the exception of Citicorp, North Carolina National Bank, PNC Financial, and J.P. Morgan, face losses in excess of their paid-in equity from the collapse of the junk bond market, and the collapse of the non-junk paper associated with that paper. On the higher figure, all, with the possible exception of J.P. Morgan, face such losses. Among them are Manufacturers Hanover (bankrupt five times over), Mellon Bank, Bankers' Trust, Wells Fargo, Bank of Boston, Chase Manhattan, and Bank of America (bankrupt twice over), First Chicago, Chemical Bank, and Security Pacific (bankrupt once).

The financial pundits say, don't worry. After all, LBO exposure is only about 15% of the total new bank lending of $1 trillion since 1979, and only about 7% relative to all bank lending. Bankers' Trust reports that if it had to give up buyout lending it would lose the source of 30% of its earnings over the last years. Bankers' Trust does not report what would happen if it had to write off its LBO debt, or face the cost of the devaluation of the paper.

On Sept. 8, 1989, *EIR* published a study warning that the effort to service, or maintain, the income claims of the accumulated $20 trillion of combined debt and speculative paper would lead to a run-against-the-banks type of crisis this fall. The paper associated with leveraged buyouts was identified as one of the three most likely triggers for the overdue eruption of such a crisis. The other two were the market in mortgage-backed securities, and the offshore speculative bubble epitomized by the banks' so-called off-balance sheet liabilities.

The collapse of the junk bond market brings closer the ultimate collapse of each of the other two triggers. Much of the junk paper, and associated lending, is ultimately secured against the inflated asset values of the corporations bought out. The inflated such asset values include prominently real estate, to realize funds to pay down debt that cannot otherwise be serviced, assets will have to be put on the block. The assets, including the real estate, will not command the price levels imputed them when the takeover transactions were negotiated. The buyout management of RJR Nabisco has already discovered this. It had planned to sell off RJR's Del Monte unit, but was only offered half the estimated worth. If that holds for the rest of RJR then the world's largest merger, $25 billion, is now worth no more than $12 billion, and half the paper associated with the takeover has gone. The devaluation of such assets, including real estate, will help bring down the mortgage-backed securities market, and, by encouraging a pullout from the dollar, will wipe out the banks' off-balance sheet liabilities too.

Retail stores, supermarkets hit

The economic consequences are as drastic as the financial. Since the end of the summer vaction period an international pattern has surfaced reflecting a cutback in consumer discretionary spending caused by the overall drop in living standards that follows from the imposition of austerity against wage and salary incomes. The pattern has surfaced in Germany with the bankruptcy of the Co-op retail chain, in Britain with the financial problems associated with consumer goods producers Magnet PLC, Ward White, and Gateway Stores, and it is what has contributed to bringing the collapse of the LBOs to the fore.

Campeau, of course, is the nominal owner of Allied and Federated Department Stores, bought out respectively in 1986 and 1988. The two run such retail stores as Bloomingdale's, Abraham and Strauss, Jordan Marsh, Sterns, Rich's, Burdines and Ralph's Grocery of Southern California, among others.

Other retail outfits have gone over the edge already, and still others are poised to go. Stores on the problem list account for about 20% of the revenues from sales in the relevant Commerce Department data. L.J. Hooker, the Australian owner of the Bonwit Teller and B. Altman department stores, has already filed for Chapter 11 bankruptcy protection from its creditors, as have the Dart Drug chain, Seaman's Furniture of New York, the nation's second largest furniture retailer, and Cuisinart, makers of kitchen equipment. Others not so far behind include Safeway food stores, the Southland chain which runs 7-Eleven convenience store franchises nationally, Circle K Corp., Kroger food stores, and Interco, a St. Louis-based retail chain. And there are many more.

Behind the department stores and the supermarkets are the food-processing companies like RJR Nabisco, Beatrice Foods, General Foods, and Pillsbury, each of which was bought out in the last years.

Along with retailing and food processing, the collapse of the buyouts also threatens construction and real estate, financial services, transportation—especially the airlines, like Eastern and Texas Air—and also the defense sector, through such companies as Colt Industries and Singer.

Again, the case of Campeau points to what can happen. Federated and Allied were unable, by Wednesday Sept. 13, to buy from their wholesale suppliers. Orders went out from the factoring companies, like Heller Financial in Chicago, warning suppliers of Campeau to stop. After the 13th, the brokers said, you do so at your own risk. The suppliers include knitwear manufacturers, knitting mills, and home furnishings manufacturers. And this is only the beginning.

The economic side will mean a new wave of unemployment, plant closings, the disruption of whole communities and worse. It prefigures the plunge into a new depression, on a scale infinitely deeper than that of the 1930s.

The combined economic and financial effects of the collapse of the junk bond market mean that the policies which have been dominant since recently—1982, and the beginning of the Reagan speculative bubble; and further back, since the period 1963-67, when the Establishment opted for the insanity that became known as the post-industrial society, with its violent hostility to the optimistic outlooks associated with technological innovation and increasing capital and energy intensivity—have also collapsed.

Those who have masterminded the increasingly catastrophic policies of that period of a generation are the ones who insist, with the most vehemence, that they do not care what LaRouche has to say, because they have their power to do as they wish. Yet, LaRouche has been proven right, as often as they, in their arrogance, have been proven wrong.

The collapse of the junk bond market brings the world to a turning point. It can either go down an accelerating spiral into the full horrors of depression collapse and financial chaos, involving the wiping out of pensions, savings, health plans, the loss of homes and jobs, starvation, or we can choose a different course. The different course is not a matter of selecting among a different set of administrative procedures or recipes, it is a matter of method. Against all the others, who have repeatedly failed, LaRouche is the one who knows not only what to do, but how to do it. It is time the lessons were learned from that before it is too late.

EIR International

KGB strengthens its hand in Soviet Politburo shakeup

by Konstantin George

Shortly before midnight, Sept. 20, the Soviet media reported that a late evening session, devoted to "organizational questions," which featured "frank and open discussion," had concluded the two-day Communist Party Central Committee Plenum, with startling results. Two leading factional opponents of Mikhail Gorbachov were removed from the Politburo, while KGB chief Vladimir Kryuchkov was promoted to full Politburo membership, strengthening the role of the security service in the top Communist leadership body. Several of his henchmen also received promotions.

The shakeup boosted Gorbachov's power in the short term, although his rule will become increasingly in jeopardy as the manifold crises that are wracking the Soviet Union continue to deepen. If the point is reached that Moscow's collective leadership decides that the ultimate scapegoat is needed, Gorbachov's head will certainly roll—as indicated by the dark warnings and coup rumors that are currently circulating even in the public press (see article, page 32).

The official report of the shakeup read as follows: "The Central Committee relieved Viktor Nikonov, Viktor Chebrikov and Vladimir Shcherbitsky from their posts as members of the Politburo, Yuri Solovyov and Nikolai Talyzin from their posts as candidate members of the Politburo, as they applied for their retirement. . . . The Central Committee appointed Vladimir Kryuchkov, chairman of the KGB, to full membership on the Politburo, promoted Yuri Maslyukov, chairman of the State Planning Committee, from candidate to full membership on the Politburo . . . and promoted Yevgeni Primakov and Boris Pugo to candidate membership on the Politburo."

This announcement concluded an extremely tense and acrimonious Central Committee Plenum Sept. 19-20, held against the backdrop of the economic crisis and national/ethnic unrest sweeping the Soviet Union. The plenum, whose main agenda item was the "nationality question," had been repeatedly postponed since June.

The ouster of three full Politburo members and two candidate members was the climax to a series of quick preemptive actions taken by Gorbachov, to forestall a rapidly growing coup or overthrow potential. He has succeeded, for now, only through the decisive support given him by the KGB.

In the weeks preceding the CC Plenum, Gorbachov used his powers as President to:

1) Take personal charge of the U.S.S.R.'s internal crisis control system, wresting it out of the hands of the General Staff;

2) Assume personal control of the Interior Ministry's 300,000-plus Interior Troops, including the Interior Troops component of the Moscow Garrison, ending the Defense Ministry's jurisdiction over the Interior Troops.

3) Take personal charge of the U.S.S.R. Railway Troops, which had previously been under the control of the General Staff.

While no firm predictions regarding personalities are possible regarding the wars in the Soviet leadership, the plenum's outcome presages a brutal Stalinist resurgence. The plenum's decision to move the date for the next Soviet Communist Party Congress from March 1991 to October 1990, defines an outer time limit when the final moves will be taken to define the leadership for the early 1990s.

Gorbachov's gamble

Gorbachov's power bid—and the promise of more purges to come—were openly declared in his keynote speech to the

plenum, the day before the leadership shakeup was confirmed. He announced that the "Politburo has proposed" that the October 1990 Party Congress undertake "a complete reorganization of the party and its ways of working. . . . We must bring in the most creative people and those who are most in support of *perestroika*." He called for an "injection of fresh blood" into the party, making clear that, should he get his way, many of the party's present leaders will not be around come October 1990: "Several decisions made at the 27th Party Congress [March 1986] and at the 19th Party Conference [June-July 1988]" have already become "obsolete. . . . A political and ideological struggle will be waged on core questions of our development. . . . The Party Congress must ensure a reorganization of the party and ideological unity on the basis of *perestroika*."

He stressed that the purge process would begin well before the Party Congress, since "preparations" for the Party Congress "must serve to renew the Party Committees at all levels," including the "Central Committee, which is growing in importance."

Gorbachov has won this round, but only, as so often in the past, through the decisive intervention of the KGB. As in his prior "victories," this time too, he has paid a high price to his KGB benefactors. The institutional power of the secret police unit, already immense, was further strengthened.

Through the KGB, Gorbachov was able to remove from power **Viktor Chebrikov**, the extremely powerful Politburo member who, since Sept. 30, 1988, had functioned as the overall head of internal security. By ousting Chebrikov, Gorbachov scored a very important short-term gain, as Chebrikov was the key anchor man on the Politburo in any short-term coup plot against Gorbachov. The other Politburo victims, Ukrainian Party chief **Vladimir Shcherbitsky** and **Viktor Nikonov**, would also have joined a coup attempt.

Of the four promotions, three went to the KGB and its associates in the military-industrial complex, leading with KGB chief **Vladimir Kryuchkov**, now a full member of the Politburo. The second promotion to full Politburo membership went to **Yuri Maslyukov**, a central figure in the military-industrial complex. Gorbachov was unable to promote a single loyalist party personage, such as Soviet Vice-President Anatoli Lukyanov, who remains in the limbo of candidate, or non-voting, status on the Politburo.

Kryuchkov's career in the past 12 months marks the most meteoric rise of a secret police chief since Lavrenti Beria during the Stalin regime. It was only last Sept. 30 that a CC Plenum had named Kryuchkov, one of the closest protégés of the late Yuri Andropov, chairman of the KGB and later General Secretary and President. Before that, Kryuchkov had served since 1974 as head of KGB foreign intelligence. Thus, it took Kryuchkov barely a year to make the jump from KGB chairman to full Politburo membership. In comparison, his precedessor, Chebrikov, required two years and four months, and Andropov required a full six years.

Buttressing Kryuchkov's promotion, two pedigree KGB figures, **Yevgeni Primakov** and **Boris Pugo**, were elevated to candidate membership in the Politburo. Primakov had been, successively, the head of two KGB-linked think tanks, the Oriental Institute and the Institute of the World Economy and International Relations (IMEMO). Pugo, the offspring of a thoroughly Russified Latvian secret police family, dating back to the post-1917 Cheka of Feliks Dzherzhinsky, is a career KGB officer, who headed the KGB in Latvia till 1984, when he was appointed Communist Party chief in that republic. As with Kryuchkov, Pugo was given a hefty promotion at the Sept. 30, 1988 CC Plenum, when he was appointed head of the Party Control Commission, a key vehicle for overseeing party purges.

'Resolute measures' threatened

The record of the plenum proceedings, beginning with Gorbachov's keynote speech, mapped a brutal future for Soviet policy—with or without Gorbachov. To wild applause, Gorbachov announced that a law would be passed to ban "nationalist, chauvinist, and other extremist organizations," adding that "the entire force of Soviet laws will be applied" to deal with national unrest. Similarly, stormy applause interrupted him when he denounced those "who shout rubbish about independence," or, as in the case of Lithuania, talk about "party federalism," or "independence."

Concerning the stormy situation in the Baltic republics, which were forcibly incorporated into the U.S.S.R. as a result of the Hitler-Stalin Pact and World War II, and are now demanding freedom and independence, Gorbachov did not mince words: "There is no reason to call into question the decision of the Baltic republics to join the Soviet Union, nor the choice made by the people of these republics. Only adventurists could propose to leave the Soviet Union."

Gorbachov's warnings to Armenia and Azerbaijan—where a near-civil war situation is currently raging—were no less blunt. He said that the crisis in these two republics had reached a point where "unpredictable consequences" could occur: "We face the need to adopt resolute measures. We cannot permit anarchy and bloodshed."

Speaker after speaker then rose to demand tough actions against "nationalist extremism." Absamat Masaliev, party boss of the Central Asian republic of Kirgizia, said, "The time has come . . . to bring to order those who openly speak out against our structure, our unity, sabotage *perestroika*, and abuse democracy."

Yuri Yelchenko, a Ukrainian Party CC Secretary, demanded action against a "series of independent formations which have clear anti-socialist platforms, the basis of which often lies in bourgeois nationalism." He charged that such groups are "especially active" in the Catholic Western Ukraine, and then accused the newly formed Ukrainian national Narodni Rukh ("Popular Movement") of planning to "seize power" from the Communist Party. Yelchenko demanded laws to ban "nationalistic or chauvinistic organizations and groups."

In Moscow, talk of coups, civil war

by Rachel Douglas

Coups are running a close second to queues as the number-one topic of discussion in Moscow, as October arrives. The coming month will see the 25th anniversary of the overthrow of Nikita Khrushchov. The discussions around that watershed are of more than historical interest.

Back from a vacation month away from Moscow, Communist Party chief Mikhail Gorbachov took to national television the night of Sept. 9, to speak about "both conservative and ultra-leftist attempts to discredit *perestroika*," as his "restructuring" policies are known. "From the midst of this discordant choir," Gorbachov intoned, "scare stories of imminent chaos and arguments about the danger of a coup or even of civil war may be heard. It is a fact that some would like to create an atmosphere of alarm, of there being no way out, and of uncertainty in society."

While Gorbachov was away, there was a wave of coup scares. Some, coming from Russian Republic or KGB-linked publications, were implied threats of a coup. Others came from close advisers to Gorbachov and were couched as warnings that he might be overthrown if he did not receive greater support, including from the West. But these stories are not mere propaganda or scare tactics; underlying the talk of "coups," "civil war," and "dual power" are the economic collapse, strikes, and ethnic clashes that have rocked the Soviet Union.

On Aug. 16, the weekly *Literaturnaya Gazeta* printed the opinion of two professors, that the only force capable of transforming the "totalitarian" Soviet system into "democracy," would be an "iron hand," perhaps a Committee of National Salvation, that enjoyed total authority to impose reform. Gorbachov could be the dictator, they proposed, or *else somebody else would be sure to take over*. One of the professors, Igor Klyamkin, told the *Christian Science Monitor*, "I think [Gorbachov's] more likely to be an Allende, someone who loses power because of his unwillingness to use authoritarian methods." Salvador Allende, the President of Chile, was overthrown in a military coup in 1973.

Two days later, Prime Minister Nikolai Ryzhkov revealed how sensitive this question had already become in the Kremlin. In an interview with the weekly *Argumenty i Fakty*, as summarized by the news agency TASS, Ryzhkov "expressed the firm conviction that a turn from democratization to dictatorship was impossible in the Soviet Union. 'Even if somebody wished to do it, the people would never agree to it,' he stressed. 'I *am sure of that*.' "

In another issue of *Argumenty i Fakty*, Leningrad author Sergei Andreyev described the stages that could lead to civil war. Nationalist turmoil and strikes in industry could be followed by widespread riots and the creation of vigilante groups by highly placed opponents of *perestroika*. Ultimately, in Andreyev's account, the Soviet leadership, responding to growing calls for law and order, would have to impose martial law and send tanks into the street. With events running ahead of the scenarios, Gorbachov in his Sept. 9 speech welcomed the creation of "workers' volunteer militia groups . . . set up to assist law enforcement bodies," as critical to the establishment of "strictest order . . . in all towns and settlements in the country."

Comparison to October 1964

On Aug. 18, sociologist N. Mikhailov came out in the Moscow party daily, *Moskovskaya Pravda*, with the article, "Is October 1964 possible today?" He wrote, "To call things by their names, instead of hiding behind euphemisms, ultimately it is a question of a political coup, the removal of the leadership headed by Gorbachov, or at least making that leadership change course in running the country."

Mikhailov recalled the sentiments in society at that time, a feeling that "things can't get worse." Khrushchov's reforms had caused chaos. "The attitude of the workers, and of the entire urban population of the country, to Khrushchov was becoming increasingly negative as time went on." Food prices rose, inflation appeared, then shortages. Disturbances broke out, including the Novocherkassk food riots, "when weapons were used against workers and tanks were sent in." Khrushchov even lost the good will he enjoyed in the countryside, as a result of the big capital investments of the Fifties and Sixties, when he went on his binge of planting corn "from

Arkhangelsk to Kushka"—everywhere in the Soviet Union, regardless of the lack of infrastructure or appropriate climatic conditions. He became known as Nikita Kukuruza (Nikita the Corn). By October 1964, "Khrushchov's moral authority had declined to an all-time low."

Comparisons have their limitations, Mikhailov acknowledged, but the question arises: "Are we living through a revolutionary situation today?" Yes, he answered, and "the situation in 1989 is immeasurably more acute than it was 25 years ago. In 1964 we had no inkling of the present interethnic conflicts and ecological problems, the scale of today's inflation, the situation that exists on the food and commodity market, the burgeoning of organized crime, corruption, and so on and so forth. . . . It is clear, however, that no society can remain in a state of tension for long. A relaxation of tension will come, in one way or another. How and when—those are the questions that only time can answer."

Mikhailov compared the 1964 crisis in the Communist Party, which Khrushchov had divided at every level into separate sections for agriculture and for other matters, with today's admitted "decline in party's authority in the eyes of non-party population" and "growing confrontation between local party apparatus and central leadership." Because of this, he said, the question is posed: "Will the party be able to exercise control over the situation in society? . . . Will parallel power structures spring up in the country? . . . A duality of power can only exacerbate the chaos and bring the country to the brink of civil confrontation. And from here it is not far to the introduction of a state of emergency, the formation of an emergency Committee of National Salvation (or whatever it may be called), the suspension of the Constitution, the dissolution of parliament, and so on, and so forth. It is not a sociologist's job to frighten people, but elements of the duality of power already exist. Alongside the official organs of power, informal associations are being set up that are prepared to assume authoritative powers—people's fronts, united councils of labor collectives, strike committees. . . . Regardless of the purposes for which they are set up, today they are already playing an objectively destabilizing role (a graphic example of this is the strikes)."

Cataclysm forecast

In case foreign devotees of *perestroika* missed the point, Soviet emissaries themselves came heralding the internal crisis of the U.S.S.R. "If *perestroika* falters and dies . . . the cataclysm will spread not just in the Soviet Union but in the United States as well," Supreme Soviet member Boris Yeltsin told a Johns Hopkins University audience in mid-September. Forecasting revolution, Yeltsin sought Western economic infusions, allegedly to prevent such a turn of events.

In Germany, Deutsche Bank board member Eckard van Hooven told on Sept. 16, that the possibility of military coups in Eastern Europe was a big consideration in his bank's deliberations about new loans to the East.

'Che scandalo, Mr. Kissinger!'

by Mary M. Burdman and Scott Thompson

"What a scandal, Mr. Kissinger, that advice on China!" the Italian daily *Corriere della Sera* ran on its front page Sept. 16. The whole nasty scandal about "international political guru" Henry Kissinger's very venal personal financial interests in the People's Republic of China is being well publicized throughout Europe, following the publication Sept. 15 of a feature article on Kissinger in all international editions of the *Wall Street Journal* based extensively on material first published last spring in *EIR* and the weekly newsletter *Middle East Insider*.

Quite a few of Kissinger's friends were also hit by the scandal, when the *Journal* reported Sept. 18 that President George Bush's brother Prescott had spent the previous weekend in Beijing trying to negotiate business deals to build luxury real estate, and that former NATO Supreme Commander and former Secretary of State Gen. Alexander Haig—a long-term intimate of Kissinger—would deliver the keynote address in Kissinger's stead at the 10th anniversary of the founding of China International Trust and Investment Corporation (CITIC), one of China's biggest multinationals and a big weapons dealer.

The fact is also being duly noted, that Kissinger and the President for whom he opened up Communist China, Richard Nixon, are both refusing to give up their planned trips to China, even after the military crackdown in June in which at least 10,000 Chinese citizens were murdered and some 120,000 more imprisoned, according to the estimates of student leaders who fled Beijing. Both will go to China "privately," after the controversial Oct. 1 celebrations of the 40th anniversary of the Communist seizure of power in China. The Communist authorities have made it abundantly clear that they will be maintaining martial law throughout the celebrations and for a long time afterwards. Kissinger will slip in in November to meet with the many people in high places in Beijing who do business with him, and Nixon will also visit sometime after October. "The purpose of the solo trip would be to have extensive discussions with the top leaders of Communist China," the Taipei daily *China Post* quoted Nixon's spokeman Sept. 13. "He is of course in touch with the U.S. government about his plans, and they have com-

municated to him their views."

Kissinger seems to be taking his cues from his good old friend, Chinese leader Deng Xiaoping. In a statement to leaders newly promoted after the June 4 massacre, which appeared in the Taipei publication *Inside China Mainland* this month, Deng said, "The recent rioting gave us a great deal of enlightenment and refreshed our minds. Without the socialist road, China has no future, and without it there would not be the great China-U.S.-Russia triangle of world power. . . . I tell Americans, China's greatest asset is its stability. Anything which contributes to the nation's stability is a good thing."

The *Wall Street Journal* article described Kissinger's operations: "Mr. Kissinger's interests include a limited partnership called China Ventures. It was established in Delaware to pool $75 million raised from U.S. investors for joint ventures with CITIC. Mr. Kissinger was designated chairman of the board and chief executive officer of the general partnership with executive responsibility for managing its affairs." The other board members of China Ventures are a "Who's Who" of the top clients of Kissinger Associates, Kissinger's lucrative international consulting firm. They include Maurice R. "Hank" Greenberg, president of the American International Corp., which has insurance joint ventures with Chinese banks; Anthony J.F. O'Reilly, president of H.J. Heinz, a Kissinger client that has a major joint venture in the P.R.C.; James D. Robinson III, chief executive officer of American Express, which since Henry Kissinger became a board member has invested $1 billion in Red China; and, Donald R. Keough, president of Coca-Cola, another Kissinger client that has multiple soft drink joint ventures in China. Another is former Treasury Secretary William Simon, who was to have accompanied Nixon to China.

The article also described the America-China Society, which operates out of the New York headquarters of Kissinger Associates. "It is hard to tell at times where such cultural activities end and Mr. Kissinger's business interests begin. Last July, for example, he led a delegation of U.S. businessmen to Beijing on behalf of the America-China Society. Three of 13 executives on the trip were clients of Kissinger Associates. In China, their host was Rong Yiren, the chairman of CITIC, the Chinese government agency then in the midst of negotiating the deal with China Ventures." Shanghai banker Rong Yiren is Red China's biggest international capitalist. Although he has never joined the Communist Party, he has always been protected, even in the depths of Mao Zedong's Great Proletarian Cultural Revolution.

Among those caught flat-footed was ABC news team leader Peter Jennings, who claimed that he had not known of Kissinger's extensive business ties to Red China, when he chose Kissinger to be the principal commentator on the morning of June 4, after the Chinese government massacred students who had gathered to protest for democracy at Tiananmen Square. Jennings told the *Journal*, "If I knew then what I know now, I would not have wanted him on that broadcast, plain and simple. And I think my management would have understood that perfectly." The day before the *Journal* article first appeared in the United States, Kissinger's lucrative seven-year stint with ABC was terminated, and he joined the board of CBS, Inc.

Story spreads throughout Europe

The *Journal* article sparked press coverage throughout Europe, including in the French daily *Libération* and both the British *Daily Telegraph*—despite the fact that Kissinger sits on the board of directors of the Hollinger company, which owns the paper—and the *Times*, which began its "Diary" column Sept. 20 with the words: "The reputation of Henry Kissinger suddenly appears rather tarnished."

But *Corriere* was nastiest, and most revealing. A "brutal . . . but inevitable" question is being posed, Washington correspondent Rodolfo Brancoli wrote, whether Kissinger's statements defending Deng Xiaoping and opposing sanctions against China in the name of "realpolitik" were done for political motives, or to protect lucrative financial activities with the P.R.C. government.

Kissinger's statement, that "the idea that I would take a public position in order to curry favor with the Chinese government for clients is outrageous," was uttered, Brancoli writes, as if Kissinger were surprised that the Kissinger "myth" was not sufficient to protect him from suspicion. No other ex-secretary of state may be subjected to the scrutiny Kissinger complains of, *Corriere* said, but no other "ex" stepped into an international consulting firm and "pontificates" in the media while he advises the President as a member of a small committee that has access to the most important national security secrets of the United States, and to the mass of U.S. intelligence, thus pinpointing the key issue that Kissinger is *not* an "ex" official, but an active member of an important government body, the President's Foreign Intelligence Advisory Board.

John Fialka's *Journal* article significantly overlooked the fact that because Kissinger is a member of PFIAB, through which he has given the President China-policy advice similar to his outrageous public statements, Kissinger may have violated Title 18, Section 208 of the U.S. code, and be liable for a two-year prison sentence if found guilty.

Also not mentioned by the *Journal* is Red China's lucrative opium trade, and the Kissinger links to its Western partners. A subsidiary of Midland Bank PLC, which now Deputy Secretary of State Lawrence Eagleburger personally handled as a client for Kissinger Associates when he was president of that firm, had been indicted by the Treasury Department for laundering $3.98 billion between 1980 and 1984, of which $3.43 billion had come from six Hong Kong banks, including the Hongkong and Shanghai Bank, the premier bank for "Golden Triangle" drug production, which is now a partner of Midland Bank.

Argentine President backs war on drugs

by Cynthia Rush

Argentine President Carlos Menem has made the war on drug trafficking a key aspect of his government program. He has offered material and moral support to Colombia's offensive against the drug mafia, and has taken steps to reverse the permissive legislation which characterized the government of his predecessor, Raúl Alfonsín.

In discussion with reporters on Aug. 27, Menem reiterated his support for the death penalty for drug traffickers, adding, however, that such punishment was not appropriate for drug consumers. The latter "are the victims of these criminals." It is the drug lords who have "set into motion this filthy drug business," Menem said, and there is no reason for the "brains" of the drug trade "to live within our community."

The Argentine President explained that "in some countries like Colombia, a state has been created within the legal state, put into motion by the drug traffickers together with the guerrillas." This apparatus is being expanded, Menem warned, "and is destroying vast sectors of the community."

In response to Colombian President Virgilio Barco's urgent appeal for support delivered to the conference of Non-Aligned nations which met in Belgrade, Yugoslavia in early September, Menem stated, "We fully support Colombia in its struggle against drug trafficking, and we have given instructions that three or four anti-guerrilla aircraft be handed over for the transport of troops in the struggle against drug traffickers. We are all interested in this struggle." Argentine Foreign Minister Domingo Cavallo offered the Guarani transport planes to his Colombian counterpart, Julio Londoño on Sept. 6.

In addition, the Argentine government has offered six Pucará planes to the Colombian armed forces to use in the war on drugs. Produced in Argentina, the Pucará is a very versatile aircraft, particularly useful in jungle areas.

The home front

In the framework of Ibero-America's drug trade, Argentina has functioned as a nation of transit, through which drugs are transported to locations in Europe and the U.S.A. In recent years, especially under the permissive regime of Raúl Alfonsín, drug consumption in the country has increased significantly. Now with the crackdown in Colombia, Argentine authorities fear that leaders of the Colombian cartels will attempt to expand their activities in the nations of the Southern Cone.

Alberto Lestelle, director of the National Coordinating Secretariat for the Fight Against Drugs, an agency created since Menem took office, warned Sept. 10 that both the Medellín and Cali cartels "are trying to invest and establish themselves in Argentina, but added that national organizations "are alert to this possibility."

In a Sept. 6 interview with Telam news agency, Lestelle explained that Colombian drug traffickers could enter the country through Argentina's northwest border. This is all the more possible, he said, since neighboring Bolivia could potentially "become another Colombia." Argentina's northwest has "a climate, conditions, and language very similar to Bolivia's," Lestelle said, and called on security organizations to agree to increase patrols in the "red zone" of the northern provinces of Salta, Formosa, and Jujuy.

Earlier this year, even before the crackdown in Colombia began, Peronist deputy Eduardo Varela Cid denounced the fact that the Medellín Cartel had set up offices in Buenos Aires province, and warned that drug trafficking "will be a very serious problem in Argentina in a short time." Varela Cid is a member of the House of Deputies' Commission on Drug Addiction.

Varela told Telam news agency that his commission is working on organizing a conference of international legislators, tentatively set for the middle of next year, in a still undetermined location. Legislators from Ibero-America, Europe, and the United States would attend to analyze a plan called "Debt, Democracy, and Drugs."

The deputy added that "we cannot talk about drugs without talking about the foreign debt," because the debt has drastically affected the standard of living and has consequently "lowered the people's moral threshold."

On Sept. 9, chiefs of police of nine northern provinces met in Salta to discuss beefing up anti-drug work in the country's northwest region, to interdict drugs entering the country from both Bolivia and Brazil. The police chiefs approved a document which stressed the need for "appropriate equipment" as well as "specific funds to attend to drug addiction problems." According to Alberto Lestelle, there are between 80,000 and 100,000 drug addicts in Argentina, and they become addicted generally between the ages of 12 and 23. "Drugs are consumed by kids, but this is an adult business," Lestelle warns.

In the Argentine Congress, steps have been taken to introduce tough new anti-drug laws which would make possession for personal consumption a crime, punishable by a prison term of between one month to two years. Drug trafficking, production, or marketing of drugs would be punished with stiffer sentences of up to 25 years. It is expected that this legislation will be approved before the Congress finishes its regular session this year.

Colombian government offers bounty for capture of drug lords

by José Restrepo

Days after the Colombian government began to circulate leaflets offering a $250,000 reward for information leading to the capture of cocaine cartel chieftains Pablo Escobar Gaviria and Gonzalo Rodríguez Gacha, the cartel retaliated by issuing its own leaflets pledging $255,000 for the capture—presumably dead or alive—of one of Colombia's most successful anti-drug combatants, former commander of the Medellín-based IV Army Brigade Gen. Jaime Ruiz Barrera. Ruiz Barrera is currently on assignment to the Inter-American Defense Board in Washington, D.C.

The Colombian Army has continued to seize properties of the cocaine traffickers, as investigators untangle the web of mafia financial and real estate fronts revealed by documents seized in earlier raids. The latest to fall was a 22,000-acre ranch with 5,000 head of cattle and hundreds of pure-bred race horses. The ranch was the tenth belonging to Rodríguez Gacha to be seized.

On Sept. 18, a rocket was launched against the U.S. embassy in Bogotá, but failed to explode. Two days later, 10 bombs exploded almost simultaneously at 3 a.m. in Bogotá. The targets were the offices of Colombia's leading political parties. The bombings were the latest in a series of near-daily dynamite assaults on targets ranging from banks to supermarkets to street corners, in major cities.

Shipments of military equipment from the United States—in varying degrees of usefulness—continue to arrive in Colombia to augment that country's battle capacity. Popular backing for Colombia's Armed Forces, on the front lines of the war against the cocaine cartels, remains high.

As the drug cartels inside Colombia escalate their offensive, so too, does the drug legalization lobby, both internationally and domestically. And what should now be clear to all—governments and private citizens alike—is that the legalization drive is not parallel to, but in fact an integral part of the narco-terrorist strategy to subjugate Colombia and the entire continent.

This point is forcefully driven home by a leading mouthpiece of the pro-legalization forces inside Colombia, the weekly *Semana* magazine, belonging to former President and mafia ally Alfonso López Michelsen. An article in the Sept. 19 issue, "Where Is This War Going?" shamelessly argues that the government's current anti-drug offensive will prove to be nothing more than a prolonged war of attrition, which will grind down the population long before it wears out the cartels, and ultimately lead to the legalization of drugs. "In order for the debate about drug legalization to be serious and carry moral authority before the world, the effort to combat drug trafficking cannot be let up on. The only way to arrive at the decision to eliminate the prohibition of drugs is the acknowledgment that everything else has been tried, and nothing else works."

Semana continues: "Even if the war against drug terrorism may be thought winnable, the war against drug trafficking is not." This in fact non-existent distinction between "drug terrorism" and "drug trafficking" is now being used by the enemy to further the myth that there are good mafiosi and bad (violent) mafiosi. The good ones—such as the Ochoa brothers and Cali Cartel boss Gilberto Rodríguez Orejuela—can be negotiated with, unlike the "unpolished" Medellín Cartel bosses Pablo Escobar and Gonzalo Rodríguez Gacha.

War of perceptions

Despite polls published in Colombia's daily newspapers showing continued widespread popular support for the government's anti-drug decrees and for the military offensive behind them, *Semana*'s pro-legalization allies in the United States insist that the government is increasingly isolated in its anti-drug efforts. Exemplary is a *Washington Post* article on Sept. 21, which says that "Colombians are divided" over President Barco's war on drugs. But the only Colombian quoted is Medellín Mayor Juan Gomez Martínez, an ardent defender of the "option" of dialogue with the mafia and of drug legalization.

Drug lobby propaganda notwithstanding, Colombia continues to wage its war of liberation, even as the countries of Ibero-America, Europe, and the United States are still essentially watching from the sidelines. Working with sorely inadequate resources, the Barco government and its Armed Forces are dismantling the mafia's infrastructural and logistical networks inside the country. What so far remains intact—the cocaine mafia's multi-billion dollar capacity to relocate and revive its operations—sits in bank accounts around

the world. The Colombian government has demanded the cooperation of authorities in the advanced sector in freezing those accounts—many of them already located and identified—but has yet to see action on its requests.

Communists defend drug mafia

One of the most insidious allies of the Colombian drug mafia is the Moscow-allied Colombian Communist Party. If the Barco government's strategy to halt the war on drugs falters, the Communist Party is poised to deploy its substantial military forces alongside the drug traffickers, in a civil war against the government under the guise of fighting "imperialism."

The Communists' line of attack is that the problem in Colombia is not the drug trade, but something called "narco-militarism," a term they themselves have invented to substitute for the concept of "narco-terrorism," popularized by U.S. statesman Lyndon LaRouche. The Communists threaten that until all "fascists"—their term for "anti-Communists"—are purged from the Colombian Armed Forces, there can be no peace in Colombia.

The immediate objective of the Communists is to assure, at all costs, that the government continues its policy of "dialogue" and concessions to the country's narco-terrorist forces. Increasingly, political candidates and several of the country's major daily newspapers are demanding that the government deploy the Armed Forces against the traffickers' terrorist allies. "We are truly in a war. A joint war in which armed subversion and the drug trade are always allied, and both have crime as their supply source and their method of battle," wrote *El Espectador*'s editors on Aug. 29.

The Communists have not only their own military capacities to rely on within Colombia, but also are applying international pressure on the Barco government to try to force the war against the drug mafia into a war against the Armed Forces. And they have, indeed, received that international support—and not only from Moscow. From the very day when President Barco declared war on the drug mafia, many elements of the Establishment in the United States—including such ostensibly conservative networks as those linked to the Rev. Sun Myung Moon, who has recently settled his "differences" with Moscow—leaped to the aid of the Communists.

The Communists opened fire against the government's anti-drug war in its weekly *Voz* on Aug. 24. The decree establishing extradition of the cocaine chieftains is nothing but "palpable recognition by the government of its own incapacity," wrote *Voz*, attacking the executive decree ordering detention of individuals suspected of acting against the public interest, and claiming that the decree will be used by the military—"enemies of dialogue and of the left"—against leftist sectors of the country.

Voz adopted the drug mafia's line that it was not the mafia who ordered the murder of Liberal presidential candidate Luis Carlos Galán on Aug. 18. Rather, claimed *Voz*, he was murdered by "the fascist militarist phenomena" on orders of "privileged sectors of society and of the economy who are resistant to change." *Voz* challenged any attempt to reinforce the Armed Forces in this crisis, arguing, "It is not true that [Army] manpower needs to be increased; rather, what exists needs to be purified."

The same issue of *Voz* carried a special report on the infamous November 1985 occupation of the Colombian Justice Palace by the M-19 terrorists, who were and are under contract with the drug mafia. *Voz* argued that the M-19 was not guilty of the 100 deaths that took place during that bloody siege, but rather it was all the fault of rash actions by the Armed Forces, and especially General Arias Cabrales, currently Army Commander, who commanded the troops which stormed and recaptured the palace.

The Communists are also helping to build the drug mafia's "anti-imperialist" image. On Sept. 1, Bernardo Jaramillo Ossa, the secretary general of the Patriotic Union which was founded as a Communist Party electoral front, charged that the Barco government had "handed over national sovereignty" to the "Yankees," by accepting U.S. aid in the war on drugs, and by pledging to extradite the mafia.

Help from the U.S. drug lobby

The major U.S. dailies have served Moscow's interests well by intensifying their own campaigns against the Colombian Armed Forces, accusing them of promoting "narco-militarism" and of being incapable of waging—much less winning—a prolonged war against the mafia due to corruption within their midst. First came the *Washington Post* on Aug. 28, which cited none other than Communist Party central committee member and "labor leader" Gustavo Osorio, claiming that the Galán murder was "politically motivated": " 'The Galán assassination is part of a plan by the extreme right to spread violence, terror and murders . . . to prevent the democratic changes the country so urgently needs,' said Gustavo Osorio, vice president of the Unifed Labor Confederation."

On Aug. 29, the *Washington Times*, owned by associates of Reverend Moon and controlled by pro-drug Project Democracy networks, gave prominent coverage in an interview to Antonio Suárez, president of the national association of judicial employees, in which he attacked the government's anti-drug decrees to "intensifying the climate of insecurity" in the country. Like the *Post*, the *Washington Times* fails to inform its readership that it is quoting from a prominent member of the Colombian Communist Party. The *Washington Times* went on to attack the Colombian military as corrupt and linked to "narco-paramilitary" forces, choosing as its special target General Frank Yanine Díaz, the current inspector general of the Armed Forces and recognized as one of the toughest combatants against both organized crime and narco-terrorism.

Pakistan's Benazir Bhutto fights back against heavy odds

by Susan Maitra and Ramtanu Maitra

The 10-month-old democratically elected regime in Pakistan has run into serious difficulties. Facing a challenge internally and externally, the ruling Pakistan People's Party (PPP), led by Prime Minister Benazir Bhutto, staged a massive rally in Rawalpindi—the garrison town from which Pakistan's establishment troika of President, military, and civil bureaucracy controls the show—on Sept. 6, the National Defense Day of Pakistan. The rally, according to reports attended by more than 200,000 people, indicates that the PPP and Miss Bhutto can muster strength even in the most difficult terrain under trying conditions.

The show of strength was necessary in light of the full court press that has been applied to Bhutto's government in recent days. Although the coup rumor floated in early September by London's *Financial Times*, most likely part of a deliberate British-style psychological warfare campaign, was quickly brushed aside by both the Pakistan Defense Ministry and the prime minister herself, there is no denying that during the month of August things heated up considerably. According to the *Herald*, a monthly news journal published in Karachi, people became aware of the serious nature of developments on Aug. 8, when Begum Nusrat Bhutto, mother and close confidante of the prime minister and a senior minister in her cabinet, told a convention in the capital Islamabad that the prime minister could not come to speak as planned, "as she has convened a very important meeting concerning the security of the country and democracy."

It was a reference to Miss Bhutto's critical meeting with Chief of Army Staff Gen. Mirza Aslam Beg. Prior to that, it has been reported, the prime minister had canceled previously scheduled trips to the South Asian countries and the Non-Aligned summit in Belgrade, Yugoslavia, and sent a signal to the pillars of the Pakistani establishment that if she was not allowed to work as the country's legitimately elected prime minister, she was ready to step down and go to the people for a fresh mandate. By thus raising the stakes, Prime Minister Bhutto managed to stave off the crisis for the time being. But, there is no indication that the pressure against her will be lifted in the near future.

There is no doubt that a section of the Pakistani establishment is inclined to test and "break" Bhutto, fearful as they are that she may break out of the controls imposed as a condition of her assuming the prime ministership last December. Though the PPP is by far the single largest political party in Pakistan—having won nearly twice the number of seats as the opposition Islamic Jamhouri Ittehad (IJI) in the November election—still the PPP does not enjoy the absolute single-party majority that would have made Bhutto's government far less vulnerable to the type of mischief and destabilization operations recently unleashed.

A disgruntled and jealous establishment is not the only factor in the growing challenge to the government of Benazir Bhutto. The Muslim orthodoxy (the "Islam Pasands," in the words of the late Prime Minister Zulfikar Ali Bhutto, Benazir's father), the drug mafia, the International Monetary Fund, and the disillusioned Afghan rebels are all playing their parts in adding fuel to the fire.

Breaking the controls

In signficant part, the present campaign against the PPP government is a measure of Miss Bhutto's courage and determination in exercising leadership commensurate with her responsibilities as prime minister. Fighting the drug mafia, a top priority of the PPP government, is one area where her initiative has drawn blood. To start with, the PPP government set up a ministerial post in the cabinet for the anti-drug fight, and took measures to clean up the badly corrupted Pakistan Narcotics Control Board (PNCB), the country's main drug enforcement agency. Then 35 major drug networks operating in Pakistan were identified, and steps taken to round them up.

In the recent months, some "big fish" have been netted, not the least of which is one Haji Iqbal Beg of the North West Frontier Province (NWFP). Haji Iqbal Beg's case is a vivid example of the power of the drug mafia. Beg, whose name figures in almost every international drug enforcement agency's notebook, has been shipping heroin to the West from his native region for years. There is not a semblance of doubt that Haji Iqbal Beg was protected in this by Lt. Gen. Fazle Haq (ret.), the former Chief Minister of the NWFP and a stalwart in the late President Mohammed Zia ul-Haq's inner circle. Fazle Haq, often described as "King of the Frontier," and his brother, Fazle Hussain, a fixture on the narcotics traffickers list of the international police agency Interpol,

were named in an *EIR* exposé as early as 1981. Fazle Haq was arrested recently, to the picque of the opposition leaders, for masterminding the July 1988 murder of a Shi'ite leader in Peshawar—but not before he gave an interview to the *Herald* "predicting" another imposition of martial law.

The connection between Beg and the Pakistani establishment is clear in other ways, too. Following issuance of the order for his arrest, Beg disappeared—first in the tribal agencies of the NWFP bordering Afghanistan, where the Pakistan government's writ is on paper only. When the government managed to ferret him out, Beg appeared suddenly in Punjab, headquarters of the opposition to the Bhutto government. Beg had reportedly lodged in a Lahore hotel under the supervision of opposition politicians. Interestingly, Beg himself has reported that he has been warned not to "name names."

Going for the jugular of the drug trade is not the only PPP initiative that has raised the establishment's ire. Bhutto's decision in May to transfer Inter-Services Intelligence (ISI) Chief Lt. Gen. Hamid Gul met with anger in Pakistan and some quarters of Washington, D.C. as well. Gul, who was duly promoted prior to his transfer, was a Zia appointee carrying out Afghan resistance operations on the ground, mostly in defiance of the policies dictated by the Pakistan Foreign Office and Prime Minister's Office. At the top of a bevy of hand-picked Zia men, General Gul's control was so complete that his successor, Maj. Gen. Shamsur Rehman Kallou (ret.), named by Prime Minister Bhutto, has found himself virtually isolated. There are rumors now that Kallou is ready to step down.

Bhutto's encroachment on the Army preserve did not end with Gul's removal. In July, the prime minister tried in vain to retire the chairman of the Joint Chiefs of Staff Committee, Adm. Iftikhar Ahmed Sirohey, another Zia appointee. President Ghulam Ishaq Khan countermanded the prime minister's order, and reinstated Sirchey for another two years on the strength of the powers granted him by the controversial Eighth Amendment of the Constitution. Besides triggering a debate about who has the authority to hire and fire the joint chiefs, the President-Prime Minister confrontation sparked speculation about how long Bhutto would last. Rumors flew fast and thick that the establishment had had enough of the democratic government, and that the demise of the PPP administration was in sight.

The speculation was not wholly without foundation. The President's dramatic use of his Eighth Amendment powers was not accidental. The controversial amendment, which gives the President complete power to sack any duly elected government without consulting anyone—not even the National Assembly—was grafted onto the 1973 Constitution by the late President Zia ul-Haq and his handpicked *shoora* (council of advisers) to consolidate power in his own hands during the martial law regime. As members of the PPP administration have acknowledged, the amendment is an important control point for the establishment. But, it will lapse on March 20, 1990.

Pakistan's Prime Minister Benazir Bhutto is under seige from the political establishment, the Muslim orthodoxy, the drug mafia, and the International Monetary Fund. She has survived this round, but the war is not over.

Iqbal Ahmed Khan, the Muslim League Secretary General and Zia ul-Haq's Law Minister, the man who piloted the Eighth Amendment through the National Assembly, said at a public rally recently that the PPP government would be gone before March 20 next year.

Bigotry and opportunism

In her battle for political survival, Miss Bhutto cannot count on support from the Muslim orthodoxy, which has shown itself to be putty in the hands of the gaggle of individuals known as the opposition, whose political careers consist in having been the fig-leaves for a military dictatorship, and who now resent their loss of status. The scene at the Shah Faisal Mosque on Aug. 17, the first anniversary of the death of President Zia, was a clear indication. On the same day, at the Badshah Mosque in Lahore, Maulana Abdul Qadir Azad, who is on government payroll and who was warned in advance not to politicize his eulogy, launched a tirade against "the woman ruler." Said the Maulana: "Cruel people eliminated him [President Zia] and thrust on us a woman as a ruler."

It would be naive to believe the Iman's outburst was an isolated excrescence. The mullahs' mobilization is evident in the realm of Indo-Pakistani ties, one of their favorite issues. Every single move Prime Minister Bhutto has made so far to lay the foundation for a civil relationship with India has come under ritual attack—almost in the form of wailing. The Amir of the Jamaat-e-Islami party, Qazi Hussain Ahmad, has accused Bhutto of "selling off" Pakistan to India. Among the

mullahs' accusations against the PPP administration is the charge of a "secret plot" to concede to Indian Prime Minister Rajiv Gandhi on the province of Kashmir, and of "ignoring Pakistan's interests in her zeal to improve relations with India."

The "Islam Pasands" already showed their muscle in March, when they took 10,000 people out into the streets of Islamabad, ostensibly to protest the Americans' decision to reprint the book *The Satanic Verses* by Salman Rushdie (which had long been banned in Pakistan). The mullahs managed to turn the procession violent and extract some political mileage out of the show.

Use of the mullahs by the IJI has had its ramifications outside of Pakistan, too. It is well known that Bhutto's accession to power was seen with jaundiced eyes by at least some in Saudi Arabia and by orthodox Muslims elsewhere in the Islamic world. Inside Pakistan, the combination of the Jamaat and establishment politicians from the Muslim League is now delving into the volatile Sindh situation, according to reports, to harass the PPP government and Miss Bhutto in her home political base.

Flashpoint Sindh

Meanwhile, Sindh, whose major city Karachi has become the center of the heroin trade, has become close to ungovernable. In cities like Karachi and Hyderabad, the Mohajir Qaum Movement, a non-political grouping of the Mohajirs, continues to rule the roost. The demand of the Mohajirs—those who migrated from India to Pakistan since the formation of Pakistan in 1947—is to be recognized as the fifth "nationality" of Pakistan, alongside the Punjabis, the Pathans, the Sindhis, and the Baluchis. As immigrants were faced with the hostility of local Sindhis, the Mohajirs organized themselves into a well-knit group, and today have become highly militant, and are itching for a fight to establish their supremacy.

Since Sindh is also the prime political base of the PPP, the tussle for supremacy in Karachi—the most populous and commercially most important city in Pakistan—between these two groups has created chaos. Arrayed against the embattled PPP and Mohajirs alike are the Sindh separatists, who were cultivated by the late President Zia to weaken the PPP he feared and abhorred. This dangerous game of political opportunism over the years created other Frankenstein monsters, such as the Punjabi-Pakhtoon Ittehad. The PPI is led by one Ghulam Sarwar Awan, a demagogue who openly promotes violence to establish the rights of the minority group he claims to represent. There are indications that Awan, whose group could not win a single seat it contested in the last elections, is backed by the establishment politicians from Punjab.

According to the Pakistani media, a meeting between President Ghulam Ishaq Khan and Ghulam Sarwar Awan took place recently. Following the meeting, Awan issued a number of statements on behalf of the President which were neither denied nor confirmed. It is not clear why the President would have chosen to meet this insignificant politician: Since Awan does not have any base in Sindh, it is implausible that the President was motivated by a desire to resolve the Sindh crisis. Most likely, the aim was less noble.

International bankers' concern

An indicator of the speed with which things are moving was the Sept. 16 statement of Gen. Aslam Beg to newsmen in Islamabad. The general, who has so far meticulously avoided political matters, vented his anguish at "certain internal political developments, particularly the ongoing ethnic and regional violence in Sindh and the tussle between the federal and Punjab government."

General Beg's speech followed a Sept. 11 report in the daily *The Muslim*, that the World Bank mission led by Luis de Azoarate had told Pakistan's Finance Minister Ehasanul Haq Piracha in early September that the bank was concerned about the Karachi situation, and had asked for a report from the government. Earlier, the International Monetary Fund (IMF) had also shown similar concern about Karachi and the drop in industrial production. According to the daily, it is the first time an international organization is believed to have asked for a report on the domestic security situation.

But if law and order is bad, the state of the Pakistani economy is worse. The PPP government inherited a bankrupt treasury; worse, the nation's sovereignty had been handed over to the IMF just months before the PPP took over. As in other cases, the IMF has strong prescriptions for Pakistan. Electricity rates have just been raised by 11.6%—and that, as Prime Minister Bhutto explained in a speech announcing the measure, was the result of a fight against the IMF demand for a 17% hike, which had been accepted by the Zia regime.

More socially chaotic prescriptions are now being prepared, in the wake of the IMF mission's month-long visit in August. The coming measures reportedly include a "substantial" increase in the average price of petroleum, which is going to affect all productive sectors and raise the price of almost all merchandise. The IMF also insists that the domestic sale price of imported fertilizers be raised by October, and has told the PPP government to raise the wheat procurement price in October.

On the expenditure side, it is all austerity. The IMF wants Pakistan to curtail federal spending. Among the suggested measures are restriction of employment expansion and control of the public sector wage bill. The IMF has also advised that vacancies caused by retirement are not to be filled. In the name of budget balancing, the IMF is decreeing that the programs for employment expansion and poverty alleviation that were an important part of the PPP's electoral platform must be delayed, if not abandoned altogether. This is a prescription for social chaos, and perhaps even the death of the newly won democratic institutions.

Trade war consensus grows in U.S. against Republic of Korea

by Lydia Cherry

The United States is upping the ante against the economy of South Korea, as part of a continuing U.S. effort to blame America's economic weakness on others, and to make others pay for it. The fact that U.S. exports into South Korea have increased by some 26% in the last six months, as the Seoul government sought to avoid at all costs what it considered as the "dishonor" of being classified as a violator under the U.S. Omnibus Trade Acts "Super 301" designation, has apparently only encouraged U.S. trade officials into still more rabid acts of trade war.

This U.S. policy toward the Republic of Korea has been combined with a steady drumbeat coming from Congress, the Eastern Establishment press, and sometimes administration officials, that the United States must force South Korea to bear the full burden of its national defense and that the United States should pull out its troops. Under this pressure, the government of President Noh Tae Woo, which heralded the coming of democracy in South Korea, has come under increasing domestic pressure, both from the opposition and from within his own Democratic Justice Party (DJP).

In late August, the South Korean news service Yonhap reported that the United States had delivered an official protest concerning Seoul's plan to save South Korea's ailing shipyards with a massive transfusion of cash and tax benefits. On Aug. 31, Thomas Wajda, director of maritime and land transportation for the State Department, and John Stocker, president of the Shipbuilding Council of America, visited South Korea's Trade and Industry Ministry to ask it to cancel its plan to subsidize the debt-stricken shipbuilding industry. South Korea has been the world's second largest shipbuilding nation. The two Americans expressed regret over the government rescue mission, which came shortly after the United States dropped a lawsuit against Korea under Section 301 of the U.S. Trade and Tariff Act. They warned that intense U.S. protest will be lodged against Korea at the upcoming shipbuilding meeting in October, which will be held under the auspices of the Organization for Economic Cooperation and Development. In late June, the Shipbuilding Council of America sued the Korean government over its support to the shipbuilding industry, but it withdrew the lawsuit on July 21 to discuss the matter in the multilateral talks of the General Agreement on Trade and Tariffs (GATT). The council plans to resubmit the lawsuit if it is not settled in the GATT talks by March 1990.

In his recent trip to Seoul in mid-September, U.S. Secretary of Commerce Robert Mosbacher focused on Korea's "continuing problem areas" with respect to its closed markets, especially those having to do with agriculture. The South Korean newspaper *Choson Ilbo* complained in its lead editorial Sept. 8, that the concessions which Seoul has already made to the United States "have already seriously affected the rural economy. As far as the additional opening of markets to agricultural produce is concerned, our flexibility at present is utterly impossible; on the contrary, we need import restrictions on the grounds of the damage done to the agricultural industry."

Leaders of local food industry have pointed out that South Korea imported $2.6 billion worth of agricultural products from the United States last year, making it the second largest importer of U.S. farm products in the world. Yi Kyong-hae, leader of the 45,000-member National Council of Young Farmers and Fishermen, is quoted by Yonhap Sept. 9: "We cannot just idly watch the American attempt to invade our market, shaking our agricultural industry to its roots."

Aircraft deal up in the air

Commerce Secretary Mosbacher, as the London *Financial Times* reported Sept. 19, also "put Seoul fighter negotiations in doubt," a deal which the Koreans were apparently under the impression was very much on track. At issue is the Korean Fighter Project, under which South Korea would build more than 120 planes—either the General Dynamics F-16 or the McDonnell Douglas F-18. In the original deal, Korea was to buy 12 entire aircraft from the United States, with the factory in Korea supplying 50-60% of the value of the remaining 108 aircraft. But according to the *Financial Times*, Mosbacher insisted that Seoul buy 20 fighters directly from the United States. In mid-July, U.S. Defense Secretary Dick Cheney attempted to strong-arm Seoul into buying all the U.S. fighters "off the shelf." Senators Alan Dixon (D-Ill.) and John Heinz (R-Pa.) introduced a resolution to block the deal and force through Cheney's demand, and charged

that the original deal would give away valuable U.S. technology to a major trading competitor.

The whole debate, of course, is shaped around the presumption of an imminent pullout of U.S. troops. President Noh Tae Woo is scheduled to visit Washington in mid-October for talks with President Bush, and the troop question is expected to be high on the agenda. With new U.S. ambassador Donald Gregg now finally confirmed by the Senate and in place in Seoul, diplomacy around the troop question is expected to increase. Upon his arrival in Seoul on Sept. 16, Gregg issued a vague statement on the troop question: "So long as the Korean government and . . . public share with us the judgment that there is a need for our presence, we will be here to assist in maintaining peace." In his confirmation hearings in June, Gregg had been more explicit, stating that it was time to start considering troop withdrawals.

The point has not been lost on the South Koreans. The Korean newspaper *Hangyore Sinmun* was quick to note Aug. 19 that the position of the commander of the U.S. forces in Korea, Louis Menetrey, had even shifted. Menetrey was quoted in the *New York Times* saying that there will be no military need to keep U.S. forces in South Korea after the mid-1990s if present trends continue. The *Times* commented that the United States has put Korea in a quandary on the military question: "Despite the fact that high-level U.S. policymakers, including Bush, have repeatedly denied that they had any plan to reduce U.S. forces . . . the U.S. Congress, news organizations, and some people in the U.S. administration have given us the impression that they were using the withdrawal question as an instrument in pressuring Korea to bear a greater share of defense expenses and in buying U.S.-made equipment."

Pressure on Noh Tae Woo

President Noh Tae Woo has spoken repeatedly against the removal of the U.S. troops. "Contrary to what some people in U.S. political and media circles say, I think it is the most economic investment strategically to make this forward deployment of forces," the President told reporters June 28, as quoted by Yonhap. The withdrawal of U.S. troops from South Korea—which is the primary demand of the insane regime of North Korean dictator Kim Il-Sung and the Soviet Union—acts to undercut any initiatives from Noh Tae Woo to bring reconciliation to the Korean peninsula. After all, why should the North make any concessions when it can just wait for the United States to do what North Korea wants most?

At the same time, there are indications that Noh Tae Woo's opposition to a troop pullout is one of the reasons why he has lost the favor of at least a faction of the U.S. Establishment. The *New York Times* published articles Sept. 10 and 11 which were extremely critical of "Mr. Noh's crackdown on militant dissent that has filled jails with as many detainees as were imprisoned before he took office in early 1988. The jailings, in turn, have created new concern about Mr. Noh's commitment to due process and free institutions."

The *Times* was particularly upset by the indictment of Kim Dae Jung, the head of the Party of Peace and Democracy, on charges of violating national security laws. As *EIR* reported at the time of the last elections (see *EIR*, Dec. 11, 1987, "Kim Dae Jung: the landlords' candidate"), Kim is part of an extensive network connected to the World Council of Churches (WCC) and to New York City's Union Seminary, which have acted as a fifth column operation to facilitate the country's shift into the Soviet camp. It has been this WCC operation that the Noh Tae Woo government has been scrambling to unravel as it has been engulfed with crisis after crisis.

As Hyun Hong Choo, minister of legislative affairs in Noh Tae Woo's administration, explained in a *Washington Post* interview Sept. 14: "We are doing those investigations and searches, simply because if we do not do so the government will lose all control of order." Explaining that Kim Dae Jung probably wouldn't have been indicted if he had cooperated when the charges had first surfaced, Choo said: "It became a question of who is lying, the government or Kim Dae Jung." The charges against Kim were that he had failed to tell authorities when he learned that a member of his PPD had visited North Korea, and received a payoff from the North Koreans, a certain cut of which was then "donated" to Kim Dae -Jung.

The net effect of the indictment of the PPD leader, however, whether or not he is convicted, is to knock Kim Dae Jung largely out of the running as the next head of the government. Who, then, is waiting in the wings for the downfall of Noh Tae Woo? Some analysts speculate that Kim Young Sam may emerge as the "favorite son" of the Eastern Establishment. He is the one opposition figure that Henry Kissinger has sought out when visiting Seoul. He is also Moscow's contact person in Seoul. Yonhap reported Sept. 12 on a meeting the previous week between Kim and Soviet Vice Foreign Minister Mikhail Kapitsa in Seoul. Kapitsa, director of the Soviet Institute for Oriental Studies, is quoted: "It is unimaginable that war could break out on the peninsula and the Soviets are determined to play any role they can in bringing about inter-Korean talks. . . . As far as I know, North Korea is ready to hold South-North Korean talks but wants to take some steps to save face, and it will take a couple of years for the circumstances for cross recognition of the two Koreas by their allies to fully develop." He told Kim that "Priority should be given to arms reduction in inter-Korean talks. Cutting the size of the armies down to 100,000 men each will help ease the tension on the peninsula," he said.

Increasing ties between Moscow and Seoul clearly have Washington's approval. The founder and honorary chairman of the Hyundai Group, Chong Chu-yong, returning to Seoul from a week-long visit to the United States told Yonhap Sept. 5 that the U.S. backs South Korea's economic approach to the Soviet Union.

The daughter of the 'fifth man': Who is Emma Rothschild really?

by Mark Burdman

The Italian Catholic Daily *Avvenire* has reopened speculation into one the most intriguing, enigmatic, and covered-up aspects of the circumstances of the Feb. 28, 1986 assassination of Swedish Prime Minister Olof Palme. The paper's Sept. 18 issue published a story entitled, "Ambiguous 'Truths' on Palme's Death," discussing how the enhanced disinformation capacity of the Soviet KGB in the era of Mikhail Gorbachov's rule had been utilized to prevent the truth about the assassination of Palme from becoming known. Journalist Maurizio Blondet recalled that several official Swedish investigators had resigned from the Palme case, after they were forbidden to investigate the role of Emma Rothschild, Palme's alleged lover, in the whole story. Blondet noted that Emma's father, Victor Lord Rothschild, has been accused by some in Britain of being the much-discussed "fifth man" in the Kim Philby-Anthony Blunt-Donald Maclean-Guy Burgess Soviet spy network.

The Portuguese weekly *O Diabo* also brought up the "Emma connection," in its Sept. 19 issue. In an article entitled "The Palme Case Again—Inside the 'Soviet Track,' " the paper lists a number of unanswered questions about the Palme assassination, including about "the extramarital relationship of the prime minister with the daughter of Lord Rothschild . . . Emma Rothschild."

The matter of Emma Rothschild has become almost taboo, since its explosion into the international media in December 1986. Starting around Dec. 4, and lasting for a few days, various publications, including the *Daily Mail* and *Daily Express* of Britain, the mass-circulation *Bild-Zeitung* of West Germany, and various non-Swedish Scandinavian papers, had identified her as Palme's mysterious "English mistress." Privately, there was much speculation at the time that she had played some role in the circumstances surrounding the murder, whether by tipping off the assassins to his whereabouts, or by leaking sensitive information about Palme's intentions and plans to Soviet networks, or something perhaps more sinister.

The story, however, was quickly dropped, although for enterprising journalists, matters did not end there: Over the 6-7, 1986 weekend, a reporter for Britain's Independent Television was assaulted, and his camera smashed, by bodyguards accompanying Emma Rothschild as she was leaving her home in Stockholm. The evaluation from a leading Soviet-linked institution in Stockholm at the time was unambiguous: "The Swedish police will never let the Emma Rothschild story out." Hans Holmér, the Swedish police chief heading the investigation, forbade any questioning of Emma Rothschild.

Since December 1986, barely a sentence has been published anywhere about Emma Rothschild's connections to Palme. The matter is one of such great sensitivity that, according to British sources, Emma Rothschild herself intervened to stop the publication of a book in Britain, *Blood in the Snow*, written by British journalist Chris Mosey, simply because it referred, *en passant* and in a most innocuous way, to her relationship to Palme. According to the British biweekly *Private Eye*, Emma Rothschild arranged with her friend Lord Weidenfeld, chairman of the Weidenfeld and Nicolson publishing house, which was due to publish the book, to have the publication blocked. It has, to this day, only been published in Swedish.

British sources also claim that a coverup book on the Palme assassination, published earlier this year in Britain, was ghost-written by Emma Rothschild.

Rothschild vs. LaRouche?

The December 1986 revelations about the Emma Rothschild-Palme relationship came out at a most remarkable conjuncture. Her father, Victor Rothschild, had been the subject of controversy for the previous three weeks, with British papers speculating that he might have been the "fifth man" in the Blunt-Burgess-Maclean-Philby spy nest. On Nov. 27, a *Daily Mail* correspondent was assaulted by goons, when he tried to question His Lordship outside the family's N.M. Rothschild bank.

On Dec. 4, British Prime Minister Margaret Thatcher made a lukewarm statement in Parliament, claiming only that there was "no evidence" to prove that Rothschild had been a Soviet spy, but omitting the usual clauses about his known services to the country, and so on.

Amazingly, it was right at this very moment, during the Dec. 4-7, 1986 period, that circles of the U.S. Justice Department, in league with NBC television and Irwin Suall, head of the Fact-Findng Division of the Anti-Defamation League of B'nai B'rith, suddenly launched "Phase Two" of the slander campaign that Lyndon LaRouche and associates were responsible for the assassination of Palme. That lie had gained wide international circulation during the spring-summer of 1986, but had somewhat died down since then. It had originally been cooked up by the Soviets, and had been conduited through various pro-Soviet networks in the West, in the hours following Palme's death. It particularly gained international circulation and notoriety following the March 1986 arrest of a Palme-murder suspect who was falsely portrayed as "linked to the LaRouche-associated European Workers Party" in Sweden. That suspect was later released for lack of evidence against him.

The slander was critical to manufacturing the atmosphere in which LaRouche could be framed up by the U.S. Justice Department, in a political prosecution which was gearing up at precisely the same time. But was the December revival of the "LaRouche" story launched to protect Emma Rothschild—and perhaps daddy Vic as well?

In answering that question, intelligence experts would have to come to grips with some very odd seeming coincidences. It would seem that, since the 1970s, the young Emma Rothschild had always managed to place herself in locations and situations strategically key to operations against LaRouche and associates.

In the Boston-Cambridge area of Massachusetts, in the early 1970s, she had worked with the Cambridge Institute, a branch of the left-radical Washington, D.C. Institute for Policy Studies. She helped publish the Institute's working papers. Her circle of friends and acquaintances revolved, in part, around the Boston *Real Paper*, two of whose leading lights, Bo Burlingham and Andrew Kopkind, were early recruits to the profession of "LaRouche slanderers." The owner of the *Real Paper*, Ralph Fine, is a top figure in the Anti-Defamation League. One funder of the *Real Paper* was William Weld, later to become U.S. Attorney and then U.S. Department of Justice Criminal Division head, and the main coordinator of the "Get LaRouche" task force beginning in 1984.

Emma Rothschild's U.S. mentors during the 1970s included the Massachusetts Institute of Technology "Pugwash Conference" set, typified by MIT president Jerome Wiesner. Also key were the *Bulletin of Atomic Scientists* magazine, which brought Emma Rothschild onto its editorial board, and the Albert Einstein Peace Foundation. Is it an accident that Illinois has been a center of anti-LaRouche operations, dating from the March 1986 victory of two "LaRouche Democrats" in the state Democratic primary, and that these operations are most often run by liberal pro-Soviet ("peace") networks associated with former U.S. Sen. Adlai Stevenson III?

Around 1980, Emma Rothschild began a meteoric rise. She was appointed a secretary and economic consultant to the Palme Commission on Disarmament Issues. Starting around 1984, the Palme Commission began an international campaign against the Strategic Defense Initiative. LaRouche had been a principal architect of the SDI, particularly in the area of the economic spin-offs of the SDI. One other member of the commission was Georgi Arbatov, head of Moscow's U.S.A. and Canada Institute, who was the first person to publicly blame LaRouche for the Palme assassination.

Starting in 1984, Rothschild was appointed as the British member of the Governing Board of the Stockholm International Peace Research Institute. Leading SIPRI figures at the time included such anti-SDI stalwarts as Arbatov's son, Britain's Lord Solly Zuckerman, former U.S. Defense Secretary Robert McNamara, and Soviet Gen. Mikhail Milshtein.

At this point in the story, some might interject: If the apparatus around the Palme Commission were so integral to the fight against the SDI, what sense can be made of *EIR*'s contention that the Soviets either directly murdered Palme, or were instrumental in causing Palme to be murdered? But as one informed British source stressed to *EIR*, having Palme killed would have given the Soviets the martyr they needed to fuel the fight *against* the SDI, especially if U.S. agencies or individuals who were pro-SDI could be held responsible for the murder.

A 'very evil' man

On a more fundamental level, the matter of Emma Rothschild forces one's attention back to father Victor Rothschild (see box). Of course, there is the matter of Victor Rothschild's 1930s membership in the secret Cambridge Apostles cult at Cambridge University in England, and his and his family's sponsorship, on various levels, of activities of Soviet spies Burgess, Blunt, et al. This has been documented in numerous recent book-length histories of the British spy scandals, and need not be repeated here.

Whether Victor Rothschild is the fifth man, or the first man, or whatever, he is certainly a key figure in the inner circles of the Anglo-Soviet condominium known as the "Trust." One must look for the keys not only in the Rothschild family's banking complex, nor in the particular details of the connections to the Cambridge spy set, but, as LaRouche says, in the telltale *policy* commitments. In this sense, Victor Rothschild is unique, representing the intersection point of pro-Soviet operations in the West, international banking, the "energy scarcity" policies of the Seven Sister oil companies, the revival of malthusian ideologies in the post-World War II period, and some of the nastier aspects of Britain's "scientific intelligence" infrastructure.

Throughout the 1960s, Victor Rothschild was one of the senior research directors in the Shell Oil complex. From 1965-70, he was research coordinator for the Royal Dutch Shell Group. In this period, this Anglo-Dutch company was

helping to launch the malthusian movement, centered around the formation of the "limits to growth" Club of Rome International.

In the latter part of 1970, Victor Rothschild was appointed by the British government to head a newly formed government think-tank, officially known as the Central Policy Review Staff. While coordinating the CPRS overall, his own personal specialty was energy. According to a 1988 history of the CPRS, *Inside the Think Tank*, Rothschild was able to utilize his "extensive network of contacts and personal advisers" in the oil companies, in writing a special CPRS report on energy and energy prices. Since early 1972, the book reports, Shell had been devising "scenarios involving substantial increases in the price of oil." When Rothschild completed his report for the British government, in the summer of 1973, forecasting a substantial rise in the price of oil, he and his team were accused of "scare-mongering." Soon thereafter, the October 1973 Arab-Israeli war and ensuing oil-price crisis erupted. As the book states triumphantly: "Rothschild and his team were vindicated. Their pessimistic foresight was acknowledged by the rest of Whitehall."

In the mid- to late 1970s, after he had left CPRS, Victor Rothschild was involved in campaigns against nuclear energy and in favor of reducing world population. He polemicized in one public lecture, against those who might believe that colonization of space, fueled by the development of fusion power, might provide an ultimate solution to the global population problem. Such campaigns and lectures would place Rothschild himself, from a high-level position in the policy establishments, in an adversarial relationship to LaRouche.

Not surprisingly, Victor Rothschild and daughter Emma have been central figures in the corporativist-malthusian institutional apparatus set up to deal with an era of energy scarcity, shortages, austerity, and the like.

Today, Emma Rothschild sits on the board of trustees of a London think-tank called the Institute for Public Policy Research, which was launched this year. The IPPR is a regroupment of the old CPRS (which was disbanded by Margaret Thatcher some years back). The chairman of the IPPR's board of trustees is Baroness Tessa Blackstone, formerly an aide to Victor Rothschild at the CPRS, and the co-author of *Inside the Think Tank*.

The director of the IPPR is James Cornford. In the 1974-75 period, while a professor at the University of Edinburgh, Cornford was a key British member of the "Task Force on the Governability of Democracies" of David Rockefeller's Trilateral Commission. The final report of the task force was entitled *The Crisis of Democracy*. Its main theme was that democratic societies were rapidly becoming "ungovernable," especially because the Western world was entering into a period of economic scarcity, in which the "excess of democracy" would make it extremely difficult for governments to impose the required discipline and sacrifice.

That report provided the conceptual guidelines for the creation of the Federal Emergency Management Agency in the United States. FEMA's Continuity of Government operation is the semi-official "cold coup" apparatus in the United States, ready to take over under conditions of extreme crisis—contrived or otherwise.

The IPPR identifies one of its tasks today as confronting "the threats posed by uncontrolled industrial growth to the world's ecological balance." In June of this year, it co-sponsored a meeting at Cambridge University, together with the West German Social Democratic Friedrich Ebert Foundation think-tank, on imposing a "green economic agenda" on European countries. One of the featured participants at the conference was Emma Rothschild, now a senior research fellow at King's College, Cambridge.

Lord Victor Rothschild and his evil circles

Lyndon LaRouche, congressional candidate in Virginia's 10th District, released this statement on Sept. 18:

To all intents and purposes it would be perfectly fair today to describe Britain's very influential and powerful Lord Victor Rothschild as the "fifth man" in the famous Philby case.

The point is not merely that Victor Rothschild had the relevant close association with Harold "Kim" Philby and company, but rather that Mr. Rothschild's policies and those of his immediate circles, including the policies of the London *Economist* and London *Financial Times*, are perfectly consistent with those of his ancestors who were allied with New York's August Belmont and Atlanta's Judah Benjamin in promoting black chattel slavery and the destruction of the United States during a period of more than a century ago.

Mr. Rothschild is, of course, a great promoter of a special relationship between the Gorbachov admirers in the West and Gorbachov in the Soviet Union. This is a key to the point.

More relevant to the immediate point is that Mr. Rothschild's immediate circles, including of the London *Economist* and of the *Financial Times*, are in effect drug pushers. That is, they are pushers for the legalization of the drugs which are destroying the United States from within and also destroying entire nations in South America.

So, Mr. Rothschild's circles' policies are very evil. And he qualifies in every moral sense and every connection, to be called the "fifth man" in the Philby affair, until a more likely prospect turns up.

East Germany tries to stop refugees

by Rainer Apel

Tightened controls at the borders which East Germany shares with Czechoslovakia and Hungary have visibly slowed the stream of refugees from East Germany during the third week of September, with only 200-300 making it into West Germany, as opposed to the 600-800 who escaped each day during the previous week.

The East German police accomplished this through intense ID and luggage controls on trains traveling to Hungary, during which they looked for "suspicious documents" indicating plans to escape to the West, such as work certificates, university diplomas, or other documents that are usually not taken abroad. Passports were cross-checked with blacklists of those names whose appeal for emigration has been rejected by the authorities. Many arrests were made, with travelers being pulled out of trains and sent back home, and their passports confiscated. In most cases, "suspects" thus singled out will have to face trial and fines, and possibly jail terms ranging from several months to two years.

In tandem with this, East Germany's communist party, the Socialist Unity Party (SED), has mounted a propaganda campaign which attempts to blame the flow of refugees entirely on Western attempts to "abduct" East German residents. The latest in this series of stories about alleged West German *Nacht und Nebel* operations to "rob citizens" from East Germany, is an interview Sept. 21 in the SED party daily *Neues Deutschland*. A young East German is presented, saying that while on vacation in Hungary, he was contacted by a another young German and lured into a flat where a Hungarian lady, who spoke German fluently, served him "tea and a menthol cigarette."

Shortly afterward, the East German reported, he fell unconscious and "only woke up already sitting in a bus next to the other young man" who was tapping him on the shoulder. Asking where the bus was going to, he learned that he was already "in the West." Apparently, he was "put on drugs or something like that in that apartment," *Neues Deutschland* writes, alleging that the story is "shedding a light on the typical criminal methods of West German agencies to abduct citizens of the German Democratic Republic."

Church under attack

The SED has also launched its heaviest attack in years against the Lutheran church in East Germany. On Sept. 21, *Neues Deutschland* commented on the just-concluded synod of the Lutherans in the city of Eisenach, which had featured public critique of the SED. The daily warned the church against "spreading adventurous slogans against the state," and against "joining hands with those who want to make the G.D.R. ripe for takeover by the forces of capitalism." The church, the SED warned, should "not become a Trojan horse" and "serve as a means for those enemies who for the past 40 years have not been successful in ruining this state, to achieve it by other means now under the pretext of *reforms*."

Indeed, in the city of Leipzig—the historic home of Johann Sebastian Bach—just going to church has become a crime against the East German state. Personnel of the Ministry of State Security and police have been conducting surprise mass arrests of participants in the prestigious Monday night mass at the St. Nikolai Church.

On Sept. 11, police and state security forces arrested close to 140 persons after the mass, deporting them in trucks. About 30 of these were kept jailed for several days and interrogated; four were sentenced to four months in jail, 12 others to fines above 1,000 marks, on counts of "conspirational gathering against the state." Those who were released can also expect fines. Another 100 were arrested after the mass Sept. 18.

Because open political opposition is not permitted, the churches have become gathering points for many East Germans who are at odds with the regime; on the average, the St. Nikolai mass attracts between 1,000 and 1,800 East Germans every Monday night.

In addition to the church networks, new para-political organizations are forming right now, and some intend to develop into political parties. But the SED could make them disappear instantly, especially because these new groups have not yet gained the level of Western sympathy and support as the Polish Solidarnosc.

Fully 10% of East Germany's 17 million residents, or about 1.5 to 1.8 million people, have officially enlisted for emigration, and surveys indicate that many more are actively considering it. In some areas and cities in the densely populated districts of Thuringia and Saxony, up to 20% of the populations want to leave for the West.

The SED, which originally took power over a population of 19 million in 1945, experienced an outflow of 2.6 million refugees in the 16 years until the building of the Berlin Wall and the fortification of the border with West Germany in 1961. The safety valve policy only worked in the 28 years between then and 1989, when "only" 700,000 emigrants (and a few thousand refugees) left.

In 1989, the universal awareness of an imminent, brutal crackdown as the Soviet leadership attempts to save its disintegrating empire, has given new momentum to the outflow, with 60,000 "legal" emigrants arriving since January and 25,000 refugees using the escape route through the open border between Hungary and Austria since the end of May.

Report from Bonn by Rainer Apel

Bush shows disinterest in Germany

U.S. support, rather than glamorous speeches, is what Germany needs to handle the East-West crisis.

During the past few weeks, West German media presented a seemingly relaxed U.S. President—sailing, fishing, and golfing at his vacation home in Kennebunkport, Maine. West Germans concerned with the tense situation in Eastern Europe and in East Germany tended to put it sarcastically: "Bush is so busy, he can't have any time left to deal with the German problems."

It's not only Bush's being "busy"; he doesn't grasp at all how critical the situation in Europe is right now.

Remarks Bush made on the German question in a speech in Montana on Sept. 18, made this clear. Asked about the prospects for a reunification of East and West Germany, he said, "I would think it's a matter for the Germans to decide. But put it this way: If that was worked out between the two Germanies, I do not think we should view that as bad for Western interest."

On May 7, when critics charged the ruling ruling East German party, the SED, with having rigged its municipal elections, Bush had nothing to say. And at the peak of the East German refugee crisis (before Hungary opened its borders to Austria to let the refugees out) in mid-August, Bush's State Department gave directives to the U.S. embassy in East Berlin to close its doors to the public, in order not to become a haven for East Germans. The U.S. said that it was an "affair to be settled among the two Germanies."

It was not. Moscow certainly isn't permitting the Germans—east and west—to settle their own affairs. Soviet Marshal Sergei Akhromeyev, one of Gorbachov's closest advisers, emphasized this in an address before the Finnish parliament on Sept. 14. Akhromeyev insisted that Germany still be considered enemy number one, as laid down in Moscow's 1947 "military assistance treaty" with East Germany. "The strategic situation has not changed, since that treaty was signed," he said.

Unlike "neutral" Finland, East Germany is the Warsaw Pact's direct frontline state against the West. The "Elbe river line" is essential in Moscow's theater warfare planning for Central Europe. That is why the Red Army has 400,000 soldiers stationed there, and that is why East Germany is a preferential bridgehead of black propaganda against West Germany.

Soviet Politburo member Yegor Ligachov, visiting East Berlin Sept. 12-16, alluded to this strategic function of East Germany, when he reassured the SED party of Moscow's "full observance of the existing [1955] friendship and military assistance treaty." So there's no room for speculation about "deep rifts" between Moscow and East Berlin, nor for speculation that the East Germans could settle anything with the West Germans directly, without paying attention to Moscow's thoughts. In fact, the SED has the Kremlin's full go-ahead not only for the barrage of black propaganda it is currently launching against the West Germans; it also has the go-ahead for a ruthless crackdown on opposition elements, especially those who are getting organized now in the Neues Forum (New Forum), a new umbrella organization for a whole set of religious and political groups.

Moscow considers stability at its western front line an utmost priority, at a time when the other Warsaw Pact members and nationalities inisde the Soviet Union are turning more and more rebellious. Gorbachov will personally attend the Oct. 7 official celebrations of 40 years of existence of the SED, and he had Ligachov announce that he is coming, too.

But the SED state is infected with the virus of potential revolt.

A new study by Gorbachov's German policy task force, headed by former ambassador to Bonn Valentin Falin, expects "uncontrollable mass riots by spring 1990" in East Germany, and recommends a phased counter-move by the SED party state security apparatus, ranging from low-intensity operations to full-scale military intervention—which would invoke the "military assistance" clause Ligachov was speaking of. This option is being prepared, propaganda-wise, in Moscow as well as in East Berlin.

The SED has already declared the Bonn government the main scapegoat for East Germany's internal problems. Ligachov, appearing on East German television Sept. 15, denounced "intensified, new provocatory actions launched by the Federal Republic of Germany."

The Soviet Communist Party daily *Pravda* of Sept. 16 went even further, characterizing Bonn's conduct in the refugee crisis as a "threat to the stability of relations between the two German states, to the coherence of the community of socialist states, and moreover, a threat to all states on the continent of Europe."

So the U.S. President, or at least some of his advisers, had better wake up, and at least insist on explanations from Moscow.

Satanwatch by Mark Burdman

Soccer thugs: 'Satan made us do it'

The Anti-Drug Coalition's mobilization against Black Sabbath proves to be right on target.

Last week, we reported on the Swedish Anti-Drug Coalition's mobilization to put a *cordon sanitaire* around the Stockholm performance of a British Satanic-rock group with the name "Black Sabbath." Public concern about the group's potential nefarious impact, was heightened by the coincidence of the event with the arrival in Stockholm a few days earlier of British soccer fans, who went on a violent rampage on Sept. 6.

The Satanic connection between the two events was made explicit in an interview on British television in mid-September, when a leader of the British soccer hooligans gave a most unusual explanation for why his group had done what they did in Sweden. "Satan told us to do it!" he proclaimed.

To the average British television viewer, this statement confirmed the feeling that Britain's so-called "football hooligans" are mentally unbalanced. But to experts, this proclamation indicated something more sinister, especially as the person being interviewed was simultaneously making signs and gestures known to be used by Satanic cults.

The Sept. 6 violence had broken out during the match in Stockholm between the teams of England and Sweden, one of the international "qualification matches" leading up to the World Cup Finals. The violence, however, did not begin in Stockholm. On the ship sailing from an English port to the Swedish city of Gothenburg, hooligans threw a man overboard, whose body has still not been recovered. Police say that two men were apprehended, who were in possession of "Ecstasy," the favorite drug of Britain's "Acid House" set.

In Stockholm itself, hundreds of English fans attacked warehouses, stealing items and intimidating and threatening people. They then rampaged down side streets of the city. Only effective action by the Swedish police prevented large-scale violence between English and Swedish fans. One hundred English hooligans were arrested.

The Swedish media speculated on the links between the hooligans and neo-Nazi groups in Britain, including the racist-extremist National Front and the so-called "skinheads." But in a discussion with this journal, one informed English source gave more precise indications about what is involved here.

"The football hooligans work on a rent-a-mob basis," this expert said. "They are, politically, part of the apparatus of the British National Front, which is Nazi-influenced. The hooligans have very closely cropped hair, and have swastikas and other Nazi insignia tattooed on their bodies. They favor Satan. The way they operate is extremely tactical. Knowledgeable people here call their controllers 'The Firm,' which deploys these rent-a-mobs."

He continued, "They are very organized. The aim in their violence is to disrupt the youth of this country and other European countries, to destroy traditional institutions associated with the family, friendship groups, and normal sports. At the same time, they inject racism and anti-Jewish beliefs into Britain. They are completely mindless, glazed-over. Hundreds of them are sent out at a time. While the National Front is the basis for the units, they are now far more sophisticated, more politically orchestrated, and far more lethal than the National Front itself used to be. The football hooligans are extremely dangerous."

This expert reported that special intelligence units have been established by the British law enforcement authorities to monitor the hooligans, and stressed the close links between Nazi and Satanic belief-structures and groups.

Meanwhile, in Stockholm, the Sept. 16 performance of the Black Sabbath rock group which was supposed to attract 3,000 was only attended by half that number. They were met by a demonstration of 200 people organized by the Swedish Anti-Drug Coalition, founded by co-thinkers of Lyndon LaRouche, and people from various churches who joined the effort.

Clearly unnerved, the Satanic rock group announced from the stage that they would "sing something for the religious people outside," and proceeded to perform their piece "Death Calls." Black Sabbath had set up a cross of lights and had two sarcophagi on the stage, plus pictures of church ruins.

Outside, a character arrived with blood all over his hands, which he went around smearing on the trees, and made the sign of the cross, in blood, *on his own forehead*.

Black Sabbath is scheduled to appear throughout West Germany, but their "fun" may be spoiled by an organized resistance led by the Anti-Drug Coalition and Schiller Institute there.

Andean Report by Jacobo Frontoni

Venezuela and drug-money laundering

Under fire in Colombia, the drug cartels and their political godfathers pose a threat to Venezuela.

Like every other Ibero-American country, Venezuela cannot afford to remain indifferent to the war that Colombia is waging against narco-terrorism. With its long shared border, Venezuela has for a long time suffered the impact of Dope, Inc.'s bid to control the political, financial, and economic life of its neighbor. Problems have ranged from cross-border raids into Venezuela by narco-terrorist outfits like the National Liberation Army (ELN), coca cultivation in the shared Sierra de Perijá region, trafficking activities in which Venezuela has served both as a bridge and a refuge, and, most importantly, Venezuela's growing employment as the drug traffickers' money-laundering center.

Venezuela, too, shares the problem of creeping corruption within its political elite. Fabio Ochoa Restrepo, a prominent horsebreeder and the father of the infamous Ochoa clan which runs the Medellín Cartel, said a few months back that he had important friends and clients within the upper circles of Venezuelan society.

Venezuela's importance to the drug-trafficking networks was exemplified by information released Sept. 17 by the Venezuelan Judicial Police, that Medellín Cartel chieftains Pablo Escobar and Gonzalo Rodríguez Gacha were believed to have taken refuge from the Colombian Armed Forces at ranches owned by associates of theirs in the Venezuelan border regions of Apure and Táchira. Similarly, *El Nuevo País* published a report Sept. 5 that Colombia's narco-guerrillas were fleeing into Venezuela's Sierra de Perijá. Defense Minister Filmo López Uzcátegui has ordered the reinforcement of these regions under a declared "border alert."

Venezuelan National Guard commander General José Vicente Lecia Madrid revealed Sept. 17 that 15,000 kilos of drugs had been captured on Venezuelan territory in less than one month, believed to be a tiny percentage of the actual quantity of drugs which regularly crosses Venezuela on their way to markets elsewhere.

Possibly the most serious problem facing Venezuela, however, is "the laundering of dollars, which is being carried out with increasing intensity in our country. . . . All this under the inconceivable complacency of certain Venezuelan financial institutions," said deputy Leonardo Montiel Ortega in a letter to President Carlos Andrés Pérez, published Aug. 27 in the daily *Ultimas Noticias*. In his letter, which has thus far received no response, Montiel Ortega asserts that although in Venezuela, "foreign financial institutions are not permitted to accept deposits on national soil, national banks have full freedom to do so . . . and as a result, the drug dollars enter the country to be 'rinsed,' to be exchanged for bolívars and then once more into dollars." This mechanism, said the Venezuelan congressman, is facilitated by "the connection of our banking institutions with banks operating in the Caribbean."

On Aug. 8, columnist Mauro Gamus proposed the creation in Venezuela of "an international financial center, to permit all the foreign banks that are leaving Panama to enter here. . . . Someone might say that this runs the risk of turning into a paradise for the drug traffickers, but that isn't so. With a little skill, the laundering of money is controllable. . . . It just takes a little imagination."

According to Congressman Oscar Yanes, Mauro Gamus is the pseudonym for Andrés Galdós Ferrer, whose column is published daily in most Caracas dailies as a paid advertisement. Congressman Yanes demanded to know who is paying the one million bolívares ($25,000) a week to publish Galdós Ferrer's drug-lobby propaganda.

Regarding the cultivation of coca, a report published Sept. 1 by the daily *El Nacional* reveals that "the coca crops in Venezuela's Sierra de Perijá . . . were discovered in May 1987 in the region of Agdobadú, a few kilometers from the Colombian border." The report adds that, according to the U.S. Drug Enforcement Administration, the seed was brought by people from Medellín Cartel kingpins Pablo Escobar Gaviria and his partner at the time, Carlos Lehder.

On Sept. 6, the Venezuelan press reported that the chiefs of the Indian tribes of Zulia state, located in the Sierra del Perijá, charged that there are some 30,000 hectares of coca crop in the region. *El Universal* reported that "the 30,000 hectares of coca are located in the towns of Becerril, department of César, Colombia, and in the sector of Aroita, in the Sierra de Perijá, Zulia state [Venezuela]."

On Sept. 8, Venezuela's Defense Minister López Uzcátegui revealed that both marijuana and coca crops had been discovered in the cited region, and that troops had been deployed to destroy them.

International Intelligence

Malaysia: Form military group to fight drugs

Malaysia will propose to the U.N. that an international military group be formed to fight the private armies of the drug barons, Reuters reported Sept. 17.

Deputy Prime Minister Ghafar Baba told a political gathering, "I will present the case that the drug problem has assumed serious proportions. It needs the concerted effort of all nations to curb it."

Under the proposal, the force would be made available on request to countries where traffickers have set up armies to protect drug-producing plants and laboratories. More than 80 people have been hanged so far in Malaysia for drug dealing. Several heroin-processing laboratories have been found in the last two years in the country, which until recently served as a transit center for drugs from the Golden Triangle opium-producing region of Southeast Asia.

Polish paper hits Soviet Union for 1939 invasion

The Polish communist party newspaper *Trybuna Ludu* published on Sept. 16 an unprecedented attack on the 1939 Soviet invasion of Poland, accusing Soviet troops of "massive crimes." The paper pointed out that the failure to tell the truth about the Hitler-Stalin Pact which cleared the way for the invasion, has continued to blight relations between Poles and Russians.

The commentary was provoked in significant part by the decision of the Polish Solidarnosc-dominated government to mark the anniversary by laying a wreath in Warsaw. This will be the first time the event has been officially acknowledged inside Poland.

London's *Sunday Times* on Sept. 17 reported that Polish Foreign Minister Krzystof Skubiszewski has suggested that Poland might claim war reparations from the U.S.S.R.

Soviets charge Germany 'a threat to all nations'

The Soviet Communist Party paper *Pravda* on Sept. 15 charged West Germany with "being a threat to all nations on the European continent."

The paper declared that the Bonn government and political parties have "launched a broad campaign of provocation and hate propaganda on the pretext of the refugee issue, posing a threat to the stability of relations between the two German states, the functioning of the community of socialist states, and moreover, to all states on the continent of Europe."

West Germany's short-term aim toward East Germany, *Pravda* charged, is to "throw a shadow on the 40th anniversary celebrations" in East Germany, which Gorbachov is scheduled to attend.

Soviet Marshal Sergei Akhromeyev, one of Gorbachov's military advisers, added to this propaganda barrage, claiming that Germany is still the potential number-one enemy of Finland, in an address before the Finnish parliament on Sept. 15. The Soviet military leader, currently discussing Finnish requests for changes in the 1948 "assistance treaty" between Finland and the Soviet Union, declared that there could be no change, because the "basic situation has not changed" since 1948.

British-French missile project still live

Britain is still considering a joint project with France to develop an air-launched nuclear missile, which would have a range capable of replacing the weapons banned under the Intermediate Nuclear Forces (INF) Treaty, British Defense Secretary Tom King said Sept. 14.

In a joint press conference with French Defense Minister Jean-Pierre Chevènement, King insisted that the French stand-off medium-range air-to-surface missile was being looked at "very seriously," alongside U.S. alternatives.

King's statement contradicted earlier indications from both British and French officials, that Great Britain had ruled out the French option for replacing the Royal Air Force's free-fall bombs, and would choose a U.S.-developed weapon instead. The *Financial Times* of London commented Sept. 15 that an Anglo-French venture would be a breakthrough in defense collaboration between the two countries. The *Times* notes that Britain and the United States have already signed a memorandum of understanding to facilitate work on a stand-off missile with a British nuclear warhead.

Interpol calls for tracking dirty money

Gerald Moeibus, the head of Interpol, has offered the international police organization as a clearinghouse for recording suspect cash movements, as a way to get at the profits of the drug trade.

"The closer you are to the money, the higher you are in the [criminal] hierarchy. Track the money and you get the organization chart," he said. Moeibus, whose organization represents 147 countries, has offered to use Interpol's central computer in Lyon, France to do the job, according to Reuters Sept. 18.

French President François Mitterrand and former Italian Prime Minister Bettino Craxi met in Paris on Sept. 16 to discuss upgrading the European side of the war on drugs. Craxi asked Mitterrand, as president of the European Economic Community, to propose a European effort to support the Ibero-American nations.

Craxi also proposed an international tribunal to judge drug-connected crimes, what he termed a "justice bunker." Mitterrand promised Craxi he would introduce this proposal at the December meeting of the Council of Europe.

Craxi was recently visited in Rome by Peruvian President Alan García, and has been invited by Colombia and Bolivia to visit. Craxi told journalists that it is important to pass the new anti-drug law in Italy, and that

the danger exists that the entire Mezzogiorno region of southern Italy could fall into the hands of the drug mafia.

Soviets fear Israeli missile capabilities

The Soviet government attacked Israel for developing missile-launching capabilities which it said could destabilize the Middle East and other regions of the globe.

Soviet Foreign Ministry spokesman Gennady Gerasimov stated Sept. 15 that the U.S.S.R. was "seriously concerned" about an Israeli ballistic-missile launch into the Mediterranean on Sept. 14, since this launch could complicate the search for a Middle East peace. "Israel is known to possess a technological basis necessary for the creation of nuclear weapons," said Gerasimov. "The availability of delivery systems makes Israel a source of destabilization, far exceeding the boundaries of the Middle East region."

The Israeli launch was its second spy satellite. The first satellite was launched by the Offeq 1 rocket last year and was active for two months. Through Offeq 2, it is planned that the new satellite, which will be in an orbit that passes over the Middle East, will be operational for two years. Israel has made no official statement on the launch.

The Soviet news agency TASS reacted to the launch by claiming that Israel had launched a 1,300-kilometer range ballistic missile indiscriminately toward Libya, according to Reuters.

The launch came less than 10 days before the Wyoming summit where the superpowers are expected to renew efforts to curtail ballistic-missile projects in the Middle East.

Kuwaiti daily covers Irangate, LaRouche case

The Kuwaiti daily *As Sevassa* on Sept. 12 began a serialization of *EIR*'s Special Report "Project Democracy: The 'parallel government' behind the Iran-Contra affair." The text, which has been edited for an Arab audience, exposes the secret government and its relation to the political persecution of Lyndon LaRouche.

No sooner was the first part of the series, entitled "The Iran-Contra Affair and the LaRouche Case," published, than the authors and editors reported that Kuwait's State Censorship Office requested access to the entire series before further publication. Kuwaiti sources are investigating the origins of such pressure, since it is unlikely for the Kuwaiti government to have initiated such action.

Among the sub-titles in the article were: "Bush was involved in Contras, secret hands saved him"; "Kissinger/Mondale established Project Democracy through which CIA executed 250 operations of intervention around the world"; "Secret government planned to create sectarian religious trends and organizations in the Middle East based on the theories of Bernard Lewis"; "Rabin offered Israeli-seized PLO weapons to Nicaraguan Contras"; and "Nomination of John Tower as defense secretary, an unsuccessful bid to pay him for services that he performed when he headed the committee investigating the Iran-Contra affair."

"The report says that heading those who confronted the secret government was Lyndon H. LaRouche," *As Sevassa* writes. "For 20 years LaRouche led vigorous campaigns against the conduct and behavior of this secret government, demanding the return to legitimacy and to the Constitution of the United States. One example of Lyndon LaRouche's campaign was his role in revealing what Kissinger did as one of the pillars of this secret government. . . .

"Components of this government in cooperation with the CIA started vigorous campaigns against LaRouche and put him and his assistants on their list of enemies. . . .

"The case of presidential candidate Lyndon LaRouche was one of the first internal concerns of this secret government which, finally, got LaRouche sentenced. . . . LaRouche . . . was accused of participating in a conspiracy and was sentenced, at 65 years old, to spend 60 years [sic] in jail."

Briefly

● **CARLO RIPA DI MEANA** of Venice, the European Commissioner for the Environment, is pushing for the creation of a European-wide Environmental Protection Agency, "with teeth," that can enact strict environmental measures across Europe. The proposal will be discussed at a meeting of Ministers of the Environment in Brussels Sept. 19.

● **CROWN PRINCE HASSAN** of Jordan, the son of King Hussein, was in Washington in mid-September for meetings with President Bush, seeking positive U.S. action to halt what the prince characterized as the "disintegrating" situation in Lebanon.

● **THE VATICAN** is reportedly organizing a symposium to be held with Soviet officials in Klingenthal, West Germany, Oct. 18-21, to discuss "the role of civilization in the construction of a common Europe." Cardinal Paul Poupard, president of the Vatican's Commission for Dialogue with Non-believers, and Yevgeny Silin, vice president of the Soviet Committee for Security and Cooperation in Europe, will co-chair the meeting.

● **WALTER MONDALE**, in his capacity as vice chairman of the National Endowment for Democracy, left for Poland on Sept. 15, where he will address the parliament. An aide said that he is "going on a missionary assignment to tell the Poles how they can best install democratic procedures to make their government work better and lead toward a peaceful economic revolution." Mondale's 1984 presidential campaign was famous for the slogan, "Vote early and often!"

● **QIAN QICHEN**, the Communist Chinese foreign minister, left on Sept. 15 for an 11-day tour to Jordan, Syria, Egypt, Tunisia, and possibly Iran. Diplomats believe he will try to show support for the Third World and to turn public attention away from the Tiananmen Square massacre.

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Illusion outweighs reality at Baker-Shevardnadze meeting

by Nicholas F. Benton

As the ministerial meeting between U.S. Secretary of State James Baker III and Soviet Foreign Minister Eduard Shevardnadze drew to a close in Jackson Hole, Wyoming, on Sept. 23, the Soviets appeared to have scored major gains in advancing both their military and economic aims.

The meeting represented the first crack the Soviets have been able to make in the Bush administration's reticence, during its first eight months, to take concrete steps toward irrevocably locking itself a commitment to shoring up the present Communist regime in Moscow. To hear senior U.S. administrators talk, as they did to the press the night before the meeting ended, they have swallowed the same Soviet deception line that characterized the infamous summits of the Reagan years.

At the meeting's conclusion, President Bush trod precisely in Reagan's footsteps, announcing that he would be holding a summit meeting with Soviet dictator Mikhail Gorbachov during late spring or early summer next year.

The SDI shell game

The most glaring example of U.S. naivete was, of course, the pronouncement that the Soviets agreed to decouple the outcome of talks on defense and space from the completion of a strategic offensive weapons (START) accord.

A U.S. official stated categorically that "the Soviets have shifted their position" on this, ostensibly dropping their efforts to hold progress on START hostage to efforts to kill the U.S. Strategic Defense Initiative (SDI) program. A high administration official insisted that "this looks like a positive development," and said the U.S. responded by "offering an opportunity for Soviet government experts to visit several U.S. SDI facilities conducting SDI research."

But, in reality, the Soviets have made this same move at least twice before at Reagan-Gorbachov summits: once during the infamous Reykjavik "pre-summit" in October 1986, and again at the Washington, D.C. summit in December 1987. Both times, they went back to Moscow to reassert their demand that agreement on their so-called narrow interpretation of the Anti-Ballistic Missile (ABM) treaty—which would kill the SDI by restricting its research—remain a precondition for progress on START.

Observers in Wyoming noted that the latest move by the Soviets to "decouple" the issues may have resulted from an agreement by the United States to curtail and circumscribe its SDI program. Rumors of a such a *quid pro quo* have been circulating for months, and resulted in numerous questions from reporters here whether such a tradeoff accounted for the new Soviet position.

A senior administration official did not satisfy anyone, however, when he said only that "the President has a continuing commitment to the SDI," and, when asked by this reporter "what kind of SDI program" the President told the Soviets he advocated, the official replied, "the President's commitment to the SDI is very well known." Nothing could be farther from the truth, since Bush administration officials have given mixed signals on the administration's approach to the SDI ever since Bush took office.

The Soviets also proposed that the two sides collaborate in developing some joint SDI tests within the "narrow" ABM definition.

Submarine-launched missiles accord?

The Soviets did more than "decouple" SDI from START in an effort to nudge the Bush administration over the edge toward a new arms agreement. Moscow proposed that an accord on limiting submarine-launched cruise missiles

(SLCMs) be developed outside, but parallel to, a START treaty.

The SLCM issue has been one of the biggest stumbling blocks to progress in START, since the United States does not want them included in the treaty at all, and the Soviets do. The U.S. position has been that it is impossible to verify the numbers of SLCMs.

But now, the United States is looking favorably on the new Soviet initiative, even though it came less than a week after reports were first published that an Akula-class Soviet submarine, which has "stealth" capabilities of eluding sonar detection, had appeared in the north Atlantic for the first time. When this reporter asked U.S. officials if they raised the issue of the Akula-class subs with the Soviets as an example of problems with verification on SLCMs, the response was a terse, "No."

Other initiatives toward advancing START included a proposal for "trial verification" procedures, which would permit Soviet teams to visit virtually every U.S. missile site and observe tests, under an "umbrella agreement on verification and stability" approach to START that includes a list of six "confidence-building measures."

New initiatives on open skies (permitting overflights of both Soviet and U.S. territories) and open land (eliminating restrictions on travel) were also advanced, and "common ground" laid for verification of mobile ICBMs.

Seven agreements were actually achieved. Six were signed, including the Memorandum of Understanding on Chemical Weapons, an accord pertaining to the Law of the Sea, two pertaining to the Bering Straits, one on strategic exercise notification, and a joint statement on the International Court of Justice. The seventh agreement reached was on the text of a document on the "Umbrella Agreement on Verification and Stability."

In addition to getting the arms control charade rolling again, the Soviets added a new component to such high-level superpower conferences, one equally vital to their global ambitions and even survival at this stage—economic cooperation.

The U.S. side appeared reluctant to enter into this discussion, at least publicly, despite reports that Baker was preparing some kind of huge economic accord for the ministerial meeting during his vacation in Wyoming last month. However, this may have been only a matter of appearances, since there were also reports of strong factionalization within the Bush administration over the issue of an economic bailout of the Soviets.

Nonetheless, the Soviets eagerness to put the economic question on the agenda at the meeting did prevail. While they acceded to the U.S. insistence that all economic discussions be characterized as "informal and not officially on the agenda," two lengthy meetings of experts on the subject were held. One of those meetings was held on the plane during the flight of Baker and Shevardnadze from Washington to Jackson Hole. The second was a dinner held between Soviet and U.S. experts, scheduled at the last moment Friday. The Soviet expert team was composed of economists Nikolai Shmelev and Aleksei Obukov, and the U.S. side was headed by the State Department's Robert Zellick.

A Soviet official told this reporter that his side pushed hard to get "economic issues" included in the formal agenda, added as a sixth "basket" to the five items—arms control, bilateral issues, human rights, regional issues and transnational issues—already agreed to.

In a report on the discussion of economics that occurred on the plane flight, the Soviets were cited as considering a plan to issue bonds as part of a "monetary stabilization package" in the Soviet Union which would deal with what they called a "ruble overhang" problem in the U.S.S.R.

A U.S. official reporting on the discussion commented that the Soviets were considering offering an interest rate that was "rather low, given their purpose, given the implicit inflation rates" in the Soviet Union. He said the Soviets were also looking toward reform of their property relations, competitive relations, the role of co-ops, and movement to a "safety net system."

A Soviet spokesman, reporting on the same discussion, stressed that the Soviets are "not coming with a list of requests for help" from the United States, but instead are "looking into the future." He said, "We are prepared to exchange experience. . . . We think that the possibilities are enormous, and that we should try to implement those, to realize them."

A Soviet spokesman added that Secretary Baker brought up the prospect for suspending the U.S. Jackson-Vanik Amendment during the first day in Jackson Hole. He said it came up during a discussion of human rights, after Shevardnadze detailed Soviet progress on emigration reform.

Jackson-Vanik denied the Soviets "most favored nation" trading status until they permitted free emigration of Soviet Jews, in particular. The Bush administration said earlier this year that it would repeal the amendment as soon as the Soviets formally passed laws permitting free emigration.

While U.S. State Department officials argue that Jackson-Vanik is not a major impediment to expanded U.S.-Soviet trade, the Soviets clearly see the issue differently, noting that the political significance of removing the impediment will contribute in a major way to enhancing the confidence of potential investors in the Soviet market.

While there were structural limits on how far the "Wyoming Economic Accords" could be advanced at this meeting, clearly the Soviets succeeded in laying the groundwork for getting the West to contribute in a major way toward their efforts to avoid further economic disintegration.

This was already made clear by the news, made public just prior to the Baker-Shevardnadze meeting, that U.S. Federal Reserve chairman Alan Greenspan would accompany Zellick on a trip to the Soviet Union in late October.

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Bush is informed of responsibility if LaRouche is killed in prison

by John Sigerson

"If political prisoner Lyndon LaRouche is forced to die in the prison system, the world and history will read this as President George Bush's personal intent. Whether that is true or not, the world will see it so, and fairly. If Lyndon LaRouche dies in prison, only Bush could be blamed, and fairly so."

That was the central point made by Warren Hamerman, a contributing editor to *EIR*, on Sept. 15, after he learned the facts about an attempt on the life of the 67-year-old economist and statesman, who is being held in federal prison in Rochester, Minnesota pending the appeal of his politically motivated conviction and railroad trial. According to numerous physicians and medical experts who have been consulted since then, including Mr. LaRouche's own personal physician, there could be no other explanation for the sequence of events from Sept. 11-15, other than an attempt to ensure that Mr. LaRouche does not survive up to the time of his appeal, which will be argued in Richmond, Virginia on Oct. 6. Physicians' reactions were typified by that of Dr. John Seale, member of the Royal Medical Society of the United Kingdom: "In terms of medical procedure, it is plainly criminally outrageous, and beyond what is acceptable in the civilized world."

The facts are as follows:

Chronology of torture

Monday, Sept. 11, 1300 hours: LaRouche is called to the clinic at the Rochester Federal Medical Facility and told that later that week he will have a surgical procedure for the removal of two intestinal polyps. He is instructed to report back the following day at 1100 hours. He is also told that he will have a no-residue diet on Tuesday, and then will be on a liquid diet until the procedure.

Tuesday, Sept. 12: After working a full work-shift from 0400 hours to 1200 hours, LaRouche begins receiving strong laxative medication in preparation for the procedure at approximately 1600 hours. On Tuesday he only ingests egg whites, coffee, and water. Between 2200 hours and 0200 hours into Wednesday morning he experiences violent bowel movements caused by the medication.

Wednesday, Sept. 13: At 0200 hours LaRouche finally falls asleep. At 0320 hours—less than an hour and a half later—he is awakened to report to work. LaRouche is forced to work on Wednesday for the entire work-shift, from approximately 0400 to 1200 hours. During the entire day on Wednesday, LaRouche only ingests coffee and water. He is only able to sleep sporadically on Wednesday evening.

Thursday, Sept. 14: At 0320 LaRouche is awakened for his normal work-shift, to which he reports at 0400 hours. After working an entire shift, at approximately 1230 hours LaRouche is called to the clinic at the Federal Medical Facility, where he is informed that he will be brought to the Mayo Clinic for a "test" procedure. Officials at the prison have administratively classified it as a "test procedure" rather than a "surgical procedure." LaRouche is taken in irons into the Mayo Clinic by two guards, and is brought in a wheelchair while in irons to the area where the procedure is to occur. After being interviewed by the physician responsible for the procedure, he is given a painkiller intravenously. Because of his accumulated exhaustion he falls asleep immediately, and sleeps through the entire procedure. The surgical procedure lasts approximately one hour, during which time a polyp is removed from his lower intestine. After being in the recovery room for three-quarters of an hour, LaRouche is brought back to the prison, where he arrives at approximately 1530 hours. On Thursday all LaRouche has ingested is coffee, apple juice, and a bowl of jello. On Thursday evening he sleeps from sheer exhaustion.

Friday, Sept. 15: At 0320 LaRouche is awakened to go to work as normal. At 0500 hours, after just beginning work, LaRouche has to sit down because he is exhausted. At 0600 hours he is asked to help the other prisoners in a group work assignment. LaRouche at that time reports to sick bay, unable to work. He requests to see a doctor. Shortly after 0900 hours, when his doctor has still not come, LaRouche is called out to see a paralegal visiting him on legal matters.

There is one additional element to this chronology: On **Friday, Sept. 15,** Soviet Politburo member Boris Yeltsin, on tour of the United States in order to further a series of secret deals between Moscow and the Bush administration, traveled to Rochester, Minnesota, ostensibly to visit former President Ronald Reagan, who was undergoing surgery at the Mayo Clinic—the same facility where Mr. LaRouche

was just operated on. Well-informed Western intelligence experts have expressed strong doubts that Yeltsin would have gone to Rochester, unless it were to enforce the Soviet Union's oft-repeated demand to the United States, that LaRouche and his political influence be obliterated.

Bush can't say 'I didn't know'

Within hours after learning the news, friends and associates of Mr. LaRouche determined that, since a plot to murder Mr. LaRouche in prison could only have originated on the highest levels of government, only the President of the United States bears the responsibility for altering the current course. They decided to mount an international effort to make absolutely sure that President Bush would not be able to plead—as he has so many times in the past, such as in the Iran-Contra affair—that he just didn't know that such things were going on.

Even before the White House official comment line opened on Sept. 18 following its weekend break, calls began flooding into the White House switchboard from citizens demanding that the President be informed. By Sept. 19, calls and telegrams written by prominent individuals and ordinary citizens alike, were arriving not only from the United States, but also from Canada, Great Britain, Denmark, West Germany, Italy, Austria, France, Liechtenstein, Switzerland, Sweden, Thailand, Malaysia, India, the Philippines, Australia, and New Zealand.

Although the text of only a few of these telegrams has been made available to *EIR* (see *Documentation*,) many prominent individuals immediately expressed shock and horror, and an acute knowledge that LaRouche's enemies are attacking the very basis of the constitutional state. A member of parliament in Switzerland said, "U.S. justice is a travesty; the fundamentals of freedom are being assaulted. What they are doing with LaRouche is a test case for the United States." A Polish political activist had an even more accurate comparison: "It's like what they do in Soviet prison camps: They create the conditions under which one can die." A German military expert recalled the comparison which has already been made between LaRouche's case and that of Alfred Dreyfus, the French Army officer who in 1894 was framed up as a German spy and physically broken at the Devil's Island penal colony, before he was completely exonerated of all charges.

Inquiries also poured into U.S. embassies around the world. In West Germany, where Mr. LaRouche's wife Helga Zepp-LaRouche is a prominent political leader, a demonstration was held outside the U.S. embassy in Bonn, with banners saying "Freedom for LaRouche" and "Stop the KZ [concentration camp] methods against LaRouche."

In the meantime, thousands of leaflets entitled "The World Shall Hold Bush Personally Responsible" began to be distributed around the United States, and LaRouche's condition began to be brought up by numerous callers into radio talk shows in New Jersey, Baltimore, Albany, N.Y., Boston, Los Angeles, and San Diego.

Sioux Falls, Spokane, and Kennebunkport

But a number of LaRouche associates were not satisfied, and decided that the President should get the message personally. On Sept. 18, Bush arrived at Centennial Park in South Falls, South Dakota. As his motorcade passed into an event at the Coliseum, it was met with large signs reading "To Win the War On Drugs, Free LaRouche!" and "To Stop Farm Foreclosures, Free LaRouche!" The next stop was Centennial Park, where the President shoveled earth in order to plant a tree; during the entire ceremony, Bush could read the following message which appeared on a poster held by a person standing about five feet away from him: "George Bush: Stop the Murder of Lyndon LaRouche!"

On Sept. 19, as the President's motorcade was entering Spokane, Washington, a 12-foot banner was clearly visible, reading "President Bush, Don't Let Them Kill LaRouche." The President's nose was seen pressed to his limousine's window as it passed by.

And just in case the President or his wife Barbara thought they could forget about it at their vacation home in Kennebunkport, Maine, on Sept. 24, the local newspaper, the *York County Coast Star*, ran a full-page advertisement on its back page, in which LaRouche associates called upon the President to take measures to protect LaRouche's life.

Begrudging acknowledgment

On first hearing the news about the attempt on LaRouche's life, many U.S. government officials expressed disbelief. "I cannot believe that someone who was operated on would be forced to work. You must be mistaken," was the response of Mrs. Meckensen, a press spokesman for the U.S. embassy in Bonn, West Germany. That attitude was also reflected in the cavalier treatment initially given to many callers into the White House's comment line, with operators either hanging up immediately upon hearing mention of LaRouche, or offering to transfer the caller to the Secret Service.

But as the pressure became a deluge, the White House changed its tune. On the morning of Sept. 19, a caller into the White House comment line received the following response: "I've received many calls already concerning LaRouche. Be assured, the President will get your whole message." Another operator confirmed, "The President is getting these messages. They will definitely reach him." By the afternoon of that day, another caller was informed that "The President is very concerned about it, and he *does* know about it." On Sept. 20, the response became even more serious, and at least one caller was put directly through to White House spokesman Marlin Fitzwater, who promised that he would "make a note of this thing and bring it to the President's attention as soon as possible."

Documentation

Telegrams protest LaRouche treatment

Below we reproduce the texts of some of the telegrams and letters which have been sent to President George Bush concerning the attempt on the life of Lyndon LaRouche. Affiliations are for identification purposes only.

As I learned, Mr. LaRouche is—despite his 67 years of age—being forced to physical labor subsequent to surgical treatment and only liquid nutrition. This is inhuman! Does one want to do away with him in accordance with Moscow as an uncomfortable American politician? Together with my family I protest against the viciousness of this treatment of Mr. LaRouche!

Paul-Albert Scherer
Brigadier General (ret.), West Germany

* * *

. . . I wish to call upon you to investigate this situation and rectify it. Further, I am requesting that you give an immediate presidential pardon to Mr. LaRouche and his six associates.

You should know that I, as a Jew, am totally outraged at hearing and reading about the charges made by self-appointed Jewish leaders in the Anti-Defamation League, that my good friend and patriot Lyndon LaRouche, is anti-Semitic.

This behavior is against our principles. Judaism teaches us that it is a serious sin to bear false witness against anyone. Judaism teaches us to hate and despise evil and work to stop it, not bear false witness against those who do good.

In my 80 years of life, I believe that Lyndon LaRouche is the greatest and most true patriot since Lincoln. He has the ability and morality, and the international support to save our country. You should take advantage of his advice. . . .

John Weber, Benefactor of Hebrew Union College

* * *

Dear Mr. President,

I am shocked and outraged about the treatment meted out to Lyndon H. LaRouche in the Rochester, Minnesota prison, which, if continued, will lead to his death.

I would like to tell you, that if this treatment is not checked it would seem that the world at large will hold you responsible for his death.

Sincerely yours,
Prof. Dr. Norbert Brainin
Violinist, Amadeus Quartet

* * *

We denounce the cruel treatment inflicted upon Mr. LaRouche, who is presently held in the prison of Rochester, in Minnesota, following a political trial. Everything is being done to ruin his health. Sixty-seven years old, long past retirement age, he is obliged to work from 4:00 a.m. to midday. This week, he had to work, although he was on a liquid diet as he was to prepare for an operation. Less than 12 hours after the operation, which took place without his permission, the prison authorities forced him to start work again. Mr. LaRouche collapsed from tiredness. We denounce such practices which violate the rights of man, in a way that reminds one of the violations the Nazis imposed on France.

M. Monjalon, Deputy, French Parliament;
Prof. Dodin, Pasteur Institute;
and 115 other signers

* * *

Dear President Bush,

I strongly protest against the inhuman treatment of U.S. congressional candidate Lyndon H. LaRouche in the Rochester, Minnesota, prison. I have been informed that Mr. LaRouche was forced to work only 12 hours after surgery, a treatment which led to total physical exhaustion.

Sixten Pettersson, former Member of Parliament, Moderate Party, Stockholm, Sweden;

Alf Enerstroem, Member of Parliament, Social Democratic Party, Stockholm, Sweden;

Monica Oehman, Member of Parliament, Social Democratic Party, Sweden;

Tore Nilsson, Member of Parliament, Conservative Party, Stockholm, Sweden;

Erik Holmberg, Judge of the Court of Appeals of Western Sweden, Gothenburg;

Irma Wright, M.D., former municipal politician, Gothenburg, Sweden;

Laila Andersson-Palme, opera singer, appointed singer to the King, Stockholm, Sweden.

* * *

Dear President Bush,

. . . I also protest in advance against any attempts to bring disciplinary action against the 67-year old LaRouche for refusing to work while exhausted. I ask: Is this an attempt to kill LaRouche? With this letter I would like to inform you, the President of the United States, about the threat to Mr. LaRouche and act to protect Mr. LaRouche's life.

Sincerely yours,
Knut Ahnlund
University professor, member of the Swedish Academy of Sciences

* * *

I was deeply concerned by reports on the inhuman treatment and the heavy labor regime to which Mr. Lyndon H. LaRouche is being subjected in the Rochester, Minnesota Federal Prison. [He is] a man who, at the age of 67, needs humanitarian treatment. It is inconceivable that the country considered the "beacon of hope and the temple of liberty" subjugates one of its citizens as if it were the worst of tyrannies.

We expect that the United States demonstrate in practice the respect for dignity and for human rights consecrated in the very Constitution of your country.

Sincerely,
Aluizio Bezerra
Member of Brazilian Federal Senate

* * *

It has come to my attention that former candidate for President, Lyndon LaRouche, is being brutally mistreated in prison at Rochester, Minnesota.

The information I received is treatment in complete violation of the Human Rights of the individual of which you spoke on nationwide television this past week. LaRouche was purged prior to an operation on the colon and at the same time forced to work long nighttime hours from 4:00 a.m. to 12:00 noon and getting no rest during the day. I understand that he was operated on *Thursday* against his will because he felt he was not physically up to it. He was forced into a wheelchair, chained in, and taken to surgery. *Friday* he was awakened again and forced to work his regular shift. In his weakened condition he collapsed. I don't believe you or I would treat a dog in this manner.

According to your talk to the people of the nation this past week, you said Human Rights means we must reach out, serving others on a one to one basis. President Bush, I do not know if you had any knowledge of this treatment of Lyndon LaRouche or not but now that you have will you please investigate it? Let it be your mission to reach out and lift up Mr. LaRouche. You have it in your power and I believe it is your responsibility to intercede on his behalf. Not only that, you have the power to pardon this man who many people believe is a political prisoner and innocent of any wrongdoing—convicted because of an unfair trial. I am believing more and more in his political philosophy. His ideas are unquestionably for the good of all humanity. I believe Lyndon LaRouche's life is entirely in your hands.

Mrs. E.W.
Iowa

* * *

[*Letter to U.S. Attorney General Richard Thornburgh*]

I direct myself to Your Excellency to request of you, in the name of the joint effort of all nations to guarantee human rights, that Mr. Lyndon LaRouche, 66 years old, should receive treatment as a prisoner in accordance with the humanitarian norms and care that his age requires.

A prisoner, after a trial of scarcely two months, in circumstances considered by numerous international jurists as on a par with the famous Dreyfus case, Mr. LaRouche has the right to be treated in the strict terms of the letter of the law that guarantee him the attention due one in his sixties.

Sincerely,
Vicente Bogo
Federal Deputy of the Republic of Brazil

Note: *On Sept. 20, Deputy Bogo delivered a speech to the Brazilian Congress denouncing the persecution of Lyndon LaRouche. Clips from his speech were included in a government news feed that is obligatorily carried by every radio news program in Brazil, such that Bogo's speech was transmitted nationwide and heard multiple times on every single radio station in Brazil.*

* * *

[*Letter to General Colin Powell, head of the Joint Chiefs of Staff*]

Friends who just returned from the United States reported to me how the economic scientist Lyndon LaRouche, who is personally known to me, is—speaking from soldier to soldier—being physically and psychologically crushed. This terrible information causes painful doubts on my part, whether the United States of America can also in the future be the protective power for the civilized part of Europe—a cooperative function which we members of the Steuben-Schurz Society support. The news about Mr. LaRouche in prison in Rochester equals what I used to receive from my comrades about the conditions in the Lubljanka in Moscow. Maybe you, Mr. General, could on the basis of your very special position and responsibility help to provide a humane treatment or even Mr. LaRouche's release from prison.

Sincerely yours,
Friedrich-Wilhelm Grunewald
Brigadier General, German Air Force (ret.)

* * *

A unanimous message of "friendship and moral support" was sent to Mr. LaRouche from a Schiller Institute-organized conference in defense of Lebanon, in Paris on Sept. 21, stating in part: "We salute the terrible risks run by all those fighting for liberation of oppressed peoples, for justice and against any violation of any nation's sovereignty. We are in a good position to understand the price exacted for challenging established powers, and especially that of the present Soviet-American condominium and its mastermind in the U.S., Henry Kissinger."

LaRouche associate Billington fights attempt to impose Soviet justice

In Roanoke, Virginia, the judge, prosecutor, and defense lawyer in the trial of the *Commonwealth of Virginia vs. Michael Billington* are currently carrying out the same practices as in the infamous Soviet courts—by treating the defendants as "insane."

One of the "LaRouche Seven," Michael Billington, already a victim of double jeopardy by being subjected to trial twice for the same acts of political fundraising for which he was wrongly convicted in federal court last year, was facing trial in state court for taking his political loans. The trial was scheduled to begin Sept. 19, in the Roanoke County District Court.

But on Sept. 18, his lawyer, Brian Gettings, filed a motion to withdraw from the case, claiming that "Mr. Billington's free will is so impaired that he cannot intelligently assist counsel in making decisions as to how best to try the case." At issue, as Gettings explained to the court, was that Billington insisted on a jury trial, rather than a bench trial. Trial by jury is a defendant's right under the Constitution in any criminal trial.

Immediately, prosecutor John Russell demanded a psychiatric evaluation of Billington, which Judge Clifford Weckstein said that state statute mandated him to order. The judge also told Gettings he could not withdraw from the trial.

On Sept. 19, psychiatrist Dr. Conrad Daum addressed the court on his examination of Billington. On the basis of his experience for the county court system, and an hour's examination, Dr. Daum concluded that Billington was sane, and not acting under undue influence of others. But under questioning by prosecutor John Russell, Dr. Daum said that he did not have experience in the area of "shared delusional beliefs," or "cults," which is what Russell asserted was of relevance to the Billington case.

At that point prosecutor Russell proposed the University of Virginia Center for Psychiatry and Law examine Billington, and urged that the trial continue to be postponed for a second psychiatric evaluation. Billington's lawyer, and the judge, agreed with the oral agreement that Billington could veto the recommended doctor, should he or she be involved in "cult deprogramming" activities, or the like.

Within 24 hours, the court had determined that Billington should go to the center Russell proposed, on Sept. 25. This center is not only under the influence of the state Attorney General's office, but is a virtual adjunct of the FBI's Behavioral Sciences Center. Below, we reprint the text of Billington's motion to resist these outrageous measures.

The motion

Defendant Michael O. Billington, pro se, filed the following "Petition for the Court to Dismiss Counsel and to Vacate the Order for a Second Psychiatric Examination," to the Circuit Court of Roanoke County, Virginia, on Sept. 25, 1989.

I am filing this request for reconsideration of my counsel's motion to withdraw and to vacate the order for a second psychiatric examination as I am effectively unrepresented in this case at this time and there is no reason for this examination. What follows is a brief description of what I believe are the relevant facts and arguments in support of this petition. I have had my handwritten notes typed by my wife, Gail Billington, who is a paralegal working on my case, so that this Court could read what I have to say.

I. Factual background

In August 1987, I made a motion by counsel to change venue from Loudoun County because I could not get an impartial jury. In February 1989, that motion was granted.

On Thursday, September 14, 1989, my counsel, Brian Gettings, told me that the Court advised him to ask me if I wanted to waive the jury, warning him that "in this part of Virginia judges don't reduce jury sentences," and suggesting that the technical issues may be better handled by a judge. Mr. Gettings advised me to consider it that night. But, he

advised me strongly to accept on Friday, September 15, arguing we would have a better chance of winning before the Court than before a jury. He claimed that he was not considering the danger of a ninety year sentence by a jury because I had so often told him that justice, and not the sentence, was my only criteria. Later, Mr. Gettings recanted admitting that the sentencing issue remained one of the principal motivations for his recommendation.

In response, I made absolutely clear to Mr. Gettings I would not give him a decision yet, despite his strong advice. He assured me repeatedly that this was one of three decisions that was mine to make, not counsel's.

According to Mr. Gettings, the Court also told him on Friday that the trial would be continued until the following Monday, September 25, if I waived a jury. Although I wanted time to think, Mr. Gettings tried to encourage me to decide immediately, so that, he said, he could stay in Washington a few days and try to arrange a "work-release" program for me during the trial. Although he pressed me, he was not overbearing until Sunday when I decided to go with a jury.

Upon Mr. Gettings' return from Arlington on Sunday night, September 17, Martha Quinde, one of the paralegals, told him I had decided to stick with the jury as originally planned. Mr. Gettings immediately came to the jail but was delayed by an unrelated disturbance at the jail. As a result, he did not get in to see me until midnight. From midnight until 2:00 AM he raged at me, saying he was offended personally, that he'd never been treated this way by a client, concluding this with attacks on my credibility and my sanity. I was stunned to say the least, but I tried to calm him down, assured him this is what I wanted to do, had always wanted to do, and thought I had a good chance to win the case before a jury if they got the whole picture.

He returned Monday morning with his Motion to Withdraw. He spent another two hours raging over my decision and refused to consider my request for a jury trial or my advice that the Motion was wildly false and should not be submitted. He told me that one of my associates had told him the same thing. He repeated his charge that I was not responsible for my own decision, and personally attacked three different members of the national executive of my organization.

In the final analysis, Mr. Gettings persisted in filing the motion. Thus, my predicament. He said in open court that I'd been "directed" in my thinking. It is a matter of public record I wanted a jury trial. I told the Court of my long history of commitment to a jury trial, and explained the clear course of developments in coming to a final decision. I repeat again that the very reason for the successful motion for a change of venue from Loudoun County was my search for a fair jury.

It was never clear to me whether Brian Gettings or the prosecutor, Assistant Commonwealth Attorney John Russell, first proposed the psychiatric exam. It is safe to say, however, my counsel agreed, over my objection, with the prosecutor that such examination should proceed.

The events then unfolded as follows:

1) The exam, while including what seem to me some standard psychological test questions, was focused on questions about the case and my political organization, but also included an extended relentless series of questions on my recognition of the severe danger of jury sentencing. The psychiatrist, Conrad Daum, even asked me to make step-by-step calculations of how the sentence would probably result in a total sentence of ninety years and that it would be 12-14 years before I would be eligible for parole. He emphasized that in this part of Virginia, judges just don't reduce jury sentences.

He described cases of kids caught with a single joint serving 40 years. He told me how the Supreme Court has refused to overturn these sentences, and so on and so on. All this was supposedly part of the "exam" to test my sanity, and Dr. Daum even repeated regularly that he was working "for me," and was sympathetic with injustice in the system. Frankly, I interpreted this as a further effort to discourage me from exercising my constitutional right to a jury trial and object to it here and now.

2) The next morning, Tuesday, Sept. 19, in court, Brian Gettings and John Russell went into chambers, while Dr. Daum was in the audience. Mr. Russell came out alone and took Dr. Daum out the back door for about 15 minutes or so, then returned to chambers. When they came out of chambers, Mr. Gettings told me there would be a second evaluation.

3) Dr. Daum's testimony was accurate in all but two aspects. First, he made the statement that "he [Billington] expressed to me that he wants to conform his behavior so as not to alienate these other individuals"; that was not based on anything discussed in the examination. Indeed, he partially admitted this when he said moments later, "at least, this is the impression I obtained." Second, I believe strongly that the introduction of the issue of "cults" was not of his own making. Dr. Daum made clear that the issue "came up" (September 19 Transcript, p. 8). It did not, however, "come up" in the exam; it had not previously come up in court; so it could only have "come up" from Mr. Russell or Mr. Gettings, who had "pretrial discussions" with Dr. Daum (September 19 Transcript, p. 9).

4) On cross-examination, Mr. Gettings did not represent my interests. He did not probe in any way Dr. Daum's obscure references to "cults." Had he in fact been representing my interests, he should have cross-examined Dr. Daum on his unsolicited and baseless introduction of the cult issue. Instead, Mr. Gettings sought to undermine Daum's expert opinion that I am competent. He (Mr. Gettings) tried to establish that Dr. Daum lacked expertise in law, despite Dr. Daum's earlier acceptance by the Court as an expert. According to Dr. Daum's own testimony, he has "examined over 450 cases over the past decade for the courts of this area, regarding competency to stand trial and related issues (Sep-

tember 19, 1989 Transcript, pp. 4-5). Mr. Russell nevertheless added this "lack" of legal expertise to his "lack of cult expertise" to recommend the second examination. This Court certified Dr. Daum as an expert and underscored the fact there was no evidence in the record to support any "cult" analysis.

It must be considered that the "cult" issue, which played into the hands of our political adversaries, including the Anti-Defamation League (ADL), causing media slanders over the next three days (see *Roanoke Times & World-News*, September 18-20, 1989), had further unfortunate consequences. There was prejudicial publicity on these baseless charges compromising my right to a fair trial and there was an unjustified examination ordered which stimulated more prejudicial coverage.

All this served to obscure the threat in the proposed second exam that interested parties, even political enemies, although not necessarily "deprogrammers," would be chosen. Indeed, this *did* take place. Mr. Gettings' misrepresentation—i.e., his statement that I had no objection other than the right to object to a "deprogrammer"—aided this. After the Court's rulings, I asked Brian Gettings to clear up the record by saying that I *did* object to the entire process, but would only *vigorously* object if a background investigation determined any connection between the examiners and past or present political enemies.

The choice of the Institute of Law, Psychiatry and Public Policy to conduct the second examination was clearly on Mr. Russell's mind during the testimony of Dr. Daum, since his immediate response was "Perhaps I think maybe not only someone experienced in the area of cults, but maybe experienced more in the legal area also and his reference to the Institute of Law and Psychiatry at the University of Virginia perhaps offers us an opportunity . . ." (September 19, 1989 Transcript, p. 16). This is no surprise, since the Annual Report of the Institute for 1987 (see attached Exhibit A), reveals that the Institute is "supported in part . . . by the Office of the Virginia Attorney General" (see Exhibit A "Introduction") and is in "partnership" with the Office of the Virginia Attorney General, a partnership which is described as "strong" (see p. 2). Representatives of the Office of the Attorney General teach courses and present symposia there. The collaboration between the Institute and the FBI is even more extensive. In short, the Institute is an interested party.

The Office of the Virginia Attorney General and the FBI are part of a joint federal-state task force which has prosecuted me in three different jurisdictions: the present case in Roanoke, the federal District of Massachusetts, and the federal Eastern District of Virginia. According to its own literature, the Institute enjoys a close working relationship with the very same agencies who are prosecuting me.

Furthermore, I wish to note that, throughout this period, my conditions of incarceration have been extraordinarily restricted and all this at a time when I have antagonistic counsel. I have been in 24-hour isolation, with no phone privileges except to my lawyer, and no other visits of any sort permitted. On Sunday night, at the time of Mr. Gettings' first rage state, the Sheriff removed paralegal Martha Quinde's right to see me, on the grounds that she is a co-defendant, even though she has worked in this capacity long before the indictments and since, and even though she came to the jail with Brian Gettings. My wife and other paralegal, Gail Billington, had been denied access on Friday, September 15, on the grounds that she is my wife! For 48 hours, my only permitted contact with the outside world was through Brian Gettings, who was on another planet or worse—as far as I could determine.

On September 19, 1989, Mr. Gettings submitted a letter to the sheriff designating Sanford Roberts as his paralegal on the case and providing the sheriff with Mr. Roberts' Social Security number to facilitate a background check. This was done to attempt to fill the void created by the barring of Martha Quinde and Gail Billington. Mr. Roberts visited me in jail on September 20, September 21, and the morning of September 22.

At 6:30 P.M. on the evening of September 22, Mr. Roberts was denied access to the jail on direct orders from the sheriff. Purportedly, the sheriff had not completed the background check on Mr. Roberts. Thus, I am once again denied any paralegal visits.

II. Argument

I won't repeat what I've said above in this, my argument. I object to this entire proceeding in that I have been denied my Fifth and Sixth Amendment rights. Further, the ruling of Tuesday, Sept. 19 to order a second examination also lacked any foundation in the record. While Dr. Daum did ask for a second evaluation, his *grounds* for that call were carefully and repeatedly restricted to his lack of experience and lack of expertise in *cults*. He described the disorder he was looking for—shared delusional disorder—as disorder he *was* expert in, *in regard to individuals*, and stated emphatically several times that his opinion was that I did not suffer from such a disorder:

1) As for my having a "shared delusional disorder": Dr. Daum said, "In my opinion, he is not [suffering from it]" (September 19 Transcript, p. 9);

2) He was asked specifically whether he agreed that he was *not* an expert in "shared delusional disorder," but he would *not* concur, and said, "Okay, I don't think he has one. We'll go on the record that way." (Tr., p. 10);

3) On the question of being "under the influence of leadership such that he is making bad decisions for himself," Dr. Daum stated: "With my limited experience in cults, I cannot give you an opinion on that regard. In terms of evaluation individuals, with my experience I don't think he is." (Tr., p. 10);

Dr Daum's solicitation of a second opinion was precisely addressed to the cult issue: "I am not an expert in cult activities. I certainly would welcome a second opinion from someone who had more experience *in that area* to confirm my own

(Tr., p. 10).

Court itself responded to my objection to the cult by stating, "I agree that there is nothing that has come the Court to support any cult analysis" (Tr., p. 20). he only grounds that Dr. Daum had for recommending examination were ruled to be without foundation by

Russell clearly approved of this "cult" ruse: he said troubled . . . in light of his admitted lack of experience in dealing with cults. . . . Perhaps, I think someone experienced in the area of cults should mine." (Tr., p. 16) Mr. Russell's other concern, the of the interview and Dr. Daum's "legal area" experi- absurd, since Russell himself established him as an to do this examination, and I afforded Dr. Daum as as he felt was necessary, even though I objected mination from the start.

ake one last point on this issue of the grounds for the examination. Dr. Daum's *definition* of "shared delu- disorder" is that "while he [the subject], himself, is logically intact, he is so under the influence of *some- who is not psychologically intact* that he picks up be- ." (p. 9). While he says that in his opinion I do not disorder, it is clear that to *conclude* that I *do* have order requires establishing that someone else who is ing me" is not "psychologically intact." It is clear there is no reason to examine me to determine if else is not "psychologically intact." The real target examination," proposed by Mr. Russell and not ob- by my "counsel," Mr. Gettings, appear to be my associates. This would not appear to be a proper for a psychiatric examination under the First Amend- to the U.S. Constitution.

nclusion

most grateful for the Court's indulgence in receiving ing this petition. I regret the circumstances re- to make this application, but the circumstances my making. In conclusion, I once again ask this low me to discharge Mr. Gettings as my attorney. goes well beyond "irreconcilable differences"; Mr. has, by acts of commission and omission, taken on an adversary since he filed his Motion to With- ask the Court to vacate its order directing the iatric examination because such an examination Fifth and Sixth Amendment rights as I am pres- ented by counsel. Further, there is no probable econd examination, the Institute which was Court to conduct the examination is an the proceedings, and the prospective ex- icates my political beliefs and associations ted by the First Amendment.

the Court there's nothing in this matter ame." I am concerned with nothing less my liberty, and my right to obtain justice.

1989

Defeat of Koch opens new era for New York

by Dennis Speed

New York City's Mayor Edward Koch was defeated in his bid for an unprecedented fourth term in the Sept. 12 Democratic primary by David Dinkins, who will face the Republican nominee, former U.S. Attorney Rudolph Giuliani, in the November election. A new chapter in the "human comedy" of the premier city of the United States is, therefore, about to begin.

The city's monumental economic, financial, and social problems were never made the subject of the campaign. They were judiciously avoided except when, either by accident, or for expediency's sake, it became inevitable that the candidates would have to speak to these questions.

Let us inform the reader of a few of the staggering challenges that face New York. By official estimate the city harbors more than 100,000 homeless men, women, and children; many analysts, social workers, and community activists place the number at 250,000.

In the spring of 1985, the official estimate of the number of AIDS victims, offered by then-Health Commissioner, David J. Sencer, was 400,000. If one accepts even a 24-month doubling rate for the AIDS virus, the figure would now be 1.6 million (although the city's official figure as of August 1989, indicated that only 150,000 New Yorkers were infected.)

In areas such as the South Bronx, AIDS rates in neighborhoods have been calculated at 20-25%—exactly identical to the rate of homosexual-dominated areas, such as Greenwich Village.

The situation in public education is even more nightmarish. At Seward Park High School, on the Lower East Side of Manhattan, for example, 3,500 students attend a school whose total capacity is 2,600; 85% of the students come from households where English is not the dominant language; 60% come

from families eligible for some form of public assistance; 50% from single parent homes; and almost 5% from homes where there are no parents at all. Approximately 40% of the students who entered the school in 1984, did not graduate as seniors in 1988.

Yet none of this seemed to truly faze the candidates for what is often termed "the second toughest job in America." In fact, if not for a vicious racial murder, reality would have remained no more than a side-show for the manipulations so characteristically routine for the real estate and monied interests that routinely dictate how high a politician jumps in New York City.

The Bensonhurst attack

On Aug. 23, Yusef Hawkins, 16, was murdered in a case of mistaken identity and racial attack, in the Bensonhurst, Brooklyn section of the city. Five men of primarily Italian-American descent, were arrested for the crime over the following week.

This was only the most violent of several such incidents that had occurred over the summer.

Demonstrations protesting the murder only fanned the flames of bigotry; white "skinheads" lined the march route and shouted anti-black racial epithets.

While candidate Dinkins, who is black, refused to condemn the white people of Bensonhurst, saying, "We must never allow the despicable acts of a few individuals to be imputed to an entire community," and visited the parents of the slain boy, Ed Koch did not.

Writer Joe Klein of *New York Magazine* characterized Dinkins's statement as "a demonstration of responsible leadership of a sort almost never seen in the heat of a political campaign." However, neither Dinkins nor Koch, nor any of the other candidates, identified the true cause of New York's spiraling racial tensions.

The motor behind the growing unlivability of the city of New York is unquestionably the drug epidemic. In 1977, writers for *Executive Intelligence Review* spoke to New York Drug Enforcement Administration officials who estimated the annual "take" from drug traffic on New York City streets at $15 billion.

This was before the state legislature passed the infamous marijuana decriminalization law. This was before the proliferation of "offshore" banking, "creative financial practices," insider stock trading, and the "cocaine-for-information" arrangements of young Wall Street corporate "raiders." This was before the crack epidemic of 1986, in which single individuals spent $50,000 a year for the instantly addictive drug.

Probably, $35-50 billion a year flows through the streets and banking coffers of New York City in drug money. Eighty percent of all violent crime in the city is drug related. According to eye witnesses, participants in the Hawkins murder had been drinking and using drugs for several hours before the incident.

No one of the mayoral candidates has confronted the financial structure that supports the de facto legalized drug epidemic—and no one of them will.

Big Appie 'Bonapartism'

Faced with this crisis, the city's population could vote for Republican candidate and former U.S. Attorney, Rudolph Giuliani. However, two incidents have come to attention that have caused Giuliani to be questioned.

Giuliani's prosecutorial methods evoked waves of protest when it was revealed that his investigators forced Simon Berger, a survivor of the Auschwitz concentration camp, to stand in front of a blackboard marked "Arbeit Macht Frei"—"Work Makes You Free," the words over the gate at Auschwitz—after his arrest. "They came for me at 7:00 in the morning. It was like what happened to me in Germany," he said. Berger was later cleared of charges.

Secondly, Giuliani, in 1982, was dispatched to Haiti as an official of the Justice Department to investigate human rights violations by the Duvalier regime. Giuliani concluded that Haitians who fled the regime in hope of finding asylum in the United States, were victims of "only economic" and not "political repression" and were, therefore, ineligible.

One hypothesis offered by analysts is that only a "Bonapartist" city regime with Giuliani as mayor, and former Brooklyn District Attorney Elizabeth Holtzman, as Comptroller of the city's currency, can hope to keep order in New York. Giuliani and Holtzman could effectively "divert people's attention from the city's major problems by hanging and electrocuting a few drug dealers and AIDS-infected rapists, while the basic organized crime structure in the city went untouched," one commentator suggested. Holtzman, a Democrat who like Koch supported marijuana decriminalization when they were both U.S. congressmen in the 1970s, is a leading collaborator of the Justice Department's Office of Special Investigations, which has served as a conduit for use of Soviet-concocted "evidence" to illegally deport naturalized U.S. citizens, as alleged Nazi war criminals.

Koch's absence is likely to be felt as a "real loss," however, only by the media. "A life in which time is measured in news cycles rather than days, in which language is parsed in sound bytes rather than sentences. . . . He had little patience for the nuances of policy; his policies change or are created when the *news changes*," was how one reporter characterized him.

Whether Dinkins or Giuliani becomes mayor, non-stop buffoonery by either Ed Koch or the media can no longer characterize the 6:00 nightly news reports from City Hall. New York's new mayor will either decide to reverse the present policy direction, even if that means risking his political career, or merely play at governing a city that, as it enters the 1990s, is fast becoming a cross between Calcutta and Johannesburg.

'Golden handshake' with Gorbachov

Scott Thompson examines how Edgar Bronfman profits from his pro-Soviet policies and his curious links to the KGB's "Special Reserve."

Since Mikhail Gorbachov grabbed the reins of power in the U.S.S.R. in 1985, Edgar Bronfman, whose family fortune is based upon bootlegging and prostitution (see Part I), has given speeches, issued press releases, sponsored conferences, and written books to call for the Soviet Union to be given Most Favored Nation trading status and U.S. government-backed credits through the Export-Import Bank. Bronfman, who originally demanded that such favored treatment be linked to Soviet shipments of Jewish "refuseniks" directly to Israel (and nowhere else), now advocates the repeal of the Jackson-Vanik Amendment, which makes granting of such status contingent on palpable improvements in Moscow's abysmal human rights record, simply on the basis of a few months of "good behavior" by the Soviets in permitting more Jews to emigrate, rather than Soviet enactment of an emigration law. In this way, Bronfman is asking Congress to ignore the mounting list of Soviet violations of human rights, such as the SS-style gassing of demonstrators in Georgia, and clear Soviet assertions that they would never reverse the seizure of the Baltic states under secret codicils of the Hitler-Stalin Pact.

In his capacity as president of the World Jewish Congress, Bronfman wrote the following rosy recommendation in the *Washington Post* on July 14: "The Soviets have been saying they want to join the world economy—not destroy it. The President has heard them; he believes we should take them seriously. It's now possible that Soviet foreign economic policy need no longer be viewed as the handmaiden of political expansionism. The President wants to give this view a chance. He deserves our support. . . .

"As president of the World Jewish Congress, I believe the time has come to do this. Furthermore, it is not too soon to consider the terms of the trade agreement with the U.S.S.R. that Congress will have to approve so the Soviets can actually get Most Favored Nation tariff status. . . . The Jackson-Vanik provisions, with their restrictions on Export-Import Bank credits and guarantees, now 'mask' the provisions of the Stevenson Amendment, which put a specific $300 million ceiling on Ex-Im credits and guarantees to the Soviet Union. Waiver of Jackson-Vanik would, in effect, make Stevenson 'operative.' Such pointed legislative discrimination toward the U.S.S.R. is not consistent with the President's new approach. The President should seek its repeal."

Bronfman's essay is merely the economic dimension of a strategic call for what is otherwise known as a "global condominium" among the superpowers, which would overturn the sovereignty of lesser nations in regional conflicts around the world. When he wrote the introduction three years ago to the first book of his East-West Forum, *Gorbachov's Russia and American Foreign Policy*, Bronfman openly espoused this idea, saying: "It is not too difficult to forecast a world increasingly troubled and in need of a system of global management that can be secured only in a condition of cooperation between the superpowers."

The East-West Forum

Bronfman's East-West Forum, which is financed by the Samuel Bronfman Foundation, has already projected beyond the perhaps imminent waiver of the Jackson-Vanik and Stevenson amendments toward a special trade agreement with the U.S.S.R. In line with President Bush's May 12 "peace in our time" speech at the U.S. Naval Academy in Annapolis, Maryland, which was the first policy statement of the Bush administration on East-West relations, Bronfman has called upon Western businesses, investors, foundations, and financial institutions, working with their governments, to "show we are ready to welcome them [the Soviets] to the modern economy," including eventually full membership in the International Monetary Fund (IMF) and General Agreement on Trade and Tariffs (GATT).

James Montgomery, Bronfman's executive director at the Forum, stressed in a recent interview made available to *EIR*, that the basic purpose of the East-West Forum is "political economy," rather than simply steps toward expanding trade and credits to bail out Gorbachov's troubled *perestroika* policies. Expanded trade was the issue during the first round of détente initiated by Henry Kissinger in the 1970s. Now, the situation has moved beyond that phase toward one of seeking to implement President Bush's stated goal at his Annapolis speech, to move "beyond containment" toward "the integration of the Soviet Union into global economic structures." By "political economy," Montgomery said, he means to bring about the structural changes that would make

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such integration into GATT, the IMF, etc. possible.

This Bronfman stand taken through the East-West Forum has gained significant adherence, not only because the chairman of the Forum is Serwyn Bialer, who is associated with the prestigious Averell Harriman Institute at Columbia University, but because its work has been praised by such leaders of the Eastern Liberal Establishment as McGeorge Bundy, Henry Kissinger, Zbigniew Brzezinski, William Hyland, and Joseph Nye.

How to profit from being parlor pink

There should be no mistaken thinking that Edgar Bronfman is among the myriad of principled fools who have been duped by Soviet propaganda about building trust and peace with the "liberal" Mikhail Gorbachov, and who might also desire to bailout their Soviet "pal" by financing *perestroika*. Joseph P. Seagrams Ltd. does a brisk business with the Soviet Union in alcohol sales and distribution, while E.I. du Pont de Nemours and Co., in which the Bronfmans are acquiring a majority interest, has been involved in trade with the U.S.S.R. since the time of the Bolshevik Revolution and of Lenin's 1920s New Economic Policy (NEP), whose latter claims of a "retreat from socialism" are similar to the siren song of Gorbachov's *glasnost* and *perestroika* policies today.

The du Pont family was represented on the board of the American International Corp. located at 120 Broadway in New York City. During the 1920s, AIC's officers, such as William Franklin Sands, negotiated secret treaties with the Bolsheviks on behalf of the U.S. State Department, and planned all the major industrial projects of the First Five Year Plan long before Josef Stalin had consolidated power. Today, now that the Bronfmans have taken over E.I. du Pont, the latter has engaged in numerous technology-licensing agreements in the domain of industrial chemical processes that would have a "dual use" for augmenting the Soviet Union's currently decisive strategic superiority.

Those leaning toward delusions of peace in the upcoming period, should recall that the Red Army, led by the faction of Marshal Nikolai Ogarkov, actually originated Gorbachov's *perestroika* policy, starting with the rise to power of Gorbachov's mentor, KGB chief Yuri Andropov. *Perestroika* was never a policy to mirror Western financial institutions, but is aimed at building a modernized Soviet economy with a "leaner and meaner" military wielding weapons systems based upon "new physical principles," such as radio frequency weapons and a variety of laser, particle beam, and other methods to be employed in the Soviet equivalent of the Strategic Defense Initiative.

Under Bronfman control, E.I. du Pont has been negotiating business deals that would assist Gorbachov in delivering the new cycle of weapons production he promised the Red Army. And whiskey baron Edgar Bronfman will make sure that he profits handsomely from turning over the fruits of Western technology to the Soviet Union.

Enter KGB General Pitovranov

Edgar Bronfman sits on the executive committee of the board of directors of the U.S.-U.S.S.R. Trade and Economic Council (USTEC), an institution which has been penetrated by the most important of the KGB's technological espionage operations. Through its membership in USTEC, the E.I. du Pont company has, for example, recently hosted Soviet agents exploring new chemical and petrochemical processes that would decidedly have a dual use to augment Soviet military capabilities, especially in the area of chemical warfare.

USTEC was a product of Henry Kissinger's détente policy of the 1970s, during the time when Kissinger had a hand in bringing the Soviet Union close to achieving first-strike superiority through the SALT Treaty. The process begun by Kissinger and friends resulted in U.S. foreclosure of its ballistic missile defense program under the ABM Treaty, when the Soviets were known to be involved in a crash drive to develop BMD based upon the "new physical principles" of President Ronald Reagan's later SDI program. According to Harvard author Joseph Finder's book *Red Carpet*, the idea for USTEC originated with then Soviet ruler Leonid Brezhnev and Donald Kendall of Pepsico, during Kendall's negotiations with the Soviets. Late in 1972, Kendall conferred about the USTEC idea with David Rockefeller, whose Chase Manhattan Bank had acted as a private Ex-Im Bank, financing trade with the U.S.S.R. ever since Lenin's New Economic Policy (NEP) days. Present at that meeting was Helmut Sonnenfeldt, whom Kissinger had employed as a special emissary in détente dealings at the National Security Council, and who was later blocked from a post at the Treasury Department because of allegations of espionage for the Soviet Union.

President Nixon seized on the idea as the substance of the 1973 summit, based upon a memorandum from Kendall, and chose the 25 American members of its founding board, while Brezhnev chose 25 Soviet members. On the initial board was Armand Hammer, a friend of Vladimir Lenin and Cheka secret police boss Felix Dzerzhinsky during the original NEP, who is described in U.S. State Department documents at the National Archives as having carried out "secret missions on behalf of the Soviet government." Hammer is today still on the executive committee of USTEC with Edgar Bronfman, with whom he has had multiple dealings (see "In the service of Moscow's interests," *EIR*, Sept. 15, 1989). Shortly after its founding, according to author Finder, the Soviets violated an agreement by making USTEC a front for Soviet espionage, and then Secretary of State George Shultz ordered U.S. counterintelligence to cease trying to stop this illegal Soviet activity.

So vast was the Soviet intelligence agencies' penetration of USTEC that until very recently, Bronfman not only shared membership on its board with Armand Hammer, but also with KGB Lt. Gen. Yevgeny Petrovich Pitovranov, a former personal favorite of Josef Stalin during the bloody purges.

who has used his positions with the U.S.-U.S.S.R. Trade and Economic Council and with the U.S.S.R. Chamber of Commerce and Industry to establish the KGB's ultra-secret "Special Reserve."

As Soviet intelligence expert John Barron wrote in "The KGB's Deepest Secret" appearing in *Reader's Digest* in November 1988: "In diverse disguises, Special Reserve officers are presently hidden in Eastern and Western Europe, North America and Asia, in Moscow's banks, trade offices, and government ministries. Yet, outside the KGB high command and a small coterie surrounding Soviet ruler Mikhail Gorbachov, the very existence of the Special Reserve is all but unknown. . . .

E.I. du Pont has been negotiating business deals that would assist Gorbachov in delivering the new cycle of weapons production he promised the Red Army. And whiskey baron Edgar Bronfman will make sure that he profits handsomely from turning over the fruits of Western technology to the Soviet Union.

"Pitovranov's separate operations, conducted through the Soviet Chamber of Commerce and other trade fronts, have been the most successful of all. By 1977, the KGB had created a Department P (for Pitovranov) just to support him and process the wealth of intelligence he supplied. And to enlarge the scope of his operations, the KGB ultimately made him chairman of the Soviet Chamber of Commerce and Industry. . . . The Soviet chamber's most important foreign outpost remains USTEC in New York. This organization encourages American firms to deal with the Soviets and arranges visits for corporate executives to Moscow, steering them to appropriate Soviet officals; many of these are Pitovranov's spies."

When Pitovranov left USTEC's board following this exposé, the Trade Council was still not clear of the heavy hand of Soviet espionage, according to a paper jointly prepared by the Department of State and the Directorate of Intelligence of the Central Intelligence Agency, entitled "Intelligence Collection in the U.S.S.R. Chamber of Commerce and Industry," which fully corroborates Barron's story. The present Soviet co-chairman of USTEC, who is also a member of its executive committee with Edgar Bronfman, is Vladislav L. Malkevich, who is also the new chairman of the U.S.S.R. Chamber of Commerce and Industry.

According to the same pamphlet: "Of the approximately 140 officials who have been identified, about a third are known or suspected intelligence officers, of whom a few are GRU (military intelligence) and the rest KGB. . . . KGB use of chamber cover appears to be quite broad. KGB staff officers fill about half of the senior management slots in the chamber's Moscow apparatus and thus are in a position to have considerable policymaking authority. . . . Some of these senior managers have had extensive experience in clandestine operations. KGB officers are found in almost every chamber component. . . . The chamber conducts intelligence operations both at home and overseas. . . .

"Firms whose products are of technological interest to the U.S.S.R. are contacted for information on manufacturing processes and technical specifications. Soviet foreign trade representatives may then follow up on these leads with offers to develop a market for the company's goods in the Soviet Union or simply with offers of cash." Among those areas that the chamber's KGB officer's are known to have tried to ferret out are: "robot technology"; "marine technology, including that dealing with submarines doing deep-sea research"; and, "industrial chemicals" such as those that Edgar Bronfman now has the E.I. du Pont company giving the Soviets under licensing arrangements.

USTEC's latest "Black Book" or "Operating Plan," prepared for Edgar Bronfman and other board members, reveals that in May 1989, "during the Council's Eleventh Annual Meeting, a session on scientific and industrial cooperation was held in the form of four roundtables on chemicals, energy, machine-tool building, and medicine. More than 50 proposals by Soviet organizations on establishing scientific/technological and economic cooperation with U.S. member companies of the Council were given to the American side."

Incredibly, despite the U.S. State Department's public acknowledgement that USTEC's chief Soviet corresponding body is riddled with KGB and GRU agents, its American co-chairman for seven years was C. William Verity, Jr., who became the last commerce secretary in the Reagan administration and who admitted to *EIR* that he had never once assisted U.S. intelligence in countering Soviet espionage through USTEC.

Also, according to USTEC's "Black Book," throughout 1988 "regular and continuous contact was maintained with the National Security Council, the State Department and the Department of Commerce. Commerce Secretary C. William Verity, Jr. participated in the Council's Eleventh Annual Meeting in Moscow, heading a large delegation of government officials that included Undersecretary of State Allen Wallis." In 1989, USTEC pledged, "close and regular liaison will continue to be maintained in the new Bush administration with appropriate cabinet officers and government agencies involved with U.S.-Soviet trade."

The "Black Book" further notes that: "Contact was main-

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tained with staff members of the House Ways and Means Trade subcommittee, House Foreign Affairs Subcommittee on Trade, House Agricultural Committee, Senate Banking Committee, Senate Commerce Committee, Senate Finance Committee and Senate Foreign Relations Committee." It would appear that Edgar Bronfman has been in good company, through the special connection to the KGB and GRU, which his USTEC position has afforded him.

Jewish slaves for Bronfman's profit

There is one issue that is especially dear to the U.S. businessmen of USTEC and their Soviet counterparts like Malkevich of the KGB-controlled chamber, where Edgar Bronfman has taken the point: the earliest possible waiver of the Jackson-Vanik and Stevenson amendments.

The latest round of deals was exposed by Rowland Evans and Robert Novak in a Jan. 23 syndicated column entitled "Swap Soviet Jews for U.S. Trade." They revealed that the booze baron had held a secret meeting at his New York City apartment to propose, once again, waiver of Jackson-Vanik provisions, if the Soviets would ship thousands of Jews to become the cannon fodder in the settlements on the occupied territory of the West Bank in Israel.

What made this particular meeting significant was the attendance of Dwayne Andreas, who is both chairman of USTEC and of Archer-Daniels-Midland (a firm that has recently helped fill Soviet grain bins with U.S. taxpayer-subsidized grain), together with James Giffen, the president of USTEC. Giffen, who has gone on record that that he would like to make the Soviet Union an "economic superpower," subsequently left the trade council to form a small merchant bank, Mercator Corp., which has become the linchpin of the American Trade Consortium—a consortium involving Chevron Oil and other major firms—which has announced plans to invest over $10 billion in joint ventures in the U.S.S.R. over the next decade. A Dec. 26, 1986 front-page article in the *Wall Street Journal* entitled "Gorbachov's Pal: Dwayne Andreas Gains an Apparent Position as Kremlin Favorite," wondered "whether Mr. Andreas is beginning to edge out Armand Hammer, the chairman of Occidental Petroleum Co., as Moscow's favorite American businessman."

Reported Evans and Novak: "On the table was this deal. Andreas, Gorbachov's most intimate American business friend, would persuade the Soviet President to start direct air flights to Israel for Jews, most of whom would rather come here, while the pro-Israel lobby would use its considerable clout to get Congress to repeal or waive the Jackson-Vanik amendment. 'An ugly deal,' one former official told us. 'Jackson-Vanik is a statute with specific provisions. They say nothing about Jews and nothing about Israel.' "

This "ugly deal" drew substantial support. Morris Abrams, departing as head of the Conference of Presidents of Major Jewish Organizations to take a post in the Bush administration, was quoted after the meeting in the Israeli newspaper *Yediot Aharonot*, saying that the issue "is not an issue of human rights but the redemption of Jews as Jews. They should go to Israel."

The one stumbling block to this scheme was that even in President Bush's May 12 "peace in our time" speech, he insisted, as have spokesmen for his administration ever since, that waiver of the Jackson-Vanik provisions must await Soviet codification of a law that permits any or all of the residents in the Soviet "prison house of nations" to emigrate, if they choose, in accordance with the Helsinki Accords. But, when USTEC held its twelfth annual meeting in McLean, Virginia May 15-17, Dwayne Andreas, apparently supported by Edgar Bronfman, announced that the trade council's position was for immediate waiver, based simply upon Soviet "good behavior" in increasing Jewish "refusenik" emigration over that year alone. While Andreas claimed that USTEC would not violate its tax-exempt status by lobbying for waiver, USTEC's "Black Book" clearly belies this point through plans for expanded contacts on such issues with institutions in both the executive and congressional branches of government.

And then there is the question of whether Israel would accept such a superpower deal, made over its head. As early as 1985, Bronfman tried to rope Israel into his secret diplomacy with the U.S.S.R., but his actions as a "private foreign emissary" were denounced by then-Israeli Foreign Minister Yitzhak Shamir, who is today prime minister. In pursuit of an alternate route from Moscow, which would assure the refuseniks' delivery to Israel, rather than the United States where most would prefer to live, Bronfman has visited the U.S.S.R., Israel, Poland, Romania, East Germany, and elsewhere to establish the equivalent of a "sealed transit" to Israel for them. And, it has been suggested that the real reason why his World Jewish Congress mounted its wildly distorted and inflammatory attacks upon Austrian President Kurt Waldheim was that Austria has continued to honor the human rights of Jewish refuseniks by permitting them transit via Austria to the new residence of their choice.

Throughout this process, under Bronfman's leadership, the World Jewish Congress has upheld the lure, as has USTEC, of lifting the Jackson-Vanik provisions, if such singular transit is arranged, as the *Jerusalem Post* reported on March 26, 1987, after one meeting of Bronfman with Soviet Foreign Minister Eduard Shevardnadze.

This ploy to trade Jewish slaves for lavish business deals has been condemned by prominent Jewish refuseniks, as well as many others in the world Jewish community. After 1987 meetings between Morris Abrams, Edgar Bronfman, and Soviet officials, Russian dissident refusenik Vladimir Slepak said that both "are definitely *persona non grata* in our community." Slepak told the *Jerusalem Post*: "Abrams's behavior was awful, but he may have been tricked by the Soviets. But Bronfman wanted to be tricked. After all, he is a businessman, and does very good business with the Soviets."

Eye on Washington by Nicholas F. Benton

Bush hedged his bets on Gorbachov

The administration's on-again/off-again treatment of Soviet leaders reflects confusion over developments in Moscow.

The behavior of the Bush administration in the days leading up to the meeting of the Soviet Communist Party Central Committee in Moscow Sept. 18-20 was in marked contrast to what immediately followed.

It seems that Bush and company were hedging their bets on the chances of Soviet leader Mikhail Gorbachov to survive the Moscow meeting. When it became clear that he remained in control, at least temporarily, the Bush forces wasted no time warming up relations.

The shift could not have been expressed more clearly than by Secretary of State James Baker in two press conferences—one given while the outcome of the Moscow meeting was still in doubt, and the other two days later when it was over—on the eve of his Jackson Hole, Wyoming tête-à-tête with Soviet Foreign Minister Eduard Shevardnadze.

On Sept. 19, Baker held a press conference at the State Department where he drew a distinction between the Soviet *perestroika* reform program and Gorbachov himself. He even went so far as to say that "*perestroika* . . . includes the ability of the Soviets to decide on who their leadership shall be."

But then on Sept. 21, Baker held a press conference at the White House where he debunked the idea that "the success of *perestroika*" could be separated from the indispensable role of Gorbachov. "Therefore," Baker said, "as we hope for the success of *perestroika*, so do we hope for the success of Mr. Gorbachov, as well."

The decision by President Bush to meet with maverick Soviet politician Boris Yeltsin, who at least publicly presents himself as a factional alternative to Gorbachov, was also an indication of the shifting winds in Washington.

During the few days when the President was having a hard time making up his mind whether or not to meet Yeltsin, observers here noted that Bush's decision would be an important signal about how Bush was reading Gorbachov's staying power.

Even if Yeltsin was, in a sense, a "stalking horse" for Gorbachov, by coming to the United States to sing for an economic bailout of his country, reactions to his U.S. tour were read carefully in the Kremlin for what they had to say about U.S. perceptions of the highly unstable internal Soviet situation.

Worried about how Bush's decision to embrace Yeltsin would be read, Gorbachov reacted swiftly, ordering Yeltsin home immediately and announcing that Foreign Minister Shevardnadze would be in Washington within a week to meet with Bush.

Even though the Shevardnadze-Baker meeting in remote Jackson Hole, Wyoming, had been set for a long time, Shevardnadze suddenly wanted to come to Washington to meet with Bush personally before going to Wyoming.

Seeing President Bush before meeting with Baker would upstage Baker and diminish the importance of the Wyoming meeting. But Shevardnadze was willing to risk such a diplomatic offense in order to undo the damage that Gorbachov's circles felt the Yeltsin-Bush meeting had done.

Shevardnadze wanted to be seen around the world, and in the Kremlin, on the White House grounds, and fast.

So, for those who suspected this motive in the sudden change in plans, it was no surprise when 1) the meeting with Bush went more than an hour over its scheduled time, in contrast to the 16 minutes the President granted to Boris Yeltsin; and 2) Shevardnadze gladly allowed himself to be filmed talking at length to reporters in the White House driveway right outside the Oval Office.

The latter was unprecedented. The few reporters who braved the abnormally brutal heat and humidity for over an hour beyond the scheduled end of the meeting that afternoon did so with little real expectation that Shevardnadze would talk to them. In the past, he'd always dive into his limo and pull away, saving his remarks for a carefully orchestrated press conference at the Soviet embassy.

This time, Shevardnadze did not hesitate. He couldn't wait to get in front of all the TV cameras and microphones awaiting him outside the West Wing entrance.

At his press briefing following Shevardnadze's *tour de force* with the media in the driveway, Baker was asked if the subject of Yeltsin had come up in the Bush-Shevardnadze meeting. Baker conceded it had, "in an indirect way."

"Who brought him up?" the reporter asked. "I think the other side did," Baker answered.

But when asked to report on what Shevardnadze said about Yeltsin, Baker decided that he'd already said too much. "I don't think I'm going to say anything more about that," he intoned.

After all, unlike even two days earlier, Gorbachov was clearly the man of the hour again.

Congressional Closeup by William Jones

Nunn: Accelerate arms agreements with Moscow

Elaborating on a proposal that he had presented recently to the International Institute of Strategic Studies (IISS) in London, Georgia Democratic Sen. Sam Nunn wrote in a commentary in the *Washington Post* Sept. 19, that a two-tier system of negotiations should be developed to accelerate the pace of arms control.

The first tier would deal with ongoing negotiations on nuclear and conventional weapons; in the second tier, issues of greater complexity could be worked on by a U.S.-Soviet "experts group," which would be asked to develop options that otherwise would be reserved for a distant future phase of arms control negotiations.

This second tier, according to Nunn, would explore "revolutionary leapfrog advances" in arms control. If the "experts group" would reach a consensus on a basic conceptual approach on a specific arms control issue, then the consensus would be reviewed at the highest levels of government, leading to the initiation of actual negotiations.

The second tier could begin to explore limitations on nuclear sea-launched cruise missiles or on short-range nuclear missiles, or restrictions on anti-satellite systems.

The "pro-defense" Sen. Nunn has floated an idea which would significantly accelerate the rush to arms control exhibited by the starry-eyed Gorbachov lovers among the political establishment. If it is perceived that ostensible progress is being made in the pre-negotiating phase in one field not yet on the table, the tendency would be to come to an agreement more rapidly—and prematurely—as a result of the expectations created by the exploratory talks.

At a time when negotation fever is raging in an attempt by the administration to cut a deal with Gorbachov, Sam Nunn probably thought he might try to get them to step on the gas a bit.

Thornburgh said to block the Iran-Contra probe

At a news conference following a closed-door meeting with the House Permanent Select Committee on Intelligence on Sept. 19, Independent Counsel Lawrence Walsh voiced complaints about Attorney General Richard Thornburgh's attempts to put roadblocks in the way of his investigations.

This involved Thornburgh's use of "national security concerns" to prevent the use of certain material in the trial of former White House aide Lt. Col. Oliver North. "The disagreements," said Walsh, "are over matters that the court knows, the public knows, and that we know the public knows. Yet there is an effort to keep it classified."

In a 38-page report to the House committee, Walsh also indicated that the most important charges against North had to be dismissed last January, primarily because of the refusal of intelligence agencies to permit "disclosure" of publicly known facts. As a result of compromises made by the Justice Department and the intelligence agencies after the North trial began, that information was introduced into evidence anyway. At that point, however, the main charges of conspiracy and theft of government property had been dropped.

Under the Classified Information Procedures Act, Thornburgh is empowered to file an affidavit blocking disclosure of any government secrets in the courtroom, even if they are common knowledge. "I don't think the Attorney General should get into the act unless he feels that strongly about it," said Walsh. "He's not there to tinker with it. He should not come in unless he wants to kill the case."

Administration wards off strict ozone curbs

The Bush administration succeeded on Sept. 19 in warding off a stringent ozone bill by a 12-10 vote in the House Energy and Commerce Subcommittee on Health and the Environment. The bill, put forward by subcommittee chairman Henry Waxman (D-Calif.), would have mandated tighter deadlines for cleaning up ozone, more stringent measures for cities failing to meet the 3% annual reduction in ozone, and would have required anti-pollution devices for industries emitting as little as 10 million tons of ozone-generating substances in the most polluted cities.

Committee chairman John Dingell (D-Mich.) called the Waxman measure "extremely harsh and punitive" toward the affected cities, adding that it would have an "adverse impact on innocent small business."

As a counter to the Waxman amendment, Dingell sponsored a bill supported by the administration which classifies urban areas according to the severity of their pollution and and also prescribes increasingly stringent measures for reaching the ozone standard, decreasing ozone levels by 3% per year. The bill mandates no penalties for failure, and the cities would have to come into compliance with the levels within 5 to 20 years, depending on their level of pollution.

In order to waylay criticism from the environmentalists that the bill is too lax, the administration introduced at the last moment provisions that would increase the number of industries for which specific anti-ozone controls would be required and strengthen requirements for inspecting motor vehicles.

Barney Frank could be forced to resign

Rep. Barney Frank (D-Mass.), still trying to recover from the scandal caused by his aide, male prostitute Steve Gobie, whom Frank hired after having bought his sexual services, is under increasing pressure to resign.

In an editorial on Sept. 17, the *Boston Globe*, a long-time backer of Frank, demanded his resignation. The *Globe* said that Frank's "presence in Congress serves as a distraction and a hindrance" to the ideas he has promoted, adding that the issue was not Frank's homosexuality, but the issue of prostitution.

Others demanding Frank's resignation include the local *Catholic Times*, and liberal syndicated columnist Mark Shield, on Sept. 18.

Frank's friends in the House have advised him to stop talking so much about his personal life, advice which he has apparently taken to heart, refusing to give interviews. Although the official word from his Democratic colleagues is to still "hang tough," until the case is investigated by the House Committee on Ethics and Standards of Conduct, privately House Democratic leaders indicate that it might be best if Frank did resign.

House Republicans, who were quiet on the Frank scandal [illegible] have now been taking up the cudgels against the congressman, with House Minority Leader Robert Michel calling the scandal "a stain on the House of Representatives." "If it were anybody other than Barney Frank, if I were to have a woman prostitute in my employ, for my self-gratification, I'd be run out of town," said Michel.

Senate votes to fund population control

In a narrow 52-48 vote, the Senate on Sept. 20 agreed to resume funding of a United Nations fund that promotes population control in the developing sector. The U.S. contributions to the fund were discontinued during the Reagan administration, after charges were raised that the People's Republic of China was enforcing its one-child-per-family policy through compulsory abortions and sterilizations.

The Senate measure, appended as an amendment to the $14.4 billion foreign aid bill, authorized a $15 million contribution to the fund. The policy reversal is generally seen as part of an attempt by the abortion lobby to reverse some of the measures instituted during the Reagan administration under the influence of the right-to-life movement.

In another amendment to the bill, the Senate agreed to increase aid to Poland to $45 million—far above the $10 million proposed by President Bush during his visit to that country in July.

Free marketeers change their tune on airlines

In light of the increasing number of airline accidents during recent years, there is a move in Congress to reregulate the airline industry. Ironically enough, the demands are coming from both mainstream and conservative Republicans, who earlier had led the charge for deregulation, ostensibly for the sake of increasing competition and thereby bringing down airline prices.

Sen. John McCain (R-Ariz.) claims that he has shifted positions because the market forces that were to increase competition have, in fact, had the opposite effect, allowing the major airlines to block competition from newcomers, resulting in defacto reregulation—without regulators. This, McCain thinks, is "the worst of all possible worlds."

Democrats try to out-bid Bush on drug funds

Senate Democrats agreed on a national drug plan on Sept. 20 that would boost President Bush's $7.9 billion package by $1 billion—still woefully inadequate for a competent war on drugs. They had originally been calling for a $2.2 billion increase, but agreed to compromise on the $1 billion figure.

Sen. Robert Dole (R-Kan.) called the compromise a "hollow gesture."

The President had agreed to increase his plan by $800 million, calling that figure his "final offer." Of the $800 million increase, about $200 million will go to local law enforcement programs and $600 million for drug-abuse prevention, education, and treatment programs.

The Democratic program puts an even greater emphasis on drug treatment and prevention. It would be financed by across-the-board cuts in all discretionary domestic and military programs.

National News

Ecologists demand shift in space science

Top environmentalists are attempting to shift the philosophical and scientific outlook of the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration from basic scientific research to giving support to a slew of anti-scientific hoaxes. The new direction was outlined for top NASA and NOAA scientists at a conference on "Climate Change" the week of Sept. 18 in Washington, D.C.

The keynote speech was given by Sen. Albert Gore (D-Tenn.), who said that the greatest threat to nature is population growth. Frank Press, head of the National Academy of Sciences and former science adviser to President Carter, agreed, and said, "The desire of the growing populations of the Third World to achieve the affluent standard of living of the advanced sector is really unsustainable."

Other speakers included Alan Bromley, President Bush's science adviser; John Knauss, the new head of NOAA; administration officials; and leaders of the World Resources Institute and other environmentalist groups.

The audience, mainly senior researchers at NASA and NOAA who believe that the much-ballyhooed "greenhouse effect" and "ozone depletion" are hoaxes, were brought to Washington to be told where their funding will be channeled.

One "dissident" at the conference was Gregg Easterbrook, contributing editor of *Newsweek* magazine, who told conferees, "The role of man is to safeguard life," and "nature can take care of itself." Easterbrook pointed out that climate change was not necessarily bad, since "we are here because of climate change." He warned that nature should not be worshiped, and that for 4 billion years the Earth had proven to be quite tough.

Easterbrook read a written question for Frank Press submitted by *21st Century Science and Technology* magazine. Since "volcanoes emit over 36 million tons of chlorine every year into the atmosphere . . . 48 times more chlorine than all the chlorine contained in chlorofluorocarbons," the question read, "would it not be advisable to do the research and plug a few volcanoes, rather than ban CFCs?" The question sent the audience into gales of laughter.

Regan proposes scheme to stop drug money

Donald Regan, former Treasury Secretary and White House Chief of Staff during the Reagan administration, proposed a plan to attack drug-money laundering, in a commentary entitled, "The Color of Money Can Stop Drugs," in the Sept. 18 *New York Times*.

The nub of the problem is the laundering of dirty cash, Regan says. He therefore proposes that the United States should "quietly print new $50 and $100 bills—either of a different color, or size, than the current ones. Then with only a 10-day warning, we should make all $50 and $100 bills obsolete. . . . Everyone would have to exchange their large bills for new ones." Bingo! The money-launderers would be caught.

Regan also proposes that the top 200 U.S. banks cooperate with the Comptroller of the Currency by reporting suspected drug dealers and record all cash transactions over $1,000. "If our government is going all out to fight a war on drugs, bankers should be the first to join in," he concluded.

That Regan would be claiming to join the war on drugs has raised eyebrows. Before coming to the White House, he headed Merrill Lynch, a firm which was not only barred by the London Stock Exchange from its management committee because of "disreputable practices," but was cited by a November 1984 report by the President's Commission on Organized Crime as one of the premier Wall Street financial institutions to open its doors to the dope mafia, both during and after Regan's tenure as chairman. An *EIR* exposé entitled "Donald Regan and the fine art of laundering dollars" (April 25, 1986), placed Merrill Lynch in the middle of drug-money laundering.

Analysts have also pointed out that Regan's plan, if implemented, would swiftly collapse the dollar, as drug dollars fled into other currencies.

Kissinger says Soviets no first strike threat

Former Secretary of State Henry Kissinger proclaimed that "the Soviet Union is in no condition to launch an all-out surprise attack on the U.S.," during an interview with Cable Network News on Sept. 16.

Kissinger said that, as a result of this and other factors, "the military approach to East-West relations is coming to an end for the first time in the post-war period."

"The situation in the East bloc is now the most fluid in the post-war period," Kissinger said, adding that the key for the U.S. in the visit of Soviet Foreign Minister Eduard Shevardnadze "will be to determine how the Soviets view events that are unfolding in Eastern Europe."

When asked to comment on an article in the *Wall Street Journal* which charged that Kissinger's political comments on Communist China were colored by his business investments there (see article, page 61), Kissinger snorted back, "This is an outrage. It is intimidation by people who are trying to disgrace me in order to keep me from presenting my views."

CIA chief says allies are threat, not Soviets

Director of Central Intelligence William Webster indicated in a major policy address on Sept. 20 that the CIA was moving away from primary concentration on the Cold War and focus on the Soviet Union, and toward greater concentration on the alleged threat posed to the U.S. by "economic competition" from its allies. The London *Guardian* reported that his comments have "intrigued

Western European and Japanese diplomats in the United States by hinting that traditional allies who are also economic rivals are becoming intelligence targets."

Speaking to the World Affairs Council in Los Angeles, Webster stated: "Our political and military allies are also our economic competitors. The national security implications of a competitor's ability to create, capture or control markets of the future are very significant. . . . The intelligence community looks at these developments from a strategic perspective, examining what is occurring, the forces at play, and the ways that actions taken abroad can directly and indirectly affect our national security interests."

Noting that there is increased "Japanese and European surplus capital" being deployed to finance the U.S. trade and fiscal deficits and being used for productive investment, he warned that "this new financial environment is also creating some potential risks."

Police state justice suffers setbacks

Mail-fraud and racketeering convictions against former Washington State Senate Majority Leader Gordon Walgren were overturned on Sept. 13 by a three-judge panel of the Ninth U.S. Circuit Court of Appeals in San Francisco. The panel also ordered a federal judge in Seattle to rehear Walgren's request for a new trial on one remaining conviction—interstate wire fraud for a single phone call from Oregon to Washington.

Walgren has spent nine years fighting this frameup. The National Democratic Policy Committee, a political action committee representing the Lyndon LaRouche wing of the Democratic Party, had issued a pamphlet exposing the police state nature of the prosecution against Walgren.

The appeals court found that the conviction under the RICO (racketeering) statute cannot be based solely on a single act. The basis for overturning the mail fraud count was the precedent set in the case of former Maryland Gov. Marvin Mandel in 1987, when the U.S. Supreme Court ruled that the 118-year-old federal mail fraud law had been applied too broadly.

The federal government's scapegoating of savings and loan institutions also suffered a setback, when its case against Empire S&L ended in a mistrial in Lubbock, Texas on Sept. 15. Co-defendants D.L. Faulkner, former Garland, Texas Mayor James L. Toler, and five others are accused of heading a conspiracy to steal $135 million from Empire and four other S&Ls in 1982-83. Among the counts against them was one of racketeering, which would have allowed the government to confiscate their assets in advance of trial.

Toler's attorney, Mike Fawer, called the mistrial "an absolutely crushing defeat for the government," whose strategy was to win the two cases considered the most blatant, Empire and Vernon S&L, and use those victories to force plea bargains elsewhere.

Pentagon assessment deflates Soviet threat

The U.S. Department of Defense will officially change its assessment of the Soviet Union and the threat which it represents to the United States when it releases its 1989 edition of *Soviet Military Power*, the *Washington Times* reported on Sept. 18.

"It's official: The Soviet Union has become a 'challenge' rather than a 'threat,' " the *Times* said.

Soviet Military Power, published annually by the Pentagon, was first published in 1981 and was entitled *Soviet Military Power: An Assessment of the Threat*. This year's edition is entitled, *Soviet Military Power: Prospects for Change*. The first chapter is "Nature of the Soviet Challenge," instead of last year's title, "Nature of the Soviet Threat."

Scheduled to be released in the spring of each year, the book is already six months late in coming out, which some Washington observers view as a reassessment forced on the Pentagon by the Bush administration.

Briefly

● **MORDECHAI LEVY**, the FBI-controlled terrorist who heads the Jewish Defense Organization, was released on $25,000 bail on Sept. 11. He was arrested in August for attempted murder in a Greenwich Village shootout, and was twice denied bail previously.

● **OPERATION RESCUE** head Randall Terry on Sept. 14 denounced the use of the racketeering (RICO) laws as unconstitutional, and said the legal prosecution of his anti-abortion group was financial warfare being used to destroy it.

● **GLEN MAULDIN**, the administrative aide to former Sen. Chic Hecht (R-Nev.), was indicted in Texas as a result of an investigation codenamed "Operation Dundeal" on Sept. 14, on charges that he used his congressional offices to obtain federal approval of several Texas savings and loan deals.

● **THE U.S. CIVIL RIGHTS** Commission asked the Department of Justice on Sept. 15 to investigate charges of police brutality against anti-abortion demonstrators in West Hartford, Connecticut, Los Angeles, Pittsburgh, and other cities.

● **GEORGE BUSH** has agreed to be the keynote speaker and serve as the honorary chairman of "Globescope Pacific," an environmentalist conference organized by the Global Tomorrow coalition on the theme of "Our Common Future," which opens on Oct. 31 in Los Angeles and which will feature a host of zero population growth advocates.

● **MICHAEL MILIKEN'S** lawyers asked a federal judge on Sept. 13 to order the government to halt "a constant stream" of leaks to the press which they contend threatens the indicted junk bond trader's right to a fair trial and have turned confidential grand jury proceedings into "a spectator sport."

Editorial

Soviet justice

Just as Soviet Foreign Minister Eduard Shevardnadze was arriving on U.S. shores, the American people were given another taste of the rapidly evolving Soviet justice now taking over their courts. In this instance the victim was Mike Billington, a co-defendant in the railroad of Lyndon LaRouche and his associates.

It is now being demanded of Billington, who is on trial in the State of Virginia for the same alleged crimes for which he was convicted in federal court, that he receive psychiatric evaluations to determine whether he is competent to determine his own defense. His own lawyer and the prosecution have joined forces against him—amazingly—because Billington is demanding his constitutional right to be tried by a jury of his peers, rather than try his case solely before a judge.

If this is not Soviet justice, then what is? Not only is he being subjected to double jeopardy, and treated as insane because he is a political dissenter, but he has been sequestered in the county jail in which he is now being held, under conditions unique to himself, and far more stringent than those applied to other prisoners in the facility.

Since the first psychiatrist who tested Billington declared him to be sane, the court is now operating under a unique theory, that Billington may be sane but suffering a "shared political delusion." In other words, they are resurfacing the vicious Anti-Defamation League slanders that the LaRouche movement is a cult whose members do not have a will of their own.

The use of psychiatry in the pre-trial period is a hallmark of political prosecutions in the Soviet police state, documented in the testimonies of victims who escaped. In the Soviet court system, trials never reach a jury, only a judge or a three-judge panel. The prosecutor and the defense lawyer are employed by the state.

An accused whose prosecutor and defender agree with the judge that he is "abnormal" often has no recourse. The Soviet legal system provides for an array of thought crimes.

In his 1977 autobiography, *To Build a Castle*, the Soviet dissident Vladimir Bukovsky described how he was dispatched to a mental hospital not long after his first arrest in the early 1960s, for activity in an unauthorized student club. Bukovsky, who now lives in the West, recounts how he was sent to the psychiatrist when the KGB had failed to trump up a case against him, to take before a judge.

Billington's case is part and parcel of the outrageous treatment being meted out to LaRouche in his Minnesota prison. In both instances, minimally extra-legal measures are being taken to break the prisoners; in the instance of the brutal treatment of LaRouche there is also a question of whether the intent is not deadly.

If the justice system in the U.S. is allowed to become corrupted on the model of the Soviet system, then in no place else will democracy be safe. The persecution of LaRouche and his associates is precisely because they are the most vocal and committed opponents of the Russian regime and those in the West who would transform our civilization on that model.

It is by no means coincidental that the Virginia Institute of Law, Psychiatry, and Public Policy, before which Billington has been ordered to appear for follow-up psychiatric evaluation, has as its director a committed supporter of the legalization of marijuana. The director, Richard J. Bonnie, gave the keynote address before the National Organization for Reform of Marijuana Laws on May 8, 1987. LaRouche and his associates have been at the forefront of the war on drugs. One can suppose that this Institute will be inclined to view opposition to drugs as a mental aberration!

Similarly, FBI spokesman Kenneth Lanning is connected to the Institute. He is infamous for his remark that more people have been killed by Christians than Satanists, a remark made to argue that the fight against Satanism is a witchhunt.

Wherever you may be, oppose the application of Soviet justice to LaRouche and his associates.

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THE NEW FEDERALIST

Volume V, No. 18 National Newspaper of the American System May 25, 1991 FIFTY CENTS

Target For Next War?

ROCKEFELLER GOES APE

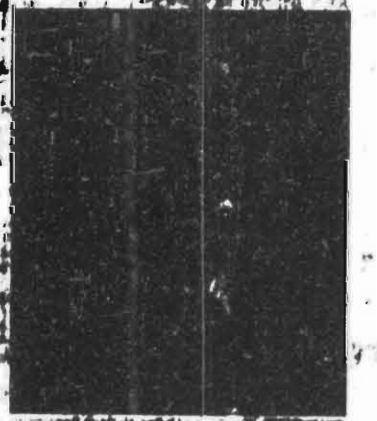
Banker Demands Fast Track for Genocide in Mexico

by Dennis Small

May 18 (EIRNS)—"Without the fast track, the course of history will be changed," banker David Rockefeller dramatically told a gathering of his Council of the Americas, which met in Washington, D.C. on May 6 and 7. "Without it," he warned, "there will be no Free Trade Agreement; there will be no Enterprise of the Americas [Bush's free trade policy for all of Ibero-America]; and without that, the hope for a brilliant future for the continent will come crashing down." Rockefeller prophesied apocalyptically.

Rockefeller and cronies were gathered to launch the banking establishment's final lobbying effort on behalf of Bush's "free trade" policies for the Americas. They focused their attention on the need to bludgeon and blackmail the U.S. Congress into supporting "Fast Track" authorization for the Bush administration's North American Free Trade Agreement (NAFTA) with Mexico, which is scheduled to come to a vote before June 1.

Under NAFTA, large amounts of U.S. manufacturing will flee across the border to Mexico, where workers are paid 20 cents an hour in sweatshops linked to unequaled pollution. This will create unemployment, destroy the subsistence base for entire U.S. American families, destroy the American population, and [illegible] the legs into a [illegible] the likes of which has not been seen since the worst years of the Great Depression. As part of this plan, [illegible]



BANKRUPT DAVID ROCKEFELLER and [illegible] to accelerate their looting of both the U.S. and Mexico. LYNDON LAROUCHE, [illegible] has opposed such plans since before [illegible] years.

LaRouche Issues Program for Real [illegible]

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WORLD'S STARVING NEED GRAIN, BU...

U.S. Wheat Crop To D... p 25 Percent

by Marcia Merry

The United States harvest of winter wheat, which begins next month, will likely be down at least 25 percent from last year, at a time when the need for cereals worldwide is soaring. Worse, output is expected to be down this year in all major wheat surplus regions (U.S., Canada, Australia, Argentina) except for the European Community, whose harvests are, nevertheless, very low production potential.

World wheat output will drop at least six percent in 1991, compared to last year, according to the latest estimates from the U.N. Food and Agriculture Organization (FAO). The drop may be worse, but there is hope for several 1991 wheat harvests in India, Pakistan, and China.

The global decline in exporting and relief-donor nations comes when the need for cereals for emergency food relief, due to the paralysis of war, disorders and poverty in Third World nations, is overwhelming. "relief capabilities" already more than 50 million people are in dire need of emergency food; the four million homeless in Bangladesh, 18 million in Iraq, and over 30 million in Africa. The map (page 2) shows these areas, identifying the six African nations cited by the U.N. as in immediate need—Ethiopia, Somalia and the Sudan; Liberia, Angola and Mozambique. The FAO warned, "Fears are growing of a new global food crisis, more severe than 1974." At that time, 40 million people were at risk of starvation.

In addition to those facing famine

Please turn to page 2, col. 1

WHO WILL FEED THE ... growing, as world grain ... ...ic of famine in Africa. Their numbers are ... tion is deliberately cut

October Surprise Involved Kissinger and Bush Roles

by Edward Spannaus

May 13 (EIRNS)—It is high time that the U.S. Congress conducts a full investigation of the "October Surprise" scandal which has again surfaced in recent weeks.

This investigation must not be sidetracked by secondary issues such as whether or not George Bush personally participated in meetings supposed to delay the release of the hostages until after the November 1980 elections. The central issue is why the Carter administration's Iran negotiations broke down in October 1980, and why the release of the American hostages was delayed until moments after the Reagan-Bush inauguration on January 21, 1981. Bush need not have been in Paris to be involved in that policy.

While recent news coverage—such as the April 30 New York ...

The problem really goes back ... two years to the ... of ...

Please turn to page 4, col. 1

Times column by former NSC official Gary Sick and the April 14 PBS "Frontline" program—has shed some interesting new light on the events of the Fall of 1980, the most essential facts are already in the public domain, and the well known. It is not necessary to know whether George Bush was in Paris on Oct. 19, 1980, or to subpoena the late William Casey's diary, to get to the bottom of the October Surprise story. The most important participants and principals, starting with Kissinger, are still fully available should Congress seek to subpoena him, and, indeed, he could not even claim executive privilege, because he was not a government official at the time.

Broader Implications

The active role of Henry Kissinger in the hostage bidding into and ...

From page 1, col. 1

Civil War in Yugoslavia Could Still be Derailed

by Nancy Spannaus

May 14 (EIRNS)—Intervention by the churches of the Yugoslav republics of Croatia and Serbia designed the conditions for full-scale civil war in the Yugoslav federation last week. But the potential for avoiding military conflict in the immediate period ahead, depends directly upon a solution in the East Bloc economic crisis.

As in the Third World, the appli... ...ation of austerity International Monetary Fund debt collection... ...ribbed on Eastern Europe has exacerbated the already desperate conditions of the population. Faced with economic disintegration, the populations of the formerly communist countries are ...ing fractured along ethnic lines. If the economic catastrophe is not solved with a massive infrastructure program along the lines of Lyndon LaRouche's Productive Triangle program, it must out of the question that Eastern Europe will not only be the scene of civil ..., but that it will be the arena for renewed communist or Soviet intervention.

While ... is ... that the ... ...ation will ... ...ent ... ...ime, the ... ...ation ... ...ability for any of the republics will depend ...

Following years of ... ...silence between the Serbian-controlled military and the Croatians, the leadership of the Catholic Church of Croatia and the Serbian ...

Dem Leaders Capitula... on Mexico Slave Labor Bill

by Suzanne Rose

Amidst a growing national debate on the Bush administration's proposed slave labor agreement with Canada and Mexico, known as NAFTA, the Congressional Democratic leadership has capitulated to White House pressure and endorsed a "fast track" negotiating authority in steamroll an agreement through congress.

A resolution endorsing the fast track submitted by the Congressional House leaders Gephardt and ... passed the House Ways ... Committee today, with ... ...tion against the fast ... led by Rep. Byron ... ...ailed in the Committee. However, the full House ... ...rested yet, and just as the leaders pave passage ... ...ident Bush also ... ...ed a very ... ...ities ...

Hampton University, by charging that NAFTA's opponents are racist, stunning many against their ... ...immediately Congressmen and a Senator held press confer... ...ence to denounce the President for this low blow—Paul Wellstone of Minnesota, and House Majority leader Gephardt himself. ...

Although the White House has ... demonstrably exercised control over the highest levels of the Con... (Democratic) Democratic leadership, including Senate leader Mitchell ... ...ton, (D-Tn) who is campaigning for that post, the issue of whether or not NAFTA should be passed has become the subject of a national debate, the very thing the "fast track" was designed to prevent for Bush ... ...

... in this debate, policy issues identified by Lyndon LaRouche as long ago as 1975, and articulated by him on national television in 1978 when he warned of "a system of labor ... ...

From page 1, col. 1

Austerity 'Expert' Felix Rohatyn Calls for Bank Nationalization

by John Hoefle

May 13 (EIRNS)—When the Bush administration proposed that the Federal Deposit Insurance Corporation borrow $70 billion from the Treasury and then use that money to borrow another $45 billion from the Federal Reserve, White House desperation over the banking collapse was exposed, and the Democrats let out a howl, [illegible] Democrats [illegible] their own plan to pump money [illegible] the banking system.

Sen. [illegible] (D-NC), has introduced a bill to create an Emergency Bank Investment Corporation [illegible] the federal government [illegible] billion of [illegible] banks. In order to [illegible] banks [illegible] conditions [illegible] regulations, including [illegible] with other banks, [illegible] and [illegible] clause, and the requirement [illegible] the Federal Reserve [illegible] the [illegible] system. The [illegible] the night [illegible] Government and the public would be free [illegible] Cutler [illegible] Bank [illegible] Senate Banking Committee, they opposed any mere increase in the bank deposit insurance fund (FDIC), which is exhausted by bank failures. "Pumping $25 billion into the FDIC will not generate one new dollar of investment, providing $25 billion of new capital to the banking system could generate $200-$300 billion of new investments activity," said Rohatyn. "This could play a critical role in our economic recovery."

Reinflating the Reagan Bush speculative bubble by pouring taxpayer funds into the banks, will not lead to economic recovery. Instead, it will suck funds desperately needed to rebuild the U.S. infrastructure into the black hole of the bankrupt Anglo-American financial empire.

FDIC 'Nearly Insolvent'

That the banking crisis is coming to a head was underscored April 26, in testimony by Comptroller General Charles Bowsher—the head of the General Accounting Office—before the same committee.

"The bank insurance fund is nearly insolvent, and I cannot overemphasize how important it is to remove it as quickly as possible," Bowsher warned the committee. "If you don't get on top of this soon enough, then the taxpayers will eventually lose."

While the FDIC claims that the Bank Insurance Fund contained $18.3 billion in assets at the end of 1990, an audit of the agency by the GAO put the figure at between $1 billion and $5 billion. Against $3.1 trillion in bank deposits, this represents about one penny of insurance funds for each ten dollars of deposits.

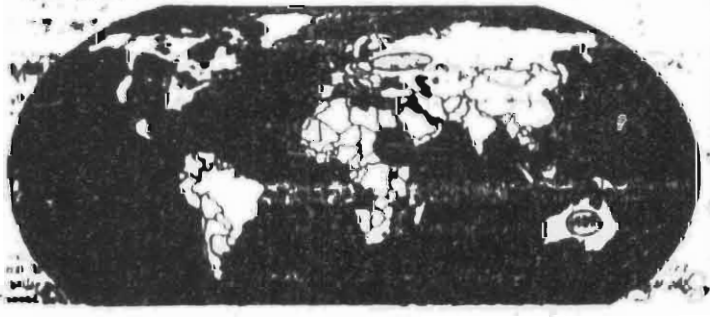
"This level represents an all-time low, and the fund is in a precarious state," Bowsher said. Unless the BIF is rebuilt, he said, "it is highly probable that the fund will be insolvent at the end of 1991. We expect that the BIF fund balance at the end of 1991 will be somewhere between a high of $1 billion and a low of negative $5 billion."

Bowsher recommended that Congress move quickly to inject $15 billion into the insurance fund through a special assessment on the banks of 40 cents for every $100 in total assets—on top of the 0.8 cents per $100 in domestic deposits the banks already pay the FDIC.

Bowsher compared the situation at the FDIC to what happened with the now defunct Federal Savings and Loan Insurance Corporation.

After the recent collapse of Executive Life Insurance Co. and the widely reported problems at First Capital Holdings, the head of a Senate Commerce subcommittee is now saying the same thing about the insurance companies, which are bigger capital concentrations than the banks. Sen. Richard Bryan of Nevada said May 7, "There are problems beyond Executive Life. ... Many of the comments being made about the solvency of the insurance industry are a haunting refrain to what was being said about the S&L industry a decade ago or about the solvency of the bank insurance fund just a year ago."

United Nations Forecasts: • 8% drop in 1991 wheat crop
• regional famine



ABANDONED HOSPITAL IN THE BRONX. Genocidal financiers are bleeding New York City to death with budget cuts.

Latest New York Budget Cuts Mean 'Doomsday'

by H. Graham Lowry

May 13 (EIRNS)—The latest massive spending cutbacks proposed for New York City, billed in the local press as a "doomsday" program, threaten it with virtual extinction. Mayor David N. Dinkins presented a $2 billion budget-cutting plan May 4 which he said would produce a "meaner" and less livable city.

"There is no adjective sufficient to describe the consequences New Yorkers will have to bear," Dinkins said. "If new resources are not forthcoming and New York City is forced to go it alone, each and every day, each and every New Yorker will be forced to suffer and sacrifice in 101 even 1,001 different ways."

New York City is being bled to death by a gang of financiers led by Felix Rohatyn of Lazard Freres, who [illegible] heads Big MAC, the so-called Municipal Assistance Corp. Rohatyn and the bond raters have made it clear that the city will be shut off from needed loans, unless it slashes enough spending to control the budget deficit now projected at [illegible] billion for fiscal 1992. [illegible] ing the threat of a financial takeover by the state, city officials are also using the proposed cutbacks as a club to try to extract more than $700 million in wage and benefit "givebacks" from the municipal unions. The concessions would then be traded off for some of the [illegible] budget cuts, and

said of the current cutbacks proposed. "This is an heroic effort, there is a lot of pain in this plan."

Following decades of austerity, New York City is already experiencing an absolute decline in population—the stated objective of the genocidal financiers who control it. Beginning July 1, the remaining population may suffer a reduction in basic and vital services below the level required to function. Peter Radford, chief economist at National Westminster Bank, predicted several months ago "a much more prolonged feeling of being at the bottom for New Yorkers, and 'something of a population slide.'"

Beginning July 1, the city will eliminate 26,755 full-time jobs, more than 23,000 through outright layoffs and the remainder by attrition over 18 months. Another 4,000 part-time positions will be axed. The parks department budget will be cut by 36%, sanitation by 22%, health services by 18%, and subsidies to city hospitals by 20%. The city's schools will lose 6,000 more teachers and aides.

Infant mortality programs will be eliminated, five health clinics set up specifically for children will be closed. The school health programs which administer 800,000 vision and hearing tests each year will be canceled. All outpatient pharmacies in city hospitals will be shut down, and weekend [illegible] service

THE NATION

Treasury Bond Auction Called 'Extremely Poor'

May 10 (EIRNS)—The U.S. Treasury's 30-year bond auction May 9 went "extremely poorly," according to City of London bond market sources. The ratio of bids to offered bonds was the lowest in New York bond history. International investors reportedly fear that the U.S. budget deficit will create a de facto "government glut of Treasury bonds," a form, if you will, of U.S. government "junk bonds."

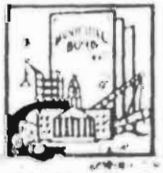
According to these sources, reports of "Japanese" buying of bet[illegible] 20-30% of the August $27 billion bond offering are misleading. "They are including N[illegible] et al., who are now listed as Primary Bond Dealers, and buy for normal U.S. clients, not for Japanese life insurance companies. The days of Japan bailing out the U.S. budget deficits ended last year when Japan was a net seller of U.S. Treasury bonds and paper. And unless Bush is able to turn this around, together with the decline in German bond investments, Bush will face a major crisis in the next 3-6 months, which could even force U.S. interest rates higher."

Regulators Close D.C.'s Madison National Bank

May 11 (EIRNS)—Federal regulators closed the Madison National Bank of Washington, D.C. and Virginia yesterday, and sold the carcass to Signet Banking Corp. of Richmond for $18 million, the Washington Post reported today. The Fed had been pumping cash into the bank since late 1990, and had put in $80 million in the past few weeks to replace fleeing deposits.

For its $18 million, Signet will get $450 million in deposits and a 21-branch network. The FDIC will advance Signet $641 million and keep some $544 million of Madison's troubled assets and loans. The failure is projected to cost the FDIC $180 million.

Budget Deficits Next Major Economic Shock



May 10 (EIRNS)—London financial circles state privately that they think that the next major shock to hit the U.S. economy will be the exploding state and municipal deficit crisis. A "highly confidential" report from a leading New York investment bond [illegible] estimates a total state and local budget deficit for the current fiscal year of $100 to 140 billion.

Says the report, this total, some 1.3% of total U.S. GNP, means "a massive series of state and local cutbacks, layoffs, construction freezes, higher taxes, fiscal impact will be enormous on top of an already estimated $400 billion Federal Budget Deficit for the year which ends September 30." [illegible] The report also notes a major difference [illegible] between today and the 1930's depression. In 1929 total government spending as [illegible]

Wheat production crisis Grain shortage crisis, 40 million people

Wheat Harvest Falls as Hunger Grows

Continued from page 1

today over the [illegible], the average per capita food consumption in South America and Africa has declined to absolute pounds per person. For a minimum diet of necessary calories, at least 3 billion tons of grains of all types should be produced worldwide annually. In recent years, between 1.8 and 1.9 billion tons of grains (wheat, corn, rice, etc.) have been produced each year. Instead of an output of up to 1 billion tons of wheat, there have been fewer than 450 million tons produced. The FAO's preliminary estimate for 1988 wheat is 500 million tons, down 4% percent from 1987 [illegible] tons total.

The Policy Is Genocide

This acutely reflects a reduction in the area planted, one deliberate policy of the U.S. Department of Agriculture. Estimates are that the U.S. 1988 winter wheat crop will be 1.65 to 1.67 billion bushels, down about 42 million tons, compared with 2.098 billion bushels (57 million tons) last year.

The USDA planted a 10 percent set-aside in stockpiles for farmers participating in government programs for the first wheat crop now being harvested. This led to a 10 percent decline in wheat acreage planted in the fall of 1987, compared to 1986. The USDA rationalized the resulting plantings as the first harvest would "just" be taken care of by land owners in an orderly fashion.

Farmers in every continent are hard hit by the low prices for their wheat, the result of price-rigging by the world grain cartel. Continental Grain, Louis Dreyfus, Bunge & Born/Ceagles, Andre and others. Farmers are getting $3.00 or less a bushel, a penalty of 50¢ price for U.S. growers. [illegible] to $5.00 a bushel.

[illegible] 1043-2930 is published weekly except the first full week after Christmas and Easter by EIRNS Publishing Company, Inc., Suite Leesburg, VA 22075. Subscriptions: [illegible] POSTMASTER: send address changes to: EIR NEWSWEEKLY, P.O. Box 889, Leesburg, VA 22075.

The map shows other producing regions in crisis.

- Canada: Canadian plantings of spring wheat this year are expected to be down by at least 3 percent. The grain cartel companies are dumping Canadian durum wheat on the U.S. market permitted by the 3 year old free trade agreement. The Canadian Wheat Board—intended to protect farmers from low prices—is now facing insolvency, and is borrowing 30-90 day short term loans on Wall Street.
- Australia: Estimates are that this year's planting—which begins next month (the opposite of the northern hemisphere)—will be 0 to 25 percent lower than last year because of farmers' financial crisis from low prices. Wheat output may drop to 13 million tons, down from 15.7 million last year.
- Argentina: Wheat planting may sink to 14.3 million acres, from 15.2 million last year, because the growers do not have the necessary means. The government is trying to order and exhort growers to plant 28 million acres, but with no assistance.
- Europe: European Community Agriculture Commissioner Ray MacSharry has decried the 20 million tons of EC grain stocks as "proof" that grain growers are "overproducing." MacSharry is attempting to impose penalties on farmers to prevent increased wheat output.
- Soviet Union: Size and availability of the harvest are uncertain, to say the least.

[illegible] lion $ loans to the city, as "the engine, not the engine" of a rescue [illegible] Rohatyn says.

Rohatyn's Love of Pain

During the takeover of the city's finances in the mid 1970s, Rohatyn's budget slogan was "pain and agony." At a Big MAC board meeting this February, his prescription was "extreme brutality." In a speech to the Municipal Forum of New York April 24, he described his life before Big MAC as "a state of total municipal virginity. That did not last long. Like most virgins, my education was rapid, exhilarating and sometimes painful. One could make political virtue out of painful necessity." City Finance Commissioner Carol O'Cleireacain eliminated Social Workers' caseloads will be increased. The city's dental clinics will also be closed, as will 10 shelters for the homeless and drug treatment programs will be terminated.

Even the Zoo

Housing inspections will end; responses will be made only to heat and life threatening complaints. Lead paint inspections will be cut by half, and pest control programs by 25%. Major staff reductions will be made in city libraries and cultural institutions. The Central Park Zoo and all 32 of the city's outdoor swimming pools will be closed. To ensure the proper gall over the scene, one of every four street lights will be turned off citywide.

mushroomed to over 25%, the largest single item comprising GNP. As budget cuts take hold across all levels of government in coming months, the economic impact will be staggering.

U.S. Now Sixth in Machine-Tool Output

May 9 (EIRNS)—The United States has fallen to sixth in the world in machine tool production, behind even Switzerland. The U.S. now accounts for only 6.7% of total world production of $46.6 billion. Japan was the largest producer in 1988, with 23.2%, followed closely by Germany, with 21.2%. The Soviet Union ranked third with 8.7%, followed by Italy at 8.5%. Switzerland, with only 6.5 million people, edged past the U.S. with 6.9%.

Britain ranked seventh, with 3.7%, followed by France with 3.5% and Taiwan with 2.2%.

Sixteenth Death in Nebraska Child Abuse Case

On Sunday, May 10th, the Omaha Police Department found the body of Alfie Allen, 28 years old, hanging in his apartment in Omaha, Nebraska. Classified by the OPD as an "apparent suicide," this brings to sixteen the number of deaths tied to the case of child abuse and satanism surrounding the collapsed Franklin Credit Union. Victim-witness Alisha Owen testified to the state Senate's Franklin committee in 1990 that the sex, drugs, and child abuse parties she attended in Omaha involving former Franklin boss Larry King, former OPD Chief Robert Wadman, multi-millionaire Alan Baer, and former Omaha World Herald publisher Harold Andersen, were held in Alfie Allen's apartment in the Twin Towers luxury apartment building in Omaha.

U.S. Navy Begins Home Porting Program

May 9 (EIRNS)—The U.S. Navy has begun assigning five naval groups to ports in the United States for defense and training purposes. The first group will be an aircraft carrier battle group stationed in Everett, Washington. The Nimitz carrier is said to be with this group. The four other groups will be based at Staten Island, N.Y., Mobile, Ala., Pascagoula, Miss., and Ingleside, Texas. The first vessels assigned to these ports will arrive this late autumn.

The program was developed in the mid 1980s with the purpose of dispersing the fleet to more home ports for strategic reasons.

Landsbergis: Lithuania Needs Help for Freedom

May 7 (EIRNS)—Leaders of the Baltic Republics of the Soviet Union testified in Washington, D.C. today before the Congressional Commission on Security and Cooperation in Europe, on Moscow's continuing repression of the Baltic states. Testifying here is Lithuanian President Vytautas Landsbergis who was joined by the prime ministers of Latvia and Estonia, Ivars Godmanis and Edgar Savisaar. Landsbergis told of continuing Soviet domination of his country, and reported that the Soviets had seized more buildings in the Lithuanian capital of Vilnius. He said the Soviets "steal everything, robbing our people of their personal possessions as well as of their country."

Gen. Washington Quashes Rebellion at Newburgh

Special from the
Committee of Correspondence

May 8, 1783—Now that the Treaty of Paris has ended hostilities between Great Britain and the United States, it is possible to shed light on the tumultuous events which took place at Continental Army headquarters in the months preceding the peace.

Despite the American victory at Yorktown in 1781, months dragged on with no word from Europe, and with British forces in America still threatening, Gen. George Washington established the headquarters of the Continental Army at Newburgh, N.Y., up the Hudson River to block any military actions by the large British garrison in New York City.

During that time, no pay for the soldiers was forthcoming from Congress, and discontent ran high. In March, a series of anonymous pamphlets appeared in camp, called on the officers to march on Congress to compel it to pay them. Failing that, it exhorted the officer corps to withdraw to the frontier, and leave the country defenseless until Congress did their bidding.

It has now been revealed that one of the pamphlets' authors was Maj. John Armstrong, an aide to Gen. Horatio Gates. It may be remembered that in 1777 and 1778, there was a secret cabal dedicated to replacing Gen. Washington with Gen. Gates. The plans of that group, the "Conway Cabal," were ultimately defeated, but disrupted the Congress and the Army during its trying winter at Valley Forge.

Gen. Washington reacted to the Newburgh Addresses by going as invited to an army officers meeting, and laying out to them the actual sinister intent of the documents. "This dreadful alternative," he stated, "of either deserting our country in the extremest hour of her distress or turning our arms against it (which is the apparent object, unless Congress can be compelled into instant compliance) has something so shocking in it that humanity revolts at the idea."

"My God! What can this writer have in view, by recommending such measures? Can he be a friend to the Army? Can he be a friend to this country? Rather, is he not an insidious foe? Some emissary, perhaps from New York, plotting the ruin of both by sowing the seeds of discord and separation between the civil and military powers of the continent?"

Gen. Washington attacked the advice given by the pamphlets to suspect any man who recommended moderate measures. "If men are to be precluded from offering their sentiments on a matter which may involve the most serious and alarming consequences that can invest the consideration of mankind, reason is of no use to us; the freedom of speech may be taken away, and, dumb and silent, we may be led, like sheep, to the slaughter."

The Commander-in-Chief ended by urging the officers to turn away from any man who wished to overturn the liberties of our country. "By thus determining, and thus acting, you will pursue the plain and direct road to the attainment of your wishes. You will defeat the insidious designs of our enemies, who are compelled to resort from open force to secret artifice.

"You will give one more distinguished proof of unexampled patriotism and patient virtue, rising superior to the pressure of the most complicated sufferings, and you will, by the dignity of your conduct, afford occasion for posterity to say, 'Had this day been wanting, the world had never seen the last stage of perfection to which human nature is capable of attaining.'"

People In The News

JAMES LILLEY, the U.S. Ambassador to China who defended the 1989 Tiananmen Square massacre, is reportedly at the top of the list to replace retiring CIA director William Webster. Other names mentioned included deputy director Richard Kerr, former deputy director Bobby Ray Inman, Deputy National Security Advisor Robert Gates, and Sen. Warren Rudman.

MOHAMMAD MAHBAT, former Iraqi ambassador to Washington, was granted permanent immigrant status in Canada last week, after living there since March 30.

THE WORLD

Egypt Pulling Troops Out of Saudi Arabia

May 12 (EIRNS)—The U.S. effort to build a new "regional security pact" in the Mideast may be failing, according to today's Washington Post. On May 8, Egyptian President Hosni Mubarak announced that Egypt would be pulling its 45,000 troops out of Saudi Arabia and Kuwait. Apparently, the Gulf monarchies fear that Egypt and Syria might use their armies to try to dominate the Gulf.

Meanwhile, South Korea Pahd declined to meet visiting Defense Secretary Richard Cheney on the first leg of his recently completed Mideast tour, and kept him waiting for 45 minutes for a rescheduled meeting at the end of it. The Saudis are reportedly balking at U.S. demands to deliver troops and to maintain basing rights in the kingdom.

Brazil Congress May Investigate Kissinger History

May 10 (EIRNS)—Last week we reported that our recollections of 1964 discussions by Henry Kissinger demanding the population of Brazil be kept down, were sparking a great deal of anger in that country. Now congressional leaders of several Brazilian political parties have petitioned an investigation of Kissinger's behavior. Health Minister Dr. Alceu Collares, interviewed in an interview with EIR, that after Kissinger's visit targeted Brazil and 12 other countries in 1974, 8 million Brazilian women were sterilized by programs the U.S. demanded. In the Brazilian capital now the daily paper Jornal de Brasilia is running feature headlines reporting which Congressmen are mobilizing to have the investigation.

Panama Promises to Pay All Debt Arrears

May 10 (EIRNS)—Panamanian Second Vice President and Planning Minister Billy Ford, during a recent trip to Washington, met with representatives of the International Monetary Fund and World Bank and promised to pay all debt arrears within 45 days. The amount owed Panama is $68 million, on top of the $500 million paid since April of 1990.

Panama was recently hit by an earthquake, and the government has just announced that it will not pay the $200 million in debt which has been paid to work on earthquake damage.

According to an article in the May 8 Estrella de Panama, Ford is trying to create a group of friendly countries which could extend bridge loans and short-term financing. Panamanian embassy official Federico Boyd said in Washington that once Panama pays the arrears, it will then negotiate an economic "adjustment" agreement with the IMF.

Kroll Assoc. Attacks Peru's Alan Garcia

May 14 (EIRNS)—Kroll Associates, the British intelligence-linked firm which

Bangladesh Deathtoll Is Result of Malthusian Plan

by Linda de Hoyos

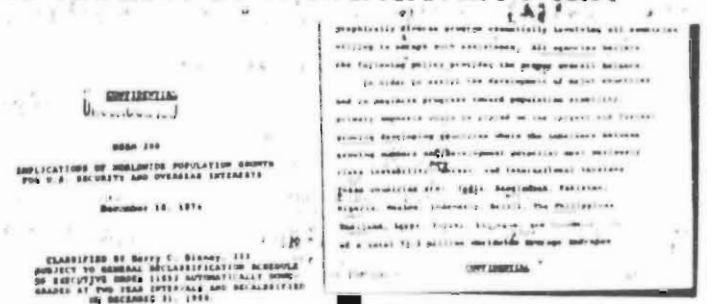
May 15 (EIRNS)—The April 29 cyclone in Bangladesh, which killed upwards of 130,000 people, has become the rallying cry for the Malthusians of the West. Bangladeshis, says the anti-human chorus heard everywhere in the Western press, have brought this catastrophe upon themselves by being born.

Nowhere in the major Western press have there appeared any calls for investment in flood control and harnessing of the Ganges, Brahmaputra rivers, as the world's appropriate response to such great loss of human life. Such projects would not only counter the effects of the cyclones and tidal waves that hit the region, but would provide the irrigation that would make Bangladesh, with its enormously rich soil, a breadbasket for all of Asia.

But the press has been rife with Malthusian oppositions on the alleged stupidity of "charity" and demands that the Bangladeshis stop "breeding." A May 14 article in the eminent West German daily Die Zeit is a case in point. "Bangladesh, a hopelessly overpopulated and poor nation, dramatically shows the world where the limits of development lie," Die Zeit intoned, and then proceeded to quote Henry Kissinger, who has been determined to crush Bangladesh's economic existence since he sided with Pakistan in the Bangladesh liberation war in 1971: "Bangladesh has become a synonym for human misery—a 'basket case,' in Henry Kissinger's devastating condemnation." The greatest problem is the "population explosion," the article asserts. Development assistance has "flowed into Bangladesh 'as into a bottomless pit.'" Die Zeit claims. For Bangladesh to "stand on its own feet," the population explosion must be brought "under" control, which means unpopular politics. Natural catastrophes cannot be stopped, says the newspaper (falsely), since such hurricanes do not carry such death tolls in economically advanced countries) "but the number of people who fall victim to them can be reduced through reasonable politics."

One Track Minds

On this side of the Atlantic, columnist Hobart Rowen wrote in the Washington Post May 10 that "aggressive population growth" was the cause of the April 29 catastrophe. Rowen then complained "Misguided richer nations routinely pump multi-billions of loans into the Third World for economic development' and then ignore the relative pennies that are needed for family planning."



BANGLADESH IS A TARGET for depopulation by Henry Kissinger, as shown in these recently declassified National Security Council documents.

And from Britain, birthplace of Parson Malthus himself, Sir Nicholas Fairbairn, former Solicitor General for Scotland under Margaret Thatcher, told a Scottish Conservative Conference on May 9: "It is not death which is our problem, but birth. I hope it will not sound unpitiful if I remind you that the population of Bangladesh, reduced by 120,000 ten days ago, has already overtaken that number. . . . It's no good talking about environmental problems and national emergencies for people washed away in floods if the tide of population is not stopped."

The lives of actual human beings are not a factor in Malthusian ruminations. However, some facts have slipped through the press. The Bangladeshi field director for the Save the Children Fund estimated that more than 300,000 people died in the cyclone, and that 80% of the dead were children or babies. Bangladesh former vice president Moudid Ahmed reported that as the water rose, many parents tied their children, whom they could not carry with them in the flood, to the tops of strong trees in a desperate effort to save them. The water rose too high, and most of these babies and children drowned.

Four million more people, most of them children, are threatened with death from thirst, hunger, and disease, the Red Cross/Red Crescent reported from Bangladesh May 5.

ARMENIAN LEADER MEGHAK GABRIELIAN addresses the [illegible] rally.

Secret Deal Behind Armenia Pogrom

Special to New Federalist

May 13 (EIRNS)—From about May 1-10, the Soviet Fourth Army, together with the KGB, Soviet Interior Ministry troops, and Azerbaidzhani "Black Beret" police, waged a bloody pogrom against Armenian villages on both sides of the Armenia-Azerbaidzhan border in Soviet Transcaucasia. According to the Armenian interior Ministry, at least 48 Armenians were killed, a dozen villages were seized, and 80 prisoners were taken, some of whom are feared executed. Armenia has complained to the United Nations of Soviet military aggression.

The massacres began just one week after Mikhail Gorbachov reached his April 23 agreement with Russian Federation president Boris Yeltsin, and were in fact provided for by secret clauses in that agreement. Again, the analysis of Soviet developments given by U.S. Democratic presidential hopeful

[illegible] said that the Gorbachov-Yeltsin deal heralded a strengthening of Russian imperialism, as reported last week in New Federalist.

The villages of Getashen, formerly pop. 3000, and Martunashen are said to exist no longer; they have been burned to the ground, at least 37 of their inhabitants killed, and the rest arrested or deported. Now off-limits to reporters, the towns will be resettled by Azerbaidzhanis. The following telegram from Armenpress news agency, broadcast on Radio Vilnius, Lithuania, on May 3, was likely the last communication from Getashen and Martunashen.

"S.O.S. We, the people living in two Armenian villages of Azerbaidzhan, Getashen and Martunashen, implore you to save our lives. The Soviet army is annihilating us, Soviet citizens. . . .

"We are fired at from cannons, machine guns, and submachine guns. They fire at us from the air, [illegible] calculating of their bullet-ridden corpses. "It was an out-and-out bloodbath, a massacre," said Anatoly Shabad, a member of the Russian Federation parliament who visited there.

Armenian Government Endangered

Armenian President Levon Ter-Petrosian characterized the massacres as illegal aggression against Armenia, and said that he has documents which prove them to be part of a plot to overthrow his pro-independence government. The Armenian Patriarchate of Jerusalem said on May 7 that the situation resembles the beginning of the Armenian massacres of April 1915.

Mikhail Gorbachov answered that the troops are only enforcing his July 1990 presidential decree calling for the disarming of all militias, which he said must be carried out "hamlet by hamlet." Soviet Interior Minister Boris Pugo, speaking in the Congress of People's Depu-

and which is waging war against any country or individual which ever had dealings with Iraq, has launched an attack on former Peruvian President Alan Garcia, with the obvious intention of putting him away Noriega style. The Anglo American oligarchy has never forgiven Garcia for daring to challenge them when he stopped paying debt to Peru's creditors in 1988.

Deputy Fernando Olivera Vega of the independent Movimiento Frente Amplio reported to the U.S. Congress April 24 that Garcia had $80 million deposited in foreign bank accounts, citing Kroll Associates as his source. According to Olivera, who heads up the committee investigating Garcia's illicit earnings, Garcia had a bank account in the Dallas Western Federal Savings and Loan Association, whose assets were later transferred to Bradwell Savings in Dallas, Texas. Kroll also asserts that Garcia held various personal accounts in the BCCI bank, which is under investigation for drug money laundering.

Another firm, Lara Investigative Services, has been investigating Garcia and reports that its findings coincide with Kroll's. Lara claims that Panamanian Gen. Manuel Noriega introduced Garcia to BCCI, and that Garcia deposited an figure amounts in that bank. Lara claims that the funds were subsequently deposited in Banque Generale bank in Brussels, and in other U.S. and Spanish banks.

People in Horn of Africa May Start Dying Like Flies

May 13 (EIRNS)—[illegible] immediate and massive outside help, people in the Horn of Africa will die like flies," [illegible] Relief director Frank Judd, in a May 9 statement upon return from the Ogaden region of Ethiopia. Judd's workers in that area were, without exception, ill from the trip. They have 10-15 days of inadequate supplies, then God knows what will happen."

Judd, who also visited Mozambique, said he was personally "devastated" by what he had seen there and in Ethiopia. He said the world now needs a "humanitarian Schwarzkopf," who could mobilize the energies and funds to get aid where it is needed in Africa in the shortest possible time.

People In The News

[illegible] German Finance Minister told lawmakers in Washington May 8 that restrictions and countermeasures to technology transfer [illegible] against the West World or the Soviet Union and Eastern Europe were a very bad policy [illegible] the Bush policy.

●●

[illegible] will visit Moscow later this month, at the personal invitation of President Mikhail Gorbachov and will [illegible] the Kremlin has announced.

●●

[illegible], director general of the World Health Organization, warned that the free market economist determines health policies at the WHO annual meeting in Geneva. He said, "Health is a right of man which should be protected, therefore a good

Cholera Victims Left to Witchdoctors

by Gretchen Small

May 13 (EIRNS)—"Crippled, maimed, paralyzed, blind, deaf, dumb, autistic, old and oppressed by the years, cancerous and carriers of all kinds of illnesses, many of them written off by medicine, have taken to the streets, and turned Lima into a 'Court of Miracles,'" the Peruvian correspondent for Mexico's La Jornada reported May 7. Millions are desperately seeking out witch doctors, faith healers, and "miracle workers" to cure them.

The situation in Peru now matches that of fourteenth-century Europe. There, despair drove masses of people into such expressions of psychosis as the cults of self-flagellation, because governing authorities did nothing in the face of epidemics of black plague, which killed half the population in a period of fifty years.

Devastated by cholera and a dozen other epidemics, some twelve million poor people in Peru have been thrown to the witch doctors by their government, and the international financial community which holds Peru's foreign debt. Peru's crisis has the same cause as the plagues of the fourteenth century: usury. Since cholera struck Peru in January, Peru's President Alberto Fujimori has ordered that foreign banks be paid $50 million dollars a month in debt payments, but has not permitted one penny to be spent on water or sanitation projects needed to stop the epidemic.

Cholera has now spread to at least seven countries in the Western Hemisphere, not including the United States, where 11 cases have been reported thus far.

Insanity in Government

In May, Fujimori offered insanity as his answer to the epidemic. A Peruvian businessman famous for organizing "nightlife spectacles" had brought a Brazilian witch doctor to Lima, and rented a huge sports center in which he could "work miracles" before millions. The television station owned by Wall Street's favorite Peruvian banker, Manuel Ulloa, gave the witch doctor massive publicity.

Fujimori invited the Brazilian witch doctor Texeira to visit him at the presidential palace. "I have seen it," the President told the press afterwards. Texeira "induced me to move a finger" which had been injured a month ago, and which "I had been afraid to move. Since certain illness can be 'relieved' by his treatments, add there is so much interest in them, the government will bring Texeira back to Peru on an official visit in a few months, Fujimori announced.

Every Week, a New Country

Every Ibero-American government has so far refused to initiate emergency water and sanitation projects, because to do so would require they stop paying billions in usurious debt service to the foreign banks.

On May 5, the president of the Dominican Medical Association, Dr. Altagracia Guzman, announced that the first three cases had been identified in the Dominican Republic, the first Caribbean country to be affected. Although government authorities still refuse to admit it, the epidemic will worsen rapidly, Dr. Guzman charged.

The spread of the epidemic first to the Caribbean islands, before hitting Central America, demthat cholera does not necessarily spread linearly from one adjoining country to another, but can jump into new areas at great distance, carried by human travelers or infected products.

Debt, Free Trade, Kills

Medical authorities from around the world have warned that economic policies must change, if the epidemic is to be stopped.

"Millions of Latin Americans will die in the next years because of a lack of drinking water and sanitation," and the foreign debt will be partially responsible. Brazil's Health Minister Alceni Guerra told a meeting of the World Health Organization (WHO) in Geneva, Switzerland May 7.

Addressing the same meeting, the head of the WHO, Hiroshi Nakajima, reiterated that health cannot be treated like just another commodity, and left to the whims of "the market." "Health is a right of man that must be protected; therefore, a good sanitation system constitutes an optimal investment of human resources of a country," he stated.

Bush Gives Perez Difficult Marching Orders

May 9 (EIRNS)—United Nations Secretary General Javier Perez de Cuellar met with George Bush at the White House today to discuss setting up "safe havens" for the Kurdish refugees in northern Iraq. De Cuellar told the President that Iraq does "not want a United Nations police presence in the area." The problem of the Kurdish minority in Iraq, exacerbated by the United States and Great Britain as part of efforts to drive Saddam Hussein from power, has become a leading feature of Anglo-American efforts to destroy national sovereignty. On May 15, British Prime Minister John Major called for a new supranational "disaster relief agency," to handle such situations as the plight of the Iraqi Kurds.

dren, women, old people as hostages. Break their arms, legs, ribs, beat their faces against the wall, beat them on the kidneys, force them to walk along the streets naked, stab them with knives. We managed to hold on for three years, but we are helpless against the army.

"But they will not even let us flee. They open fire at us. Our houses are devastated. They are set on fire. We have nowhere to hide. People of the world, save us! Save at least the children! We are perishing, cut off from friends from the outside world. S.O.S.! S.O.S! Save us!"

Soviet troops opened fire on a busload of Armenian police in the border village of Voskepar, on about May 4, killing 11; a film is circulating of the incident.

Tageszeitung said that the Armenian pogroms were provided for in the secret clause of the April 23 Gorbachov-Yeltsin agreement, also signed by Azerbaidzhan's president Mutalibov, which provided that, "The relations with the republics who have not signed the Union treaty will be built in all respects in the same way as relations with foreign states."

Colombia Nearly Falls To Narco-Communist Soviet

by Andrea Olivieri

May 13 (EIRNS)—A narco-communist people's assembly, or "soviet," is on the verge of seizing total power in Colombia, under the benign eye of both the Cesar Gaviria government and the Bush administration in Washington. Voting itself "sovereign, autonomous, absolute, almighty and omnipotent," the narcoterrorist dominated National Constituent Assembly convoked last year under a state of siege decree and whose delegates were chosen by less than one fourth of the electorate—is now preparing to alter the very face of the Colombian republic.

Among the items on its agenda are: banning extradition of drug lords, a full amnesty for narco-terrorists, legalization of cocaine production and consumption, dissolving the National Congress, stripping the powers of the Supreme Court, muzzling the Catholic Church, and dismantling the Armed Forces.

The self-appointed "autonomy" of the Assembly came in response to a challenge from the Supreme Court and Council of State, two magisterial bodies responsible for safeguarding constitutional law in the country, to the Assembly's proposed plan to dissolve the National Congress. In the absence of any presidential intervention, the Assembly quickly moved to emasculate those institutions of law and can now propose, approve, and enact any constitutional "reform" it so chooses. It claims to be answerable only to "the people."

Two of the Assembly's three co-presidents, chief of the former terrorist" organization M-19, Antonio Navarro Wolff, and Alvaro Gomez Hurtado, son of the late Conservative Party leader, have joined in a deadly alliance which, if allowed to reign unchecked, spells probable civil war in the immediate future, according to an El Espectador editorial of May 4.

Presidential Treason

Under the explicit authorization of the Bush administration, Colombian President Gaviria is helping to usher in the reign of terror his experiment in Jacobin "democracy" presages. The evidence continues to pour in that the so-called "repentant" drug traffickers who have accepted his surrender offer are continuing to ply their trade from "five-star" jail accommodations and to murder former ministers of state such as ex-Justice Minister Enrique Low Murtra. But Gaviria publicly insists that an improved justice system makes extradition of drug traffickers unnecessary.

And while the Moscow-controlled National Guerrilla Coordinator (CNG) continues to rampage across the country, ambushing police and soldiers, blowing up electricity pylons and dynamiting oil pipelines, Gaviria has offered to meet with their appointed representatives, to begin "peace negotiations." The chosen site, a Communist Party and drug traffickers stronghold on the border with Venezuela, will be declared off limits to the Colombian military, i.e., surrendered to de facto control of the narcoterrorists.

Neighboring Venezuelans can see the writing on the wall. A May 9 editorial in El Diario de Caracas warns that Gaviria has "officially ceded that border zone" to the CNG, an act which the editorial says effectively constitutes a separate

for illegal militias.

On May 8, the Berlin newspaper Tageszeitung quoted Soviet Interior Ministry Gen. Yuri Shatalin, who said, according to an Armenian deputy, "My officers are ready to raze Armenia to the ground. Keep in mind, we control the nuclear power plant. Are you aware of this?"

Tageszeitung said that the Armenian pogroms were provided for in the secret clause of the April 23 Gorbachov-Yeltsin agreement, also signed by Azerbaidzhan's president Mutalibov, which provided that, "The relations with the republics who have not signed the Union treaty will be built in all respects in the same way as relations with foreign states."

The British Royal Family: It's Not Just Filthy Rich

by Mark Burdman

On May 16, 1991 the United States of America completes to roll back over [illegible] years of history and to undo the reason for its very existence. On that date Queen Elizabeth II is scheduled to address both houses of the U.S. Congress, the first British monarch in history to do so. This will be the culmination of a three-day state visit to Washington at the invitation from President Bush, which will be followed by a May 17-20 private visit to various cities in Florida and Texas.

Today, her true purpose appears to be to reinforce an Anglo-American "special relationship" that had been battered by the growing influence of resurgent nationalist Europe, especially the newly unified Germany. According to British press accounts, one theme of her Washington visit will be to thank the American population for the [illegible] Tampa, Florida, city council recently gave General Norman Schwarzkopf, the honorary knighthood.

Pillars of Power

A book issued on the occasion of the Queen's Golden Jubilee, Sovereign Elizabeth [illegible] Queen by Grace of God [illegible], the [illegible] formalities [illegible] stately shares the [illegible] and that one associated with the monarchy and with the [illegible] magic and [illegible] which is the latest in [illegible] who have occupied the throne of Great Britain [illegible] the House of Hanover [illegible] Elizabeth II represents [illegible] against which [illegible] their blood to [illegible]

[illegible] will come to the [illegible] human philosophy and policies against which the Declaration of Independence was declared in 1776 have remained the same. The difference is that now the Anglophilic U.S. establishment has embraced the ideas of the British oligarchy and joined with it in trying to reestablish a world empire, and the American citizenry doesn't have the guts to object.

The British monarchy is based on the following pillars of power:

- The Queen is the primus inter pares of a global monarchical structure, composed of both present and deposed royal houses. The House of Windsor is related, in one form or another, to the royal houses of Denmark, Norway, Sweden, Greece, the Balkans, and others.
- The Queen is the wealthiest woman, and certainly among the wealthiest individuals, on this planet. Only a small part of her wealth comes from the controversial Civil List allotment, the million plus dollars annually she is granted by the British government from the taxes of the oppressed British population for operational expenses.

Through one mechanism or another, the monarchy has vast property holdings and investments in real estate and other entities worldwide. It also draws upon the wealth passing through the City of London, the monarchy is intricately interconnected to the City of London banking financial center. This vast power subsumes the unregulated "offshore" banking centers of the Commonwealth, through which vast sums of drug money are laundered.

(The monarchy doesn't like attention being drawn to all this. For years the obsessive LaRouche formulation that Lyndon LaRouche is the man who says the Queen of England pushes drugs" has been restated [illegible] like the Hare Krishna chant, in literally thousands of slander articles worldwide, because LaRouche drew attention to the illicit money transfers through offshore centers.)

- Queen Elizabeth II presides over the British Commonwealth, and has devoted much of her life to strengthening that institution. Some of her vast money comes from "tribute" from Commonwealth nations. When the Palace reports that the Queen receives (for example) jewels from the population of Burma, they are really referring to tribute, not a gift.
- She is the head of the Church of England, and by this she central figure in the world Anglican communion. It may not be widely known, but Her Majesty's official title is "Elizabeth the Second, by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Her Other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith." In a literal sense, Britain is a theocracy.

But that would be quite so bad if the monarchy supported the Christianity to which the Church of England creed holds its believers. Paradoxical as it may seem, the monarchy is also the controller of English freemasonry, the head of which is the Duke of Kent.

It is no exaggeration to say that the monarchy is at the helm of a global pagan gnostic, anti-Christian movement, operating under the overall category of "ecologism" or "environmentalism." Prince Philip, the Queen's husband, has been the international president of the World Wide Fund for Nature (formerly World Wildlife Fund) for most of the WWF's existence since its creation in the early 1960s. In Washington, at a press conference in mid-May 1990, he openly stated his preference for "pagan" religions over the "monotheistic" "religions of the book," Judaism, Christianity, and Islam. He has also declared his desire to be reincarnated as a "deadly" virus, which could deal with alleged world overpopulation.

His son Prince Charles has followed in his footsteps, devoting himself to ramming ecologism down the throats of Third World nations. Like Brazil's Charles and his wife were just in Brazil to promote saving the Amazon, while millions die for lack of infrastructure and high technology development.

There is an element of pure greed and power hungriness in the support for ecologism, since the promulgation of such schemes as debt for nature swaps, pioneered by the WWF, seeks to remove large plots of land in the developing sector from active cultivation or use for industrial projects, and to bring that land under the control of wealthy private oligarchical trusts. Oligarchical interests like the House of Windsor can then, through cut-outs, control increasing parts of the globe for their own displeasure, and for the human race's displeasure.

There is also simply hating human beings.

LOOK WHAT THE QUEEN DRUGS IN. British tabloids go after the Royal Family's involvement in recreational use of illegal drugs.

LaRouche Case: New Human Rights Demand From Africa

Special to New Federalist

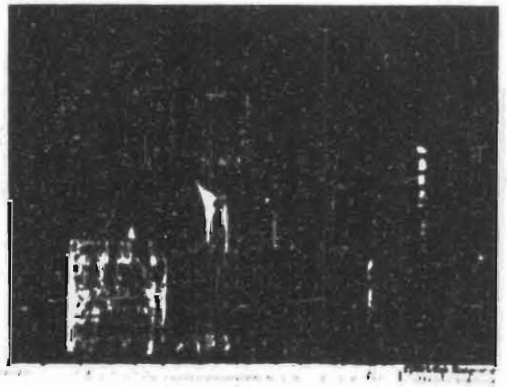
May 13 (NAN) — An international human rights report coming from Africa La Voix des Droits Humains has published an article about the case of Lyndon LaRouche, after that case was presented to the United Nations Human Rights Commission. The magazine is published in English and French by the International Committee for the Respect and Application of the Human Rights Charter (CIRAC), the magazine's [illegible]. The source of those

"The trial is the biggest political scandal in the U.S. in the past years. If LaRouche and his co-thinkers were jailed because of their ideas. Their case proves that any dissident voice which defends justice, the humiliated and the oppressed, is muzzled today by an administration using the Justice Department to political ends."

(The article then describes the trials of LaRouche and the trials, raids and forced bankruptcies against the [illegible]

civilian populations as in Panama, he denounces the role of American and British banks in the laundering of drug money, he challenges the food, banking, and insurance cartels. His proposals to solve the debt crisis of the countries of the South, presented in a document called Operation Juarez, have been taken up by many Latin American leaders, threatening Wall Street.

"If LaRouche is a man who puts forth behind his convictions. Like Socrates, he [illegible] just judges [illegible]



who have no voice."

The article is "The LaRouche Case: America's Dreyfus Affair."

"On January 27, 1989, Mr. Lyndon LaRouche, an American politician whose views usually represents about 20 percent of the Democratic Party, was sentenced to 15 years in prison. Some of his friends and political co-thinkers were also given sentences ranging from 3 to 45 or even 77 years in prison, in the case of Mr. Michael Billington.

Former Attorney General Ramsey Clark

"All appeal proceedings have since been rejected, as well as the last one before the Supreme Court, in spite of the efforts of Mr. LaRouche's lawyer, Mr. Ramsey Clark, former Justice Minister.

"So, why this unending harassment, aided by a slander campaign by the big shots in the American press (New York Times, Washington Post, NBC, etc.)? Because Mr. LaRouche is the American establishment's enemy # 1, a man who represents the 'power of those without powers.' Notably, he demands justice for the countries of the South, that is to stop American imperial policy of oppression by means of debt and weapons; he calls for a halt to the deployment of American forces against [illegible] would be given to him. The International Commission of Inquiry on Human Rights Violations has sent two petitions to the United Nations Commission on Human Rights. The scandalous attitude of the American government in the Gulf War, which while claiming to defend the right of law tears it apart, is the same, and for the same reasons, as in the LaRouche case. It is now up to the people of the world to decide and act."

Rockefeller, Desperate Bankers Demand 'Fast Track'

Continued from page 1

The immediate result was the pathetic capitulation of Cong. Richard Gephardt (D-Mo) on May 1, previously one of the leading opponents of NAFTA.

On May 18, former secretaries of state Henry Kissinger and Cyrus Vance wrote a joint opinion piece in the Washington Post to bring full bipartisan pressure to bear on any remaining Congressional holdouts. Entitled "Save the Fast Track," the article said that "we strongly urge Congress to grant the authority." If any doubt remained as to just how badly the tattered Anglo-American bank and financial establishment [illegible] slave labor supply from Mexico, the Caribbean, and [illegible] of South America, Kissinger and Vance pronounced that NAFTA is "the most constructive measure the United States could have undertaken in our hemisphere in this century."

NAFTA is favorite

[illegible] and Co. were thunderstruck [illegible] away at the National Press Club, another conference was going on. The editors of the Executive Intelligence Review, the magazine associated with U.S. presidential candidate Lyndon H. LaRouche, were launching their final lobbying effort against the fast track, against NAFTA, and against the genocidal economic policies behind these Bush initiatives.

The EIR representatives presented their new Special Report on NAFTA, entitled "Auschwitz Below the Border: Free Trade Pact is George 'Hitler' Bush's Mexican Holocaust." They told the gathering of journalists, foreign diplomats, and U.S. trade unionists, that the report was being simultaneously issued in English and Spanish, in order to fuel the growing mobilization in the U.S., Mexico, and Canada against the trade agreement.

The same day in Mexico City, EIR bureau chief Carlos Cota Meza told a packed press conference that NAFTA was designed to guarantee that the Mexicans generate a foreign exchange surplus in order to pay the foreign debt." Prominent articles appearing May 8 in the Mexico City dailies La Jornada and El Universal reported Cota's revelation that Mexico's minimum wage had dropped by more than 90% over the past decade. The wages earned by Mexicans in the "maquiladora" assembly plants are one-tenth the level U.S. manufacturing workers get.

LaRouche vs. Rockefeller

This is not the first time that political forces associated with LaRouche have squared off on the issue of economic policy toward the Third World, directly against establishment spokesmen such as Rockefeller and Kissinger. As far back as 1976, then-presidential candidate LaRouche used a nationwide television address to warn the American public that Wall Street's policies would lead to genocide in Mexico and other Third World countries. He cited Rockefeller Foundation agronomist William Paddock as a leading proponent of these policies, who was openly demanding that "the Mexican population must be reduced by half ... by the usual means: famine, war and pestilence."

LaRouche countered with a proposal for U.S. participation in the industrialization of the Third World through the export of high technology capital goods to these nations. The repayment of the foreign debt LaRouche has repeatedly argued, will just have to take back seat to the need for development. If paying the debt means killing people ... which it does ... the debt must not be paid.

The U.N. organization UNICEF has just issued a new book which documents just how much killing has already gone on in order to pay the debt, and gives a taste of things to come under NAFTA. According to "Lost Generations ... A Debate Book About Children and the Debt Crisis," a half million children die worldwide every year as a direct consequence of debt repayment.

FLORIDA AGRICULTURE COMMISSIONER Bob Crawford displays tomatoes picked by low wage adult and child laborers in Mexico.

Battle Still On Over NAFTA

Continued from page 1

camps in Mexico" as the policy of the Anglo-American banking establishment, are coming out into the open.

May 20 Showdown

Associates of LaRouche have released a 72-page white paper published by EIR, documenting the enslavement of the working populations of the U.S. and Mexico which will result from NAFTA. The white paper was release May 7 simultaneously in Washington and Mexico City. Copies have been distributed to every Congressional office and widely among influential labor, farm, and constituency leaders. A day of lobbying is planned on May 20 preceded by an all-day conference on the 19th which will include as speakers representatives from the constituency opposition in the U.S., Mexico, and Canada.

Some Congressmen and others are refusing to leave NAFTA to Congressional backroom wheeling and dealing. Senator Wellstone held a press conference with constituency leaders in Minneapolis yesterday and showed a videotape of the conditions in the "maquiladoras" which has been produced by organized labor. Lane Evans, Democratic Congressman from Illinois, held a press conference in Moline, Illinois, with the UAW and farm leaders to denounce the proposed pact. The government of the state of Florida has held hearings featuring evidence that child labor is widely used in the picking of Mexican fruits and vegetables. The House of the Iowa Legislature has passed a resolution opposing the fast track. A number of other state legislatures are considering the issue.

Canadians Now Know Better

The Canadian population, which was victimized by the U.S.-Canadian free trade pact two years ago, is becoming increasingly vocal in their opposition to the current pact and the upcoming tripartite pact. Polls now show a majority of the population against both agreements. Under the U.S.-Canadian agreement hundreds of companies relocated their plants to take advantage of the lower paid U.S. workforce. Approximately 285,000 manufacturing and other jobs were lost. It is expected that, under an agreement with Mexico, companies will relocate to take advantage of the still lower Mexican wage rates, about one tenth of those in the U.S.

The entire Canadian Labor Congress is opposed to the NAFTA agreement. Seventeen unions with memberships of over 300,000 workers signed a statement which has been forwarded to the U.S. Congress which states, in part, "we see it to be in the interests of Canada and the U.S. as a whole, not to cut their throats by constructing slave labor camps on the Mexican border in the name of free enterprise."

EIR/Stuart Lewis

ABOL HASSAN BANI-SADR, former president of Iran, releases his book, subtitled "Iran, the Revolution, and Secret Deals With the U.S.," at The National Press Club in Washington, D.C. May 7.

October Surprise Involved Kissinger and Bush Roles

Continued from page 1

accompanying the hostage taking in Teheran, the arms deals with Khomeini, and the eventual hostage release is of special importance for any competent investigation of the October Surprise story. Kissinger's role provides a crucial window into the broader forces involved in the American policy debacle in the Middle East over the past two decades.

On May 10, 1982, Kissinger delivered an address before his long time British Intelligence sponsors at Chatham House (headquarters of the Royal Institute for International Affairs) in which he stated unequivocally that he had been an agent of influence of the British Foreign Office while serving two U.S. presidents between 1969-77. In fact, Kissinger's policies toward the Middle East reflected British policy, including efforts to bring radical fundamentalists to power, to destroy the ability of Middle East states to modernize and control their own resources, and to brake population growth in the Middle East as a whole.

The Investigation Per Se

With this background in mind, the essential facts and parameters by which a Congressional investigation should be guided are as follows:

- After the outbreak of the Iran-Iraq War on Sept. 22, 1980, Iran was desperate for spare parts for its U.S.-supplied military equipment. The Carter administration was equally desperate to obtain the release of the hostages in the closing weeks of the 1980 election campaign.
- In late October, the Iranians broke off negotiations with the Carter administration over the hostages. Ayatollah Beheshti, leader of the hard-line fundamentalist faction in the Iranian Majlis (Parliament), announced on October 28 that parliamentary debate would be postponed, and that the hostages would not be released until after the U.S. elections.
- On Nov. 5, the day after the elections, Henry Kissinger announced that there would be no release of the hostages until the inauguration.
- On Nov. 12, 1980, the leading Italian daily *Corriere della Sera* reported that the British secret services had conducted mediation efforts between the Fedayeen-e-Islam (the Muslim Brotherhood) and the Reagan-Bush camp. EIR learned that these efforts involved Kissinger and his close associates, including Michael Ledeen, Oved Abshire, and William Hyland, and publicized that fact in early December 1980.
- On Jan. 21, 1982, moments after the inauguration of Ronald Reagan and George Bush, Iran released the hostages. Military parts and supplies were already flowing into Iran from Israel; subsequently, they also came directly from the United States.

These are the essential facts of the "October Surprise" story. It is undeniable that the fundamentalist mullah faction in Teheran believed that they were better off dealing with the incoming Reagan-Bush administration, than with Carter.

The important questions are: how and why they came to believe that.

Henry Kissinger's widely publicized efforts to insert himself into the middle of the hostage negotiations provide the most obvious clues to the answer.

In calling for a Congressional investigation, EIR has offered to make its unique resources and evidence available to any responsible investigator.

Lyndon LaRouche's 1992 presidential campaign committee has announced it will be recalling attention to the EIR release and the history of EIR's exposures of U.S. support for the Iranian mullahs.

AMERICAN Almanac

THE NEW FEDERALIST May 20, 1991

United Nations: Policeman For New Imperialist World Order

Dr. Fred Wills is the former foreign minister of Guyana who, in that capacity, twice served as president of the United Nations Security Council. He is vice president of the Schiller Institute's Commission to Investigate Human Rights Violations. Dr. Wills spoke on Friday, March [illegible], at the Commission's International Conference on Human Rights in Arlington, Virginia. This is an abridged version of that speech.

I've been given a mandate to speak about the United Nations in the present context. You may well find that it is one of the most disgusting tasks ever given to one person, but I will try to cleanse the Augean stables.

No institution in modern times has been more surrounded by lying than the United Nations. The first story is this. Some of you are too young to know, but the League of Nations, created in 1919, was supposed to prevent World War II from happening. Then the United Nations in 1945 was supposed to prevent World War III from happening. I say to you that we are already in World War III. That's the meaning of the Persian Gulf. That's the first story.

Another bit of irony is this. There was a man named Anthony Eden. Speaking about the U.N. and its possibilities, he resorted to Shakespeare [illegible] wrote, "out of this nettle, danger, we pluck the flower, safety." Eden was saying that the purpose of the U.N. was to [illegible] he failed to say of [illegible] who will ensure [illegible] controllers in a world [illegible] mechanisms. Who will [illegible]? That's what he failed to [illegible].

[illegible] Truman that the [illegible] succeeding gener[illegible] then we have [illegible] conflicts, Vana[illegible]

[illegible] Churchill with his [illegible] at the other [illegible] promote collective [illegible] that mankind [illegible] if you were [illegible]

[illegible] security is only a [illegible] to do with eco[illegible] as long as we can have [illegible] it doesn't matter [illegible] of disease, we're [illegible]

Victors' Club

The U.N. [illegible] on some very ironic

Dr. Fred Wills, who twice chaired the U.N. Security Council, speaks at the Schiller Institute's March 1991 conference.

Venezuelans. That's the kind of pressure that is put on you.

Suddenly, a lot of things start to happen. You're ostracized. Your people are arrested here and there. They use trade rules on you, the politics of trade. You can't sell your goods.

No National Sovereignty

So when those guys voted in the Security Council, don't you believe it was some honest expression of opinion. The difference between you and me is this: I know that there's no such thing as sovereignty. You may believe there is. But there is no such thing as sovereignty.

I know that imperialism is not dead. I know that orders are given from above. I know that the State Department is irrelevant, that the important thing is the National Security Council. I've lived through many battles with Kissinger and people like that, on the issue of what is the meaning of sovereignty.

Don't believe, when you hear them congratulating Baker on achieving the resolution in the Security Council. It doesn't happen that way. The fun[illegible] the British gave over to the Americans in the Office of Strategic Services is that there's a necessity to shape events. That's the first rule. You don't sit

Arabia.

The new world order by Bush is apocryphal. The purpose is to secure raw materials. Oil is a raw material. That's the first thing—to control the extended markets. Eighty percent of the people live in the Third World—that's where the extended markets are. That's where you want to go, to control technology.

New Dark Age

In the last decade of the twentieth century, there threatens to come into existence another frightening new Dark Age, in which the U.N. is to play a key role. There is an increasing abandonment of reliance on the faculty which has made man what he is—that divine spark of reason and creativity that has ennobled the history of human mentation. That is being abandoned. You've seen those interviews given by those military men—Schwarzkopf and those guys—do you see any creativity or reason in it?

I say to George Bush, great men are not created by propaganda. They are not created by TV. They do not rise [illegible] the crest of the flowing blood of the [illegible] unknowing. No great man can be truly great if these are the pillars of his existence.

Order in the present world is not the ignomini

Wage Givebacks Forced From New York City's Teachers

Matt Moriarty is a citywide delegate for the United Federation of Teachers and chapter executive board member at the New York City high school at which he teaches. He gave this interview to Marianna Wertz of New Federalist on April 26.

Q: What do you teach?

Moriarty: I teach mathematics at the high school level in Manhattan. I've been a teacher for nine years. I teach at a typical inner city high school. The population is 90% hispanic, mostly Dominican. The rest are black and Oriental.

Q: What is the status of the budget cuts in New York and how have they affected the schools?

Moriarty: I wrote a series of position papers beginning last year, when we first negotiated the teachers' contract, which turned out to be a one-year contract. I indicated at that time that the contract was not worth the paper it was printed on, because the union had failed to grasp the magnitude of the crisis that the city was facing, and also the state, although all the evidence was there, that this was a depression collapse. The union largely ignored these signals. Therefore, they proceeded to negotiate a contract in which we won a 5.5% pay increase on paper, but only 1.5% of that money actually came out of the city budget. All the rest came out of our pension fund.

Furloughs Demanded

Q: You mean by cutting the pension fund?

Moriarty: No, not by cutting it. The pension is invested in a portfolio which is assumed to earn somewhere between 8.8 and 9.4%. Anything above 8.8% in money which is earned, but which the city had ordinarily claimed for the general budget. So, the union convinced them to divert that money, which would have amounted to about $300 million, into our wage increase.

The rest of the money was to come out of the $70 million Excellence in Education Fund, which is to come from the state budget.

So it was 5.5% and the teachers [illegible] only a 1.5% increase.

It was clear last summer that this was not a sustainable contract. I had

Q: What timeframe is this?

Moriarty: We negotiated the contract in September-October of last year. By February, things had begun to fall apart. The financial situation in the city had deteriorated. Revenue which they had anticipated was not there. The budget deficit had ballooned way out of control, both with respect to the city's budget and the state.

As a result, the city asked the teachers around January to consider taking a furlough, or face the prospect of a good number of layoffs. The union came up with the idea that we would give up some of our pay. We'd hardly gotten a check with the 5.5% increase before we had to give it up. Each of us agreed to give up a certain percentage, up to $800, in order to prevent layoffs.

Now the city is asking us to consider the possibility of another furlough, because the crisis is worse now than it was perceived to be in February and March. We're now facing the prospect of a three-day unpaid furlough over the summer, which means we'll lose another several hundred dollars. And the governor has said we're not going to get the $70 million in the Excellence in Education money that was supposed to come in, which comes out to about another $800 per teacher.

The union is projecting the possibility of 7,500 to 10,000 layoffs, and that's probably underestimating it.

Busting the Union

Q: How many teachers are there?

Moriarty: About 60,000 teachers. It's a very severe situation. Very few teachers with ten years' seniority or less are going to be around in September. I'll probably be laid off.

Q: It sounds like they're trying to break the union.

Moriarty: [illegible] Schools chancellor, Joseph A. Fernandez from Florida, has introduced school-based [illegible] and that's just the old [illegible] determination scheme [illegible]. It's a strategy where the union is subverted by creating, outside of the context of the union, a committee of teachers and parents and administrators which determines [illegible] verts the process whereby the union represents the membership according to our contractual arrangements. This

Victors' Club

The U.N. then was founded on some very ironic situations. It was a victors' club. Those who won the war formed a club. The idea was, if we all get together, we prevent any new person from messing around.

It was always a victors' club, in which there were six organs, but the most important organ was the Security Council. And on the Security Council you had five permanent members—Britain, France, America, Soviet Union, and China, the victors of World War II.

What they said was, all matters in the Security Council are either of substance or procedure. If it's a matter of substance, then the majority vote must have all five members, who are permanent. If it's procedural, it need not have the five permanent members. Then here comes the clincher. Whether an issue is a matter of substance or procedure is a matter of substance.

My friends, if you lived as long as I did under the aegis of the Commonwealth, you'd appreciate that kind of nonsense.

Above all, though, is what you call multilateral [illegible] the arm-twisting and dangling of Security Council men over your head. You don't just vote. Lyndon, as my day, would say, look, if you vote against the U.S. position, we cut off aid. He would say that and did on a few occasions.

Just think, now, no threatened. One of the key things the British could do, whenever the British granted [illegible] independence, they left a problem. [illegible] neighbor wants to invade and claims [illegible] part. Look what they did to Mesopotamia. Mesopotamia is now Iraq and Kuwait and all those places. They hallucinated it. In our case, Venezuela wanted [illegible] Guyana. They would say, if you don't vote for us, we will no longer protect you against the British give over to the Americans the [illegible] of Strategic Services, is that there is a necessity to shape events. That's the first rule. You don't sit down and wait on events. You go out there and shape events.

If you believe that one thing happens after another, that Bush sat down, didn't know what was happening and this stupid idiot went into Kuwait and Bush said, "Well, this is not right, I'm sanctimonious and a puritan, get out of Kuwait. We shall give life, liberty and the pursuit of happiness by bayonets and smart bombs." If you think that, then you're singularly naive.

I believe Saddam misunderstood the Soviets. He should have gotten the message when the Soviets voted for the resolution. I think he depended on that break from George Bush. He's stupid. This late attempt by Gorbachov to make peace was just to save face. That's the miscalculation he made. The world had changed. Cold War II had not started. It was about to start, and he got caught in the transition.

So, instead of being a victors' club of the Second World War, the U.N. is now a victors' club of the Cold War, and a new order is to be created.

Global Politics

There are four areas of global politics, which any world order in modern times must address: food, population, oil, money. Those are the four problems. If you don't have a global perspective about them, then you're deficient.

If you think George Bush went into Kuwait because he loves the Kuwaiti people, you're joking. It has to do with oil. It's a strategic fact—the engines of energy. For the first time in the history of mankind, they're outside the advanced areas. They're in the Middle East, in Iraq and Saudi [illegible] are overrunning, the great man can be truly great if those are the pillars of his existence.

Order in the present world is not the ignominious donation of some fascist enterprise, nor is it a sort of imperialistic adventurism, a volunteer force, which will take the arms of life, liberty, and the pursuit of happiness at bayonet point and smart bombs all over the world.

The farther man removes from bestiality, the more likely is he to eschew war as a military necessity. Do you really believe it was militarily necessary to kill those Iraqi people?

The War Worth Fighting

The only wars that are worth fighting for are wars against ignorance and superstition, wars against hunger and disease, wars against drugs, and wars against the increasing encroachment of a Leviathan state in Washington into the citadels of individual liberty.

We must never abdicate our responsibility to intervene in the cauldrons and cesspits of wrongdoing. We must mobilize the future, in order to slay the reemerging dragons of the past. Our policy is to contend vigorously against the surging tide of domestic and foreign evil. And our aim is victory.

A new world order should be based on generalized technological advance, and the potential that is inherent in man's creativity. It should not be based on the foibles, idiocyncrasies, and lunatic adventurism of satanic minds, like those that now prevail.

Above all, I say finally, we have to learn that each human being on this planet is our neighbor. We should love our neighbor as we love ourselves. And that is the key. You can't love the Iraqis and bomb them. "And if this be error and upon me proved, I never writ, and no man ever loved."

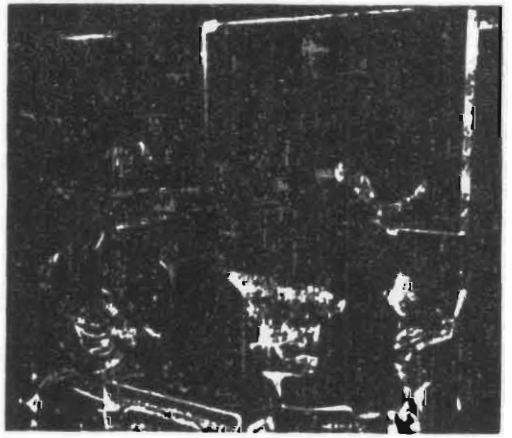
only a 1.0% increase.

It was clear last summer that this was not a sustainable contract. I had warned that there would be moves to reopen the contract almost before it was signed. After we settled with the city, elements in the banking community found it outrageous

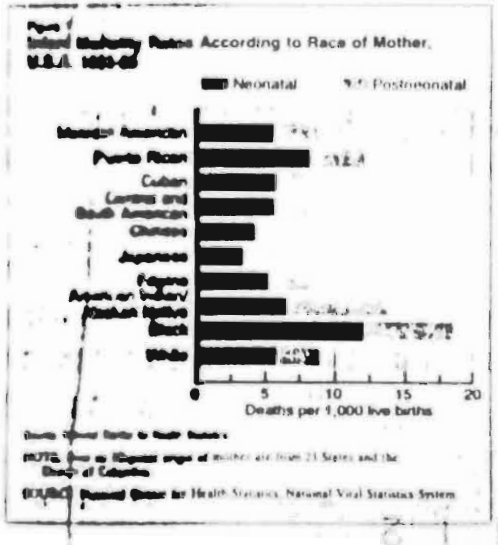
represents the membership according to our contractual arrangements. This was set up last year.

Fernandez made his name on school-based management. It's the touchy-feely stuff, "we're a family."

To be continued.



A bilingual classroom for hispanic students. New York City's teachers have been forced into two wage givebacks since the beginning of the year.



Federal Health Survey Shows Genocide Occurring in U.S.

by Marianna Wertz

The most recent annual health survey of the United States, published in March by the U.S. Department of Health and Human Services, indicates that the U.S. population—and particularly black Americans—is indeed experiencing a health and welfare collapse. Buried behind the headlines about growing life expectancy are a few of the more egregious facts.

Infant Health

- over 60% of black mothers in America in 1988 were unmarried, up from 37.6% in 1970. The national average is 25.7%. For white women, the figure is 17.7%. For Puerto Rican women, the figure is 53.3%.
- low birth weight, the leading cause of infant death, has remained static or increased in the past 20 years for virtually all minorities, and, as Figure 1 shows, is more than double for black babies what it is for all but Puerto Ricans.
- while the infant mortality rate has steadily declined overall, the rate of improvement has slowed, and black babies continue to die at twice the rate of whites. The overall fetal death rate (plus fetal deaths) is 7.5 per 1,000 live births. For blacks, the rate is 12.7 (approximately the white rate of 12.3 for 1970). For whites, the 1988 rate is 6.4.

The United States ranks 24th in the world in infant mortality rates, behind every other advanced sector nation, and even behind Singapore, Hong Kong, and the former German Democratic Republic. Japan is number one, with a rate nearly half that of the United States.

Life Expectancy

- life expectancy for black males is 7.6 years less than for white males. The United States ranks 22nd in the world for males, and 16th for females. For males, the United States is behind such "enlightened democracies" as Cuba and Kuwait and even poverty-torn Costa Rica has higher male life expectancy than the United States.
- the age-adjusted death rate remains nearly twice as high for black males as for white males, and nearly three times as high as for white females. These statistics are shown in Figure 2.
- death from homicide and legal intervention (police action) is nearly eight times higher for black males than for whites. Overall, the rate is 9 per 100,000 residents. For white males, it's 7.7. For black males, the rate is 58.2.

Health Care

- the length of hospital stays has plummeted in the past two decades, and for the 45-64 age bracket, by as much as one-third.
- as of 1988, nearly one-quarter of all Americans had no health insurance at all. But more than 60% of black Americans had no health insurance and of the 39.3% black Americans who are insured, for all but 1.4% that insurance is only Medicare.
- childhood vaccinations for all diseases except mumps have declined since 1978. As of 1985, fewer than 50% of minority American children were vaccinated for measles, rubella, DTP, polio, and mumps. For white children, the corresponding figure averages about 60% vaccinated.

Since the government stopped collecting these figures in 1985, one can assume that the rate of vaccination now is even lower.

Figure 2

Age-Adjusted Death Rate per 100,000 Population

	1970	1980	1986	1987	1988
White male	893.4	745.3	679.8	668.2	664.3
Black male	1,318.6	1,112.8	1,026.9	1,023.2	1,037.8
White female	501.7	411.1	387.7	384.1	384.4
Black female	814.4	631.1	588.2	586.2	593.1

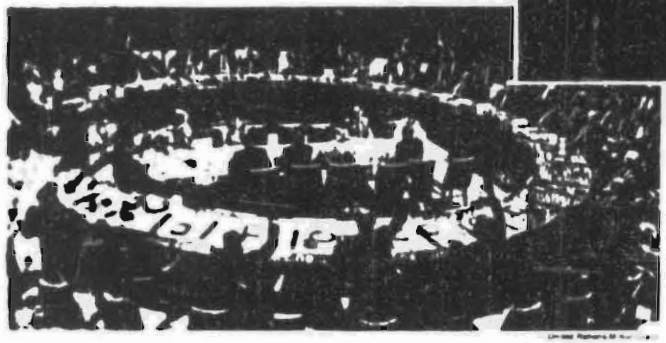
AMERICAN *Almanac*

George Bush Guilty of Nuremberg Crimes

by Joseph Brewda

"Washington did not want a deal. They had just succeeded in arranging for the U.S. military occupation of the Gulf, a policy advocated by Henry Kissinger as far back as 1975."

Clockwise from top left: George Bush gives Margaret Thatcher the U.S. Freedom Medal at the White House in March; Iraqi President Saddam Hussein; UN Security Council votes for sanctions against Iraq in August 1990.



"To conspire to carry out aggressive war, as the evidence shows Bush did, is a violation of Article 2(4) of the U.N. Charter, the Nuremberg Charter, and other international treaties, as well as a violation of the U.S. Constitution."

Between January 16 and February 28 the United States and its allies carried out over 120,000 bombing sorties against Iraq which systematically destroyed that nation's economy and military infrastructure. Paved roads, bridges, transport, health facilities and fleeing defeated soldiers were all targeted. The total deaths resulting from these attacks is unknown, but has been estimated between 200,000-500,000, among soldiers and civilians.

Despite the de facto cease fire of February 28 the U.S. Security Council has continued its

A transcript of the Glaspie-Hussein discussion released by the Iraqi government and published by the New York Times on September 23 reveals that Glaspie said: "We have no opinion on the Arab-Arab conflicts like your border dispute with Kuwait. I was in the American Embassy in Kuwait during the late 1960s. The instruction we had during this period was that we should express no opinion on this issue, and that the issue is not associated with America. James Baker has directed our official spokesmen to emphasize this instruction."

Other U.S. State Department officers subsequently stated the same message to Iraqi diplomatic

spirit. The UAE release noted the "dangers threatening Arab cohesion and solidarity."

The Saudi kingdom also announced that it would refuse a U.S. request of that day to shut the Iraqi oil pipeline that flows through Saudi Arabia to the Red Sea.

It seemed that a solution could be found.

U.S. Launches Counterattack

How did the U.S. respond to these developments?

• The Pentagon announced in its noon briefing that 80,000 Iraqi troops had massed po

• In Moscow, U.S. Secretary of State James Baker and then Soviet Foreign Minister Eduard Shevardnadze issued a joint statement condemning the invasion, indicating that Moscow and Washington, and not just Washington and London, favored outside intervention.

In apparent response to this blackmail pressure, and immediately after receiving Bush's note, Fahd ordered Saudi troops to advance to the Kuwaiti border on August 4. By August 6, it was revealed that the Saudis had deployed their troops into the Neutral Zone where Saudi Arabia, Kuwait, and Iraq meet. The troops were

Many Saudi and Kuwaiti officials then—and even now—have publicly or privately described this plan as a perfectly acceptable compromise.

On August 5, the following day, the Iraqi government announced on Iraqi radio and elsewhere that it had already begun to pull back some of its invasion forces in an initial stage of a phased withdrawal. It seemed that a negotiated settlement could still occur.

Cheney Threatens Riyadh

However, the United States intervened.

Defense Secretary Richard Cheney arrived in Riyadh that day in order to meet with Saudi officials and King Fahd in two days of talks. A main purpose of the meetings—Arab sources of several nationalities say—was to force the Saudi Kingdom into accepting U.S. ground troops on its territory.

On August 6, the *Washington Post* published remarks made by President Bush the previous day expressing "disappointment" with Arab reactions to the Iraqi invasion. "I want to see the Arab states join the rest of the world in condemning this outrage and doing what they can to get Saddam Hussein out," he said, adding in a condemnation of King Hussein: "I am disappointed to find any comment by anyone that apologizes or appears to condone what's taking place." Ridiculing the attempts at an Arab solution, he concluded: "I was told by one [Arab] leader that I respect enormously . . . that they needed 48 hours to find what was called an Arab solution. That obviously has not happened."

On August 6, the United States and Britain announced that they were considering organizing a naval blockade of Iraq—an act of war. The U.S.A. announced that it had dispatched three aircraft carrier groups to the Gulf. France announced it would join the blockade. The U.N. Security Council, under U.S. pressure adopted Resolution 661, imposing an economic embargo on Iraq.

Meanwhile, in Riyadh on August 6, King Fahd agreed to allow the U.S.A. to dispatch ground troops and planes to its territory immediately following his two days of meetings with Cheney that began August 5.

In Baghdad, Saddam Hussein met with U.S. charge d'affaires Joseph Wilson for four hours. Reportedly, according to Baghdad radio, Saddam condemned the United States for fraudulently claiming that Iraq was threatening Saudi Arabia "to justify an aggression against Iraq." But Washington hardly wanted a deal. They had just succeeded in arranging for the U.S. military occupation of the Gulf, a policy advocated by Henry Kissinger as far back as 1975.

On August 7, Cheney arrived in Cairo where he met Egyptian President Hosni Mubarak. According to a Radio Monte Carlo Arabic language broadcast the following day, Egypt "categorically rejected" a U.S. demand to use Egyptian military facilities. Mubarak also reportedly "rejected any foreign intervention." Nonetheless, Mubarak did announce that Egypt would be dispatching troops to Saudi soil. On August 8, Mubarak had met PLO chief Arafat who had met with Saddam in Baghdad the day before. He later met Saddam envoy and Revolutionary Command Council Vice Chairman Ibrahim on August 9. Ibrahim carried with him a personal [illegible] from Saddam, which

millions of Iraqis over the ... through epidemics and star...

...massive aerial bombardment em... war specifically against civilians, as ... against Iraq, is a violation of the ... conventions of 1907 and 1923, the Gene... of 1949, the Nuremberg Charter, ... convention, and the United Na... of Human Rights.

...these genocidal acts was the ... alleged refusal to withdraw ... forces from Kuwait, which it had ... August 2, 1990.

...abundant information in the public ... that the U.S. government system ... all efforts by Arab states to ... solution to the crisis. More... shows that, without this sab... would have succeeded.

...conspire to commit an aggressive ... dence shows the Bush adminis... violation of Article 2(4) ... charter, the Nuremberg ... other international treaties as ... the U.S. Constitution.

...the Bush administration's ef... intimidate other members of ... council in order to wage this ... violation of the U.N. ... the U.S. Constitution.

...most of the evidence show... President George Bush and the ... are guilty of these viola... law.

...From the Invasion to ...o Cairo Conference

...early morning August 2 ... Iraqi leadership real... up by the Bush adminis... George Bush and then ... Margaret Thatcher, ap... conference of the Aspen ... that day denounced the ...gression. Bush said that ... a view that threats ...unpredictably, and from ... particularly in the Third ... a threat. Bush required ... military capability ... without delay. ...well-placed sources ... have been fully com... Iraq in the first few ... whatever doubts Bush may ... concerning the previously ... Iraq were removed ... before that day and the fol...

...the U.S. and British gov... up to force Resolution 660 ...Security Council. The resolu... Iraqi invasion, demanded ... unconditionally, and im... military action. ...action was hardly expect... two days earlier on July ...to Iraq April Glaspie had ... during a meeting in Bagh... that it was going to invade Kuwait the Unit... intervene. The purpose of ... about the Iraqi-Kuwaiti ... U.S. views of a pos...

well placed Arab sources report.

Yet, rather than depicting the invasion as an "inter-Arab affair," the U.S. and British governments rammed through Resolution 660 and threatened Western intervention into the region. Iraq had been duped.

Faced with this fact, the leadership of Iraq, Jordan, the Palestine Liberation Organization, and several other Arab states and organizations began a concerted effort to quickly strike an "Arab solution," to block Anglo-American military action.

While not everything that was attempted then, or in later days or months is on the public record, enough of a picture has emerged to prove beyond a doubt that this Arab effort to find a diplomatic solution could have easily been obtained on several occasions prior to the August 10 Cairo conference. These diplomatic attempts failed because of sabotage of the U.S. and British governments.

Arabs Attempt Diplomatic Solution

What are the publicly known facts?

On August 3, King Hussein of Jordan traveled to Baghdad at the request of King Fahd of Saudi Arabia and President Hosni Mubarak of Egypt, among other Arab leaders. The purpose of the meeting was to find an Arab solution to the Kuwaiti crisis. The King's meeting with Saddam successfully led to an Iraqi decision to withdraw from Kuwait, which was announced by Baghdad Radio. It also led to the agreement to hold an Arab mini-summit in Jeddah, Saudi Arabia on August 5 to settle the dispute.

Even Mubarak, at that point, was deeply worried and opposed to an outside intervention. In a telephone call to President Bush that day, as reported by Beirut radio, Mubarak asked the U.S. President to halt any military plan for direct intervention, stressing the need for the issue not to be internationalized.

Later on August 3, a spokesman for the Iraqi Revolutionary Command Council reported on Iraqi radio that Iraqi troops would begin withdrawing from Kuwait on August 5 "unless something appears which would threaten the security of Kuwait and Iraq."

Also on August 3:

- An emergency meeting of the Arab League in Cairo attended by foreign ministers from throughout the Arab world, voted 14-7 to condemn the Iraqi invasion and call for an immediate withdrawal. Yet, the same resolution explicitly called "to categorically reject any foreign intervention or attempt to intervene in Arab affairs."
- King Fahd of Saudi Arabia met vice chairman of the Iraqi Revolutionary Command Council Izzat Ibrahim in Saudi Arabia's summer capital of Jeddah. According to Arab sources from several nations, Ibrahim told King Fahd the following: that Iraq honored the Iraqi-Saudi nonaggression pact; that Iraq hoped that the Saudis would not acquiesce to U.S. pressure to engage in hostilities with Iraq; that an Arab solution could be found to the Kuwaiti crisis.
- Following the Fahd-Ibrahim meeting, the Saudi Kingdom announced that Saddam Hussein had agreed to meet with Mubarak, King Hussein, and King Fahd in Jeddah on August 6.

The purpose of the meeting, the government radio of the United Arab Emirates reported, would be to find an Arab solution. "In study with new developments between Iraq and Kuwait

U.S. satellite intelligence was sent to the Saudi capital of Riyadh substantiating this announcement. It was later shown that the report was a fraud, and there never was any danger of an Iraqi invasion of Saudi Arabia.

- The Gulf Cooperation Council (whose members include Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Oman, and Qatar) condemned the Iraqi invasion of Kuwait. Much more important, the council condemned the earlier Arab League rejection of foreign intervention as invalid and not applicable to "collective international measures at the U.N.," as specified in Resolution 660.
- Senior Bush administration officials met with Saudi Ambassador Prince Bandar. Arab sources report, to harshly condemn King Fahd's acceptance of an Arab solution, as implied by the proposed Jeddah meeting.
- Following the Bandar meeting, Bush dispatched a harsh and threatening note to King Fahd expressing unhappiness with the Saudi decision to negotiate with Baghdad. According to Egyptian sources, Bush asserted that now, at last, Saudi Arabia had international backing, and that if Saudis Arabia did not accept that backing it would be worse for it.

capitals that the Saudis were preparing to accept a massive deployment of U.S. ground troops on their territory.

One day later, on August 4, the Saudis postponed—and subsequently cancelled—the Jeddah summit, apparently under U.S. orders and on behalf of a plot to prevent a peaceful solution to the conflict.

Despite this sabotage, efforts for an Arab diplomatic solution continued on August 4.

King Hussein publicly criticized the Arab condemnation of Iraq as premature. Meanwhile, the President of Yemen, Ali Abdallah Salih, met with Saddam Hussein in Baghdad, and then embarked on a regional mediation tour.

Also on August 4, Palestine Liberation Organization Chairman Yasser Arafat arrived in Cairo with a PLO-Libyan peace plan. After meetings with Egyptian officials, Arafat flew to Baghdad and Riyadh.

The plan had the following major points: Iraqi withdrawal from Kuwait; free elections in Kuwait; Iraqi retention of Kuwait's Bubiyan and Warba islands (thereby giving a virtually landlocked Iraq a port on the Persian Gulf); economic support of the Iraqi economy.

asked Mubarak "to stop any attempt at foreign intervention," which would only "obstruct the Iraqi withdrawal from Kuwait," according to Radio Monte Carlo. Saddam denied any plans to invade Saudi Arabia.

In a televised address that day, President Bush declared that Saudi Arabia was being threatened by Iraq, and that the independence of Saudi Arabia and other Gulf states was in the "vital interest" of the U.S.A. because the disruption of Saudi oil deliveries would represent a threat to America's "economic independence."

This was the first of several sequential and contradictory justifications by Bush for the military deployment. The crisis, which the United States had created, had been successfully "internationalized."

Emergency Arab Summit

Despite Saudi and Egyptian capitulation, an emergency Arab summit in Cairo which had been scheduled for August 10 seemed to offer some way out of the impasse—a last chance for an Arab solution. Attendees at the summit included not only Iraqi Foreign Minister Tariq

"The belligerent U.S. reaction was hardly expected by the Iraqis. Just a few days earlier, on July 25, U.S. Ambassador to Iraq April Glaspie had told Saddam Hussein that if Iraq were to invade Kuwait the United States would not intervene."

"The U.S. and British governments have proved they are determined to repress any effort to open dialogue between Arab states aimed at settling the region's problems,' Iraqi Foreign Minister Tariq Aziz said October 26."

Clockwise from top left, the State Department's back-stabbing April Glaspie; Jordan's King Hussein and PLO chief Yasir Arafat—their peace efforts were rebuffed; Egyptian President Hosni Mubarak—he finally told the U.S. love; Sheikh Jaber Al-Ahmad al-Jaber al-Sabah—hundreds of thousands [illegible]

Azis but the Emir of Kuwait, and most Arab heads of state and their foreign ministers.

Well-informed Arab sources report that a deal satisfactory to all countries had been agreed to by all Arab parties prior to the summit. The plan seems to have been a variation of the earlier one put forward by the PLO. It had even been arranged that several Arab heads of state, apparently including Arafat, King Hussein, and Chadli Benjedid of Algeria, would travel to Baghdad for hailing the summit to present to Saddam a comprehensive settlement which he had already been consulted on, and was prepared to accept. If this had occurred, there would have been no excuse for the U.S. troop presence in the region.

To short-circuit these plans, conference host Hosni Mubarak used the bureaucratic powers he had as the summit's host to block Arafat and others from present up their agreed upon plan for discussion and for a vote. Instead, Mubarak steered through his own resolution. This was the only resolution to be allowed to be discussed or voted on.

Among the key features of the resolution was its endorsement of the U.S. and European imperial interruption into the region, as stated under point 5, "to support the endeavors of the Kingdom of Saudi Arabia and the other Arab Gulf states taken in implementation of the right of legitimate defense in accordance with the provisions of Article 51 of the joint defense and economic cooperation treaty among the Arab League states, Article 51 of the U.N. Charter, and the U.S. Security Council Resolution 661 of 6 August 1990."

The resolutions and various personal attacks on Saddam by Mubarak, engineered the summit.

The handling of the summit marked a dramatic shift in the Arab nations' making peace efforts far more difficult.

2. The Sabotage of the Rabat Initiative

The new Arab order, to secure a peaceful resolution to the Gulf crisis, was attempted at the end of September.

On September 26 King Hassan of Morocco hosted an emergency meeting in Rabat, attended by King Hussein and Algerian President Chadli Benjedid. According to Arab diplomatic sources, the talks led to a proposed peace plan with the following components: Iraq would withdraw from Kuwait and release foreign nationals as the first Arab League troops, primarily Algerians, would be deployed into Kuwait to maintain the peace. Iraq should be granted long-term leasing of Kuwait's Bubiyan and Warbah Islands and Iraq and Kuwait would jointly explore disputed oil fields.

A key underpinning of the agreement, Arab diplomatic sources say, was to have Soviet, European and international guarantees that the plan not be challenged by military actions by the Israelis, or U.S. troops in the area. Repeatedly, a regional security arrangement guaranteed by the Gulf Cooperation Council, the Arab League and the United Nations, would also be sought.

ment," over the preceding days. North and South Yemen had been only unified the previous spring after decades of Saudi and U.S.-sponsored civil war.

On September 22, the Saudi government canceled the permits of hundreds of thousands of Yemeni workers in Saudi Arabia, and expelled them from the country. Many of these guest workers had their assets seized and suffered beatings and sometimes death while attempting to return to Yemen from Saudi Arabia. The measure took $5.6 billion a year in remittances from Yemen. Yemen later reposted.

Also on September 21, Saudi Arabia froze the salary of thousands of Palestinians employed in the Kingdom, and began expelling them, also to punish the PLO. Remittances from these Palestinian workers had been vital to the sustenance of impoverished Palestinian families in Israel's occupied territories of the West Bank and Gaza Strip.

3. The October 21 Saudi Initiative

In October, certain factions of the Saudis attempted to find a diplomatic solution to war, and the continuing occupation of their land by colonialist troops.

On October 21, Saudi Defense Minister Prince Sultan stated that a negotiated solution could be found, and embraced aspects of proposals put forward by Iraq. Sultan stated that Iraq should withdraw from Kuwait, and that "some reparations should be paid" to what the media alleged ly misquoted Sultan as having said, Fahd concluded.

One retired U.S. State department official commenting on the incident said, "It's all over. Saudi Arabia is now a U.S. colony, period."

On October 29 the U.N. Security Council approved another U.S.-sponsored resolution against Iraq, with the approval of both the Soviet Union and France, threatening "further measures under the Charter"—that is, the use of force, if Iraq did not withdraw unconditionally from Kuwait.

4. The November War Drive

Throughout November, the Bush administration deployed in force to ensure that war with Iraq would not be preempted, despite the best efforts of several nations. The drive included blackmailing and bribing several nations to vote on behalf of a then-planned resolution to set a deadline on the Iraqi occupation of Kuwait, following which the U.N. would authorize war. The drive was successful, and on November 29, the U.N. Security Council authorized war by January 15.

Bush signaled the more aggressive diplomatic posture on November 8 when he proclaimed at a surprise press conference in Washington, that he would be sending a vast number of new troops to Saudi Arabia to ensure a U.S. "offen

Iraq—the "nuclear threat."

After a meeting with Egyptian President Hosni Mubarak in Cairo on November 23, Bush completed his tour by meeting Syrian dictator Hafez al-Assad in Geneva, Switzerland later that day. The meeting was the first between a U.S. President and Assad since 1977. Syria is still on the state department's list of terrorist countries.

Following that meeting, and before his return to the United States, Bush declared: "We are getting tired of the status quo and so is the rest of the world."

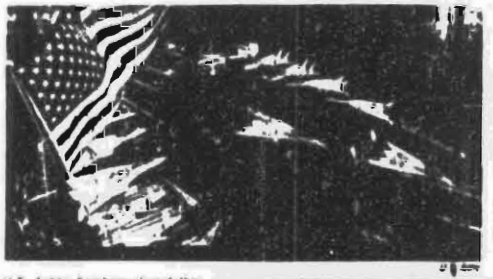
Baker on Mideast Tour

Secretary of State Baker's tour of the Middle East and Europe began on November 5, with meetings with the Emir of Kuwait, Saudi King Fahd, and other Gulf puppet potentates.

From there, Baker traveled to Cairo to meet Egyptian President Mubarak on November 6. He traveled to Ankara to meet Turkish President Turgut Ozal the next day.

What did Egypt and Turkey receive for their support? Money, for one thing. Since August 2, the United States and Saudi Arabia have written off $14 billion in Egyptian debt, approximately one-third of its foreign debt. Turkey obtained only an agreement from the the U.S.A. to increase the quota on Turkish textile imports by 50 percent.

Turkey, Egypt, and Syria were also given cash grants. On February 5, the fourth closed-door meeting of representatives of Saudi Arabia, Kuwait, the UAE, the United States and



U.S. fighter bombers aboard the U.S.S. Kennedy during the war.

U.S. soldiers load Hellfire missiles on an Apache helicopter in Saudi Arabia.

An Iraqi badly injured in a coalition bombing is the one of the very few who was lucky enough to be near a still functioning hospital.

"On November 7, Margaret Thatcher told the opening

"The use of massive aerial bombardment employed in war, specifically against civilians, as was employed

pa. Sudan's opposition to the Anglo-American deployment into the region has enraged the Bush administration. Since August 2, the U.S. government has reduced food aid to that impoverished nation to zero. On October 9, the Sudanese government accused Washington of waging a "campaign which aims to use food as a weapon." Then, in late November, the U.S.A. and Israel stepped up their support for the southern Sudanese rebel John Garang, who visited Israel that month to meet the Israeli military leadership. According to reported Anglo-American plans, the new Sudanese regime that they intend to come into existence through this pressure would be run by Egypt.

Buying Off China and Colombia

Baker was involved in organizing other states. On November 6, Baker met Chinese Foreign Minister Qian Qichen in Cairo. In that meeting with Baker, and related meetings, China was induced not to veto the upcoming resolution. On November 7 and 8, Qian Qichen traveled to Saudi Arabia to meet King Fahd and the Emir of Kuwait. Qian then traveled to Baghdad to meet Saddam Hussein on November 12.

These meetings neutralized any resistance from Beijing to war, as subsequent developments showed.

On November 26, three days prior to the U.N. vote, the Chinese government announced that it had been invited by Washington to send a high-level trade mission to meet U.S. Commerce Department officials on December 10. This was to be the first meeting of its kind since the June 1989 Tiananmen Square massacre. The announcement indicated that the U.S. sanctions imposed following the massacre would be easing. The U.S. government also looked the other way as China began sentencing activist students to long prison terms.

Shortly thereafter, the Emir of Kuwait traveled to Beijing to offer major investments in the People's Republic.

After meeting with the Chinese, Baker traveled to Moscow to meet with Soviet President Mikhail Gorbachev and Foreign Minister Eduard Shevardnadze on November 8. Then he flew to London to consult with Thatcher on November 9. He then traveled to Paris to meet with French President Francois Mitterrand on November 10.

After a brief rest in Washington, Baker began another tour, this time simultaneous with Bush's travels.

On November 22, Baker was in Sanaa, Yemen where he met President Salih Yemen, then a non-permanent, rotating member of the U.N. Security Council, was scheduled to assume the presidency of the council for the month of December. The United States was concerned that Yemen, which had fought for an Arab position, would attempt to block the resolution. If the vote on the resolution was delayed beyond November

In a New York Times interview on November 25, Yemeni President Ali Abdallah Salih left no doubt that his nation was opposed to a vote authorizing force. Such a vote, he said, would be a "very dangerous development." He still "possible to find a peaceful solution," the stipped "I know Saddam Hussein is ready for

dependent on the financial aid of Saudi Arabia and King Hassan maintains close relations with the United States as well as France.

Well placed sources report that the Saudis had been briefed on the proposed plan, and that at least a fortiori of the Saudi leadership approved of it. According to one report, King Hussein waited until he had received a telephone call from King Fahd before departing for Morocco.

But George Bush intervened.

According to reports, the Rabat plan was approved by Saudi Arabia on September 18 or earlier. But by the end of day of September 18 the U.S.A. had forced the Saudis to rescind their agreement. Even before the Moroccan summit, unidentified Bush administration officials publicly condemned the already leaked plan as "two strong," in comments to the U.S. press.

Later on September 19, a "senior U.S. official" was quoted as describing the plan this way: "Lots of the ideas place that involve rewarding Saddam Hussein, if true, be accepted."

King Hussein has been working from the time this crisis broke for what he calls an Arab solution. I haven't seen one yet that did not have some element of appeasement to Saddam Hussein, whether it's King Hussein's, whether it's Arafat's.

The unidentified official also reported that although the King's peace plan appeared to have fallen apart by that day, the Bush administration feared that "there's a danger that a similar approach to ending the Persian Gulf could take hold in the future."

Saudi Arabia was ordered to reject the offer, which it did, thereby converting an already agreed upon Arab summit in Baghdad planned for September 30. That mini-summit was to have endorsed the plan's acceptance.

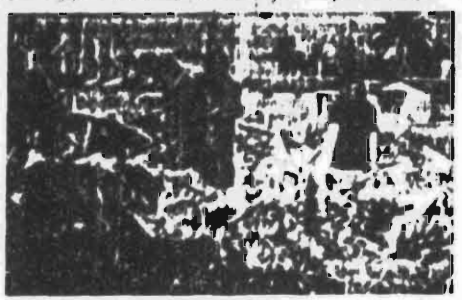
Furthermore, on September 19 Saudi Arabia pointedly cut off all of deliveries to Jordan, and expelled the Jordanian ambassador.

Prior to the August embargo, the impoverished Hashemite Kingdom, which has no oil of its own, had received all of its oil from Iraq. After the embargo, Jordan was forced to turn to Saudi Arabia for its supplies. After being cut off from Saudi oil, Jordan was then forced to turn back to Iraq. This in turn was used by Bush administration media outlets to claim that Jordan had become an Iraqi puppet and that Jordanian dependency effects should be considered as Iraqi propaganda.

Saudi Arabia also took punitive measures against other Arab nations. On September 19, the Saudi Kingdom also expelled the Iraqi and Yemeni ambassadors. On September 18 Saudi Arabia announced "victory through a leak published in the official Egyptian paper Al Ahram. "Yemen's stand in support of Iraq might have a destructive impact on Yemen if war breaks out," an "unidentified diplomat" said, because Yemen might "miss the opportunity to perform military education over Saudi Arabia in a bid to resolve border disputes with it through the use of force." The diplomat threatened that Saudi Arabia would then unleash "destructive air and missile strikes against Yemeni military strategic and oil installations."

The PLO affiliated newspaper Al Quds of London quoted an unidentified Yemeni official on September 19 saying that "Saudi troops had approached the borders, occupied Yemeni lands, and set up positions and barricades there," as well as "liberated the Yemenis of South Yemen."

"Parliament," Time is running out for Saddam Hussein. . . . Either he gets out of Kuwait soon or we and our allies will remove him by force."



The rubble of a residential neighborhood in an Iraqi city.

usually proposed peace plans, such as granting Iraqi portions of Kuwaiti territory.

At a press conference in Riyadh, Sultan was asked about Iraq's demands that it be given an outlet to the sea if it were to withdraw from Kuwait, by retaining Kuwait's *Bubiyan and* Warbah islands. Sultan replied: "Saudi Arabia has said, and says now, that giving rights, including territorial brotherly concessions, given willingly, is a matter of pride. We in Saudi Arabia have given parts of our land and parts of our territorial waters willingly," referring to previous territorial settlements among Saudi Arabia, Iraq, and the United Arab Emirates.

The remarks triggered a decline in the oil price by $5 per barrel the next day, and a rejection of any compromise by President Bush.

Speaking at a campaign rally in New Hampshire on October 22, Bush took aim at Prince Sultan's remarks. "I am more determined than ever to see that this invading dictator gets out of Kuwait with *no compromise* of any kind whatsoever," Bush exclaimed. "Appeasement is the great problem, he added. "I'm reading a book and it's a book of history, a great big thick book about World War II," he reported, "and there is a parallel about what Hitler did to Poland and what Saddam Hussein has done to Kuwait."

White House spokesman Martin Fitzwater explained that day, "He just wanted to express some pretty strong resolve in light of stories in the last few days out of Saudi Arabia."

On October 25, the U.S. government leaked that Secretary of State James Baker would be making another trip to the Gulf in the first week of November, to stiffen resolve.

On October 26, Iraqi Foreign Minister Tariq Aziz commented on how he viewed Bush's response to Sultan's peace feeler. "Whatever our opinion on what the Saudi official said, the U.S. and British governments have proved they are determined to repress any effort to open dialogue between Arab states aimed at settling the region's problems."

Also on October 22, Baker summoned Saudi Ambassador Prince Bandar for "consultations." Bandar emerged to claim that his father, Prince Sultan, had been misquoted. "My government has not changed its position," he said.

Saudi King Fahd himself issued a statement on October 26 further distancing his government from Defense Minister Sultan. "Iraqi troops must withdraw unconditionally," he said, without any "bargaining." The King added that any statements offering concessions to Iraq (implying those made by Sultan) now or in the

sive capability." Previously, the pretext given for Operation Desert Shield had been to "defend Saudi Arabia" from Iraq.

One day earlier, Bush's mentor, then Prime Minister Margaret Thatcher, in her address to *the opening of Parliament*, stated that "Time is running out for Saddam Hussein. . . . Either he gets out of Kuwait soon, or we and our allies will remove him by force."

To the end of ramming through a U.N. vote authorizing the use of force, both Bush and Baker separately traveled widely in Europe and the Middle East for several weeks in November. Bush traveled to six countries in seven days, meeting at least eight heads of state and foreign ministers. Baker traveled to 12 countries in 24 days, meeting 18 foreign ministers and heads of state.

Bush began his trip with a November 17 meeting with Czechoslovakia's President Vaclav Havel in Prague, where Bush induced the former playwright to praise the Anglo-American deployment as worthy of Eastern European support. Havel sent a 150-man medical corps to the Gulf.

From Prague, Bush traveled to Paris to confer with French President Francois Mitterrand. The meeting consolidated French support for the U.N. vote. On December 3, France received part of its reward. The Kuwaiti Ambassador to Algeria, Yusuf al Anafi, announced that his government had agreed to purchase $800 million in *French military equipment*. On December 6, the Saudis announced that they would be purchasing $600 million of weapons from France. The announcements came just a few days after France had voted in favor with war with Iraq at the United Nations on November 29. Earlier, the Emir of Kuwait had threatened to pull out his multimillion dollar investments *from the French* English Channel Tunnel project.

Well placed European sources contend that Mitterrand was close to British intelligence even before his enthusiastic support of the 1956 Anglo-French-Israeli invasion of Egypt. He is representative of those sections of the French establishment which retain an imperialist policy toward North Africa. French imperialists tend to both cooperate with and compete with their imperialist cousins in London.

Bush traveled to Jeddah to meet Saudi Arabia's King Fahd and the Emir of Kuwait on November 21. The next day, he munched on Thanksgiving turkey with the troops. There the President reported that "tonight our lives are at

against Iraq, is a violation of the Hague Conventions of 1907 and 1923, the Geneva Conventions of 1949, the Nuremberg Charter, the Genocide Convention, and the United Nations Declaration of Human Rights."

United Kingdom since August 2 took place at the Treasury Department. According to Turkish sources, the group pledged $14.6 billion in additional aid to Turkey, Egypt and Syria, on top of the $6.7 billion already given to the three countries. Additionally, the European Community, which has already given $600 million to the three states, pledged another $2.3 billion in the same period.

Despite the vastness of these sums, Egypt and Turkey are certainly financial losers because of the Gulf embargo and war. The embargo itself cost Egypt an estimated $9 billion, half of its gross domestic product, through cuts in workers' remittances, the collapse of tourism, and the decline in Suez Canal traffic. Turkey lost some $7 billion just from the embargo.

There were other inducements besides cash. Turkey has been offered the oil-rich Mosul region of northern Iraq, following the post-war dismemberment of Iraq. The proposal had been first publicly floated as far back as August 28 by the U.S. National Security Council linked advisor Helen Cobham in the *Washington Post*. According to the proposal, Iraq would be divided up among Iran, Turkey, and Syria. The creation of a Kurdish entity is also indicated. *While the author distances herself from the* plan as leading to a "desert Vietnam," the plan itself indicates the type of thinking going on among the imperialist strategists in Washington and London.

Then, the September 7 issue of William F. Buckley's *National Review*, a magazine long-fied to the CIA, carried an article entitled "Let's Talk Turkey," by J.R. Kelly. This *piece called for* the partitioning of Iraq, after Saddam Hussein and his destabilizing regime have been dealt with.

"Not only would the transfer of ownership [of Mosul] bring about a welcome and well-deserved transformation of Turkey's economy, but it would deprive the truncated Iraqi state of the revenues which up to date have been largely devoted to mischief-making," Kelly stated.

Still later, on February 8, former Defense Secretary Caspar Weinberger wrote in the Montreal Gazette that "it is not enough to let Saddam Hussein retire with his army intact. The coalition must ensure that Saddam will not recover," wrote Weinberger. "That involves something more than pushing him out of Kuwait. That means getting rid of the power," in part *for giving Turkey part of northern Iraq*.

Well placed Arab sources report that Egypt

personal envoy to Baghdad."

President Salih's harsh rebuff of Washington and its war drive proved to be costly. In early December, the U.S. State Department released a statement announcing that it had cut U.S. aid to Yemen to $2.9 million from its previously planned $20.5 million as a signal of U.S. disapproval for Yemen's negative vote on U.N. Security Council Resolution 678.

On November 24, Baker met with Colombian Foreign Minister Luis Fernando Jaramillo and President Cesar Gaviria in Bogota on a state visit. Colombia was then a rotating member of the Security Council, and the Bush administration wanted to secure their vote. One Colombian Foreign Ministry official who has asked not to be identified described the U.S. pressure at that time: "The United States will seriously threaten a total blockade of the country if we don't vote with them in the U.N. Security Council on the Iraq issue."

What did Colombia receive as its reward other than no blockade? According to the foreign ministry source, Baker promised to support *President Gaviria's* negotiations with the cocaine cartels which would effectively legalize their activity. This controversial negotiation — which the United States supported in any case — was publicly accepted by Baker immediately upon the conclusion of the November 24 meeting. Such negotiations, fail to the competence of the Colombian government." Baker said approvingly to the press. Within weeks of the meeting the Colombian government cut a deal with the traffickers whereby they could avoid extradition to the U.S.A. for narcotics trafficking.

Meanwhile, Soviet Foreign Minister Eduard Shevardnadze flew to Beijing in the days before the vote to ensure that China was lined up to support the U.N. resolution.

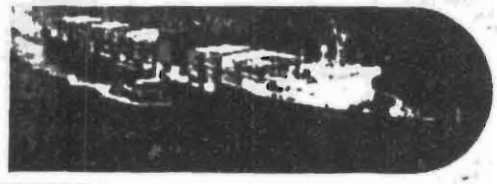
Alarmed by these developments, Iraqi Foreign Minister Tariq Aziz flew to Moscow November 26 to confer with Soviet President Gorbachov. The meeting went poorly. "Tariq Aziz was firmly told that if Iraq wants a settlement in the region and wants to avoid the worst, it must now openly declare and show by its actions that it is leaving Kuwait," reported a wire from the Soviet news agency TASS after the meeting. TASS dismissed Aziz's comments as "familiar arguments" with "nothing new."

Gorbachov ridiculed Iraq's repeated insistence that all regional problems, notably including the Palestinian issue, be dealt with simultaneously. "An aggression has been committed. It must be stopped," Gorbachov stated to TASS. "Only then is it possible to address other issues of a Middle East settlement."

After visiting six countries in seven days, Bush proclaimed in Washington November 24 that time had run out for a non-military solution to the crisis. "We have shown patience. We have explored all diplomatic options."

As a result of Washington's extensive strong-arming, on November 29, the United Nations Security Council gave the U.S. government the go-ahead to wage a war against Iraq. Resolution 678 set a January 15 deadline for war. Unless Iraq fully complied by that date with previous U.N. resolutions against it beginning August 2, the resolution stated, then U.N. member states may "use all necessary means . . . to restore international peace and security in the area." The resolution passed 12-2. China abstained; only the rotating member states of Cuba and Yemen voted against the resolution.

FOOD FOR PEACE



Family Farms Are Most Efficient Says German Agriculture Expert

Part One of Two

The battle is still raging in Germany over whether and how to dismantle the post war collectivized agriculture created by the communist party in what was East Germany. Some of the world food cartel corporations are insistent to further their own monopoly aims by making big contracts with the new states. Many young Germans, anxious for work, like to ask, what's wrong with "factory farms" and cheap food?

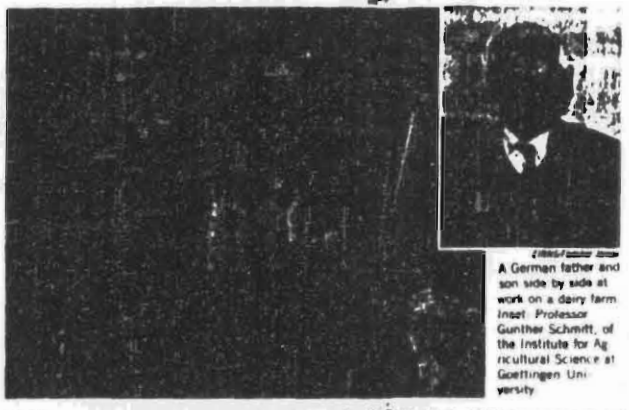
Dr. Professor Gunther Schmitt, of the Institute for Agricultural Science at Goettingen University, rejects this view. At the same time, he represents the views supported by many in the United States, that private, independently owned family farms are not as important as land ownership and control by farmers, whose ownership of land is secondary.

Schmitt spoke at a panel on agrarian reform at conference held here in Berlin, sponsored by the Schiller Institute. The theme was on the concept of the "Productive Triangle" for European development centered in the Paris-Vienna-Berlin region, a program first advanced by Lyndon LaRouche. The concluding half of Schmitt's presentation will appear on the next Food for Peace page.

* * *

Starting from the general and here repeatedly asserted conviction that the size of farms and agricultural units is created in the course of land reform and the latter violently carried through by the administration of agriculture in the German Democratic Republic (DDR) are regarded as [illegible] and thus must be reformed, the question arises concerning competitive sizes of farms and their organizational forms that can be developed and are to be promoted by agricultural policy. The decisive question here is: what sizes of farms and in which legal forms are to be formed and promoted?

It should be recalled that on an agricultural area of 5.3 million hectares (1989) there were 1,200 agricultural production society (LPG) plant [illegible] with an average size of 4,521 hectares of land and 70 nationalized (VEG) plant [illegible], one of which was 6,952 hectares, as well as production units which were operated



A German father and son side by side at work on a dairy farm. Inset: Professor Gunther Schmitt, of the Institute for Agricultural Science at Goettingen University.

run. Following that, I will give an economic explanation of these forms and operational sizes, in order to then directly derive an answer to the question originally stated.

The Family Farm Model

Let us then first turn our attention to the agriculture of the Western world, and there especially with regard to the state of agricultural development in several of the industrial countries of Western Europe and abroad that are comparable to the socialistic countries. It is true of these countries that, with a few exceptions, a) agriculture is overwhelmingly dominantly or almost without exception by family organizations, and thus by the family form of work as organizational form; large organizations that use hired labor, primarily as corporations, represent the exception, and producer cooperatives are (virtually) unknown.

Second, b) it is true for these Western industrial countries that the average size of an agricultural enterprise does vary from country to country, but in every case is far below the plans that were projected

For the United States (1989), however, it was true that the average size of farms was 456 acres (184.6 hectares). Of all farms, 88.7% are managed by a single person or single family, and consequently qualify as pure family farms. A further 9.8% are operated as partnerships by several families, whereas, in contrast, only 3.2% of the farms are corporations, of those, 90.7% were family corporations. Producer cooperatives are unknown. The large farms organized as corporations are to be found in the West and the South of the United States, and they specialize in fruit and vegetable cultivation as well as wine grape cultivation and milk production. Of all farms, 59.7% are managed on a part time basis, with more than 50% of the income stemming from non agricultural sources.

Canada and Australia

For Canada, there is an average operation size of 971 acres. Of all the farms, 82.3% are managed by single persons or families, and 11.0% are run as partnerships; 5.2% are family corporations, 0.4% [illegible] are [illegible] cooperatives. Producer cooperatives

Food for Peace Challenges Bush-Bronfman Free Enterprise

Special to New Federalist

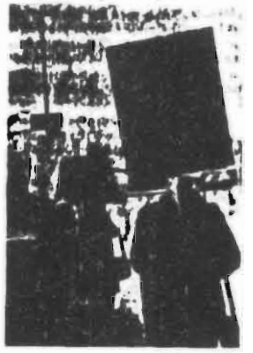
PITTSBURGH, April 23—National momentum is building toward a coalition between farmers and the urban poor, in the aftermath of a successful Food for Peace demonstration against the Labatt Beer-Seagrams Whiskey milk cartel.

As *New Federalist* has reported, the Canadian conglomerate John Labatt Ltd. currently maintains an illegal milk monopoly in the northeastern United States, controlling 75-80% of the milk market in the New York City, Philadelphia, Baltimore, and Washington, D.C. metropolitan areas. Labatt, in turn, is part of the multibillion dollar Bronfman family financial empire. The Bronfmans accumulated their fortune through murder and bootlegging in the 1920s, and are sworn enemies of Lyndon LaRouche, who exposed their drug money laundering operations in the best selling book, *Dope, Inc.*, published in December 1978.

'Bust the Milk Monopoly'

On April 2, sixteen Food for Peace supporters, led by Philadelphia civil rights leader O.G. Christian, picketed the Latrobe, Pa. Municipal Building and marched ten blocks through town to the Rolling Rock Beer brewery, a Labatt subsidiary. No sooner had the demonstrators unfurled their signs, reading "Bust Labatt Seagrams Milk Cartel," "Stop Bush War on Farmers," "Prosecute Bronfman Free LaRouche," etc., than passing motorists began pulling up, demanding literature, followed by swarms of reporters and television cameramen. Hundreds of Food for Peace press releases and copies of *New Federalist* were distributed along the line of march, including to several dozen brewery workers, one of whom remarked that "these cartels hurt working people, too."

The demonstration was featured that evening on three Pittsburgh television news programs, on local radio, and in three area newspapers, including page one coverage in the *Latrobe Daily Bulletin*.



Activists of the Food for Peace organization protest the Bronfman-Labatt milk cartel with a picket line in front of the Latrobe, Pennsylvania municipal building.

Properly enforced anti-trust laws are essential to a free society. These laws ought to prevent wealthy and powerful private interests from eliminating competition and opportunities for others, and from using a monopoly position to defraud or coerce individual citizens, or the nation as a whole. Nowhere does this principle apply more forcefully than in agriculture and food.

"Over one year ago, in a March 28, 1990 letter, Marc C. Schildkraut, Assistant Director of the Bureau of Competition of the Federal Trade Commission, informed Mr. Valenti: 'Your complaint about Labatt's market share is under consideration by this office. Today, with thousands of independent dairy farmers threatened with bankruptcy, while surveys show unprecedented levels of malnutrition and hunger among American children, the time is long overdue for investigation and effective law enforcement action

...ago ... into farm and ... nationalized units of similar size, as well as nationalized "animal husbandry" collective combines (75) or "industrialized animal production units" (38) with an average of 3,800 to 6,610 livestock. As their designations suggests, these farms were organizationally not up predominantly as "producer cooperatives" with very little right of co-determination by the comrades within the *narrow boundaries of state* plan directives, otherwise as state-owned enterprises directly subject to national plan directives with those employed having the status of strictly supervised employees.

"From the given topic asks about 'possible, sensible' and 'efficient' operational and property forms," the speaker as an agricultural economist understands by that operational sizes and organizational forms that make possible an efficient employment and managerial profitable agricultural production with freely available rights of property and use (private property) of the land. To be emphasized and yet to be shown is that a close connection exists here between operational size and organizational form in agriculture, which is, of course, overlooked by many experts or viewed by them as unimportant.

I [will] initially ask, which operational sizes and organizational forms have been formed in the agriculture of the Western world under the influence of competition and have stood up over the long run in free enterprise economies. Here it is found that family farms and specialized capitalistic agricultural enterprises, mostly operated by families that are too small to fully employ the family or to provide a sufficient income for them. They are then operated for the most part as a sideline, while the other operations are full-scale businesses because all employable family members are active in the enterprise, working together with a few part time or temporarily employed wage employees who *are not members of the family*.

With this last remark, I have expressed myself incidentally on a frequently contested question, what is actually to be understood as a family farm. This is always the case when the management of the enterprise is in the hands of a single manager, but in which the manhours in the enterprise are predominantly provided by him and his family members.

Frequently it is asserted that the small size of family farms and their management on a part time basis *is the consequence of the scarcity of land* and a specific support by government measures. That is particularly asserted for the Federal Republic of Germany, with an average size of a total of 18.2 hectares (even the so-called full time farms have an average of only 19 hectares, and 42% of the farms are operated on a part time basis. For that reason, it is useful to first look at the United States, Canada, or Australia, where there is neither a scarcity of land nor a comparable support of family farm operations.

non-agricultural employability. In contrast, outside labor is employed on the average for each farm only 19.5 days in the year, and 40.3 days for farms that generally employ outside hands.

For Australia (1979-80 is presently the last available data), the average size is 373 acres (151 hectares), 90.3% of all farms are managed by single persons, families, or family corporations, and a further 7.5% are corporations. Producer cooperatives are unknown.

In summary, it can be stated that in agricultural *by far advanced non-European countries with a* free enterprise economy and democratic society, which are not characterized either by a scarcity of land comparable to Western Europe nor by a comparable agricultural protectionism, the family form of labor dominates in agriculture, and has proved to be long lasting. The well known statement by Marx, according to which the process of *capitalistic development* will lead to the destruction of small scale farms in favor of larger agricultural factories managed by salaried workers, has consequently proved to be as false as his prophecy of the self destructive process of "capitalism" *per se*. By the irony of history, that farmer based agriculture fell victim, not to capitalism, but *rather* socialism, and to the latter only in an extremely violent way, a socialism that in fact began with the promise to protect farmers from destruction.

To be continued

a letter demanding that the Federal Trade Commission enforce anti trust laws against Labatt," said Pennsylvania *Food for Peace* representative Phil Valenti. "This is part of our campaign to stop the immoral 'free trade' program of the Bush administration."

The letter addressed to FTC Chairman Janet Steiger, reads in part:

"We, the undersigned, call upon the Federal Trade Commission to enforce *U.S. anti-trust and anti-monopoly laws* against the Canadian based corporation John Labatt Ltd.

"We look forward to prompt action by your office on this matter."

Endorsements Needed

Valenti reports endorsements of the letter so far from farmers and civil rights leaders from several states, as well as a State Representative from New England. One national organization is considering drafting its own letter in support of the Food for Peace petition. Interested parties can write Mr. Valenti at P.O. Box 214, Drexel Hill, PA 19026.

Emergency Food Needed for 20 Million Hungry Africans

by Uncle Ulcer

Washington, D.C., April 8—Instead of food aid for the famine, the Anglo American policy establishment are proffering what they call "humanitarian aid" and especially forthcoming "development." And Washington, London and Paris of course have full well that means a death sentence.

Because of years of impoverishment economic developments under the strictures of the International Monetary Fund, African nations are suffering endless food shortages and catastrophes have had endless and general unprecedented famines[illegible] millions of tons of food are still needed this year to avoid a food and [illegible] over 20 million Africans, especially in the Sahelian region.

Emergency summits of experts[illegible] food conference and talking reports the future agriculture output. U.S. officials are blocking the drive for supplemental food needed and what they call the "long needed" [illegible].

Peace Dividends

The House of Representatives Select Committee on Hunger held hearings April 16 on food emergencies with testimony from a special task force sent by the committee to Iraq. The focus of the reports was that developed governments should receive "dividends" [illegible] humanitarian aid," through United Nations and collaborating agencies, using the Iraq situation as a model.

Committee Chairman Tony Hall (D-Ohio) has called for the creation of a U.N. Commissionary for Food, and for an international food protocol. He and his cohorts have introduced a bill called the "Horn of Africa Recovery and Food Security Act," that would, in the name of food "relief," undercut any action of sovereign governments in the region to carry out their own food and agriculture policies.

United Nations photo

A young victim of famine is laid to rest in Ethiopia. Emergency shipments of food to Africa must begin immediately!

Target: Sudan

The bill is targeted particularly at Sudan, which has firm policy goals of food self sufficiency and also opposed the Anglo American Persian Gulf warfare. Meantime, Somalia and Ethiopia are engulfed in strife, abetted by outside intervention.

This month, an extraordinary harvest of winter wheat took place in the Sudan, the result of government initiated measures last fall for an emergency wheat planting in November. Usually wheat is planted only in the summer, and harvested in October. But the April crop is the second harvest in one year.

A just returned U.N. mission reports that about 620,000 tons of wheat were harvested in the Sudan. This is enough to fill about 50% of the cereals gap facing the country by June.

However, U.S. officials are not reporting this crop, because the news would reflect the positive initiatives of the Khartoum government. Instead, the Bush administration wants authorization to by pass governments.

The State Department has approved 320,000 tons of food aid for Sudan, the first shipment of which has arrived at Port Sudan on the Red Sea. U.S. officials are pressing to control the terms under which this food is delivered. Khartoum officials want to prevent a repeat of 1988, when the U.S. relief food was dumped on the local markets, as a way to undercut farmers.

Even the physical logistics by which food can reach people in need have been sabotaged by the Western powers concerned with "relief." Repeated efforts of the Khartoum government to obtain capital investment to modernize their railway, the Nile cargo channels, and roadways, have been thwarted.

AMERICAN SYSTEM FARMER

How American Agriculture Refutes Thomas Malthus

by Pamela Lowry

At the end of the Civil War, American publishers began to issue a series of books designed to show how American System policies had built a flourishing economy, and how that tradition could be continued now that the war was over. In 1867, a volume appeared entitled *Eighty Years' Progress of the United States: A Family Record of American Industry, Energy and Enterprise*. The author of the section on "Progress in Agriculture" was Charles L. Flint, secretary of the Massachusetts Board of Agriculture.

Flint's account of developments in the design of farm machinery included a devastating refutation of the supposed "economic theories" of Parson Thomas Malthus, the so-called economist who was hired by the British East India Company to popularize the idea that population growth is dangerous, and that even the best efforts of mankind's science and technology are unable to solve the problems of starvation and disease.

Triumphs of Technology

After recounting the triumphs of American farm machinery at various international exhibitions, Flint states:

"The reaper, the thresher, and the mower are types of the ever restless and progressive spirit of the age. They point out to us a glorious future, in which they will accomplish for our country triumphs grander than the triumphs of arms, for they will develop the means of supporting the millions of human beings which the implements of war can only destroy.

"Could the learned Malthus—who proclaimed the gloomy theory that war, famine, and pestilence were checks, designed by an all wise Being to keep down the increase of population to a level with *the means of sustenance*—now rise up from his sleep of death and see the population of England more than doubled since his day, and that of this country multiplied many times, while the people are better fed, and better clothed, with less labor and less suffering, with the possibility of a famine wholly and forever removed, he might change his shameful doctrine, and adopt a more cheerful and hopeful view of the providence of God. With an immense multiplication of the human species in all civilized countries which have been devoted to the arts of peace and the development of their material resources, a bountiful Father has sent us a super abundance of food, instead of famine, and has taught us to rely on the unfailing bounty of *the fruitful earth*, and upon his beneficent promise that seed time and harvest shall never fail to supply the daily wants of his children.

Thomas Malthus

The Purpose of Machinery

But with all the progress which we have made in improving the implements of the farm, we have not reached perfection. No bound is set to human ingenuity, and further means may yet be devised to shorten labor and increase the products of the soil."

We cannot hope, nor is it desirable, to avoid labor. This is not the object of improved machinery, but to make labor more attractive, agreeable, and productive, to bring into subjection the rude forces of nature, and make them do our bidding and increase our stores; to redeem thousands of acres now lying waste from wildness and desolation, and to make our country the granary of the world—these are triumphs we may hope to gain from the introduction and use of improved machinery, and in this view the subject commends itself to the attention of the highest intellect and opens a field for the labors of the noblest philanthropist."

LaRouche 'European Triangle' Plan To China

Special to New Federalist

HONG KONG, April 27 (EIRNS)—The "European Productive Triangle" proposal of Lyndon LaRouche for a new economic boom in Eastern Europe, centerpiece of LaRouche's 1992 presidential campaign, was presented here at an international conference on "The Thought of Dr. Sun Yat-Sen and the Twenty-First Century."

Sun Yat-Sen, father of the Republic of China after the First World War, drafted great plans for the international development of China by railroads, new ports, etc. which reflect the kind of thinking behind LaRouche's new economic concepts for Eastern Europe today.

Webster Tarpley, U.S. President of the Schiller Institute, was invited to give the presentation by Dr. Sun's alma mater, the University of Hong Kong, and the Taiwan Normal University of the Republic of China.

The conference was attended by scholars from Beijing, Shanghai, Canton, and other universities of the People's Republic of China, as well as from Hong Kong and the ROC. The central theme of the proceedings was the perspective for the future reunification of China based on Dr. Sun's three principles of the people: san min chu i. For the first time, a large delegation from the Republic of China on Taiwan took part.

Defend Sun Yat-Sen's Methods

One mainland Chinese scholar reviewed Dr. Sun's railroad building plan of 1921, and concluded that Sun's idea of a northern railway into Sinkiang was too ambitious. Another paper dealt with the seaports prescribed by Sun.

Tarpley reviewed the heavy emphasis on rail, port, communications and water project infrastructure in Dr. Sun's economic planning documents from 1911-13, through the longer studies published in 1920-21. Tarpley defended the method employed as well as many of the specific conclusions, including the need for extensive rail and water development of Sinkiang province in northwest China. Placing Sun in the Leibniz-American System school of economics, Tarpley contrasted real development of China based on in-depth continental infrastructure with other approaches stressing coastal development only.

To show the validity of Dr. Sun's economic method today, Tarpley compared the 1921 port and rail program with the LaRouche Paris-Berlin-Vienna Productive Triangle as the centerpiece of a Eurasian infrastructure development. Such European developments, it was pointed out, would be the key to furnishing the capital goods upon which the economic viability of a future reunified China would depend.

Mrs. Leni Rubinstein of the Schiller Institute appeared on Taiwan television broadcasts of the opening ceremony of the conference, and was later interviewed by the Central Daily News and United Daily News, two of the biggest news organizations of the Republic of China, and by China Television Service, one of the three principal networks on Taiwan.

The ideas of Lyndon LaRouche and the policy output of the Schiller Institute have been available to Chinese activists since the student uprising of 1989 through the EIR Global Strategic Bulletin, a bi-weekly newsletter in Mandarin Chinese. A number of conference participants turned out to be regular readers of this EIR Chinese publication.

The Hong Kong conference reflects a changing climate of opinion in China, Hong Kong, the ROC, and East Asia in general. Governments in the region are attempting to identify and enhance areas of agreement. For China, the goal now appears as national reunification accomplished without war, in the form of a democratic, multiparty system and in the spirit of Dr. Sun. The mainland Chinese communist government is losing credibility due to the economic breakdown crisis, which has now generated 100 million homeless, jobless, and otherwise redundant persons, a figure that threatens to rise to as many as 200 million by the end of the decade.

LYNDON LAROUCHE AND GEN. TENG CHIEH in Taiwan in September 1989. Inset: the Global Strategic Bulletin of Executive Intelligence Review magazine, which has circulated LaRouche's economic program in Taiwan and Hong Kong.

Cuba Target for Next War?

Continued from page 3

keeping pesky countries in their place, waging a Third World War in the sense of a war against the Third World.

...about economic and negative developments in the declining U.S. domestic economy, particularly with "increasingly dramatic ... attacks on civil liberties and civil rights."

Predicted Panama Invasion

...Bush, some ... offensive that's ... readers ... road as ... Stock ... evidence ... pictures that ... Panama. None ... Just Cause ... sequences for ... amazing. The ... than after ... with going ... statement of most ... drug use ... suffering. The country ... business ... up dissent ... crushed.

Cuba a Target

...that were it not ... war which ... was largely instigated by U.S. destabilization operations against Iraq, the period leading up to August 1990 Cuba would ... been next after Panama. Bartholdi ... again quoted "Cuba ... a tough opponent, and the losses would be substantial, but the island could be subjugated in a blitz as it has been in all out U.S. ... the war fever that erupted during the Gulf crisis, it is not to be excluded that ... at this point, even an all-out war ... would be in Bush's political interest, presuming the U.S. could win."

Iraqi President Saddam Hussein gave President Bush an early Christmas present and let Cuba off the hook, at least temporarily," according to Stockwell.

The "Cuba scenario" is credible; a new propaganda campaign against Cuba has been unleashed. Over the Easter weekend, former U.S. ambassador to the United Nations Jeane Kirkpatrick, a stalwart of the "Project Democracy" crowd in the U.S., wrote a syndicated article, which appeared in both U.S. and European newspapers, that constituted the "signal" for a U.S. move against Castro's Cuba in the short to medium term.

She did this in simple, classic war propaganda style. She depicted a desperate Fidel Castro, faced with growing internal social and economic problems, getting ready to attack the U.S. mainland. The recent flight of a Cuban defector, flying a Soviet supplied MiG jet into Florida, may have been, she mused, a Castro deception operation, to show that Cuba was capable of penetrating American airspace. What could be in the offing for the future, according to another senior Cuban official who recently "defected," is a Cuban attack on a nuclear power plant in Florida, setting off a giant Chernobyl disaster in the U.S. To drive her message all the way home, Mrs. Kirkpatrick reported supposedly new U.S. intelligence estimates that Castro is perhaps two years away from having a nuclear weapons capability.

It is now easy to imagine the hype

New FEC Scandal: Won't Have Matching Funds For Dems

Special to New Federalist

May 11 (EIRNS)—In a direct challenge to its authority, the Federal Election Commission (FEC) has been overruled by a recent Treasury Department decision concerning the apportionment of dwindling funds available to finance U.S. presidential elections. The problem addressed by both agencies is that the fund used to finance presidential elections since 1976 is running dry.

Public financing of federal elections was established by the same 1971 act of Congress which created the FEC as an electoral "watchdog" agency. That act was the product of a liberal "reform" movement, whose avowed purpose was to drive the fat cats and "special interests" out of electoral politics by limiting individual contributions to federal candidates ($1,000 maximum), and requiring disclosure of the identities of all contributors. The idea behind federal funding of presidential campaigns was to establish a "level playing field," so that elections could not be "bought."

Taxpayer Funded

The fund comes from taxpayer dollars, through the $1.00 checkoff at the top of the federal income tax return. As the FEC has been warning for years, the fund is now unable to meet didates, and particularly to any candidates who do not hew to the "politically correct" line. Ironically, the FEC's proposal for dealing with the shortfall is less discriminatory than that ultimately adopted by the Treasury Department, perhaps because the FEC's establishment loyalties include both Republicans and Democrats, whereas the Brady Treasury Dept. belongs entirely to George Bush.

Matching Funds Last Priority

The law itself prioritizes use of the federal funds, to give first preference to the major party nominating conventions, second to the general election campaigns of the major party nominees, and last to the "matching funds" program that fuels the presidential primary campaigns, and is open to all candidates who meet the legal qualifications. By current projections, the fund will be adequate to cover the first two priorities, but can meet only some 90% of the obligation to qualifying matching fund recipients.

The Treasury Dept. has now ruled that the entire projected cost of the party conventions and general election be set aside at the outset, leaving the primary election candidates to scramble for whatever crumbs are left. The FEC proposed that only a portion the start of the 1992 election cycle, the balance to be made up by the April 1992 infusion of tax dollars.

The critical issue, the FEC argued, was timing. Most primary candidates use most of their matching funds in the crucial first three months of the year, targetting the early primaries. By the Treasury proposal, now the law, these candidates may receive as little as 50% of their entitlement in this period, making up the difference to their ultimate 90% funding too late to be of use to most of them.

Impact of Ruling

The impact of the new ruling is not easy to predict. It may, as the FEC argued, discourage many candidates from running. Certainly, it can only help the presidential incumbent, who is far less dependent on the primary process and, as President, can rely on abundant, free press coverage which other candidates must pay for. By the same token, some presidential candidates may forego the public funds route altogether, and campaign solely with private contributions. While these are restricted to $1,000 per contributor, there is no limit on how much a candidate can contribute to his or her own campaign; publicly funded candidates cannot kick in more than

of course be a boon to wealthy candidates.

LaRouche Again a Target

At the same time, the most antiestablishment of all past and present presidential candidates, Lyndon LaRouche, has again become a target of those who refuse to accept the fact that he has repeatedly demonstrated the level of public support required to qualify for matching funds. On April 25, Bushman Sen. Mitch McConnell (R-Ky.) introduced an amendment which would have abolished matching funds altogether, calling LaRouche's past receipt of these funds a "disgrace."

In general, the former backers of the federal election act have been dismayed by the unanticipated result that the "reform" law succeeded in banishing the more obvious corporate and millionaire "fat cats," only to usher in the rule of special interest political action committee (PAC) money, particularly in the funding of House and Senate races. Now, it appears, the presidential campaign process is following the same pattern, and now is not only such "politically incorrect" candidates as LaRouche whose campaign finances are threatened, but even more, the electoral hopes of any challenger to the incumbent President.

tial, but the island [illegible] be submitted to a total naval blockade, and crushed within a few months by an all-out U.S. effort."

In the winter of 1980, there had been a "nuclear orchestration of public opinion against Cuba," coupled with mobilizations among Cuban exile networks with slogans like "Home Before Xmas." Starbwell had anticipated a move against Cuba by some time around 1982, before the crusade against Iraq propagated that. But given intelligence estimates that Castro is perhaps two years away from having a nuclear weapons capability.

It is now easy to imagine the hype that would erupt if some incident were to occur around the U.S. Guantanamo base in Cuba, or if big stories were to be splashed about "biological weapons plants" in Havana. Such provocations and propaganda, the world has learned the hard way, are not difficult to arrange. And should something wild happen, the first question that should be asked is, "Who benefits?"

[illegible] tax return. As the FEC has been warning for years, the fund is now unable to meet its expected obligations, through a combination of dwindling taxpayer checkoffs, and the effect of inflation on campaign expenditures, while the checkoff itself has remained $1.00.

The FEC, far from an impartial administrator of campaign finance laws, has from its inception been a creature of the political establishment, hostile to third parties, so-called "minor" candidates as LaRouche whose campaign finances are threatened, but even more, the electoral hopes of any challenger to the incumbent President, especially if he or she is a Democrat

[illegible] tribution there is no limit on how much a candidate can contribute to his or her own campaign, publicly funded candidates cannot kick in more than $50,000 of their own money. That would [illegible] tion be set aside at the outset, leaving the primary election candidates to scramble for whatever crumbs are left. The FEC proposed that only a portion of those costs would be set aside at

LaRouche Issues Program for Recovery

Continued from page 1

[illegible] play with regard to Eastern Europe, as the rest of the Triangular region of Europe with the greatest technological development.

Now, he has proposed which should startle Americans who have been indoctrinated with the dismal lie that the rich nations for the Third World is to accept their technological backwardness and simply reduce their population through enforced birth control measures, and by allowing famine and plagues to decimate their lands, unchecked.

[illegible] argument asserts that the only hope for the U.S. economy is to develop the Third World as a high technology market. The primary drive of the Bush Administration at present to the world economy, in order to get the needed public investment of productive [illegible] funds.

Then he says that it is necessary to make the engines work, applying it in the form of the greatest gains by expanding technology through the machine tool and related sectors into the area where the least amount of technological progress goes into the greatest gain, that is the Third World.

The developing nations' investment then is the market for the United States high technology exports. It is the role of growth for our export wealth which is the basis from a perspective. LaRouche has now put forward, providing that we are assisted by Germany and Japan which still have viable economies. These ideas are developed in a May 7 campaign release of Democrats for Economic Recovery, where LaRouche says:

"The United States is already, as a physical economy, in a condition relatively worse than it was early during the 1930s Great Depression. There is nothing left in the U.S. economy nine years after the events of 1982, which would permit a recovery from within the U.S. economy itself, even by aid of large amounts of foreign, i.e., Japanese, or West German investment.

Economy on Foreign Life Support

"The United States economy, from that standpoint, if those are the only assumptions operating, is already an incurable corpse. The failure to follow the warnings, notably, which I made in 1982, to carry out the policy changes which I proposed in 1982 and continued to propose through '84, has brought the U.S. economy to such a point that it is on a life-support system supplied by Germany and Japan principally, as well as other developing countries from which it is drawing capital, but an economy which cannot be taken off the life support system and expected to live. Therefore, as the life-support resources dwindle, the U.S. economy, as we have known it, will die, if that is the only consideration taken into account.

"The United States, within the Western Hemisphere, must promote a system of high tariffs, that is, in the sense of the Clay-Carey Whig policy against the Southern cotton-slave interests of the early 19th century, as well as against the August Belmont circles around New York City, and, as in Europe, promoted by Friedrich List of Germany, as in the Zollverein arrangement, which caused Germany's rise to economic power.

"Only by providing protection, can we restore a fragile U.S. industrial structure.

"However, obviously, the U.S. internal market does not provide a basis for U.S. economic recovery. That is the point. The U.S. internal market does not provide a basis for U.S. recovery. Therefore, merely protecting the U.S. industries with higher tariffs, while necessary to a recovery, will not, by itself, provide the conditions for a recovery. The United States needs a large area of exports in order to get a jump-start going.

"What is needed, is opening up the so-called Third World for high technology investments which make use of, inclusively, not only Japan and Western European capital goods, but U.S.-produced capital goods.

"We're talking about nuclear plants, we're talking about high-speed rail systems, we're talking about all other kinds of infrastructural systems: large-scale water-management systems, transport systems, power systems, so forth. All this sort of thing. The development of high technology small industries in these countries.

"Now, I'm in the center of this, obviously. The reason I've been targeted, the reason I was put in jail, was because I represented the policy I've indicated, and those who have the opposite policy, such as these circles around Bush, Kissinger, Scowcroft, and so forth, viewed me as an increasing danger, and my policies as a danger, as an annoyance they would no longer tolerate, for the sake of their policies. Now you see where their policies are taking us. Down toward fascist ruin.

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Little Time to Stop Yugoslav Civil War

Continued from page 1

Orthodox Church issued a joint appeal for peace on May 7. The appeal was issued on television, and apparently found deep resonance in both populations, who had suffered enormously during a horrible civil war from 1941-45.

The church intervention was followed by a fragile compromise by which both Serbs and Croats agreed to disarming paramilitary groups. In addition, the Serbian-run army dropped its demand for a state of emergency, which would have ensured civil war—and, in return, was allowed to stay as the occupying force in the Serbian-inhabited regions of Croatia.

It is impossible for the Serbian occupation to continue very long, however, without the re-eruption of conflict. Over the past few weeks the Serbian military presence was supplemented by the deployment of Serbian-controlled gangs, who have carried out a series of provocations.

The Serbian demand for control over all Serbian-populated regions of all Yugoslav republics, has been the prime mover behind the ethnic conflicts. The danger has been exacerbated by the fact that the joint army has also been controlled by the Serbian Jovic. This situation is scheduled to change on May 15, however, when the joint presidency, and thus the military command, will shift to the Croatian Stipe Mesic.

Geopolitics and Debt

While the Serbian chauvinists have been the prime instigators of the conflict, there is no way to understand the crisis from the inside only. The international financial authorities, the British, and the Soviets have all had a hand in fanning the flames of civil war. The Balkans have long been a cockpit of especially British intelligence operations.

Most overt has been the British establishment, which, through the London Times and Financial Times, expressed their interest in seeing the federal Yugoslav army take control of the country. The Financial Times editorial of May 1 put it this way: "Martial law will not win Yugoslavia many friends ... but it could allow the army ... Western governments and Yugoslavia's federal government an opportunity to create a political environment aimed at encouraging the country's leadership to establish an agenda for the future."

That agenda, the British have made clear, is to ensure that Yugoslavia is able to meet all its payments on its $25 billion plus foreign debt. At least one newspaper of a creditor nation has already noted that if Yugoslavia were to be transformed into a loose federation of otherwise independent countries, a large portion of the foreign debt would be lost to the Western banks.

Croatian president Franjo Tudjman precipitated the British "advice" when he visited London May 7 to request mediation in the internal crisis. Unfortunately, aid from the likes of Margaret Thatcher is not conducive to calming the situation.

As for the Soviets, their internal problems appear to have kept them distant from the Serbian provocations. However, Serbian opposition leader Vuk Draskovic warned May 7 that some elements in the Soviet military might attempt to exploit the Yugoslav crisis to intervene there, oust Mikhail Gorbachov as Soviet leader, and provoke a new confrontation with the West.

Draskovic argued that the Yugoslav crisis, should it become a full-scale civil war, would expand to Albania, Bulgaria, Italy, and Austria. Already on May 7 Austria's armed forces went on special alert status along its borders with Yugoslavia, in anticipation of possible conflict.

Economic Detonator

Yugoslavia has always been an unstable entity, due to its genesis as a superpower post-war deals. But the IMF conditions over years have greatly exacerbated this situation.

President Anton Markovic negotiated a deal with the IMF in December 1989. At that time inflation had reached something like 2,000% per year and unemployment was hovering around 20%. The further collapse of the Soviet economy since then, in addition to the Gulf crisis, has worsened conditions.

Making the situation even worse has been Harvard economist Jeffrey Sachs, who has served as an advisor both to the central government, and to the Croatian republic. Sachs is notoriously incompetent, with his promotion of radical free market measures such as mass firings, indiscriminate privatization, and prioritizing debt payments over decent human living conditions.

THE NEW FEDERALIST

"If history would overthrow the liberty of a nation, must begin by subduing the freeness of speech."
Benjamin Franklin

Nancy Spannaus, *Editor in Chief*
Alan Yue, Christina N. Huth, *Associate Editors*

THE NEW FEDERALIST *continues the tradition of New Solidarity in its dedication to reviving the American System of economics and politics. The American System of Franklin, Hamilton, and Washington defines the mission of the United States as to foster economic and scientific progress, the republican form of government, and the inalienable right to life for all peoples, both at home and abroad.*

New World Order: Old Rockefeller

If someone told you that the mass death you see all around the world on your television screen today could have been prevented, you would perhaps be shocked. After all, you might ask, who could have predicted such a "natural disaster" as the cyclone in Bangladesh, or civil wars in Africa?

Well, truth to tell, the situation on a global scale was totally predictable, and it was predicted by the movement associated with economist and presidential candidate Lyndon LaRouche as early as 1974. One could forecast then that, if the policies then advocated by the International Monetary Fund and leading international bankers like David Rockefeller were continued, the result would be global depopulation by means ranging from disease, wars, famine, or so-called natural disasters.

Look closely, and you will see that not only were those policies of usury, looting, and depopulation continued, but that the same policymakers are in positions of power. On the one hand, there are Henry Kissinger and Brent Scowcroft, the latter the NSC advisor for Bush, and the former a veritable eminence grise for George Bush. They enunciated a policy of denying credit to the Third World and reducing world population—a policy guaranteed to cause epidemics, starvation, and such disasters, and still in force. On the other, there is the private sector represented by the likes of David Rockefeller, which wants progessively more loot from the U.S. and Third World workforces in order to prop up their balloon of unpayable debt.

As early as January 1974, LaRouche associates identified the global plan of the Rockefeller-Kissinger crowd as an "emerging new world order" which amounted to a "program for world fascism." That new world order had already begun, based on three principal policies, and we quote:

"• the recycling of human beings in the U.S. and Europe,

"• the McNamara slave labor plan for the underdeveloped sector,

"• the complete integration of the Soviet bloc into the capitalist world economy.

"If we put together this picture . . . we are confronted with a terrifying plan to turn the entire world into one gigantic Auschwitz."

With the current push of David Rockefeller and Kissinger for setting up free trade concentration camps in Mexico (and elsewhere), and slashing wages in the U.S., who can deny that this world order is exactly what has emerged?

But when LaRouche and his movement warned of the consequences of Rockefeller's policies back in 1974, we also proposed the necessary alternative. We told the American population in particular, that there was nothing inevitable about this barbarism, if it was willing to stand up for moral principles on which an economy should be based.

There is no way we can avoid paying for our mistakes then—the unnecessary deaths are already happening. But with this coming presidential campaign we do have one last chance. It's time to stop the Rockefeller/Bush World Order.

Blood Money

Ask many Americans why we are in such bad shape, and they'll tell you we gave all our money away. Why, we gave it to Germany, we gave it to Japan, but most of all, we gave it to the Third World.

Such a response shows either dishonesty or willful ignorance.

The fact is that no matter how poor we are here, we could have been a lot worse off if we had not been looting the Third World (or underdeveloped world) over the past 15 years. As every professional economist in international institutions and somewhere have been saying, the poorest countries in the world have been subsidizing the industrialized countries, especially the United States.

The most recent statistics on this matter come from a [illegible] book based on statistics put together by UNICEF, entitled "Last Countdown"—a debate book about children and the debt crisis. The book looks at the cost of Paul Volcker's high interest rates, IMF conditionalities, the debt policy since 1982, the "free market religion" and the Reagan administration's policies in terms of lives, mostly children's lives.

While UNICEF's idea of the solution is not ours, our own studies have turned up precisely the same trend in figures, although a much larger subsidy.

• Since 1983 the rich North has been subsidized by the poor South—i.e., there has been a net transfer of funds from the poor countries to the richer ones.

• 42.8 percent of all the money that flowed into the U.S. to cover the enormous budget deficit throughout the 1980s came from the underdeveloped countries. Ibero America and the Caribbean supplied more than $100 billion, and Africa and Asia $180 billion.

• The cost of usurious debt payments alone for the Third World can be measured in the death of at least 500,000 children every year. This, however, is just a small portion of the 14 million children who died from diseases which have generally been eliminated in the industrialized countries.

In fact, the subsidy the Third World is providing to us actually is only a short-term masking of our own deadly collapse. To reverse the world depression, we must apply ourselves to industrializing the Third World, not looting it. That will simultaneously increase our wealth, and morality.

"They're the fastest growing units we've got!"

British humor?

Can you imagine the following conversation sometime after intensive bombing of London by Nazi aircraft during World War II:

CHURCHILL: Franklin, please send us aid immediately. Our cities are being destroyed. Our air defenses are useless against these Nazis.

ROOSEVELT: Gee, Winst, I thought you fellows didn't believe in aid. You know, old chap, stiff upper lip and all that. Just a few bombs aren't going to hurt anybody—much. Reduce the population a bit—good for us all. Isn't that what you British believe?

* * *

A few observations on current history in Washington:

the funnybone

D.C. from a modern Herodotus:

George Bush has a new program for urban improvements in the nation's capital. As soon as he completes his current program in guitar lessons, the assigned personnel will set fire to the relevant Washington, D.C. slums.

On the crime bill front, the little noticed feature of the crime bill includes the provision of hungry, man-eating hyenas for the Washington, D.C. stadium. George figures that the proceeds from the stadium will help defray the cost of law enforcement and help to put nationwide law enforcement and penal institutions on a self-paying privatized basis.

LETTERS TO THE EDITOR

On South Africa

To the Editor:

I enjoy reading [illegible] your publications and praise your ability to stand out for the truth. I honestly believe that your work is being inspired by God and urge you to continue despite all odds from the Thatcher Bush collusion.

Few questions and comments:

1. Why must U.S. support the obliteration of Iraq and not the liberation of South African blacks or Palestinians from Israel? The United Nations permanent members are nothing but cabal of zealots.

2. Why is it that Anglo-Americans and racist Britons cannot detect from extracting hatred from other races of the world, except only black people? The relationship is like that of iron filings and a bar magnet.

3. Why must Israel and South Africa objective governments develop nuclear warheads but no other Third World country can?

4. What's God to George Bush and Henry Kissinger [illegible] when they go to church and pray for unobtrusive genocidal attacks on the dark world?

5. The week ended 31 April and the child died in the morning, who does not know who killed the child? De Klerk of South Africa has succeeded in using his diabolical apparatus in creating problems amongst black factions so as to have a cogent reason not to liberate them.

6. Where is fairness to mankind? I guess the Bible should be changed from King James version to Georgy Bush version in order to accomplish the New World Order. We all know what is going on, but we leave it to the retributive judgment.

Sincerely,
Iyre Uwankaset
Africa/Texas

The Editor Replies:

I'm not sure De Klerk is playing the role you assign to him, but your condemnations of hypocrisy from Bush and U.N. are fully justified. Now, let us change the policy.

Banking Crisis

To the Editor:

There are over 250,000—possibly 300,000—Rhode Islanders who eventually will be driven to living on the edge of poverty—if money they deposited in the closed banks and credit unions is not soon released to them to pay every day living expenses.

The real reason for the closing of these banks is the voluminous drug trade in Rhode Island with the largest dope manufacture and storage center on the New England coast located many feet underground in two blocks opposite the Towers in Narragansett, Rhode Island. I-95 leading out of Narragansett is known as the dope conduit, but if anyone mentions this fact on talk shows, he or she is immediately cut off. Since 1960, Rhode Island has earned fame with the dubious title of the the cocaine capital of America.

Give some of the congressmen credit. Representative Gingrich of Georgia (Rep.) and Senator Gramm, Texas Republican each introduced bills which would certainly have slowed down the laundering of money by banks which is the backbone of the United States dope trade. These two bills—Gingrich no. 4079 2/22/90 and Gramm S. 2245 2/7/90 have been assigned to 8 committees and are still being studied! There is only one conclusion that the logical everyday working person can arrive at—our government does not want to interfere with the destructive drug trade in our country.

Representative Henry Gonzalez, chairman of the House Banking Committee, went to the heart of the matter in a recent speech on upcoming activity in his committee. Speaking about the attempts to cure the drug plague, Gonzalez said: "You can spend all of the wealth, all of the substance of this country, you can appropriate all the monies available, and you are not going to win the war on drugs until you plug the hole of those that are reaping financial benefit from the illicit drug trade. And that is many billions of dollars. And it involves banking institutions; it also involves highly placed members of our society. And until that is addressed, everything will be in vain."

The High Rollers of Rhode Island (the General Assembly and officials and favorite depositors and friends of the closed banks) have destroyed the lives of 300,000 Rhode Islanders (that is a third of the entire population of the state) and now it is the duty of the government officials of the state—or a referendum Citizens' Committee for Justice—if the elected officials refuse to do so—to expose these criminals and see that they pay for their evil deeds. Rhode Island is dying and the federal government has just refused to hold its hand as the death rattle begins.

Joanne Saydlowski
Falmouth, Mass.

What you can do:

- Call one of these offices today for information about LaRouche's plan to end the Volcker/Greenspan/Bush economic depression.
- Ask Operation Rescue to direct its militancy against the real killers of the unborn—the Volcker/Greenspan/Bush economic depression.
- Demand that the Federal Reserve Board and all commercial banks open their books to Congressional investigators.

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Culture

To the Editor:

"The Desacralization of Western Culture: Cowabunga!" I am a painter in the classical tradition and consider Lyndon LaRouche the only American of "statesman" stature. That he should be in prison tells all you need to know about the present state of politics in America.

I am trying to enter the Amy Awards contest by having a religious piece published in a secular newspaper. I cannot think of another newspaper that might publish the article I enclose. In the hope that you will offer it to your readers, I am

Sincerely,
Margaret E. Sinclair
Cooperville, Wa.

The Editor Replies:

I cannot run all of your article, due to space considerations, although I think the subject worthy. Here's about a third of it:

My six year old grandson looked up at me and moved his plastic, hybrid "turtle man" toy in belligerent gyrations and told me: "This is Leonardo." Since he was visiting me for the first time since he was born, I had not yet made the acquaintance of Leonardo, the Teenage Mutant Ninja Turtle or his fellow mutant crew: Michelangelo, Raphael and Donatello! I had however studied exhaustively the painting of the West which I taught in college for over a decade and knew precisely who Leonardo, Michelangelo, Raphael and Donatello were, and as a talented artist myself, I revered them as the highest members of the period in the Western tradition of painting and sculpture known as the Renaissance when the sciences of my chosen profession, fine Art, first came into existence: perspective, anatomy, the technique of mural painting and oil painting. Yes, I was surprised and dismayed to see Leonardo had mutated ... into a turtle humanoid! "Do you know who Leonardo is?" I asked my first grader in America. He looked momentarily baffled at the question, for he was just showing Leonardo to me, and obviously it was I who did not know who he was and not he. I was so appalled, I could not speak.

In the second definition of sacred in

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Editor-in-chief of
THE NEW FEDERALIST
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tion with the divine or consecrated; hence, entitled to reverence and respect, as: a sacred memory. As the names of these four greatest of Christian artists, Leonardo, Michelangelo, Raphael and Donatello are intimately associated with the Church of Jesus Christ, and these artists were employed throughout their lives by the Church to bring the gospel visually to the largely illiterate people who worshipped in the Church and public buildings of the 15th century in Christian Italian city states, where the old Greek artistic marvels put on the vestments and spirit of Christianity ... I submit that the Teenage Mutant Ninja Turtles are one more group of "artists" performing daily on the fount of iniquity called television which is desacralizing our culture.

Peace Policy

To the Editor:

Regarding security in the Middle East and an enduring friendliness:

Confidence in our American military forces has been attained. Has confidence in the negotiating process also been attained?

Demanded by the Pentagon are advanced weapon systems. Have worldly negotiators demanded advanced procedures for resolving conflicting interests and conflicting opinions?

Currently there exists a commonly held interest in the plant Earth's oil. Worldlings have imposed upon planet a system of boundary lines and nations. Frequently that system fails to satisfy these existing needs. The nationalistic systems backfire or boomerang!

The need for water, food, uranium, cash, oil, wood, etc., frequently is hindered by the notion of boundaries, sovereignty, and rivalry. Historically, worldly leaders have created basically needless problematic conditions and often try to resolve these conditions by way of bloody wars.

Planet Earth is probably laughing and weeping as it observes such human worldliness.

Sadly yours,
Louise Jansen
Columbus, Ohio

an unjust international monetary system that maintains scarcity and rivalries. I recommend you read LaRouche's program for the solution to the Middle East problem, available from his campaign committee.

Drugs

To the Editor:

The destruction of Iraq brings to mind your frequent advocacy of the use of the paramilitary police against drug dealers. While I understand the British drug policy and the need for thinking undrugged people to run the government for the people, I profoundly disagree with you.

The raid on Leesburg two years ago illustrates the true uses of the drug police. Dealers are just who they practice on. Sixty years ago they the revenuers were hunting both my maternal grandmother and paternal grandfather. The true issue here is taxation and monopoly by the liquor magnates.

The only moral position on drugs, if one opposes the liberty of getting high, which was our right in the common law, is to equally oppose the dealing in alcoholic beverages.

Further, if 10% of the people are resisting a law, you should reconsider it. If 20% of the people are resisting a law, abolish it. You can't have it both ways. Either the government is of the people or it isn't. If it is, then the opinion of the people, expressed through their courts, without the interference of the judiciary, is the organic law.

In summation, while your espoused policy is better than Bush's, it has obvious and fatal flaws, in not agreeing to the legal authority of the people to rule.

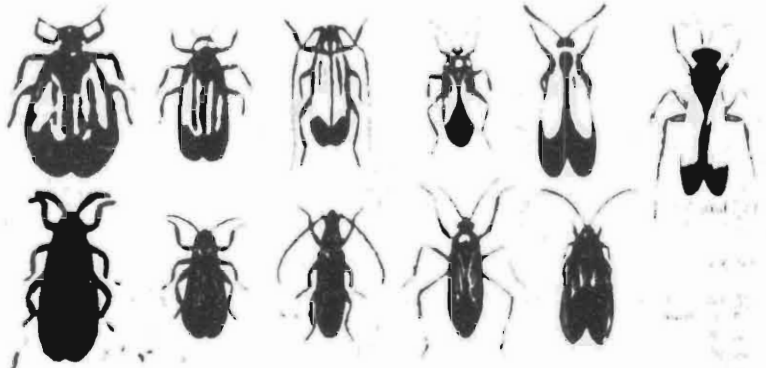
Sincerely,
Don Smith
Phoenix, Az.

The Editor Replies:

Our policy for a war on drugs involved sovereign agreements between states, bombing pot fields, and jailing drug bankers and big dealers. It certainly was nothing like our population war against Iraq.

As for your theory of what democratic government should be, we disagree. We are a republic, not a pure democracy.

Behind the News



An example of a transitive ordering among insect species known as Mullerian mimicry rings. Top, from left: the male and female of the Lycid beetle (*Lycus rostratus*), a Cerambycid beetle (*Amphidesmus analis*), the heteropteran *Lygaeus fureatus*, the lepidopteran *Neurosyphinea achreopenna*, the hymenopteran *Pompilus cupensis*. These insects all live in South Africa. The series at bottom shows a mimicry ring of insects found in Borneo.

Nature's Secrets Shown in Butterfly Taste

SCIENCE & TECHNOLOGY
by Lawrence Vardi

The clearest example of what biologists call Batesian mimicry has been challenged. By an experiment that most of us can insect-lovers could find a bit distasteful, two zoologists at the University of Florida (Gainesville) established that the viceroy butterfly, long thought to have survived by advertising the appearance of the inedible monarch, is itself inedible to its main predators, birds.

The system has the monarchs (David Ritland and Lincoln Brower) that the viceroys are rather than mimics of the monarch and of course the queen (both known as da

Batesian mimicry, named after Johannes Bates, an 18 the German physiologist and zoologist, is a richer and more interesting phenomenon than the Batesian type. It also has nothing to do to competition with Darwinian ideas of natural selection, or survival of the fittest.

Distinguishing Mimicry

The line of distinction between the two types of defensive mimicry is a bit fine, since they are still (naturally) confusing. Another example of the Batesian mimicry would be the *Limenitis* or Hoary, a handsome insect that closely resembles the lowly, and to therefore feared by most other animals. The Mullerian mimicry is more subtle.

An outstanding example occurs in South American insects of the families Heliconidae and Ithomiidae. "Looking at a collection case of these insects," writes the entomologist Adriano Zanetti, "it is easy to group them on the basis of wing pattern, as there are not many variations of coloration. However, a careful examination of specimens which seem the same will show little differences making two, three, or four different species. . . . At times the imitations are so complex that the naturalist cannot grasp their logic or give an objective explanation of the phenomenon."

Contrasting the two types of mimicry, Batesian and Muellerian, Zanetti writes that they "are not mutually exclusive but interact in series of similar species even belonging to different orders, which form what are known as mimicry rings" (see illustration).

This transitive ordering among and between species, families, and even orders, is now seen to be the law of the land for the common butterflies that hover in your summer garden.

The Experiment

To overturn the conventional assumption that the viceroys (*Limenitis archippus*) historically considered palatable to their predators, survive mainly by imitating the appearance of the monarch (*Danaus plexippus*) and queen (*Danaus gilippus*) which are thought to be unpalatable, scientists Ritland and Brower employed a technology familiar to supermarket shoppers. They toted out taste tests.

[illegible] were used as ecologically relevant predators. They are abundant year-round residents in Florida, include substantial animal matter in their diet, forage in marshy areas where viceroys and danaines occur and attack butterflies in the wild," they wrote in the April 11 article in Nature magazine that described their findings. "We presented only abdomens to the birds, thus compelling them to accept or reject butterflies based primarily on gustatory cues, rather than on wing pattern cues that they might have encountered in the wild. (Additional experiments demonstrate that in this system, the relative palatability of abdomens reasonably estimates that of entire butterflies.)

"When an abdomen was presented, we assessed the bird's reaction by recording a 'response score' . . . and if the bird ate the entire abdomen, the manipulation time (time elapsed between attack and swallowing)."

It turned out that the birds did not like the taste of the viceroys. "Only 6% of viceroys were totally eaten (compared with 98% of controls) and 35% were taste rejected after a single peck.

Birds commonly exhibited distress behavior (head shaking, excessive drinking, agitation) after tasting a viceroy abdomen, and abdomens that were eventually eaten were generally accepted very hesitantly by the birds, with a mean manipulation time nearly five times that of controls."

So much for the old idea that the viceroys taste good. Not only were they just as unpalatable to the birds as the monarchs, but other experiments showed that the monarchs, [illegible] the queens were more palatable than the supposedly [illegible] viceroys.

Major Insurance Companies Are Caught Cheating Medicaid

CLUB OF LIFE
by Linda Everett

Major insurance companies including Blue Cross Blue Shield, have been found once again to be involved in the ongoing theft of millions of dollars from the federal government's medical programs—this time, Medicaid.

Representative John Conyers, Jr. (D-Mich.), chairman of the House Committee on Government, released a Government Accounting Office report on May 7 showing that 45 states are ignoring a federal law requiring state Medicaid agencies to make private insurers pay for the health care costs of Medicaid recipients for which they are insured. While companies like Blue Cross Blue Shield skip paying the claims of Medicaid recipients who are covered by their private plans, state Medicaid programs, which are facing mammoth cuts around the country, pick up the tab instead—to the tune of more than $900 million.

Conyers explained the most common occurrence of duplicate coverage is the single parent family receiving Medicaid, who is also privately insured through the absent parent's employer.

Nothing New

This is not the first time insurers have been discovered in the criminal theft of government funds. A 1985 investigation revealed that Medicare, the government's medical program for the elderly and handicapped, actually paid out billions of dollars to cover services that the country's major insurers were responsible for. At that time, a Wall Street Journal investigation of six years of government reports showed that the Health Care Financing Administration, HCFA, the agency that runs Medicare and Medicaid, was told repeatedly of the overpayments but did nothing to stop them. Meanwhile, HCFA, blaming hospitals and physicians for "waste," so gutted Medicare reimbursement that thousands of hospitals and doctors went bankrupt.

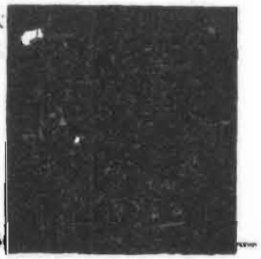
Incredibly, the major insurers who knowingly looted billions of Medicare dollars then, and Medicaid funds now, are the same companies the government contracts with (for hundreds of millions) to run Medicare/Medicaid.

New Rules Ignored

Congress instituted new rules in 1985 that had private insurers pay double on any claim they did not pay on time. However, the states made no effort to implement them. For instance, both California and Michigan alone have backlogged claims with potential insurer liability of $175 million. The states paid doctor and hospital bills of Medicaid recipients for which Blue Cross/Blue Shield is liable, but the states never forced the Blues to pay up. The Blues have not reimbursed Michigan for a single Medicaid claim since 1988.

Don't Let Webster's Quitting Let Him Get Off the Hook

INTELLIGENCE
by Jeffrey Steinberg



While the liberal press has been lavishing praise on outgoing Central Intelligence Agency director William Webster as the "Mr. Clean" who brought a rogue CIA back under control, regular readers of this newspaper know better.

As Jimmy Carter's Federal Bureau of Investigations chief (1978-87) and later as CIA director under Presidents Reagan and Bush, [illegible] Judge Webster was directly implicated in

Privatization Scam Enriches Only Bankers

POLITICAL ECONOMY

by Steve Parsons

[illegible] ago Carter's blue-blood heir George Bush announced the parallel domestic policy for the "new world order" he was about to unleash through the coming Gulf war. It was dubbed the "New Paradigm," the dawning of a new age in America in which "the corrupt bureaucratic welfare state," mired in the failures of the Great Society and New Deal, is to be replaced by a "restructured government."

The cornerstone of the New Paradigm is privatization, the shift from publicly to privately produced goods and services. According to Fred Fleer, head of Princeton University, its advocates have called for privatizing virtually all governmental functions, from public schools and parks to infrastructure and social services.

But as government programs and services do indeed have unbearable and worsening problems, these failings are aggravated by depressed domestic collapse in revenue, lack of capital, astronomical interest rates and social disintegration. Under these conditions, privatization or contract services can generate profits only through even more severe reductions in services, higher fees, and austerity measures against the labor force.

But while the bare sheets crumbling amid [illegible] prospect for [illegible] normal growth through [illegible] corporations see privatization as a chance to [illegible] the public trough. [illegible] after highly dubious short-term [illegible] to the shot cost-cutting gospel, are paying more than ever in most communities and service supplements.

[illegible] the biggest benefits from privatization are reaped by the banks.

Free Market Loot for Banks

The [illegible] of government is already a [illegible] business. According to a recent study by the Reason Foundation, a radical free enterprise think tank, in the last five years privatization has taken off around the world. Since 1980, [illegible] of state-owned enterprises have been privatized, led by the British, who have sold everything from their airports and [illegible] to their electricity distribution plants. The British are realizing savings ranging from 10-[illegible]%.

In the United States, according to one survey, [illegible]% of city governments, driven primarily [illegible] governments, have already privatized [illegible] services in order to "cut costs" and "improve efficiency"—from selling off sports stadiums to contracting out garbage collection. And more than [illegible]% have imposed or raised user fees.

In addition, a survey of the agencies privatized in the U.S. & shows that they have resulted in [illegible]% of the workforce being fired, and a full [illegible]% of the workforce being rehired at lower wages.

New Swindle: Asset-Recycling

The way privatization works is that the state "sells" an asset—a prison, a highway, a racetrack, anything it owns—to a state agency whose budget is entirely separate. To "pay" for the asset, the agency floats long-term bonds or debt issues, and then deposits the proceeds into the state's treasury or general fund. The general fund gets an overnight influx of cash, the state's budget deficit miraculously drops, and there is no new debt on the state's books. The state then "leases" back the asset from the agency at the cost of the debt service, and pays the operating costs as usual.

On April 1, reports Business Week, New York Gov. Mario Cuomo announced that for $200 million, the state had sold Attica prison to the Urban Development Corp. (UDC), a state agency, which paid for the purchase by floating bonds taken up by the investment banks. That was only the last deal for FY 1991, which ended on that day. Throughout the year, Cuomo had quietly sold state assets to various agencies for $1.9 billion to partially paper over New York's yawning budget deficit.

These schemes aren't just asset-stripping; they are asset-recycling, in which assets serve as the basis for monetizing new levels of debt, all guaranteed by government. This pyramiding is to be taken out of the hides of taxpayers, users of state services, and labor.

Over the life of these bonds, the debt service will add up to at least double, triple, and even quadruple the amount the state received from the asset sale—a tidy subsidy for the desperate banks on Wall Street. For the $200 million from the Attica sale, the state will have to pay nearly $600 million to bondholders over 30 years. For the sale of the Cross Westchester Expressway to the New York Thruway Authority for $20 million, the state will have to pay $70 million over 15 years.

Slave Labor Business

Further, after the initial cash fix, the state is immediately saddled with ever-higher debt payments in each year's budget. To try to meet such payments, agencies will almost immediately begin to make the "asset" pay for itself.

That means that highways and bridges will have more and higher tolls, and user fees will dominate all forms of services. Prisons will have to become more "self-supporting"—i.e., prisoners will be worked harder with fewer "amenities" and poorer food to cut costs.

When states and their agencies can't pay for the debt and operation of their institutions and services, the next step is actual privatization—that is, to sell the institutions to private business or to contract out services. The cash would go to the state, which would guarantee the new debt or loan, and use the cash to pay *off* some of the old debt.

This is Third World "debt *for* equity" looting brought home. Only the banks profit.

[illegible] Photo Corporation

Privatization—a new bankers' scheme for looting the economy—adds hundreds of millions of dollars to the price tag for operating prisons, other public institutions, and infrastructure assets such as highways. Above, the Cross Westchester Expressway in New York.

Webster was directly implicated in some of the most serious crimes of the past 15 years—including murder, the coverup of drug trafficking, and the obscene political frameup of American statesman Lyndon LaRouche.

While Judge Webster may be formally leaving the government, there is no excuse for allowing him to get away with the crimes he either carried out or condoned during his tenures at FBI and CIA. A thorough probe could land the ex-federal judge behind bars.

Get LaRouche Strike Force

• Readers of New Federalist are probably most familiar with Webster's pivotal role, along with his FBI deputy, Oliver "Buck" Revell, Henry Kissinger and the Anti-Defamation League, in initiating the Get LaRouche Strike Force inside the federal government. At the July 1982 Bohemian Grove secret gathering in California, Henry A. Kissinger met with Webster and solicited his collusion in destroying the LaRouche political movement. Webster was still head of the FBI when an army of federal agents raided the LaRouche movement's headquarters in Virginia in October 1986.

But Webster's activities against LaRouche started much, much earlier: he was named in a federal lawsuit by LaRouche, **LaRouche v. Webster**, which claims civil rights violations and has been ongoing since the mid-1970s.

• Besides targeting LaRouche, Webster, as FBI director in July 1980, gave license to Iranian assassins to murder a leading anti-Khomeini activist near Washington, D.C., Dr. Ali Tabatabai, who was gunned down by a hired Khomeini assassin—after FBI headquarters had been warned of a likely attempt against Dr. Tabatabai's life. The killer escaped to Teheran and has never been brought to justice.

• Also in 1982, while head of the FBI, Webster presided over the coverup of extensive evidence from the Miami Police Department that leading figures in the Nicaraguan Contra movement were financing arms purchases through cocaine and marijuana trafficking in the U.S. According to former U.S. intelligence sources, Webster was personally aware of illegal arms shipments to Iran, but covered them up.

His track record did not improve when he transferred to the CIA. For three and a half years, Webster has systematically covered up the role of CIA personnel in facilitating the bombing of Pan Am Flight 103 over Lockerbie, Scotland, in December 1988, in which 270 people died.

All these crimes and more occurred on Webster's watch. He should be made to answer for those actions.

[illegible] Photo Corporation

William Webster

Environmentalists Have Killed Millions of People Every Year

CRIMES OF THE ENVIRONMENTALISTS

by Marjorie Hecht

The biggest crime of the environmentalists is murder. While media reports focus your attention on how many parts per trillion of pesticide might be on your vegetables, or how many cute dolphins are caught in tuna nets, the truth is that the policies promoted by the multi-million dollar environmentalist industry kill people—millions of people—every year.

Seven years ago, one of the top entomologists in the United States, J. Gordon Edwards, stated bluntly: "Directly or indirectly, 100 million people per year are dying as a result of the anti-pesticide campaign by environmentalist groups in the United States."

Millions more, Edwards said, were suffering from diseases such as malaria and malnutrition that could be prevented with [illegible] mosquitoes and produce more food.

Today, that human toll has increased to numbers that were unimaginable even seven years ago, and new hoaxes promise even more killing. The phase-out of CFCs because of an alleged ozone hole is only one example. The refrigeration industry, the most prominent user of CFCs, says that the ban will collapse the worldwide refrigeration chain, causing the death of an additional 20 to 40 million human beings yearly, by starvation and food-borne diseases.

But radical environmentalists like Earth First!'s founder, Dave Foreman, want more. "We humans have become a disease...the Humanpox," Foreman says. Another Earth Firster, Robert F. Mueller of Staunton, Virginia, says "The human race is a failed species that isn't going to be around for very long." Mueller told a reporter for Newhouse News Service that he would be among those plotting man a demise if he were a biologist and not a geologist.

In reality, the murder is already go-

Support Helga Zepp-LaRouche's Call to European Governments With Your Signature

The following call by Helga Zepp-LaRouche was released May 10, 1991 in response to the appearance of Pope John Paul II's new encyclical.

For a New Just World Economic Order

We are living at this moment through a catastrophe in the developing sector so dreadful that it staggers our power of comprehension. In Bangladesh, beyond the 300,000 victims of the cyclone, a further 5 million Bengalis are threatened by death from starvation and epidemic disease. In Iraq, death stalks at least 5 million people as a result of the destruction of infrastructure by "precision bombing." In Africa 30 million people have been stricken by a catastrophic famine. And in a three-digit number billions is put invested in infrastructure and disease-control measures, the shocking epidemics will not be brought under control and 120 million people will get the disease and more than 1 million will die.

The boundless suffering which now is afflicting hundreds of millions of individuals is not the result of unavoidable natural catastrophes, but is the consequence of the policies of the International Monetary Fund (IMF), which has prevented urgent investments in sanitation, health care, water management, and protective structures against disasters, as well as in infrastructure, agriculture, and industry, through its genocidal loan "conditionalities."

The international relief organizations have nearly come to the end of their resources. The scale of aid requirements has reached dimensions *which far surpass the level of catastrophe relief available up to now.* Yet it must be clear to every reasonable person that Europe or Japan cannot be islands of happiness and prosperity, while the rest of the world sinks into a frightful holocaust.

There is only one way out, and that *lies in immediately implementing the new encyclical Centesimus Annus of Pope John Paul II and building a just new world economic order.*

The encyclical says: "But it will be necessary above all to abandon a mentality in which the poor—as individuals and as peoples—are seen as a burden, as irksome intruders trying to consume what others have produced. The poor ask for the right to share in enjoying material goods and to make good use of their capacity to work, thus *creating a world that is more just and prosperous for all. The advancement of the poor is a great opportunity for the moral, cultural, and even economic growth of all humanity.*"

Later, it says, "The Western countries in turn, run the risk of seeing this collapse [of socialism] as a one sided victory of their own economic system and therefore failing to make necessary corrections in that system. Meanwhile countries of the Third World are experiencing more than ever the tragedy of underdevelopment, which is becoming more serious with each passing day."

The encyclical points out that today the situation of people in the developing sector is comparable to the situation of the working class of 100 years ago, when the first social encyclical, *Rerum Novarum* appeared, and that they must be accorded the same rights which today are normal in developed nations.

To be sure, the Pope adds that the Church "has no model to present" of its own, and that "models that are real and truly effective can only arise within the framework of different historical situations through the efforts of all those who responsibly confront concrete problems in all their social, economic, political, and cultural aspects as these interact with one another."

Yet such concrete models are on the table. For the past two decades, the American economic thinker Lyndon LaRouche has elaborated comprehensive development programs which make it possible to begin putting a just new world economic order into practice. Among them are the Europe-wide infrastructure program of the "Productive Triangle" for Eastern Europe and the Soviet Union; the Oasis Plan for the Middle East; an infrastructure program for Africa; a 40 year comprehensive development program for India; a 50 year comprehensive development program for the Pacific Ocean Basin; and the Ibero-American continental development plan called "Operation Juarez."

We call on the European governments to begin at once the implementation of the program of the "Productive Triangle" as the locomotive for the world economy. Europe can and will be no island of prosperity; rather, it has a great historical and moral responsibility, and must now contribute its potential to prevent the further ruin of humanity, and to help to develop a world *in which all the people on* this planet can live according to the inalienable human dignity bestowed upon them by natural law.

HELGA ZEPP-LAROUCHE addresses a meeting of the Patriots for Germany party during a 1988 election campaign in the city of Dortmund.

[illegible] TO AMERICA. German political leader Hartmut Kramer presents the plan for European [illegible] at a Washington, D.C. press conference May 9, following his national tour.

More Steps toward East European Development

In the [illegible] while the Pope called for East-[illegible] construction and advocates of [illegible] Productive Triangle' plan tour of the U.S., [illegible] steps in that direction were taken in Germany and Czechoslovakia.

In Czechoslovakia, which has proposed a West European $10 billion "Marshall Plan" for East Europe (known as the Dienstbier Plan), an important change has taken place in the government of Slovakia, one of the two parts of the Czechoslovak nation. A new Prime Minister was elected. Jan Carnogursky, leader of the Slovakian Chris-

Implement the Encyclical "Centesimus Annus"

☐ I support this call with my signature.

☐ The Schiller Institute may publish my signature in newspaper advertisements with this call.

☐ I would like to know what else I can do.

Signature _____

Address _____

_____

Send to:
The Schiller Institute P.O. Box 66652 Washington, D.C. 20035

Church Will Fight for Economic Justice

Germany and Czechoslovakia.

The German government has now passed the full emergency law mandating very rapid construction of 17 major new transportation projects centered in eastern Germany, and concentrating on high speed rail lines, new inland canals and highways. The law establishes a 5-7 year period for the completion of the new transport infrastructure, proposing to spend nearly $40 billion in current dollars to that time.

Germany is negotiating economic cooperation treaties with Poland and Czechoslovakia on a priority basis.

of the Czechoslovak nation. A new Prime Minister was elected: Jan Carnogursky, leader of the Slovakian Christian Democratic Movement and a former political prisoner before the 1989 overthrow of communism. Carnogursky is a strong opponent of the insane austerity policy of the International Monetary Fund (IMF), which has been as destructive of the economy as communism was. He supports industrial development and integration with the rest of Europe in economic growth. He strengthens the opposition to Finance Minister Vaclav Klaus, the IMF's "enforcer" in Czechoslovakia.

High-Speed Trains Planned for Midwest

by [illegible]

[illegible] MAY 20, 1991 (EIRNS)—In recent weeks, U.S. infrastructure planners have been turning feasibility studies that show high-speed trains are fast becoming a necessity to our crowded industrial corridors.

In particular, the area around Chicago, Ill. has become a focal point for several of these studies. Besides a proposal made a few years ago to run a high-speed train from Los Angeles to Las Vegas, at site of Disney World, to the Chicago area that trains would not be a mere extension. Rather they would be used, in part, to alleviate pressure on the overcrowded Chicago airports, and also to lessen travel time from Chicago to major Midwest population centers.

Midwest Proposals

The Chicago proposals would link this industrial hub with Minneapolis through Rockford, Ill., and La Crosse, Madison, and Milwaukee, Wis. Also in the planning stages is a fast train from Rockford, Ill. to downtown Chicago with stops at O'Hare Airport and the Rockford airport. A third proposal would link downtown Chicago and O'Hare Airport with Midway Airport and its airport, General Mitchell Field.

An engineer working on the plans being drawn up by Transportation Management Consultants, Inc. of Great Falls, Va. and Alfred Benesch and Co. of Chicago, Ill. explained that Chicago now has two airports that are heavily travelled and a third airport is being planned by the mayor's office.

Putting a high-speed rail line from the Rockford airport to Chicago would put both airports approximately 30 minutes away from downtown Chicago, and could make the proposed new airport on the south side of Chicago unnecessary for the time being. The underutilized capacity of the existing airports could also alleviate congestion of the two existing Chicago airports.

Planning and Feasibility

The studies being carried out also examine three different kinds of technology and their feasibility. Currently under serious consideration by upgrading the [illegible] locomotives to [illegible] trains (maglev) which run at 300 mph.

It is the maglev technology that U.S. Democratic presidential candidate Lyndon LaRouche says must be used to pull the United States and the world out of the current depression.

LaRouche is the author of the "Triangle" program for European infrastructure development, that has become a major topic of discussion in Europe. LaRouche's proposal depends heavily on improved transportation infrastructure, including widespread use of high speed rail transportation for both passengers and freight.

The "Triangle" program, if carried out according to LaRouche's ideas, could become a locomotive of a worldwide economic recovery, and could help "jump start" the U.S. economy with an infusion of capital goods that are no longer produced for even capable in the short term of being produced in the U.S.

'Triangle' Program a Model

According to the Triangle program, the key to an economic recovery is the upgrading of major infrastructure in the triangular area among Paris, Berlin, and Vienna, especially connecting eleven key industrial areas defined by this triangle, using maglev trains. Corridors would branch off from this "triangle" to cities in eastern Europe, Russia, the Middle East, and Africa through Italy and Spain.

LaRouche's program can and should serve as a model for those interested in an economic recovery in the U.S., and most emphatically for those who are seeking to rebuild the Midwest transportation corridor.

Church Will Fight for Economic Justice

by Paul Gallagher

Papal encyclicals about the poor and oppressed of the world should not be mistaken to be merely calls on governments to act, or complaints to governments about injustice. Some believe that when the Pope speaks about economic morality and dignity for the poor of mankind, he is expressing "impractical sentiments" not meant to be carried out. We urge them to get John Paul II's new encyclical (Centesimus Annus, or "100 Years") and read it carefully.

In this encyclical, the Pope makes it clear that the peaceful revolutions which overthrew communism in Eastern Europe in 1989 and 1990 were a conscious objective which the Church has been striving for since at least the formation of Solidarnosc in Poland in 1980. The clear message of "Centesimus Annus," is that this peaceful revolution must lead to economic reconstruction and fulfillment of a moral purpose for those peoples—Poland, Czechoslovakia, Hungary, the Baltics and others still fighting—and that the same peaceful revolution must liberate the Third World nations from debt slavery and genocide.

The Pope, through the encyclical, is seeking to mobilize the church around these objectives and to find allies outside the church to engage in this peaceful revolution, to put the economic solutions on the table and fight for them.

Pope Claims a Victory

In the encyclical's "Chapter 3: The Year 1989," the Pope says of the Eastern European revolutions: "the Church affirmed clearly and forcefully that every individual ... bears the image of God and therefore deserves respect. Often the vast majority of people identified themselves with this, and this led to a search for forms of protest and for political solutions more respectful of the dignity of the person. From this historical process new forms of democracy have emerged. ... Together with the whole Church, I thank God for the often heroic witness borne in such difficult circumstances by pastors."

Thus making clear that the Church intended to make these peaceful revolutions, John Paul II goes back further, to 1980: "It cannot be forgotten that the fundamental crisis of (communist) systems began with the great upheavals which took place in Poland in the name of Solidarity. ... It was they who recovered and rediscovered the content and principles of the Church's social doctrine."

"The events of 1989 are an example of the success of the Gospel spirit in the face of an adversary determined not to be bound by moral principles."

And then, in a clear warning to the "triumphant" Anglo-American "free-market" ideologues who claim the collapse of communism gives the right to rule the world, the Pope concludes, "These events (the Eastern European revolutions) are a warning to those who, in the name of political realism, wish to banish law and morality from the political arena."

While some pundits at first made the absurd claim that this encyclical was endorsing "free market" ideology, one of those who heard the Pope's "warning" was the free market ideologue and International Monetary Fund hatchetman of Czechoslovakia, Finance Minister Vaclav Klaus. "The Pope," Klaus blustered in an interview, "has made people choose between him and Adam Smith, and they will choose Adam Smith."

Adam Smith, 18th-century inventor of the "invisible hand" doctrine defending usury, is well named as the Pope's target now. The Pontiff insists that Eastern Europe, far from being left to its own devices to "learn the ways of the market," must be rebuilt with the combined aid of all the other European countries, and that it is even more important to save the Third World nations in what will rapidly become the rallying cry of this encyclical. John Paul starts a mobilization to defer and cancel outright the debt of Third World countries, which is leading to genocide: "hunger and despair for entire peoples."

Hampton Students Snub Bush; Bush Attacks LaRouche Again

by Anita Gallagher

May 13 (EIRNS)—President Bush was rebuffed yesterday as Hampton University's commencement speaker by a majority of the 1023 graduates. An unnerved Bush responded to their disapproval of his civil rights policies with his second bizarre attack in less than a week on his critics, an attack which seemed pointed in particular at 1992 presidential candidate Lyndon LaRouche.

Well over half of the Hampton graduates refused to stand when Bush entered to strains of "Hail to the Chief." An estimated half of the students and their parents raised their hands in a clenched fist salute at some point. Applause was faint to none, while gasps and boos were audible throughout. Bush received his honorary law degree and left immediately, without handing out diplomas.

Bush, aware of protests against his selection at least since March, changed his topic at the last minute from civil rights to trade issues, focusing on his North American Free Trade Agreement. Bush spokesmen have stated the United States is finished un-

Bewildering his audience, Bush claimed, "Unfortunately, some of the opponents of free trade have resorted to slurs against our Mexican neighbors." Among opponents of the free trade pact with Mexico, only LaRouche's movement has taken that fight to college campuses, including Hampton University.

Today's **Washington Post** reports, "The President did not explain his assertion that opponents of the U.S.-Mexican free trade agreement were using appeals to prejudice to block the pact. ... White House officials said advertisements placed by opponents used such tactics, but said they could not provide specific examples today."

What did happen, is that Lyndon LaRouche and Executive Intelligence Review documented Bush's own very public support since 1989 for racial population reduction policies directed toward developing nations like Mexico.

Last Week: 'Political Extremists'

Bush made a similar deranged attack on LaRouche in his commencement speech at the University of Michigan at Ann Arbor on May 4, where

A SCHILLER INSTITUTE PICKET LINE participant is interviewed by the local CBS TV affiliate before President Bush's commencement address at Hampton University in Hampton, Va., May 12. The Richmond Times Dispatch reported that the demonstrators called for the release from prison of "political activist LaRouche [illegible]

expression of ideas on U.S. campuses, ... imposed the label "political extrem[illegible] ... on Lyndon LaRouche like a first

publican Hampton University President William Harvey, shared a theme in their addresses to the graduates: money talks. Harvey first told the students something not to be found in any Martin Luther King speech: "Economic prosperity will take you farther than a political or social agenda." Bush advised, "The world no longer operates on superpower confrontation, but economic competition."

When Bush spoke of "brotherhood in the new world order," including social programs designed to stop the poor from being dependent on government," the crowd's groans could be heard on television. When Bush advocated a cut in capital gains taxes to the minority audience, the crowd started whispering and chuckling.

The Student Government's flyer attacked Bush's attempt to buy Hampton, and use it as a springboard to minority votes in 1992. "Though the president has given money to black colleges, we feel that we should only honor any person who has benefited the entire African-American community and not just its wealthy and most fortunate. ..."

Great morning at the White House

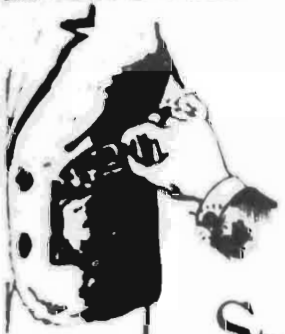
THE NEW FEDERALIST

DOUBLE ISSUE

Volume V, No. 47 | National Newspaper of the American System | November 25, 1991 | ONE DOLLAR

Bush's Pals Steal Your Pension

PART 2



LaRouche Opens '92 Presidential Run With 7 Million Leaflets

by Rob Elmstedt

Nov 19 (EIRNS)—On Monday, Nov 18, Democrats for Economic Recovery LaRouche in '92, the presidential campaign committee of Lyndon LaRouche, filed for federal matching funds. The campaign met[the] requirement of raising $5,000, in amounts not exceeding $250, from at least 20 people in each of [the] states.

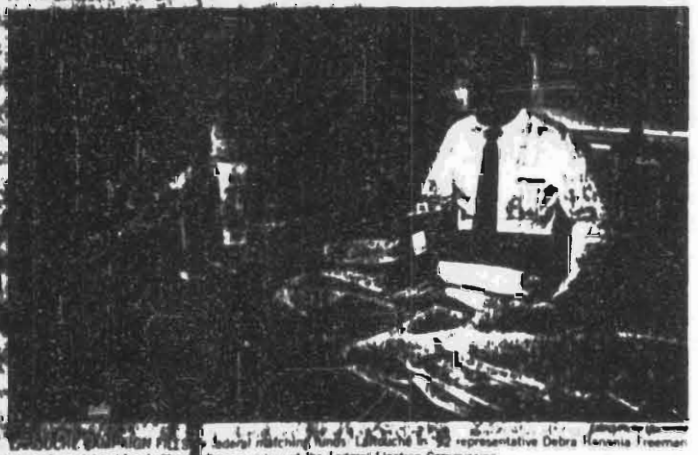
LaRouche in '92 filed contributions for 22 out of the 30 states filing consisted of more than contributors, demonstrating broad-based support LaRouche throughout the country.

The submission will be by the LaRouche campaign to thousands of volunteers week beginning Nov. 18 tion of 7 million campaign ment. The leaflet, titled going to save the people tion," explains the candidate's measures which must be the United States if not into the 21st century.

Political Prisoner

LaRouche is running for President from [the] Federal Prison Center in Rochester, Minn., where he has been unjustly incarcerated since January 1989. LaRouche, Presidential candidate, Democratic primary funds, LaRouche for President, Box 6010, Leesburg, Virginia 22075. Checks should be made payable to LaRouche in '92.

LaRouche ran for President in 1976, 1980, 1984, and 1988, with consistently record votes for the presidential candidate.



Federal matching funds LaRouche in '92 representative Debra Hanania Freeman Raymond Lutz of the Federal Election Commission.

Bush Wants GATT Food Cuts; Hunger Facing Millions

by Suzanne Rose

Nov. 18 (EIRNS)—Even as Russian Federation President Yeltsin [was] to Bonn this week to request emergency food assistance for the republics of the former Soviet Union, European Community Commissioners are furiously negotiating to cut agricultural production in this they are bowing to the demands of Western bankers for "budget austerity," and to the U.S. government's insistence on a GATT (UN General Agreement on Tariffs and Trade) deal before the end of the year.

If they slash food production more people will starve.

[...] summit with President Bush Nov. 9-10 at The Hague.

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Panicky Bush Mimics Herbert Hoover More

[...] economy and, really to believe, [...] new era of prosperity for the American people. Yes, we've got some short-term problems here. But you'll be coming out of that.

"If we do our job right and don't burden the economy with old quick fixes that have appeal [...] I think

"George [...] along with [...] are all dropping [...] charts [...] nearly the same [...] as they did in Hoover's day. Everything from [...] disturbing [...] rates, however [...]

...EAR's efforts are backed by a network of key supporters, including Michael Milken-linked raiders many with ties to organized crime insiders who are

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...of the World Bank and International Monetary Fund. That, and his on...

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If both of us do our jobs, 1992 will mark a new beginning for American ...with the fundamentals in place for the best growth we've seen in ...pression and escalating bankruptcies ...in their near futures.

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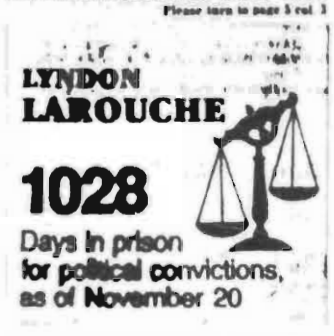

Pottinger Tapes Could Solve 'October Surprise'

by Edward Spannaus

WASHINGTON, Oct. 16 (EIRNS)—Gary Sick, a former Carter National Security Council aide and author of the controversial new book on the "October Surprise," called for the release of the FBI surveillance tapes of the late Iranian arms dealer Cyrus Hashemi in a Nov. 12 interview on National Public Radio. This news service has for many years emphasized the importance of these tapes, some of which have been "lost" by the FBI—as the key to solving the "October Surprise" mystery.

If there was one document I would want to get, it would be the documents relating to the surveillance of Cyrus Hashemi," said Sick. "The Carter administration ordered it, and he was under total surveillance from Oct. 14, 1980 until the Reagan administration lifted the surveillance on Feb. 13, 1981. Those tapes and records of the surveillance have never been made public, and they are in the FBI files and I think they would be absolutely fascinating to listen to and to read and to know what they said."

Hashemi-Pottinger Talks

The Hashemi tapes would document the role of one of the most important—but hidden—actors in the secret arms for hostages deal: former Justice Department official J. Stanley Pottinger. According to court papers, Pottinger was overheard on the tapes advising Cyrus Hashemi and others on how to ship military equipment to Iran, in violation of the U.S. arms embargo which was in effect during the Iranian hostage crisis. The tapes cover the weeks leading up to the November 1980 presidential election, as

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Dominican Rights Groups Demand New Trial for LaRouche

Nov. 13 (EIRNS)—A coalition of 13 human rights organizations in the Dominican Republic today delivered to American Ambassador Paul Taylor a letter which noted that a number of people in the United States have been imprisoned after "being falsely accused, unjustly condemned, or denied human rights and fundamental freedoms. That leads us to suggest, or recommend," the letter continues, "that an investigation be undertaken of the case of Lyndon LaRouche, and that it be reviewed and given special attention as demanded by international public opinion.

"We request a new, impartial trial, before judges with a high sense of duty, without interference for reasons of state or government. That judicial impartiality should be transparent in its implementation, and solely in obedience of the law. The court should recognize the primacy of the essential human rights of each person without regard to their beliefs, race, religion, nationality, etc.

"Our organizations are actively involved in this individual case because we believe that human rights are an integral part of our responsibilities, which is why we demand an equitable and just treatment for Lyndon LaRouche, based not only on the laws and the Constitution of the United States, but also on the international civil, political, economic and cultural treaties, regional conventions, and the Universal Declaration of Human Rights, all of which have been ratified by the United States government, and which obligate it to respect the dignity and the value of every one of its citizens."

The letter is signed by German Miranda Villalona, General Coordinator, on behalf of the American Association of Jurists; Dominican Chapter; the Latin American Council of Churches; the Dominican Human Rights Committee; the Council for the Defense of Legal Rights; the Dominican Center for Legal Assistance and Investigation; the Institute For Comprehensive Legal Assistance; the Center of Women Legal Services; the Legal Training Groups; the Center for Ecumenical Planning; the Youth Ministry; the Caamano Foundation; the Committee for the Defense of Neighborhood Rights; the Participative Community.

Dr. Villalona also sent a telegram to George Bush calling for "an investigation of the charges of persecution against the American politician and economist" LaRouche.

Sacrifice of Vukovar—Croatians Still Resist

by Umberto Pascali

Nov. 19 (EIRNS)—Today, when the international media announced that the Serbians had taken the Croatian town of Vukovar, most of its defenders were still fighting in the central fortified Mitnika area, near the banks of the Danube River. Vukovar had been under attack and siege for 86 days, with one-third of the Yugoslav Army concentrated around the town. Yet the Army, once considered one of Europe's most powerful, couldn't break through.

Now the media are talking about a Serbian victory and a "big blow" to Croatian morale. The truth is the contrary. Vukovar has become a household word in many countries, and the Serbian-dominated Yugoslav Army is demoralized. With its sacrifice, the town succeeded in blocking a large part of the Army's power for three months. The Greater Serbians led by Milosevic, with all their weapons, tanks and soldiers, could not take it.

According to Croatian General Anton Tus, the concentration of Serbian forces in the area was a blunder. "Militarily, it was a mistake. They could have gone straight

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FUSION: THE POWER SOURCE OF THE FUTURE

Breakthrough in JET Fusion Machine

by Carol White

Nov. 15 (EIRNS)—For the first time in history, a fusion power machine, the Joint European Torus (JET), located in Culham, England, has produced enough energy to light 20,000 100 Watt bulbs, over a period of two seconds. By using tritium, 2 megawatts of energy were produced, at a cost of the 15 million watts of electricity needed to start the fusion process.

This is not yet what is called scientific breakeven—the point at which a fusion reactor produces more energy than it needs to start the reaction—but it is expected that by 1995, JET will be at 80% of breakeven.

Up until now, tokamak fusion machines like JET used only heavy water (deuterium oxide), and could only accomplish the fusion of the deuterium nuclei in minuscule amounts. The difference now is that JET has added tritium to the fuel. Both deuterium and tritium are isotopes of hydrogen—deuterium is hydrogen with one added neutron in its nucleus, and tritium with two neutrons added.

How Fusion Works

Fusion takes place when two nuclei combine to produce a new nucleus. When a deuterium nucleus combines with another deuterium, then the product will either be tritium plus a proton, or helium 3 plus a neutron. A helium nucleus has two protons and one or two neutrons. When deuterium and tritium fuse, they produce helium 4, with two protons and two neutrons, and they emit an extra neutron. The dynamic energy of the neutrons emitted is converted into heat energy.

JET proved it could be done. Over the past two decades, Lyndon LaRouche has made development of fusion energy a centerpiece of his anti-Malthusian economic development programs. Without such a new energy source, at some point

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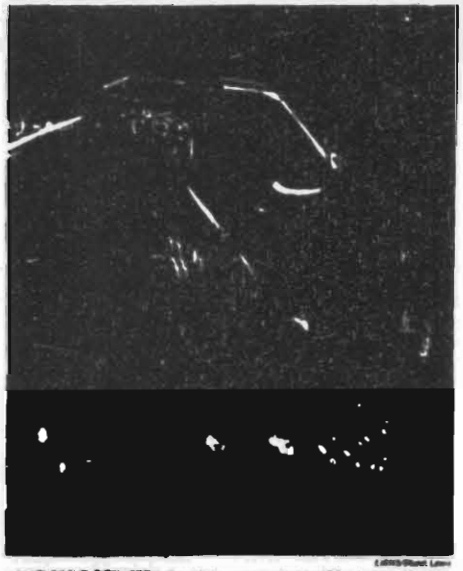

(EIRNS/Stuart Lewis)

An elderly woman rides the IRT subway in Manhattan, because she has nowhere else to go.

'Now's The Time To Buy a House' —Just Ask George Bush

by Joyce Fredman

Nov. 13 (EIRNS)—In reaction to Pennsylvania's resounding electoral defeat of Bush's economic policies, the President has issued one defensive statement after another, the main thrust of which has been to deny that there's any problem with the economy other than the problem of the American people—a serious attitude problem, as the saying goes.

In the face of the massive decay of our nation's infrastructure and the plague-like conditions of our inner cities, such hysterical denial is worse than arrogant—it's criminal insanity. When George Bush gets in front of the nations' media and says, "Now's the time to buy a house," you can't but there are millions screaming, "With what, pray tell?"

Cardboard Townhouses

The only kind of house many can afford today is a cardboard box. In New York City, leading the country in homeless, more people than ever before are sleeping on the streets. Shantytowns, as these makeshift encampments are called, are a common sight in downtown Manhattan.

Nearly 10,000 homeless men and women stay in the shelters provided by the city. But estimates are that another 10,000 live under the bridges, in the parks, and on vacant lots. As one resident put it, "The city offered me a bed, but I'd rather be on the street looking out for myself than in those hell holes they call shelters."

"City officials, however, disagree. On Oct. 16, the administration of New York Mayor David Dinkins forcibly dismantled two shanty towns called "Dinkinsville," located at East 8th and 9th Streets in Manhattan's East Village. The 200 people who lived there had already been evicted last summer from Tompkins Square Park. As police leveled the shacks, small fires were set ablaze by residents to protest the forced evacuation.

Three days later, New York City Transit Police Chief William J. Bratton announced that his units would act aggressively to evict any one begging or sleeping in the subways, even in freezing weather. "We take strong exception to those who argue that people should be allowed to live in the subways," said Chief Bratton. "The subways are not safe."

Now You See 'Em, Now You Don't

Moving these people out of the public eye does not solve their problem. But it may well help make them disappear. The latest study by the federal Centers for Disease Control in Atlanta, Ga. shows that the AIDS virus has infected the nation's homeless at rates up to 60 times that of the population as a whole. New York's rate was 14%. The national rate of infection is less than 0.5%.

This coincides with the resurgence of tuberculosis, a disease considered practically extinct in this country. In 1985, the disease, once known as the White Plague, was at its lowest infection rates in 80 years. Since then, TB has spread steadily, now growing more rapidly than ever. In New York shelters, it is so rapidly increasing that Bellevue Hospital recently added a batch of beds just for homeless TB patients.

One Health Department director in the Washington, D.C. area said (because of the rate of spread of TB), "If we don't have an epidemic now, we are on the verge." Needless to say, city budget cuts preclude *testing*, medication, and quarantine capability. In other words, those who don't freeze to death, will probably die of TB.

But let the millions of homeless take heart—even if it's not the time to get medicine, food, clothing, or work, just ask George. It's definitely *the year to buy a house!*

Panic Is in the Air at Banking Giant Citicorp

by [illegible]

[illegible] The banking [illegible] Citicorp is operating under de[illegible] unprecedented scrutiny, as indep[illegible] of the bank's [illegible] to stop the [illegible] of the bank's [illegible] own problems, a House Banking Committee staff member [illegible] said Friday.

While the government has not [illegible] taken over the bank, the [illegible] said there is a strong federal [illegible] and regulators are in [illegible] trying to get some kind of [illegible] control of balance sheets."

The situation at Citicorp is similar to the situation that prevailed at the Bank of New England during 1990, when the offices of the Comptroller of the Currency (OCC) and the Federal Reserve effectively seized control of the insolvent bank and began supervising the liquidation of the bank's balance sheet, which [illegible] and currency swaps, and other so-called derivative securities.

The collapse of the Bank of New England nearly set off a chain reaction of defaults in the unregulated, tightly interlocked world of off balance sheet trading, where trillions of dollars of derivative securities are traded. Thanks to the relatively small size of the Bank of New England, the Feds were able to pump enough money into the bank to keep it open long enough to *tidy things up.*

Meltdown

"If we had a real problem with one of the larger banks, a meltdown scenario would be a possibility," a senior OCC official admitted at the time.

That meltdown is now in progress. The Bank of New England had $36 billion in off balance-sheet activities, compared to $30 billion in assets on its balance sheet. Citicorp, on the other hand, with $217 billion in assets, was estimated several years ago by Salomon Brothers to have over $700 billion in off-balance-sheet activities, a figure which by now likely exceeds $1 trillion.

The off-balance-sheet crisis is not the regulators' only worry, however. The bank is paralyzed by its real estate losses. It cannot afford to keep the rapidly devaluing properties on its "books," and it cannot afford to sell them—even if it could find buyers. *As a result, it is doing nothing,* while losses mount.

Panic in the Air

What the regulators and bankers fear most of all, however, is that the public will panic. Citicorp, besides being the nation's largest bank, is also the largest credit card issuer, with some 20 million cards outstanding. On top of that, the bank processes credit cards for 97,000 clients, to the tune of $20 billion a year.

When the millions of Citicorp credit card holders, and the millions of businesses that accept those credit cards, realize that the bank is insolvent, it could trigger a run big enough to bring the whole system down.

Is Bush Preparing a Raid on Libya?

by Joseph Brewda

Nov. 10 (EIRNS)—"Syria had taken a bum rap on this," George Bush shamelessly told the press Nov. 14—referring to the bombing of Pan Am Flight 103 over Lockerbie, Scotland in December 1988, in which all [illegible] (and Britain) and other world leaders. White House spokesman Marlin Fitzwater told the press the day the indictments were announced, in order to "fashion together a cooperative response." Among the responses contemplated [illegible]

when asked, as he was yesterday, whether the U.S. would soon be bombing Libya. Bush's Attorney General-designate (and Acting Attorney General) William Barr was the author of the notorious "Thornburgh doctrine" which au-

THE NATION

Richest State Leads Nation in Bad Banks

Nov. 8 (EIRNS)—Connecticut, the state with highest per capita income in the U.S., leads the nation in another category. As of June, its banks had the highest percentage of bad loans of any state.

So far this year, federal regulators have seized 13 commercial banks in Connecticut, with nearly $12 billion in assets. That's one-eighth of all the banks taken over by the FDIC this year, and more than 19% of the total assets seized.

NAFTA Talks Delayed Until 1993

Nov. 8 (EIRNS)—Administration officials have concluded that negotiations on the North American Free Trade Agreement with Mexico will not be completed until after the 1992 presidential elections, the Washington Post reports today. This was decided after an "internal review" which took into account the overwhelming electoral defeat of GOP Senate candidate Richard Thornburgh in Pennsylvania Nov. 5.

Harris Wofford, the victor in that election, had slammed the NAFTA agreement with Mexico as leading to the loss of America's jobs to low-wage Mexican workers, and Pennsylvania trade unionists had circulated thousands of pamphlets issued by Lyndon LaRouche's 1992 presidential campaign committee, which warned that NAFTA would lead to creation of "Auschwitz below the border."

First Staff Doctors' Strike in U.S. History

Nov. 13 (EIRNS)—More than 300 senior staff doctors went on strike yesterday at the Woodhull Medical and Mental Health Center in Brooklyn, N.Y. Although striking by interns and residents have occurred in the past, this is the first strike in U.S. history by attending senior doctors.

The strike is not against the hospital, but against Medical Associates of Woodhull P.C., a private firm that New York City has contracted to hire and administer the medical staff at the hospital. The two major issues are salaries and quality of care, which has been compromised by doctor layoffs. Twelve doctors have been laid off in the last three months, 15 have resigned, and 50 more are slated to be terminated by year's end.

Budget Deal Might Enable Cuomo To Run

Nov. 13 (EIRNS)—An extraordinary deal involving the New York State budget could facilitate Gov. Mario Cuomo's "now you see it, now you don't" presidential bid. New York is now facing a $600 million budget

Kidnapping Attempt

Special from the Committee of Correspondence

Nov. 9, 1814—Mr. Robert Fulton, the steamboat designer and manufacturer, has narrowly escaped a British plot to kidnap him. A boat load of British sailors rowed ashore from a British man of war and raided a house on Long Island where Mr. Fulton was scheduled to spend the night. Fortunately Mr. Fulton was delayed in arriving at the house, and the sailors had to return to the warship without their prey.

It is thought that the reason for the kidnapping attempt is to be found in Fulton's design of the world's first steam warship now under construction in the Hudson River. The ship is intended to protect New York Harbor from the depredations of the British fleet which has roamed north haven at Washington, Alexandria, and Baltimore.

Fulton has christened his ship the "Demologos," or "Word of the People." The Navy Department, however, for whom the ship is being built, insists on calling it "Fulton the First." The warship is of a new design, 150 feet long, 56 feet wide, and 12 feet draught, weighing 2,475 tons. It is built catamaran style with a double hull. Within the twin hulls lies the paddle wheel, protected by five feet of timber on each side. When finished, the ship will carry a complement of Columbiad cannon designed by Mr. Fulton to fire shots before the enemies' ships. There will also be 30 cannons to shoot red hot shot, and a large steam pump which will spray scalding water in order to disable their engineers. The ship will be driven by an engine of 120 horsepower.

The construction of this new warship has attracted much attention in foreign circles, and some of its capabilities have been greatly exaggerated. For example, the Edinburgh Evening Courant has reported that the ship "is carrying cannon 120 millimeters and the armed regularly over her gunwales with an equal number of heavy iron pillars of great length.

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ROBERT FULTON, from a portrait by Charles Wilson Peale

darting them from her sides with prodigious force, and withdrawing them every quarter of a minute."

Mr. Fulton's ship has also caused great consternation in the British Parliament, where Lord Napier declared: "When we enter His Majesty's naval service and face the chances of war, we go prepared to be hacked to pieces by cutlasses, to be riddled with bullets, or to be blown to bits by shell and shot; but, Mr. Speaker, we do not go prepared to be boiled alive."

With such fear gripping the British, it is perhaps not surprising that their lordships should plot a cowardly kidnapping, rather than considering how best to modernize their now obsolescent navy.

fore Bush spoke, the U.S. government had indicted two Libyan government officials in the bombing.

Before the indictment, all available evidence had indicated that Syria or Iran was responsible, as the international press had frequently noted. There had been no indication of Libyan involvement. But then again, Syria and Iran are two important, if covert, allies of the United States and Israel, notwithstanding the occasional hostile hot air on both sides. Earlier, Bush had forked over most of Lebanon to Syria as a reward for its aid in his genocidal war against Iraq. Now, he is using the Mideast peace conference to consolidate a deeper Israel-Syria deal.

Responding to the indictment, Libya's official news agency, JANA, reported that the "accusations coincide with the American people's increased economic problems" and are aimed at "diverting attention from these problems. The Libyans have termed the charges a "serious lie."

The day before the U.S. indictment, the French government had issued an arrest warrant for four Libyans, including the brother in-law of Libyan head of state Muammar Qaddafi, claiming that they had bombed a French jet over Niger in 1989. Simultaneously, all the other scare stories are back on the front pages of the Western press, for example, that Libya is building a poison gas plant. The U.S. put out similar stories before it bombed Libya in 1986—allegedly in revenge for Libyan involvement in a terrorist incident in Germany. That bombing raid was in some respects a dry run for the war on Iraq.

"The President will be consulting closely with Prime Minister Major

oil, UN resolutions as in Iraq, military action, and kidnaping attempts against the alleged Libyan terrorists.

Bush himself has only smirked

criminals to justice." It looks as if the U.S., which under Bush is well on its way to becoming a top terrorist state itself, is preparing some new dirty tricks.

Wow! Check Out That Ducktail! Carlos Menem Comes to Town

by Stuart Lewis

WASHINGTON, Nov. 18 (EIRNS)—Argentine President Carlos Menem, left, is shown greeting President Bush at the White House Nov. 15. Menem didn't come to D.C. without a traveling companion, even though he is estranged from his wife. He brought his hairdresser, who keeps his ducktail in tip-top shape (see photo for details).

Menem thinks so much of the fellow that he brought him to a state dinner at the White House. While here, Menem also signed a first-of-a-kind treaty which provideds for the settlement of investment disputes by international arbitrators. Menem has received high praise from the Bush crowd for "reviving" the Argentine economy, which he has accomplished by selling off his country's assets to foreigners. It's not clear what he'll do for an encore, when he runs out of assets to sell. Maybe he can rent out his hairdresser, or even his hairdo.

session of the legislature to ram through deep budget cuts—and with the presidential primaries fast approaching, this could tie Cuomo down in budget wrangling.

But the New York Times and some gurus on Wall Street have come up with a plan to have the legislature combine this year's deficit with next year's, adopt a 15-18 month budget sometime within the next few weeks, and make more "gradual" cuts. This could free Cuomo from debilitating budget battles and enable him to become a candidate.

Homeless Flock to Florida for the Winter

Nov. 14 (EIRNS)—Unemployed homeless Americans from central and northern states are flocking to warm-weather states like Florida to survive the winter, according to regional TV stations in the Miami, Fla. area. Hundreds, possibly thousands, oless individuals from all over the U.S. are setting up makeshift living quarters under bridges.

Miami area newspapers are also carrying photographs of the lines outside the food stamp dispenser stations. The lines, which start forming at 4 a.m., stretch for blocks. Hungry people wait four to six hours or longer to get the food stamps—the only way they can afford groceries.

Robertson Predicts 'Ferocious' Bush Depression

Nov. 16 (EIRNS)—President Bush will spur a global depression "of unprecedented ferocity" in his attempt to get reelected, says fundamentalist preacher and former Republican presidential candidate Pat Robertson in his 1991 book, "The New World Order."

"What I fear is that in order to prepare for the reelection of the President in 1992, the Federal Reserve Board will allow the money supply to grow more vigorously to create the appearance of prosperity and then slam on the money brakes around election time, an action that may well cause a debt collapse, a stock market collapse, and a global depression of unprecedented ferocity," Robertson says.

Midway Airlines Cashes in Its Chips

Nov. 15 (EIRNS)—The Chicago-based Midway Airlines, which had been the 12th largest carrier in the United States, has announced its bankruptcy. Slated to be laid off are about 4,200 employees.

Meanwhile, American Airlines has announced it will not take its option, earlier agreed upon, to purchase $5.2 billion in new aircraft—45 aircraft from Boeing, 11 from McDonnell Douglas, and 37 from the German firm Fokker.

What Texas Recovery? Unemployment Skyrockets

by Terry Snow

HOUSTON, Nov. 9 (EIRNS)—Long before Alan Greenspan declared the recession was over on July 11 of this year, many economists were proclaiming that the "recovery" of the Texas economy was an indicator that the national economy would soon follow. They pointed to the steady growth of employment and the relatively strong real estate market as the indicators of that Texas recovery.

However, figures released in November shattered those illusions.

"The recession is damn sure not over," said Jim Kaster, chairman of the Texas Employment Commission. Texas is experiencing its highest level of unemployment in three and a half years. Unemployment in October was 7.9%, up from 6.6% in September 1991 and 5.9% September 1990 according to the U.S. Bureau of Labor Statistics, as more than 100,000 workers lost their jobs.

The 7.9% unemployment rate in Texas represents about 672,000 people out of work. But that only covers the people who are drawing unemployment benefits. According to a Texas Employment Commission study, every seven days, 3,321 Texans exhaust their unemployment benefits. Of those who have lost their benefits, more than half were still unemployed after six months, and more than 30% were still without work after nine months. Between Jan. 1 and Aug. 30 of this year, 116,228 individuals exhausted all their benefits.

These unemployment figures represent an across the board decline in employment, with the oil and computer industries leading the way.

The most recent casualty is Compaq Computer Corp., heralded as one of the firms leading the Houston recovery. Compaq, faced with a softening market in personal computers, announced in October that it was laying off 12% of its employees worldwide, amounting to 1,400 workers. One thousand of those laid off were employees at the Houston headquarters.

The oil industry continues its decline, with the rig count (a standard measure of the industry's activity) hitting its lowest level since the mid-1970s.

Houston-based Tenneco, an oil company that diversified into an industrial conglomerate, has had to sell off subsidiaries and said it plans to lay off another 3,000 employees. Since Jan. 1, about 5,000 employees have lost their jobs at its J.I. Case farm equipment manufacturing subsidiary, based in Racine, Wisc.

Halliburton Co., whose subsidiary, Brown & Root, which also has its headquarters in Houston, cut 1,200 jobs in July from its Energy Services Group. Other oil companies announcing layoffs that affect Texas are Shell and Transco.

People In The News

ROBERT CLARKE, Comptroller of the Currency, was denied renomination for a five year term by the Senate Banking Committee Nov. 6.

■ ■

DAVID DUKE, the former Klansman, swamped at the polls (60% to 40%) by Edwin Edwards in the Nov. 16 Louisiana gubernatorial election, is expected to run for President.

THE WORLD

Germans Boast of Fast Trains in Bid To Attract Investors

Nov. 8 (EIRNS)—The city of Cologne, Germany, tells foreign investors "coming swift access to the European market" that they should locate businesses there, because it is in the center of Europe's advancing transportation infrastructure. The city's Office of Economic Development ran an advertisement in today's Washington Post titled "High tech connections, excellent prospects."

The ad says that in the cathedral city of Cologne, the Deutsche Bahn, the hub of the West European railway network, and Deutsche "Before the decade is out, traveling times between Cologne, Brussels and Paris will be slashed by new, advanced high-speed trains."

KGB Says It Financed Germany's Der Spiegel

Nov. 8 (EIRNS)—The former KGB financed what was once of West Germany's leading weekly news magazines for 30 years, according to the reported statements of a top KGB officer.

During the investigations of the August coup attempt in Moscow, the documented interrogations of the leading members of the coup were printed in the German magazine Der Spiegel. The question of how Spiegel came by these documents was then the subject of a meeting of the Bundes Procurator General Stoltenberg and the Ministry of Internal Affairs. Former BND General Kologen told them that it was no surprise that these documents found their way into the magazine and asserted that for 30 years the KGB has funded Spiegel.

Philippines Eruption Will Affect Global Weather

Nov. 10 (EIRNS)—The eruption of Mount Pinatubo in the Philippines will have a dramatic impact on [global] climate in the next two to three years, stated renowned volcanologist and physicist Dr. Paul Handler of the University of Illinois in a paper just issued. The June 15, 1991 eruption was the largest ever measured, and perhaps the largest since the 1883 eruption of the Tambora volcano.

Pinatubo injected 40 to 30 million tons of sulphur dioxide into the stratosphere. In 20-30 days this aerosol spread around the world, decreasing the sunlight somewhere between 3% and 13% in the tropics. This decrease in solar energy will have an impact on every crop grown throughout the world," Handler warned. He has correlated the major global droughts and crop failures of recent history with the eruptions of large

'Peru Is Mirror of Your Future,' Vasquez Tells Mexico

by Valerie Rush

Nov. 18 (EIRNS)—Peruvian economist and political leader Luis Vasquez Medina told several hundred Mexican students, on a university stop during a week long tour of Mexico, that "Peru is the mirror in which Ibero-America must see itself." Fifteen years of brutal austerity conditionalities dictated by the International Monetary Fund (IMF) and creditor banks have driven Peru to the brink of extinction. Gangs of narco-terrorist murderers rampage across a country nearly two-thirds of whose people are officially classified as living in "extreme poverty," and where killer epidemics now continually sweep through the population of 22 million. Said Vasquez, "The cholera bacillus breeds at IMF headquarters."

Luis Vasquez

Vasquez, president of the Peruvian arm of the Ibero-American Solidarity Movement, is on the first leg of a continent-wide tour, warning that continued submission to the policies of the IMF will doom the region to the disintegration already engulfing Peru. While in Mexico, he addressed universities, medical schools, hospitals, churches, business associations, and the media.

At a Mexico City press conference attended by 15 major media, Vasquez reported that the cholera pandemic which began last year in Peru is about to explode again, this time with new and more virulent strains. Last year's was just the first wave, he warned, and it abated with the onset of winter in the Southern Hemisphere. Now summer is beginning there, and nothing has been done by the governments of Peru, Brazil, Colombia, and the other countries of the south to protect against the disease's resurgence.

Debt versus survival

In fact, charged Vasquez, those governments have been more concerned with paying their debts than with the survival of their people. In Peru, for example, a mere $180 million would have paid for an emergency program to bring cholera under control, but the Fujimori government refused to upset its debt payment pact with the IMF. The result? Two thousand six hundred people are dead, and more than $1 billion has been lost in exports, tourism, and other sectors of the economy. Who will import fish from cholera-infected Peru? What tourist will visit a country where a deadly epidemic is claiming the lives of thousands?

According to the coverage of Vasquez's statements in Mexico's El Universal, El Nacional, El Sol, and elsewhere, there could be as many as 5-6 million Latin Americans infected with cholera by next year if these countries do not break with IMF policies and allocate emergency resources to the reconstruction of collapsed national infrastructure and health services, and the revival of their economies overall.

Some of the coverage contrasted Vasquez's warning with the insistence of Mexican Health Secretary Jesus Kumate that cholera in Mexico is "under total control." The daily Unomasuno meanwhile reports that the "isolated outbreaks," as Kumate persists in calling them, have reached 16 Mexican states in 150 days, and that, through late October, cholera had infected 1,900 people and killed 23. Unomasuno quoted health investigators who charge that the collapse of sanitary conditions in Ibero-America which led to the cholera pandemic, is a direct consequence of the IMF policy of "debt strangulation."

In Brazil too, health specialists are warning of a government coverup of the extent of the cholera epidemic. Luciano Toledo, currently public health superintendent of the state of Amazonia, says there are nearly 15,000 infected with cholera in his state, which the federal government is refusing to acknowledge. Toledo also charges that 600 million cruzeiros allocated to fight cholera is being withheld by the state health secretary, stripping the region of protection from a new onslaught of cholera.

The president of the Brazilian Association of Sanitary Engineering, Luiz Otavio Mota Pereira, issued a national alert warning of imminent resurgence of the cholera epidemic, and said that, unless significant measures are taken, Brazil will have a toll of 30 million cholera victims in three years, with as many as 90,000 fatalities. Pereira said that the World Health Organization predicts economic losses of up to $12 billion to Brazil, under such circumstances.

On Nov. 11, Nicaraguan health authorities reported the country's first official case of cholera. Now the only Central American country not yet afflicted—or at least, not reporting it—is Belize.

EIR's Small, in Prague, Blasts IMF

Special to New Federalist

PRAGUE, Nov. 14 (EIRNS)—At a packed press conference held here today at the Prague Hotel Atrium in the Czechoslovak capital, Dennis Small urged journalists and representatives of numerous Czechoslovak government institutions and political parties to learn some crucial lessons in order to avoid the economic collapse of the Eastern European countries which is associated with International Monetary Fund-Jeffrey Sachs "shock therapy" policies.

Referring to the devastating effects of IMF economic policy in Latin American countries such as Brazil, Mexico, Argentina, and Peru, Small—who is the Latin American editor for Executive Intelligence Review magazine—warned that the same policies are now aimed at the Czech and Slovak Federal Republic. "I am not saying that you are a Third World country, but I am saying that the Bush administration wants to convert your nation into exactly that."

Small, who is on a speaking tour of Europe, presented an alternative development strategy for Latin America and Eastern Europe based on the "Operation Juarez" and "Productive Triangle" proposals developed by American presidential candidate and political

EIR'S DENNIS SMALL, shown here at a Washington press conference on Ibero-American debt, gave a similar report in Prague.

cisions taken at that time by the Lopez Portillo government of Mexico. "In 1982, the forces of Bush and Kissinger in the first Reagan administration won out over LaRouche, and as a result he went to jail, with most of the Third World economies being destroyed."

Today, Small warned, the genocidal policies of Bush's New World Order threaten to turn Eastern European nations into new Mexicos, Perus, or Zaires.

These remarks were more than welcome to an audience which, in [illegible] questions about the shock

Soviets In 'Worst Crisis Ever,' Says Ligachev

Nov. 15 (EIRNS)—The former Soviet Union is going through the "worst crisis it has ever faced, except during times of war," said former Soviet Communist leader Yegor Ligachev at a public meeting in Washington, D.C. this week. Speaking at the Wilson Center, Ligachev stressed that the crisis is especially serious in the areas of food and energy. The republics will need hundreds in order to get through the winter, he said. "We have had losses in agricultural products of up to 18%. Losses of grain have been even greater."

Ligachev was in charge of the agricultural sector of the former Soviet Union. He said the problem is not that there is insufficient food, but that there are twelve-hour-long lines and an insufficient distribution network. If U.S. businessmen were to invest in the republics," he added, "the greatest needs are in the area of food processing." However, the self-proclaimed "communist" also said that "People should not be rushing off to the funeral" of the Soviet system.

Soviet Production Plunges to 1970s Levels

Nov. 13 (EIRNS)—According to the Nov. 3 edition of the weekly Moscow News, the former U.S.S.R.'s labor productivity growth rate the first 10 months of 1990 was -9%, while the annual rate of growth of GNP is at -18%. This means, according to the country's Soviscon report, that "in less than two years, production output has dropped to the level of the mid-1970s."

Moscow News explains that "The relatively small fall in production and over the 1.5% in fuel and raw materials and 5% in iron and steel, triggered a chain reaction of under-capacity operation in related industries like poor especially in the manufacturing industry."

French Health Workers Demonstrate Against Austerity

Nov. 10 (EIRNS)—Five hundred thousand health workers demonstrated yesterday in Paris against health care austerity measures pushed by the Socialist government. What is at stake is the rationalization of the health system, by suppressing the right of the patient to choose his doctor, as well as by slashing medical spending. From the Gaullists to the Communist [illegible] the entire political spectrum, except the ruling Socialists.

The demonstration follows a wave of mass demonstrations by French farmers earlier this month against the Bérégovoy government's austerity policies in agriculture.

People In The News

VYTAUTAS LANDSBERGIS, President of Lithuania, became the first leader today in half a century to meet with the Pontiff during an audience with Pope John Paul II, he invited the Pope to visit Lithuania.

■ ■

FERDINAND COLLOR, the Brazilian President, has ordered that an area larger than the state of Indiana be allocated to the 10,000 members of the Yanomami

Debt Collectors Demand 'Democracy' in Africa

Special to New Federalist

Nov. 16 (EIRNS)—Recent demands for "democracy" in certain African nations are serving as the flimsiest cover for a new round of looting by the international financial institutions.

Most blatant was the case of Zambia, the southern African nation most associated with copper production. Zambia has been led for many years by Kenneth Kaunda, who has seldom acted as a radical against the International Monetary Fund or any other institution. As a result of declining terms of trade and usurious debt service, Zaire has suffered a decline of more than 30% in its GNP, according to the United Nations.

Having come to the end of the line on Sept. 13 President Kaunda declared that his country could not pay a $20 million debt service payment. Immediately, the international financial institutions imposed a credit cutoff, and the forces of "democracy" moved in to organize for an alternative to Kaunda in elections which were already scheduled for Oct. 31.

One of the leading enforcers of "democracy" these days is former U.S. President Jimmy Carter, who co-chairs the so-called Council of Freely Elected Heads of Government, under whose auspices he runs around setting up electoral standards for developing sector nations. This is particularly obscene, since he himself got into office through vote fraud. Yet, with the club of a potential IMF and World Bank credit cutoff behind him and his group, it works.

The chosen "democratic" opponent to President Kaunda was Frederick Chiluba, a trade union leader who was in fact elected. Chiluba's program followed typical IMF guidelines, including promises to privatize 80% of state industry. Such privatization, in the name of efficiency, usually ends up facilitating new looting schemes by international bankers.

Another major focus of the "democracy" crowd over the recent weeks has been Zaire, which has been presided over for 28 years by President Mobutu Sese Seku. Mobutu, like Kaunda, has usually played ball with the IMF and World Bank, and has seen his country's productive output fall by more than 50% over the past 10 years, if United Nations GNP studies are any guide.

But the international financial [illegible] "democratic" government that will give them more opportunities to loot. Thus, in October, the French and Belgians pulled the plug on the Mobutu regime. This is literally true, inasmuch as the French refusal to pay one of their military units stationed in the country was what touched off the rioting that led to a mass exodus of foreigners from Zaire.

What has ensued is a period of chaos, in which the U.S., France, and Belgium keep demanding that Mobutu come up with a new combination in the government. In fact, however, what the U.S. wants for the IMF and World Bank to get direct control of the finances of the country. This was said almost straight out by U.S. Assistant Secretary of State for African Affairs Herman Cohen in Congress on Nov. 6. Speaking before the U.S. Senate Subcommittee on Africa, Cohen demanded the formation of a transitional government, adding: "Such a government will have to act immediately to place Zaire's financial institutions under independent, transparent control acceptable to the World Bank and the International Monetary Fund."

Within moments of the speech's delivery, thousands of copies of Cohen's remarks appeared in leaflets in the streets of the Zairean capital, Kinshasa. The champion of Cohen's demands was none other than the "democratic" opposition leader, Etienne Tshisekedi.

[illegible] the future of the political confrontation between LaRouche and the U.S. government," Small said, "and to understand why the man who has got the solutions to this crisis is now in jail, you have to go back to 1982." He detailed LaRouche's crucial role in the 1982 Latin American debt crisis, when LaRouche recommended a comprehensive debt reform, contrary to the murderous IMF conditionalities, and briefed the attentive audience on LaRouche's influence in shaping the anti-IMF de-

large part, represented a spectrum of politics which is opposed to the "Bushman" in the Czechoslovak government. Finance Minister and IMF toady Vaclav Klaus. An economist for a Prague-based institute for international relations charged that it is not the IMF, but the national governments that follow its Letters of Intent, which are to blame. "Mr. LaRouche calls for a change in attitude towards the Third World—can you detail his economic system?" How can the capital that is required for development be generat-

detailed questions about the activities in the LaRouche legal case. His briefing stunned people in whose minds is still fresh the memory of 40 years of a totalitarian police state system, because most of them have begun to view LaRouche as an alternative to the Sachs-Klaus shock therapy. LaRouche's Productive Triangle proposal for the rapid development of Eastern European infrastructure has been presented to the Czechoslovak political and industrial elites in a variety of seminars and conferences.

Behind the Bid To Reinstate Aristide

by Cynthia Rush

Nov. 18 (EIRNS)—When a delegation from the Organization of American States (OAS) arrived in Port au Prince, Haiti on Nov. 10, to demand that the military surrender power to former President Jean Bertrand Aristide, they were greeted by angry demonstrators protesting the worldwide economic embargo imposed by the OAS and the United States to starve the impoverished country to death in the name of "democracy."

The OAS delegation was also greeted by a hard-hitting interview with Executive Intelligence Review's analyst Carlos Wesley, televised from the Dominican Republic, attacking the OAS for intervening in Haiti on behalf of the racist and genocidalist policies of George Bush's "New World Order."

The half-hour special report, filmed in Washington, was broadcast prime time Nov. 10 on "Hora Cero," a highly rated weekly round-up of news and analysis hosted and produced by Julio Hazim on the Tele Antillas network in the Dominican Republic. The show reaches certain areas of Haiti.

Despite evidence showing Aristide to be a brutal dictator, the OAS and the U.S. are insisting he be returned to power. The former ruler is demanding that the embargo be applied with full force to the island nation, regardless of how many people die as a result. It is estimated that 35,000 jobs could disappear as a result of the embargo. The Nov. 5 Christian Science Monitor quoted one economist saying that if this occurs, "In a country with more than 50% unemployment, [this] means several hundred thousand people will quickly lose their means of survival. People will starve. There will be something like civil war."

In his interview, Wesley cut through the international campaign which has portrayed the Pol Pot-like Aristide as a "democrat." Wesley harshly attacked the International Monetary Fund and explained that the international banking community and the Anglo-American establishment want Aristide back in power to guarantee implementation of the debt-collection policy they have devised for the entire developing sector. He reported on recent statements by Ghana's ambassador to the United Nations, who said that if the industrialized countries "are so concerned with helping Haiti, why don't they forgive the country's $3 billion debt?" Shortly before his overthrow, the "leftist" Aristide, a proponent of liberation theology, had agreed to sign a deal with the IMF.

TV viewers were also fascinated by the depth of the historical background Wesley provided. Most did not know that voodoo was imposed on Haiti primarily during the American occupation which followed the U.S. invasion of 1915. To make clear that any military intervention into Haiti today would represent only a bald attempt to collect the debt, Wesley pointed out that the U.S. took over the customs houses in both the Dominican Republic and Haiti during the 1915 occupation.

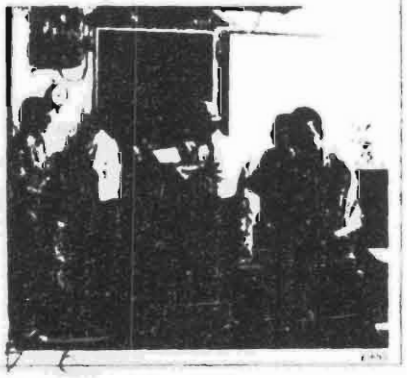
Another bombshell was Wesley's attack on the Socialist International for promoting an embargo and military intervention. Wesley pointed out that Socialist International bigwig (and Venezuelan President) Carlos Andres Perez, who is demanding "democracy" in Haiti, has allowed the book "Narcotrafico, SA," the Spanish-language edition of the bestseller "Dope, Inc.," to be undemocratically banned in his own country.

Wesley also revealed that the U.S. State Department funds the Dominican Republic's neoliberals, who have called for a military intervention into Haiti for the abolition of Haiti's army, and for the transformation of the country into "the Hong Kong of the Caribbean."

Committee To Save Iraqi Kids Delivers More Relief Supplies

Nov. 17 (EIRNS)—Reuters wire service reported Nov. 16 on the most recent trip to Iraq by the Committee to Save the Children in Iraq, which was founded last spring by Helga Zepp-LaRouche, among others. Shown in this photo is Dr. Muriel Mirak, one of the Committee's leaders in Baghdad as an earlier relief shipment is unloaded.

Reuters wrote that "A Swedish relief organization said on Saturday it had used an Iraqi Airways plane to fly supplies from Sweden in the first humanitarian flight allowed the grounded airline since the invasion of Kuwait. The Committee to Save the Children in Iraq said the Boeing 707 flew to Amman [Jordan] from Stockholm on Friday carrying 16.5 tons of food, medical equipment and medicine. The supplies left by truck for Iraq on Saturday. ... The relief agency, a coalition of Swedish aid organizations, said the United Nations sanctions committee had approved the use of the Iraqi plane."



Lessons of the Art of 1492—The Columbus Quincentenary

by Nora Hamerman

A once-in-a-lifetime opportunity to grasp the positive roots of our history as Americans is currently available in Washington D.C., and this is the exhibit: "Circa 1492: Art in the Age of Exploration," on view thru 12 Jan. 92 at the National Gallery of Art.

The idea is to celebrate the 500th anniversary of Christopher Columbus's landing in the Bahamanian archipelago in 1492, by taking a historical view of the best art produced in the half century around 1492 in three areas: Europe and the Mediterranean, where the voyages of discovery began; "Cathay" or Japan; Korea, China and India, where Columbus believed he was heading; and the Americas, the new continent he had not expected to find. More than 600 objects make up the three part show.

It's a good idea, because two of the greatest artists ever, Leonardo da Vinci from Florence, the capital of the Italian Renaissance, and Albrecht Duerer, the genius of the German Renaissance center of Nuremberg, were both active in 1492 and long thereafter. The crowning point of "Circa 1492" is the large gallery in which almost 50 works by these two artists, between paintings, drawings and books, are confronted—an exhibit in its own right, which includes one of the three authentic da Vinci portraits in the world, Cranow's "Cecilia Gallerani."

But also alive in 1492, and in the show, are Piero della Francesca, Botticelli, Michelangelo, and we meet their immediate predecessors, Pollaiuolo, Donatello, Brunelleschi. Here is Luca Pacioli, Leonardo da Vinci's mathematics teacher. Here are wonderful maps that trace the progress of navigation and astronomical instruments, including those that fought the young Europeans.

This show, to which you must be admitted by passes (free at the gallery or obtainable for a small service charge at various retail outlets), takes at least two hours to get through, if you're serious. I have not even mentioned the incredible tapestries, nor the rooms which feature art from Ferdinand and Isabella's Spain, the Portugal of Henry the Navigator, the Islamic empires of the day, and western Africa's famous Benin culture.

A Strongly Different Viewpoint

But I have a strongly different point of view from that of the people who organized this exhibit, at least at the top. No less a pundit than Librarian of Congress Emeritus Daniel Boorstin, in the preface to the "Circa 1492" exhibition catalogue, otherwise a beautiful and informative book, decries an idea which would make Leonardo and Duerer recoil in anger: that the Culture of Discovery (i.e., science) and the Culture of Creation (meaning art) are opposites. He even claims that this art show will be an "antidote to the contagion of science."

The show has few objects which underscore the unity of religion and science in the Renaissance—except, of course, for the glorious "St. Augustine" of Botticelli, in which Augustine is depicted as an astronomer and geometer of the day—and one on commission by the family of the later explorer Amerigo Vespucci.

It is politically correct to charge that the Spanish slaughtered and abused the American Indians. Judging from the objects of Aztec, Inca, Taino, and "gold kingdom" cultures which form the last part of this show, it is likely that the indigenous peoples of the Americas survived at all only because of the Christian evangelization after 1492. Theirs were societies of mentricide and genocide: every one practiced human sacrifice, slavery, and polygamy, and based religious revelation on ingestion of narcotic drugs. This led to an art which is brutally ugly, in which the boundaries between man and beast become blurred.

Go take a look at the vomiting spatulas (ritual purification before sniffing hallucinogens) of the Tainos, the Inca silver statuettes of sacrificed children, the Aztec dismembered goddesses and death's heads, and the intricate gold figurines of shamans from Costa Rica and Colombia, showing men turning into animals.

The "Temptation of St. Anthony" by Bosch, which opens the whole show, depicts such images as works of Satan, which the grace of a loving Creator God enables man to defeat. Bosch understood the matter a lot better than Daniel Boorstin. The European Renaissance came about as a triumph over the Black Death of 1348, which nearly brought on a new dark age. Faced with an epidemic (probably yellow fever) around A.D. 1000, the Mayan sacrificing Mayan Empire collapsed. Progress is necessary, and the celebration of man's ability to win that fight, is what makes beauty.

International Support Is Given to Croatia Call

[illegible] political and [illegible] support Hrvoje Zupo[illegible] emergency in [illegible] to solve Croatia [illegible] are given [illegible]

[illegible] and Canada:

[illegible] Dupler, [illegible] William [illegible] president, Richmond [illegible] Southern Christian [illegible] executive Board; Hun[illegible] Pastor Movement; [illegible]

[illegible] the Rev. Robert [illegible] the Rev. William H. Hargrave, [illegible] Baptist Church, N.J.; Haven, Deborah Shop Steward, Teamsters Local 810, Bronx; Azerbaijan Culture [illegible] the Rev. Vincent Veney, Brooklyn, N.Y.; James Lesemann, Conservative [illegible] N.J.

The Rev. Dr. Elliott Wendrock, Middletown, N.Y.; the Rev. Dr. Nicholas [illegible] Church, N.Y.; the Rev. James Cobley, pastor, Thompson AME Church, N.Y.

Ibero-America

Julio C. Gonzalez, former Secretary of State of the Argentine Republic from 1973 to 1976; Raul Lastiri, head of the natural resources division of the Argentine equivalent of the U.S. Congressional Research office; Father Benjamin Manuel Acosta, a former chaplain of the Argentinian Armed Forces; Norberto Chiodemi, head of the Labor Union Political School of Argentina; Carlos Perez Gallardo, lawyer and president of the Andes Foundation of Argentina; Ricardo B. Molina Figueroa, founder and leader of the Argentinian Sol de Mayo Movement for National Unity; Maria Teresa Gomez Vergara, a leader of the Sol de Mayo Movement; Luis Gasper ("Tuty") Suarez Sierra, president of the Revolutionary Panameonista Party of Panama (exiled in Argentina); Ricaute Arosemena Dominguez, secretary general of the Revolutionary Panamenista Party.

Also: Congressman Jorge Leon Diaz, independent member of the Chamber of Deputies of the Congress of Venezuela; Congressman Gerardo Lopez Quiroz, independent member of the Peruvian Congress; Constantino Dino Cerna

A Panicky President Bush

Continued from page 1

As the Wall Street Journal warned Nov. 7, Mr. Bush can't stand above this debate without becoming another Dick Thornburgh."

About all George can come up with are the "quick fixes" he claims to condemn. The biggest quick fix—and really the only one—that Bush has is interest rate cuts, which is exactly what Hoover also tried.

Since last December, Bush and the Federal Reserve have cut the discount rate five times. The latest cut came Nov. 6, the day after Richard Thornburgh's crushing defeat in the Pennsylvania Senate race.

The discount rate is now down to 4.5%, the lowest level since 1973, and the prime is at 7.5%, its lowest level since 1970. This parallels Hoover's discount rate reductions from 6% to 2% over a 14-month period in 1929-30. And these cuts will help George about as much as Hoover's helped him.

Lower Rates Won't Help

The latest rate cut was an act of sheer desperation, precipitated especially by the prospect of the worst Christmas sales season since World War II, the growing insolvency of major banks, and now the electoral debacle.

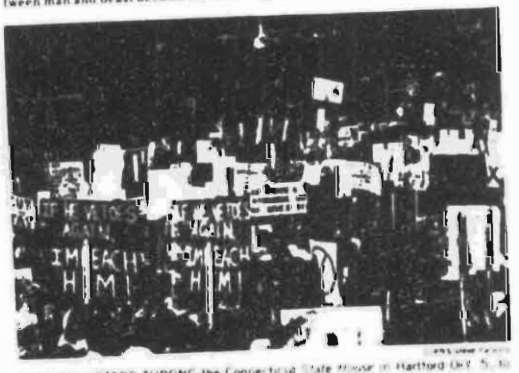
As in 1929-30, interest rate cuts will do nothing to stem the collapse. Despite Bush's "good statements that low interest rates make this a good time to buy a [illegible]," prices, especially for big ticket items like homes and cars, are still far too high, way beyond the reach of an increasing number of people, at any interest rate. Until these inflated values tumble down, the depression will continue to deepen. Of course, when these prices do collapse, the chain reaction will blow out the financial sector and the rest of the economy, too.

Going from Bad to Worse

In fact, with interest rates so low and headed lower, foreign investors will not only boycott sales of U.S. government debt more than they have; they could start to dump U.S. securities and the dollar itself. In recent weeks, the dollar has been dropping against the German deutschemark and other major currencies, including even the British pound, and is now at its lowest point in months against these currencies.

About the only thing preventing the collapse of the U.S. securities market and the dollar is the dearth of investment opportunities for domestic capital in the collapsing economy, and the relative perceived "safety" of U.S. government debt, a perception that could quickly turn into panic.

The first sign of that panic occurred Nov. 5, Election Day. This was the first day of a three-day quarterly auction of government debt, and it was a mess, primarily because of the low interest rates that would accrue to investors.



ENRAGED VOTERS THRONG the Connecticut State House in Hartford Oct. 5, to protest budget collapse. "Quick fixes won't help."

from Pennsylvania. The Fed's discount rate cut was likely aimed to salvage the rest of the auction, by making the Nov. 6 offering of 10-year notes relatively attractive.

It backfired. That sale, too, was very weak: the notes sold at prices lower than expected, resulting in an extra $250 million in borrowing costs for the government. At best, the drop in the discount rate prevented a disaster, but could not compensate for the unattractive rates. What it did do was to unsettle the market enormously, because no dealer knew what price to bid to ensure he could cover costs.

About all Bush has left is threats and terror. In its lead editorial Nov. 7, the [illegible] try to stage a replay of the Iraq war. Unless the U.S. embarks again on some great international venture comparable to the Gulf war and brooking no domestic opposition, the overwhelming issues in the presidential campaign will be at home."

Short of a shooting war, Bush, along with his Democratic friends in Congress is signaling his intention to start a trade war, so as to blame the U.S. depression on the "protectionism" and "unfair trade practices" of Europe and Japan.

That might plunge the world into war all right, and deepest depression. But it probably won't prevent Bush [illegible]

Viorel Dumitrescu, Ridgewood, N.Y.

Also, William V. Heim, Hungarian-American journalist, N.J.; the Rev. Fr. Vytautas A. Palubinskas, Brooklyn, N.Y.; Rahim Bahooglo, White Beard past president, Azerbaijan Society of America; Frederick R. Wills, Esq., U.S.A.; the Rev. O.B.J. Burson, president, New England Baptist Convention, N.Y.

Shalom Shamir, former Croatian deputy minister of Tourism, vice president of ORBICO International, N.Y.; Jasna Vidmar, New York correspondent of Privedni Vjesnik/Economic Herald, from Zagreb; Marion S. Dillard, president, Bakery, Confederation and Tobacco Workers Local 348-T, Danville, Va.; Gvarko Felix Korpar, president of the Croatian Cultural Club in Olympia, Wash.; executive member of the Croatian-American Alliance for Democracy and a member of the Croatian Movement for Statehood.

Also, Marija Glad, Croatians Mothers for Relief Fund, Vancouver, B.C.; Tony Glad, businessman, Vancouver, B.C.; Lt. Frank B. Thornton, U.S. Navy, ret., Great Barrington, Illinois; the Right Rev. Hieromarto Archpriest Prof. Dr. Petro B.T. Dilimitrij, president of Coalition for Religious Freedom and Justice; a Catholic professor of Theology and Religious Studies, University of Toronto.

Monsignor David Dorsch, Towson, Md.; Frank Crnkovich, secretary, United Council of Canada Croatian Liberation Movement, Vancouver, B.C.; John Kolasky, Ukrainian-Canadian author; Partisans in Tyranny: The Nazi-Soviet Pact Aggression, Part August 23, 1939; Lithuanian Rt. Kenneth M. Gorshuis, vice chairman, Seattle Baltic Area Committee, Seattle, Wash.; Lam Nguyen Hai, Secretary General of the Socialist Democratic Movement of Vietnam, Seattle, Wash.

Also, the Rev. Cecil Dodson, Pastor, 1st Pentecost Baptist Church, Seattle, Wash.; Jack LaPlant, Democratic Party Precinct committeeman, Everett, Wash.; Dudley Shores, Democratic Party Precinct committeeman, Bothell, Wash.; Bonnie Cobb, Democratic Party Precinct committeewoman, Seattle, Wash.; Bob Stephenson, Democratic Party Precinct committeewoman, Seattle, Wash.

Professor Corina Antonescu, Ph.D., Brooklyn, N.Y.; the Rev. John Mungin, Brooklyn, N.Y.; the Rev. Fr. Dumitru Staniloae, Boston; St. John the Baptist Romanian Orthodox Church, R.I.; the Rev. Phillip B. Rhodes, Brooklyn, N.Y.; Peter Bobby journalist, Queens, N.Y.; Jessie Richards, chairperson, African Concord Peace Church, member, Pakistan Association of Greater Boston, Boston, Mass.

Also, Delores Patten, USAF Major, ret., D.D.; the Rev. Dr. Dilea Lebron, pastor, First United Methodist Church, N.Y.; the Rev. Thomas Pollard, associate pastor, First Hopewell Baptist Church, Jamaica, N.Y.; Dr. Ruth Mack, Psychoanalyst, Cambridge, Mass.; Dr. Jeanne Spurlock, Psychiatrist, Washington, D.C.; Dr. Ralph Crowder, Psychiatrist, Washington, D.C.; Dr. Alvenia Fulton, Psychiatrist, Washington, D.C.; Dr. Frances Cress Welsing, Psychiatrist, Washington, D.C.; Dr. Wade Nobles, Psychologist, Oakland, Calif.; Dr. Linda James Myers, Psychologist, Washington, D.C.; Dr. Na'im Akbar, Psychologist, Tallahassee, Fla.; Dr. Amos Wilson, Psychologist, New York, N.Y.; Dr. Daudi Ajani ya Azibo, Psychologist, Durham, N.C.; Dr. Joseph White, Psychologist, Los Angeles, Calif.; Dr. Joseph Baldwin, Psychologist, Los Angeles, Calif.; Dr. Robert Williams, Psychologist, St. Louis, Mo.; Dr. Reginald Jones, Psychologist, Boston, Mass.; Dr. Asa Hilliard, Psychologist, Atlanta, Ga.; Dr. Wade Boykin, Psychologist, Baltimore, Md.; Dr. Jacob Carruthers, Psychologist, Chicago, Ill.; Dr. Ronald Hall, Psychologist, Tallahassee, Fla.; Dr. Robert Hall, Psychologist, Tallahassee, Fla.; Dr. Linda Brookins, Psychologist, Tallahassee, Fla.; Dr. Ronald Mickens, Psychologist, Atlanta, Ga.; Dr. Ronald Braithwaite, Psychologist, Atlanta, Ga.; Dr. Ronald Taylor, Psychologist, Atlanta, Ga.; Dr. Ronald Williams, Psychologist, Atlanta, Ga.; Dr. Ronald Johnson, Psychologist, Atlanta, Ga.; Dr. Ronald Brown, Psychologist, Atlanta, Ga.; Dr. Ronald Davis, Psychologist, Atlanta, Ga.; Dr. Ronald Wilson, Psychologist, Atlanta, Ga.; Dr. Ronald Thomas, Psychologist, Atlanta, Ga.; Dr. Ronald Jackson, Psychologist, Atlanta, Ga.; Dr. Ronald White, Psychologist, Atlanta, Ga.; Dr. Ronald Harris, Psychologist, Atlanta, Ga.; Dr. Ronald Martin, Psychologist, Atlanta, Ga.; Dr. Ronald Thompson, Psychologist, Atlanta, Ga.; Dr. Ronald Garcia, Psychologist, Atlanta, Ga.; Dr. Ronald Rodriguez, Psychologist, Atlanta, Ga.; Dr. Ronald Martinez, Psychologist, Atlanta, Ga.; Dr. Ronald Hernandez, Psychologist, Atlanta, Ga.; Dr. Ronald Lopez, Psychologist, Atlanta, Ga.; Dr. Ronald Gonzalez, Psychologist, Atlanta, Ga.; Dr. Ronald Perez, Psychologist, Atlanta, Ga.; Dr. Ronald Sanchez, Psychologist, Atlanta, Ga.; Dr. Ronald Ramirez, Psychologist, Atlanta, Ga.; Dr. Ronald Torres, Psychologist, Atlanta, Ga.; Dr. Ronald Flores, Psychologist, Atlanta, Ga.; Dr. Ronald Rivera, Psychologist, Atlanta, Ga.; Dr. Ronald Gomez, Psychologist, Atlanta, Ga.; Dr. Ronald Diaz, Psychologist, Atlanta, Ga.; Dr. Ronald Reyes, Psychologist, Atlanta, Ga.; Dr. Ronald Cruz, Psychologist, Atlanta, Ga.; Dr. Ronald Morales, Psychologist, Atlanta, Ga.; Dr. Ronald Ortiz, Psychologist, Atlanta, Ga.; Dr. Ronald Gutierrez, Psychologist, Atlanta, Ga.; Dr. Ronald Chavez, Psychologist, Atlanta, Ga.; Dr. Ronald Ramos, Psychologist, Atlanta, Ga.; Dr. Ronald Vasquez, Psychologist, Atlanta, Ga.; Dr. Ronald Castillo, Psychologist, Atlanta, Ga.; Dr. Ronald Jimenez, Psychologist, Atlanta, Ga.; Dr. Ronald Moreno, Psychologist, Atlanta, Ga.; Dr. Ronald Romero, Psychologist, Atlanta, Ga.; Dr. Ronald Alvarez, Psychologist, Atlanta, Ga.; Dr. Ronald Ruiz, Psychologist, Atlanta, Ga.; Dr. Ronald Hernandez, Psychologist, Atlanta, Ga.; Dr. Ronald Lopez, Psychologist, Atlanta, Ga.; Dr. Ronald Gonzalez, Psychologist, Atlanta, Ga.; Dr. Ronald Perez, Psychologist, Atlanta, Ga.; Dr. Ronald Sanchez, Psychologist, Atlanta, Ga.; Dr. Ronald Ramirez, Psychologist, Atlanta, Ga.; Dr. Ronald Torres, Psychologist, Atlanta, Ga.; Dr. Ronald Flores, Psychologist, Atlanta, Ga.; Dr. Ronald Rivera, Psychologist, Atlanta, Ga.; Dr. Ronald Gomez, Psychologist, Atlanta, Ga.; Dr. Ronald Diaz, Psychologist, Atlanta, Ga.; Dr. Ronald Reyes, Psychologist, Atlanta, Ga.; Dr. Ronald Cruz, Psychologist, Atlanta, Ga.; Dr. Ronald Morales, Psychologist, Atlanta, Ga.; Dr. Ronald Ortiz, Psychologist, Atlanta, Ga.; Dr. Ronald Gutierrez, Psychologist, Atlanta, Ga.; Dr. Ronald Chavez, Psychologist, Atlanta, Ga.; Dr. Ronald Ramos, Psychologist, Atlanta, Ga.; Dr. Ronald Vasquez, Psychologist, Atlanta, Ga.; Dr. Ronald Castillo, Psychologist, Atlanta, Ga.; Dr. Ronald Jimenez, Psychologist, Atlanta, Ga.; Dr. Ronald Moreno, Psychologist, Atlanta, Ga.; Dr. Ronald Romero, Psychologist, Atlanta, Ga.; Dr. Ronald Alvarez, Psychologist, Atlanta, Ga.; Dr. Ronald Ruiz, Psychologist, Atlanta, Ga.

tion, and Guadalupe Eltzalde, journalist and member of the Mexican Human Rights League.

The Sacrifice of Vukovar

Continued from page 1

past it, around in the countryside.

And now, according to the latest news from the field received by New Federalist, the Croatians have started a counterattack in the countryside. It is dawning on the Serbian Chetniks and Army that they will encounter more resistance, not less.

The Schiller Call

But it is from a strategic standpoint that the Greater Serbians find themselves really in trouble. The Bosnian city of Mostar has been bombed by the Yugoslav Army—an action which will probably open a new flank against the Serbians. And in the Albanian province of Kosovo (annexed without formalities by the Greater Serbians) a reaction is starting—another flank.

In Germany, Chancellor Helmut Kohl and a majority of the political leaders have made clear that Germany is going to recognize Slovenia and Croatia, even if some countries of the European Community refuse to go along. On Nov. 14, Austrian Foreign Minister Alois Mock called for recognition. This war, he said, is putting Europe to a test. ... Europe's politicians will have to demonstrate what significance they attach to the principle of self-determination, democracy, and human rights. Europe will have to show whether it can take care of its own security."

In Italy, people are expressing pro-Croatian sentiments against the Foreign Minister, Gianni De Michelis, a top Freemason who not long ago was accusing Croatia of provocation.

And on Nov. 14 was made available to the media the Schiller Institute call for the formation of an international committee to save Croatia, issued by Institute founder Helga Zepp-LaRouche (see p. 4). Among the signers, Prof. Hans Kleczatski, former Justice Minister of Austria; Gen. Paul Albert Scherer, former head of the German Military Intelligence Service; and Zlatko Kramaric, Mayor of the Croatian City of Osieh.

Ratifying the Conquest

The last protection the bloody generals of Milosevic are relying on is Western mediators. The scheme they want to implement is an intervention of United Nations peacekeeping forces—not to stop the war, but to guarantee the brutal conquest of the more than one third of the Croatian territory the Serbs now occupy. Milosevic is asking that the peacekeeping troops be installed in the fighting areas, a demand the Croatians cannot accept. In credibility, on Nov. 13, Lord Peter Carrington, one of the European peacemakers, met with Veljko Kadijevic, the Defense Minister of Yugoslavia, to send troops to the "crisis areas."

On Nov. 18, UN special envoy Cyrus Vance told the press in Belgrade: "We had very useful talks. Not only was it a useful meeting, but we also made progress." The meeting was with Milosevic, who thought the talks "very successful."

"[The] deploying of peacekeeping forces, which would have to ensure the separation of the sides in conflict, is a good idea."

What Kind of Peace?

The kind of peace Milosevic wants was made clear by Franjo Cardinal Kuharic, Archbishop of Zagreb, addressing U.S. Catholic Bishops in Washington: "This war is attempting to destroy all freedom and democracy and is striking at the culture as well as history of the Croatian people. ... This is a war of aggression being waged by the federal army under the leadership of Serbian generals, who are in league with the extremist movement which seeks to create a Greater Serbia. This war is further fueled by the communist ideology."

"Many of our Croatian cities and countless more villages are under constant attack by heavy artillery, tanks, missiles, and planes. Many villages have been totally wiped away. ... A large number of towns and cities are threatened with total annihilation, among them Dubrovnik and Sluni. ... Vukovar is entirely demolished. ... There are known incidents where older persons refused to leave their homes and were massacred and set on fire in their own dwellings."

"The greatest step towards bringing this war to an end would be the recognition of a free Croatia and Slovenia where the people voted by a 95% majority in favor of freedom and independence."

The Cardinal also sent a letter to George Bush urging him to recognize Croatia and put an end to the war.

But Bush had given his answer three days before in Rome, at the NATO summit. There he lectured the Europeans on the war, borrowing freely from the lies of the Anti-Defamation League, he accused Croatia of ... nationalism!

"We see in Yugoslavia how the proud name of nationalism can splinter a country into bloody civil war. ... [this nationalism] feeds on old, stale prejudices, teaches intolerance and suspicion and even racism and anti-Semitism." Not only that, Bush said, but democracy's a danger. "Some fear that democracy [new freedoms will be used to settle old scores]." His target: they don't have and can't borrow—and banks can't lend when their cash flow, deposit base, and loan receipts are

So, in addition to the political panic ... nancial Times wrote that Bush could ... year from now.

Call to Found an International Committee to Save Croatia

by Helga Zepp-LaRouche

President, Schiller Institute. *This statement, issued Oct. 31, is being circulated internationally for signatures. Add your signature, clip it out, and send it to the Schiller Institute, P.O. Box 66062, Washington, D.C. 20035-6062.*

Helga Zepp-LaRouche

It is heart-rending to have to watch how boundless grief has been imposed on the almost defenseless nation of Croatia by the Serbian aggressors. At least 5,000 people, but probably many more—among them many old people, sick and children—have already found death. Three hundred fifty thousand people have lost everything and are in flight, with a more bitter winter in front of them. One *hundred* fifty thousand people have been blockaded for weeks, without food and medicine, exposed to merciless bombardment. Many priests and nuns have been tortured and killed.

But it is no less heart-rending, to have to observe how corrupt or indifferent the politicians of the West are, and how emotionally dead and uninterested the majority of the population is. If genocide of such proportions can occur in the middle of Europe, without people reacting, then we are morally bankrupt.

Imagine that the German revolution had proceeded a little bit differently, and the peaceful revolution had not led to the opening of the borders, but only to the declaration of independence of Thuringia and Sachsen-Anhalt. Imagine that the East German Peoples Army had then set up the most modern weapons, in order to reconquer Thuringia militarily? Eisenach and Erfurt were, after a week-long bombardment, almost leveled to the ground; classical Weimar was blockaded and threatened with immediate destruction; and Mainz continued suffering under air raids. If it were your own parents whose ancestral home was bombarded, would you still be so indifferent?

Or imagine that a fascist movement had seized power in France and proceeded in a similar manner against the resistance. Or that this were the case in the country and the city which is home for you. If something is criminal and genocidal here, why is it then suddenly okay there? This double standard is the surest measure of moral bankruptcy!

Bush and Gorbachov, without whose quiet support Belgrade would never have dared wage this aggressive war, bear responsibility for the genocide, but also Lord Carrington, who has conducted the negotiations at the so-called European Community peace conference in supposed British interests, so that the maximum advantage for the Serbs arose out of it. The Undersecretary in the American State Department, Lawrence Eagleburger, whose motivation is shaped by strong economic interests in Serbia, also bears blame. The mistake of those who have not participated themselves in the murderous plot, is to have trusted the policy of the Anglo-Americans for one second.

Since the official policy of the West up until now has failed so thoroughly, we the undersigned are constituting an international coalition to save Croatia.

We stand for the immediate recognition of the independence of Croatia and Slovenia in conformity with the right to self-determination agreed upon in the Helsinki Accords.

We stand for Croatia having due the same rights as are due any other sovereign state, among which is the right to the defense of the life of its citizens and its territory.

We appeal to the international community of peoples, to make reparations for the injustice inflicted on Croatia, and to help it through a comprehensive reconstruction program.

We support the immediate realization of the all-European infrastructure program of the "Eurasian Triangle" proposed by the American economist Lyndon LaRouche as the only possibility for realizing peace in the Balkans.

The Croatian people have a right to peace, as all other people do.

Name ... Address ... City, State ...

University Student Strikes Lead Protest Against Maryland Budget Cuts

by Mark Gallagher

BALTIMORE, Nov 18 (EIRNS)—In the past week students, faculty, staff and workers of the University of Maryland at the College Park campus have intensified their protests against budget cuts.

Beginning Nov. 11 at 9 a.m., 11 English Department tenured professors marched on the Main Administration Building, kicking off a two-day class walkout. Next, they passed a 300-person rally at the English Department for all-day picketing.

The actions canceled classes for about 10,000 students, who were told to attend the protest or participate in the budget education teach-ins.

As a result of the loss of $40 million in state funds over the last two years, the latest round of Maryland's most severe budget cuts has hit the English Department especially hard. Fifteen English instructors have been fired and additional instructors have been reduced to part-time status. Also, due to the elimination of 30 sections of required Junior English, more than 1,000 student slots made will be dropped next semester. "English majors won't be able to graduate in four years," says English professor Agnes Lansbury.

'No More Cuts'

By 12 noon Nov. 13, another rally had been organized by the Anthropology Department on Hornbake Hall, where professors from the English Department joined them. The crowd swelled to over 1,000. University President William Kirwan told the students, "The future of this state depends on the quality of your education." As a student leader grabbed his arm and lifted it in the air, Kirwan encountered protesters chanting, "No more cuts!"

After the crowd, by now motivated by campus police at 5,000, marched down U.S. Route 1, blocking traffic for hours, when a group of 200 sat down in the roadway. The marchers dispersed only after arrests were made.

All the while the teach-ins continued. For two days a broad range of topics related to economics and the value of education were debated. The students were encouraged by the faculty to take the protest to the state capital in Annapolis.

MARYLAND UNIVERSITY STUDENTS demonstrate in Annapolis Nov. 14, protesting cuts in state education funding

Representatives of the LaRouche in '92 presidential campaign spoke about the national economic depression and warned the students "not to become so self-centered in demanding a stop to education cuts at the expense of cutting someone else's budget, but rather to get behind the economic recovery plan of Lyndon LaRouche to ensure economic growth and recovery based on infrastructure rebuilding and production."

On the Capitol Steps

By Nov. 14, the student strike had gained enough momentum to pull together a 3.5-mile long caravan of eight buses and 198 cars to travel to Annapolis. There, on the steps of the capital building, a very loud rally was addressed by student leaders from four different campuses. Thor Jackson, president of the Schiller Club at Howard University in Washington, D.C., urged the students "to think bigger now that you are off campus and take a leadership role in actions across the country to defeat the Bush depression. We need to launch a great infrastructure reconstruction project on a global scale," he continued.

Many in the crowd challenged him to "define infrastructure for us." "What can infrastructure do for education?" This was the only discussion of concrete solutions to the budget crisis the entire afternoon.

Leaders from the local AFSCME union also spoke of bringing in other forces affected by cuts to broaden the fight. A large banner reading "Stop Budget Butchery—Adopt LaRouche Recovery Plan" dominated the scene.

Of the State Delegates, Paul Carlson, president of the Student Government Association of University of Maryland, said: "If they're not with us, we're going to vote them out." The university students are not alone. Public school teachers and members of the state and county teachers' union—which represents more than 21,000 in Prince George's and Montgomery Counties and Baltimore City in Maryland, and in Fairfax County in Virginia—plan to begin a "work-to-rule" protest. Working no more than the 6 hours 50 minutes described in their contracts means no hall or cafeteria duty, no outside activities planned, nor any work not stipulated in their contract. Over 1,000 teachers were planning to march on City Hall in Baltimore Nov. 18.

High school students in the same counties have begun sit-ins, rallies, and class boycotts. At Friendly High School in Prince George's County, about two-thirds of the 1,600 students refused to enter the building when their classes began. Joined by teachers, the students ended their protest when school administrators convened an assembly and spent over an hour discussing the proposed cuts.

Baltimore Bludgeoned

Meanwhile, in Baltimore City, Mayor Kurt Schmoke has carried through his threats in his post-election "downsizing" of the city budget by ending 571 jobs, including 252 firefighters. Calling it a "civil disaster," Schmoke cut $27.5 million from the city budget in mid-fiscal year. The result? City schools will be closed one full week this winter, with teachers furloughed; five firehouses have been closed and seven library branches shut down. Thousands of the city's poor children will have trouble getting immunized shots because one-third of the city grants which underwrite five health clinics have been cut.

Frustration is showing itself all across the state. One political leader after another is at a loss for alternatives to budget cutting and tax increases. Said Gov. William Donald Schaefer, "No matter what I choose, I'm going to be wrong."

But, as the LaRouche campaign gears up, more people seem to be realizing that their only option is to support Lyndon LaRouche's candidacy and his plan to reverse this depression.

Who's Stalling Food Irradiation Plant? And Why?

by Marjorie Mazel Hecht

Nov. 18 (EIRNS)—The first U.S. commercial food irradiation plant is ready to open for business in Mulberry, Fla.—except that the state of Florida is stalling on issuing the plant an operating license.

The state licensing rests with the Office of Environmental Health in the Department of Health and Rehabilitation Services, where it is tied up in yellow tape. (That's the kind of tape used by bureaucrats to cover themselves politically when they are afraid to do what's right because of attacks from a small but rowdy gang of ecological terrorists.)

The scientific and technical evaluations of the plant are positive; the food irradiation plant passed its safety inspection. Privately, many state officials have said that they think food irradiation is a beneficial and safe technology and that the lies of the eco-terrorist group Food & Water, Inc. are outrageous. Publicly, however, these same political figures are silent—in fearful deference to the zany Food & Water group they admit is crazy. And so the licensing process is going

EXPOSING SCARE STORIES about food irradiation: This flyer was put out by 21st Century Science and Technology magazine.

processed and then shipped out with a longer shelf life, either at the supermarket or on your refrigerator. The [illegible] reported "Gamma" brought in by the Food & Water group.

Three groups, including 21st Century

for the most part has ignored the fact that the full weight of the scientific community supports the safety and benefits of food irradiation for disinfesting produce, prolonging shelf life and getting rid of disease-causing microbes like salmonella. Instead, they play up Food & Water's unsubstantiated scare stories.

The New Jersey-based group Food & Water knowingly lies in its propaganda. When asked why they use such misinformation, Food & Water's executive director, Michael Colby, told one reporter that the Food & Water method of lies is "successful," and that they have "shut down four plants" this way, so they're sticking with it.

One of Food & Water's tactics has been to pressure local supermarkets by bombarding them with form letters telling them not to sell irradiated produce. This tactic works both ways. If you'd like your supermarket to sell delicious strawberries, picked ripe and irradiation-processed to stay fresh, tell your supermarket management. If you live in Florida, write to Publix Supermarkets Inc., Mr. Mark Hollis, President, P.O. Box 407, Lakeland, Fla. 33802.

The 'October Surprise'

Continued from page 1

well as the entire transition period thereafter up to the day of the inauguration of Ronald Reagan and George Bush—the day the hostages were re-

ger, a sparces former Reagan administration aide who wrote the first book on the "October Surprise" published in 1989.

In the talk shows that accompanied

...reased.

Pottinger was known as a close personal friend of George Bush from the days when Bush was CIA director and Pottinger was a high Justice Department official. State Department documents released to this news service under the *Freedom of* Information Act show that Pottinger shopped Cyrus Hashemi into the State Department in late 1979, at which time Hashemi proposed an arms for hostages deal which was adopted by the Carter administration into its official position during the hostage negotiations. However, in the summer of 1980 Pottinger and Hashemi were operating as double agents, secretly working for the Reagan-Bush campaign while appearing to be brokering negotiations with the Carter administration.

One of the biggest unanswered questions of the "October Surprise" affair is why Pottinger was never indicted. He was named as an unindicted co-conspirator in the Hashemi indictment, but escaped unharmed when the FBI "lost" the tapes which contained incriminating evidence against him from the 1980-81 period.

According to newly released CIA documents, Pottinger was still under investigation as late as September 1985. Yet he was never indicted, even though everyone else involved in the same incident was, and some went to jail.

Operation Counterattack

Just as Bush's arms deals were about to hit the media and congress was about to vote on serious subpoena for the "October Surprise" investigations, two national news magazines launched a counteroffensive attempting to debunk the whole story as a kind of Nixonian "Counterattack." Newsweek led off with the cover story "Making of a Myth," on the 10th anniversary of the Watergate break-in, and the formerly Nixon-hating Time magazine followed up with "The Conspiracy That Wasn't" on the Bush 41 cover.

Both articles followed the script reversed by the news service which has learned that a number of the principal targets of the Watergate investigations are actually spreading false leads and disinformation designed to cast doubt on the veracity of any and all accounts of the part to delay the release of the hostages.

Two of the leading sources who have already been heavily discredited are Richard Brenneke and Art Ben Menashe. They are among the handful of sources who claim that George Bush personally went to Paris in October 1980 and participated in meetings concerning the Reagan-Bush campaign's arms for hostages deal.

Both Newsweek and New Republic devote much space to knocking down the witnesses set up by Brenneke and Ben Menashe, and by Barbara Honegrightly downplayed the importance of the alleged Paris meetings, and emphasized that he was relying much more on eyewitness accounts of meetings held in Madrid in July-August 1980 and attended by William Casey and Iranian representatives. Sick said that the most compelling evidence he has heard has been Jamshid Hashemi's account of the Madrid meetings.

"The thing that has struck me most recently is the description of the Madrid meetings, which I hadn't known about before," stated the former Carter National Security Council aide. "Everybody had always focused on Paris. ... I've always thought that was sort of secondary; it just doesn't make any difference as far as I'm concerned. The question is whether a deal was done."

Commentators who try to discuss the debate over "October Surprise" in Democrat versus Republican terms are having a hard time explaining the current lineup. The entry of *Newsweek* and the New Republic into the lists does make sense, however, once the critical role of the Israelis is grasped. The Israeli government and Israeli arms dealers were up to their eyeballs in the entire affair. Not only did many Israeli officials distrust Carter, believing him to be too "even-handed" with respect to the Middle East, but they wanted to be in on the ground floor of the incoming Reagan-Bush administration. Many Israeli officials and operatives believed that their objectives were best served by facilitating the election of the Reagan-Bush ticket and ensuring their own role in the Middle East policy of the new administration.

Take for example the role of Henry Kissinger. Executive Intelligence Review was the first to publish an account of the "October Surprise" conspiracy to delay the release of the hostages (EIR's 1980 scoop was acknowledged in the recent Newsweek coverage.) Kissinger, EIR reported, was dealing directly with fundamentalist Iranian mullahs to sabotage Carter's hostage negotiations so that the hostages were not released until after the elections.

Gary Sick reported another aspect to this in his NPR interview. He says that the Reagan-Bush hostage deal was concluded during the second Madrid meeting, in which Casey met with Iranian cleric Mehdi Karrubi.

"The next day Jamshid Hashemi, the man who told me this story in great detail, says that he met with his brother with an Israeli official, and that they began a shipment of military equipment from Israel to Iran that amounted to at least four shiploads of equipment, that started from probably in about September 1980 and continued on through the end of the year. And that was the genesis of the deal."

The plant has been ready for about a month, and every day that goes by means a loss for the area's strawberry growers and other producers who were counting on the irradiation process to disinfest their crop or lengthen its shelf life. The real loser is the consumer; irradiation processed produce can be picked ripe, instead of green,

process does not affect the safety and wholesomeness of the product.

As a result of the anti-nuclear noise, the state scheduled hearings on the plant's safety on Nov. 4 in the Mulberry Civic Center. Of the 200 or so people there, only three Mulberry residents spoke against the plant, according to Mulberry's Mayor. The rest were im-

turned out to support the plant, along with two dozen or so local residents and many others from the area. But the nine radio stations, five television stations and score of Florida reporters present neglected to note this fact in their coverage of the hearings.

The sensationalist press coverage

Florida's Governor, Lawton Chiles, and tell him to cut through that yellow tape. His address is PL05, The Capitol, Tallahassee, Fla. 32399-0810.

Marjorie Mazel Hecht is the managing editor of 21st Century Science & Technology, whose Fall 1991 issue features a special report on food irradiation.

Stealing Your Pension . . .

Continued from page 1

trustees of the funds, ideologues in universities and the press (such as the editors of the Wall Street Journal), who praise them as paragons of "free enterprise," and officials of the Bush administration, who have kept the regulators at bay.

In this second part of our series, we will see how the takeover bandits, with the aid of corrupted public officials, initiated the looting of state pension funds.

The LBO Scam

When KKR opened its doors in 1976 with $120,000 in seed capital, most investment banking firms had no Merger and Acquisition (M&A) department, and Milken's junk bond operation at Drexel was just getting off the ground. However, economic conditions were ripe for both to take off.

The inflation of the 1970s swelled the value of corporate assets while stock prices remained low. To Milken and to the raiders who thrived off him, this meant it was much cheaper to buy a company than to build one, especially if you could use "other people's money" to do so.

The tax laws also favored this scenario: interest payments on debt were made tax deductible, thus encouraging borrowing. From this mix emerged the leveraged buyout, or LBO. Raiders and takeover firms would take on huge amounts of debt to purchase a company, pledging the assets of that company as collateral for the debt. If interest payments could not be met from the cash flow of the newly acquired company, it would either be "restructured" (which meant layoffs of workers, closing down "unprofitable" divisions, and cuts in R&D), or dismantled completely to pay the debt.

In the worst case, the firm would be put into bankruptcy, with the investors taking the losses. The raider, his bankers, and his lawyers would make a killing in fees, even if the deal went sour.

The 'Decade of Greed'

With the inauguration of Ronald Reagan in 1981, the remaining impediments to mergers were lifted. Regulations were relaxed, virtually eliminating anti-trust restrictions against mergers. Banking deregulation, especially by way of the Garn-St Germain Act of 1982, freed banks and S&Ls to invest directly in junk bonds and LBOs.

By 1982, Milken joined in the "merger mania," selling junk bonds to cover the "subordinated" debt level of LBOs, i.e., that portion of the financing which would be repaid last, thus demanding the highest interest rates (because the risk was higher).

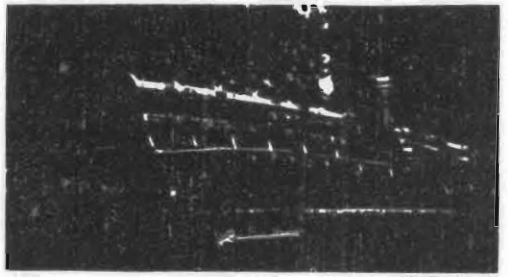
When Milken was unleashed by Drexel's CEO Fred Joseph to enter the *M&A game*, he brought with him his team of organized crime-linked speculators—raiders like Carl Lindner and his protegé Charles Keating of Lincoln Savings, Meshulam Riklis, Victor Posner, Fred Carr of the now-bankrupt First Executive Life, and others, who used funds from the insurance companies they had taken over with Milken's aid as their base of operations—as well as his network of S&L and mutual fund investors.

Yet, even with this vastly increased pool of liquidity available for M&A, it wasn't until KKR opened up the pension funds of corporations, as well as states and cities, that the billion dollar takeover deals of the 1980s became possible. These funds were flush with more than a trillion dollars in them. While efforts to get investments from corporate funds were underway, the first pension fund to invest in junk bonds was that of the World Bank. It was generally conceded that state and city pension funds would be inaccessible by reason of cautious trustees and the likelihood of political fallout.

This didn't stop KKR partner George Roberts (a cousin of Henry Kravis) from keying in on them. The big state funds, that's where the money in this country is," he said, in an unwitting parody of the explanation offered by famous bank robber Willie Sutton for his activities. "And it's certainly where the money in this country in the future is going to be," Roberts added.

Roberts made his first score with a state pension fund when he convinced Roger Meier, an investor in charge of his family's private funds who served as chairman of the Oregon Investment Council (OIC), to place $178 million from that state pension fund with KKR in 1981.

Next, Meier teamed up with Roberts



THE VICTIM: This elderly man, and millions like him, are the victims of the great pension funds heist.

to open up other states to KKR, beginning with Washington State. The chairman of the Washington Investment Board (WIB), John Hitchman, soon became a KKR backer. Washington placed $10 million in a KKR fund in 1982, and followed that with $150 million in 1984, making it the largest investor in that year's $1 billion fund.

The WIB continued to back KKR generously. When KKR took over Beatrice Foods in a $6.7 billion LBO deal (plus assumption of $1.5 billion in debt) in 1986, Washington State pensioners were the single largest owner of the company.

The Beatrice deal is a good example of how risky LBOs can be for investors. Despite implementing "cost-cutting measures," which included spinning off several companies, Beatrice was forced to borrow an additional $1 billion in 1989 to service its debt and avoid bankruptcy. In spite of the shaky nature of the deal, KKR received an advisory fee of $45 million, while Drexel received $86 million in fees.

Both Meier and Hitchman continued to help KKR. Hitchman, as chairman of the National Association of State Investment Officers (NASIO) in 1983, invited Kravis and Roberts to make their pitch to the NASIO national convention. When Meier was chairman of NASIO several years later, KKR was again featured at the convention.

New York Times reporter Sarah Bartlett, in her study of KKR, "The Money Machine," points out that Meier's interest in KKR went beyond his concern with the retirement funds of retired teachers and state workers.

By befriending Roberts and working his way into KKR's inner circle, Meier was able to greatly enhance his family fortune, gaining access to what might be considered "insider information."

Both Washington and Oregon continue to place funds with KKR. Although Meier is no longer a trustee, the OIC still has 7.5% of its $8.5 billion pension fund, almost $640 million, in LBOs.

With the state pension funds opening their coffers to KKR and other takeover firms, overall M&A activity during the 1980s totaled a whopping $1.5 trillion. From only $2 billion in completed LBOs in 1980, the totals skyrocketed in 1984, there were 76 LBOs for $11.8 billion. In 1988, 212 LBOs were completed for $37.6 billion. By 1988, there were 239 completed, for $81.2 billion.

This activity has added hundreds of billions of dollars to total corporate debt, boosted unemployment, disrupted communities affected by plant closings, added billions to the federal deficit by forcing the bailout of insolvent, federally insured S&Ls and commercial banks—and will gobble up billions of dollars more in bankrupted pension funds, insurance companies and S&Ls when the speculative bubble inevitably pops.

Meanwhile, the dealmakers and their lawyers pocketed an estimated $60 billion in fees during the 1980s, while avoiding billions of dollars in federal taxes through elaborate schemes linked to junk bonds and LBOs.

Next, we examine Skip Humphrey's role in looting Minnesota pension funds.

3 4 0 4 3 5 6 2 1 3 6

[illegible] Philip Glanowsky (left) as the Marquis de Posa and [illegible] as King Philip of Spain perform the climactic scene [illegible]

Celebrating Friedrich Schiller's Birthday

Special to New Federalist

Nov. 10 (EIRNS)—Maintaining the annual tradition launched in 1984, the Schiller Institute celebrated the birthday of its namesake, Friedrich Schiller, in cities across America this weekend. Born Nov. 10, 1759 in Marbach, Germany, Schiller is best known in this country as the Poet of Freedom, the author of such republican dramas as "Wilhelm Tell" and "Don Carlos."

Opening one of the larger celebrations yesterday in Wheaton, Md., Debra Freeman, the Institute's Southeast coordinator, elaborated Schiller's concept of the beautiful, reading from his version of the parable of the Good Samaritan (from "Kallias, or, On the Beautiful"). In this piece, she told the audience of over 200 people, Schiller locates freedom as an essential aspect of beauty. "In the Good Samaritan duty has become his nature. His action is beautiful, because it is taken freely out of love."

She contrasted this concept of beauty to the ugliness of life in America's cities, prisons, schools, and so forth. People must approach the campaign to put Lyndon LaRouche in the White House, to end this ugliness, she said, "not out of Kantian 'duty,' but 'freely out of love,' as Schiller expresses it."

Amelia Robinson's Remarks

Amelia Boynton Robinson, Schiller Institute board member and author of an autobiographical account of the civil rights movement, "Bridge Across Jordan," spoke next. "Remember what Franklin Delano Roosevelt said," she told the audience. "He said there was 'nothing to fear but fear itself,' and that's as true today as it was in World War II." When she started working with Dr. Martin Luther King in 1965, she was warned that he was "dangerous" and to stay away from him. The same thing is said today about Lyndon LaRouche, "but I found out for myself, rather than listen to what others say," Mrs. Robinson said.

Following a potluck supper, a three-hour program of music, drama, and recitation began, presenting highlights of some of Schiller's greatest works, as set by a variety of composers.

The evening's master of ceremonies, Michael Minnicino, cautioned that, while the performances were amateur, that doesn't necessarily mean they are poor. "Amateur actually means 'done out of love,'" he said. In deed, while not of "professional" quality, the evening's performances conveyed quite powerfully the love which the performers had for the content of what they were performing.

'Our Own Fight for Freedom'

A short statement of greetings by Will Wertz, editor of the Institute's new cultural journal Fidelio, was read before the performances began. Currently in a work release program, Wertz recounted his experience translating Schiller's works for the Institute, while a political prisoner with Lyndon LaRouche. "I want you to realize how deeply connected the works of Schiller are with our own fight for freedom in this nation," he said. "May this celebration equip each of us with the strength and wisdom we will need in order to achieve freedom on the only path upon which it can be found—the path of beauty—which, according to Schiller, is synonymous with love."

The evening's program focused on three of Schiller's major dramas: "Wilhelm Tell," "The Virgin of Orleans," and "Don Carlos," all of which are available in recent English translations through the Institute.

"Wilhelm Tell" is the story of the Swiss patriot who dedicated the Hapsburg tyranny to help found the modern nation of Switzerland. The program included several vocal and instrumental arrangements of the music from Gioacchino Rossini's 1829 opera based on Schiller's play, from "The Herdsman's Farewell," by Robert Schuman, and from the "Monks' Chorus," by Ludwig van Beethoven, performed by adult and children ensembles. Rossini's duet between Tell and his son, "Kneel down in silence," was a gripping rendition of Tell's most famous act—shooting the apple off the head of his son, played by Kari Meier, boy soprano, with Tell played by Cal Smith, baritone. The scene from Schiller's play, in which the oath to act against tyranny is sworn at the Ruetli meadow, was also performed.

A Program of 'Great Voices'

The portion of the program from "The Virgin of Orleans," the story of Joan of Arc, opened with a dramatic reading from the Prologue of Schiller's play. This was followed by a lovely soprano solo setting (1800) of two of the lines from that prologue by a contemporary of Mozart's, Joh. Rud. Zumsteeg, and a concert version of the Finale of Act I of Verdi's "Giovanna d'Arco," his loose setting of Schiller's play, performed by the Schiller Institute Chorus of Virginia, singing the demons, and the Ben Franklin Youth Chorus, singing the angels.

Finally, from Schiller's "Don Carlos," the most famous scene in the play (Act 3, Scene 10), in which the republican Marquis of Posa engages in a prolonged colloquy on freedom with King Philip II of Spain, was masterfully performed by Philip Glanowsky (Posa) and Mel Klenetsky (Philip), under the direction of Ken Kronberg.

By presenting a program of "great voices"—musical and dramatic settings by various composers on the same theme—the Schiller Institute conveyed in a rather unique way the power of Schiller's ideas. In addition to performing them, members of the Schiller Institute had arranged the pieces and translated the words. The evening was, indeed, a demonstration of the kind of renaissance of classical culture which the Institute is striving to bring about in America.

Nebraska Pedophiles Try To Destroy a Witness

by Alan B. Ogden

LINCOLN, Neb., Nov. 15 (EIRNS)—The Nebraska Parole Board this week turned down a formal request for a rehearing of its Halloween Day decision not to parole ritual child abuse victim Paul Bonacci. John DeCamp, Bonacci's attorney, has charged that the Parole Board bowed to the pressure of a "cauldron of coverup skillfully executed by powerful and wealthy pedophiles," abetted by the Omaha World Herald newspaper.

In his formal request for the rehearing, DeCamp had argued that Bonacci is being denied his fundamental constitutional rights, including the right to due process of law. The Parole Board will not parole Bonacci unless he submits to being committed to a mental institution. DeCamp warned that this is a blatant attempt to destroy Bonacci, who is considered by nationally recognized experts on ritual child abuse to be an extremely valuable resource in combatting organized child prostitution rings in both the U.S. and Europe.

DeCamp's request for a rehearing on the Parole Board's denial of parole argued that the Board had no legal authority to commit Abuse to a mental institution. Incredibly, the Board

Billionaire Warren Buffett

The continuing attempt to silence Paul Bonacci has national dimensions. The same day Bonacci's parole was denied, the Washington Post ran an astonishing front-page article about child abuse victims. The article claimed there is no such thing as organized Satanic child abuse. The Washington Post article exactly paralleled language used in a recent editorial in the World Herald, which demanded that Bonacci not be released into the "clutches" of people who promote the "fantasy" of "a network of Satanic cults and child abusers."

A major stockholder and highly influential figure at the Post is Omaha multi-billionaire investor Warren Buffett, whose name has been in the middle of the Omaha pedophile scandal. During the 1980s, Buffett was a social companion and financial sponsor of Omaha's most notorious homosexual wheeler-dealer, former Franklin County [illegible] Larry King, whom Bonacci names as the key figure

JET Fusion Breakthrough

Continued from page 1

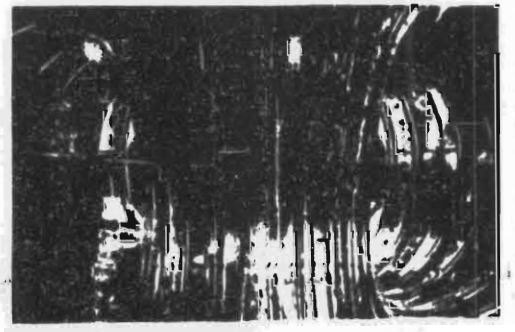
[illegible] in the industry, a step would be placed [illegible] Russian development and the ability of society to support a growing [illegible] Such, we have the potential to run circles on the rest of the [illegible]

This use of tritium [illegible] by JET was long overdue. The decision to move to [illegible] experiment with tritium by 1986—when it was scheduled for the Princeton TFTR fusion reactor—followed the [illegible] of budget-cutting mentality which endangering the U.S. space program as well. Indeed, had this mentality fund the tokamaks.

Even the Princeton Burning Power Experiment (BPX) has been dropped for budgetary reasons, although the BPX was a necessary step in ensuring a continuous burn, rather than a burn which lasted only for seconds.

Other problems which must be solved before ITER comes on line concern embrittlement of the containment vessel surrounding the plasma. Thus, the ambitious ITER is not expected to come on line for 30 years.

There is a tendency in the fusion community to pit the monolear and



which destroying the U.S. space program as well indeed had this mentality been prevalent Princeton would have been the first laboratory to use deuterium and tritium as a fuel and the world would have been applauding its previous results this past spring when an experiment similar to that at JET was planned.

The ITER

The next step being planned in the [illegible] as a technologically viable energy source is the construction of the International Test Experimental Reactor which is currently in the design phase. This called out to demonstrate is planned to produce 1,000 megawatts of energy.

The ITER is a very exciting project but there are many problems which will be solved before it will become a viable prospect. Therefore some scientists propose that it would be more sensible first to build a scaled down pilot project of perhaps 100 to 200 megawatts power [illegible] problems connected with ITER [illegible] every other [illegible] experiment including very [illegible] alternate concept ma[illegible] [illegible]

There is a tendency in the fusion community to pit thermonuclear and cold fusion against each other. On the one hand, hot fusion scientists call cold fusion a hoax, while the cold fusion scientists say that fusion at room temperature will make thermonuclear fusion unnecessary.

This unfortunate mentality is created by the budget starved environment in which all scientists are working today. It would seem obvious that every aspect of the fusion process should be intensively studied, before any decisions are made which would rule out a whole are of science and associated technology.

New Chapters in Science

Simply from the point of view of basic science, we certainly wish to study fusion plasmas in vacuum conditions (thermonuclear fusion) and fusion processes which take place within metals (cold fusion), and, as history has shown, by studying both simultaneously, our understanding of each process will be immeasurably increased. Undoubtedly, as it opens up new areas of basic science, such an effort will lead to new dimensions in our understanding of astrophysical processes and life processes as well.

© T. Janet Undertaking

INTERIOR OF the inconel vacuum vessel in which the hot gases are confined, at the Culham Laboratory in England.

It is difficult to predict what the spectrum of uses of fusion will be in the future, from thermonuclear to cold fusion, but even today both programs can be productively integrated. Cold fusion cells produce tritium. The amount of this production will grow as we gain control of the whole process. Tritium from cold fusion should cost as little as 1% of the cost of tritium produced by present methods.

By relieving the power generating tokamak from the burden of breeding its own fuel, or the cost of purchasing it, we will make possible not only significant savings in the capital and operating costs of such a plant, but, undoubtedly, also simplifications in its design, since one aspect of the problem of developing adequate materials for containment of the plasma in face of embrittlement is treatment of the neutrons.

It is also not to be ruled out that research in cold fusion and other areas which may be opened up as a result of scientific and engineering discoveries associated with this research, might lead to new ways of dealing with the difficult materials problems associated with bombardment by neutrons.

Just as was man's first step upon the Moon, so the JET results are another great step forward for mankind. We are justly proud of our own continuing role in this process.

Bush Demands GATT Food Cuts; Millions Face Hunger

continued from page 1

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Reforming CAP

Today, EC Commissioners began marathon efforts to reform the European Community's CAP, the system which protects European farmers by maintaining prices and productivity. The reform will reduce market price supports and turn to a U.S. system of compensation. The farmers are to be paid a subsidy to compensate for lowering market prices and must agree to take land out of production to qualify for the subsidy. The cartels reap the benefits by paying lower than cost on the market for a farmer's produce.

Nov. 13, 10,000 German farmers demonstrated on the streets of Stuttgart, carrying banners saying "Parity Prices, Not Alms," and "If the farmer dies in the West, we will have food rationing in the East." At a meeting of 600 angry farmers in Hessen two days later, the head of the German Farmers Federation was challenged for his inaction on the crisis. Across the world in South Korea on Nov. 11, the National Agricultural Cooperative, a major farmers' organization, launched a drive for 1 million signatures against rice imports.

The most positive initiative has come from France, where farmers, mainly livestock producers, have been demonstrating—up to 200,000 strong—against low prices and cheap imports of meat from Eastern Europe. These farmers pressured the government to sign an agreement to deliver 100 metric tons of meat to Moscow and the Russian Federation, in exchange for oil. This takes care of whatever meat surplus the French had, belying the claims of the cartels that to cut surpluses, it is necessary to cut production.

Dairy farmers in the United States, who will be destroyed if import restrictions are eliminated under a GATT agreement, have taken a similar course, dramatizing the need for more production and higher prices by sending milk powder to starving children in Iraq.

The Effect: Starvation

The effects of years of looting of agriculture around the world can be seen in the terrible increase in hunger and starvation. In the U.S., one in 10 people must rely on food stamps to survive, the majority of recipients run out of stamps by the third week of the month, and go hungry. Mass starvation is engulfing Bangladesh, Iraq, and sub-Saharan Africa. Moscow has started food rationing. World grain reserve stocks are below the 17 days minimum supply recommended by the UN, and world grain production fell 25% in the last year. An agreement between the world's largest food producers, the U.S. and the EC, to cut production further, is an agreement for genocide.

Bush made plain he intends to crush European farmers in order to achieve a mythical "export driven" recovery for the U.S., in his speech Nov. 13 to the Future Farmers of America in Kansas City. There he called on young Americans to become the Arnold Schwartzeneggers of a "Tough Global Marketplace," a bizarre reference to the actor's image of wreaking mayhem on his enemies. In truth, the only beneficiaries of the GATT process are the multinational bankers and grain cartels, which will profit from cuts in the incomes of European producers, and from gaining access to European markets for more cheaply produced U.S. and Third World products. The cartels will then control all world food production—determining who eats and who dies.

The reality driving the Bush administration's haste to conclude a GATT agreement was evident at the October meeting of the International Monetary Fund Bankers in Bangkok, Thailand. There Fund head Michel Camdessus demanded that agricultural subsidies, particularly in Europe, be cut $100-400 billion, in order to sustain the usurious debt bubble whose bursting could collapse the international banks.

institution. Incredibly, the Board turned down DeLamp's request on the grounds that the Board had paroled Bonacci (never mind that he's still in jail), that he has only to agree to go directly from jail to a mental institution, and that there's nothing left to discuss.

Bonacci, now 23, was homosexually abused, starting at the age of 8, by a large number of pedophiles who, he says, included prominent Omaha businessmen and government officials including U.S. Congressmen. He has courageously told his story to two grand juries and a state legislative committee, naming the key figures and providing detailed testimony on drug running, child pornography, Satanic cults, and child prostitution, and on child kidnapings and homicides to which he was an eyewitness.

The key witness in the long running scandal known as the "Franklin case," Bonacci has come under intense pressure and intimidation by the FBI and local police to recant his testimony, which he has consistently refused to do. He has been in jail since 1989, charged with a morals violation, while

in a far flung child exploitation ring.

Buffett himself, now interim chairman of the Wall Street firm of Salomon Brothers, was the subject of a two page feature article last week in the Wall Street Journal, which discussed Buffett's "killer instinct" and his leadership of a "circle of 13" (a term which happens to be used among the cognoscenti to describe witches' covens).

Johnny Gosch Kidnaping Case

In Des Moines, Iowa, the parents of child kidnaping victim Johnny Gosch, who was abducted there 9 years ago on his paper route and has never been found, have given interviews to local television and newspapers describing their visits to Bonacci in jail, and endorsing his truthfulness. Bonacci himself held captive as a child prostitute at that time, was taken along by the kidnaper the day young Gosch was abducted, and has provided Johnny's parents with valuable evidence about the subsequent whereabouts of their missing son. The conclusion is inescapable: Those who wish to destroy Paul Bonacci, seek to destroy the evidence along with him.

What is the science mafia trying to suppress?

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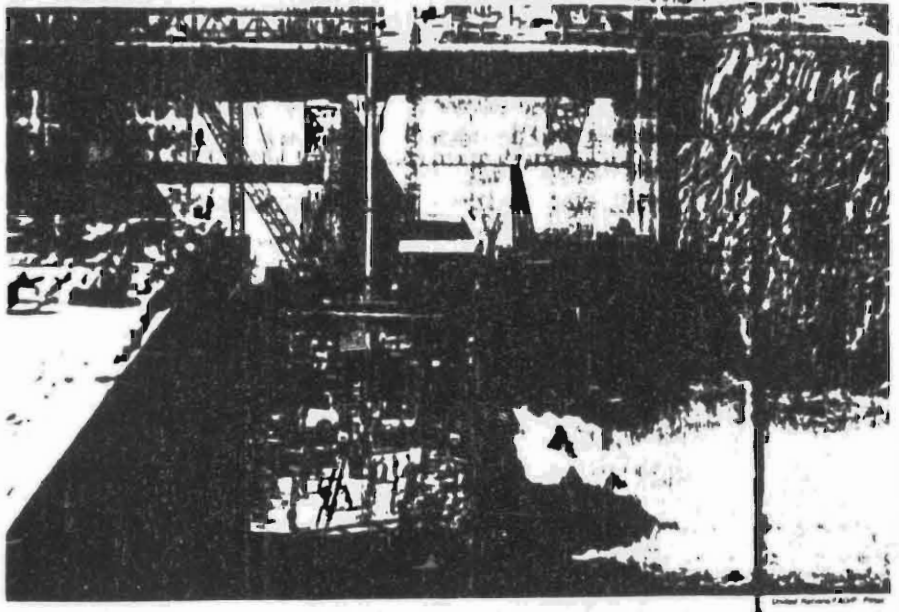
A SCHILLER INSTITUTE POLICY PROPOSAL



Egypt's Aswan Dam under construction in 1968

For a True Fourth U.N. Development Decade

This proposal was prepared under the d[irection] of Lyndon H. LaRouche, Jr. and [by] his wife Helga Zepp-LaRouche. [Lyndon] LaRouche is a prominent economist who has de[voted] his life to development economics. He is currently a political prisoner in the United States, and a [Democratic] candidate for U.S. President. Helga Zepp-LaRouche is the founder and chairman of the Schiller Institute, as well as the founder of the Club of Life. The

> "The time has come to replace the dictates of the New World Order imposed upon the peoples of the earth by the ruling elites in Washington and London,

of man collapse, the m[ass] AIDS and cholera take victims at alarm[ing] rates. The health breakdown of mankind [is] closely linked to poverty, as indicated by the [spr]ead of two "marker diseases" for acute pover[ty]—AIDS and cholera. As can now be charted, [the] epidemiology of the HIV virus conforms to [the] deep pockets of world poverty—from c[en]tral Africa to New York City. Incidence [of] cholera cases and deaths are directly ass[ociated] with the breakdown in public health [such] as basic sanitation

fied economic sanctions still being imposed against innocent Iraqi children, and the unfolding genocide being encouraged against Croatian freedom fighters, fear that were they to assert their sovereign rights to self-development, they would be risking economic warfare or even military invasions.

II. The Alternative: A True Fourth Development Decade

Therefore, the time has come to replace the dictates of a New World Order imposed upon the peoples of the earth by the ruling elites in Washington, London, and a handful of other nations with a *new, just, world economic development order*, by adding "justice" and "economic development" back into the plan for the world community of nations.

The political form of this proposal must take its guidelines from the tendency of our age—as events have been heading in the former Soviet Union—to reject "Empire" and instead promote a *"community of principle among sovereign nation states."*

We propose as the principal theme for this community of principle among sovereign nation states the following: **A True Fourth Development Decade.**

Since the remnants of the Versailles and Bretton Woods system are shattered, it is necessary to start with a new monetary system.

The new monetary system should be based upon a combination of proven methods on which the nations of the world can agree—a combination of the original Bretton Woods gold reserve (not gold standard) arrangement with the American System of national banking which the George Washington administration under Alexander Hamilton adopted in the form of the First National Bank of the United States.

In this arrangement, new credit is generated for productive investment in industry, agriculture, and transport when other sources of public credit have broken down. The new credit is prioritized through long-term, low interest investments into such productive infrastructure and research and development in order to create ever new technological improvements. By achieving advances in productivity through technology, the power of man's labor is increased.

So as not to repeat the mistake of the Soviet economic system, by infrastructure we do not only mean large scale enterprises. Infrastructure associated with small scale entrepreneurs and family farms plays a vital role in promoting development together with Great Projects. Among the nation-states of the former Soviet Union, means for coordinating economic development are still required.

upon a desire to end the spread of chaos through the world monetary system by returning to a twofold policy of:

1. long term low interest rates for investment in large scale development projects; and
2. stable parities among currencies.

These aims can only be achieved through once and for all discarding the International Monetary Fund and related institutions, and replacing them with a new institution based upon the historic ideas of development and economic justice developed by the opponents of radical free market approaches—Leibniz, Colbert, List, Hamilton, Carey, Stolypin, Witte, and Sun Yat Sen—and carried into the modern era by the school of physical economy associated with Lyndon H. LaRouche, Jr.

The coming into being of the new institution ought to be the natural outcome of an immediate Preparatory Meeting with the mandate to:

1) establish a coordinating committee for large-scale regional development projects throughout the world.

2) launch an emergency global effort to halt the spread of deadly pandemics and famine by producing the means to raise the standard of living of all people.

3) establish the basis for issuing long-term low interest loans for development and currency stability based upon such a new hard credit system.

The mandate for this Preparatory Meeting shall be strictly controlled by three limiting principles:

1) protection of national sovereignty.
2) a definitive end to usury and slavery.
3) a recognition that health and physical well-being is an inalienable right of man.

III. Why the First Three Development Decades Failed

In advancing the proposal for a True Fourth Development Decade, we should briefly identify the twofold reasons why the first three Development Decades failed.

Reason Number 1: The aims of development were aborted because the world financial monitoring institutions left over from the World War II era—namely, the International Monetary Fund (IMF), World Bank, GATT, Bank for International Settlements—did not establish their policies with democratic policy representation among the vast majority of nations. Furthermore, these institutions were established before the breakup of empires and therefore reflected neo-colonial biases in their structures and policies. Now that many of these institutions and the handful of global banking institutions whose interests they serve, have proven themselves unreformed and incapable of ad-

True Fourth U.N. Development Decade ... crete Solution to the World Economic Breakdown Crisis: A Discussion Paper for the 46th Regular Session of the U.N. General Assembly," by Warren A.J. Hamerman on September 12, 1991.

I. Introduction: The Current World Crisis

The Fourth U.N. Development Decade officially began this year, 1991, at a moment of unparalleled importance in all human history.

The current world economic crisis is unbearable for mankind.

At the same time the breathtaking events which have unfolded in the former Soviet Union and Eastern Europe over the past few months have given hope to all mankind and truly made this a unique historic moment—a time when freedom is in the air.

Yet, the vast majority of the peoples on earth—from Asia, above the Middle East, throughout America, Eastern Europe, and the poorer portions of the countryside in the United States—live in total misery, starving and diseased, without adequate shelter and medical care.

The current situation of world collapse has been caused by the complete breakdown of the international monetary system founded on the Bretton Woods agreements which established the basis for the International Monetary Fund (IMF), World Bank, and related institutions. The ongoing and continuous breakdown of the Anglo-American monetary system broke those Bretton Woods agreements as a functioning world financial system.

This actual breakdown of the functioning Bretton Woods system occurred back in the period 1968-1972, and was caused by the collapse of the Anglo-American financial system. The breakdown began with the collapse of the British pound in 1967, the removal of the U.S. dollar from the gold standard in 1971, and the failure of the Azores Conference in 1972. Thus, for a period of over two decades, the world has not had a coherent monetary system. Under the influence of policies such as deregulation of banking, pure speculative bubbles, of the sort deplored by French Nobel Laureate Maurice Allais, have proliferated.

To hold up these gross speculative bubbles, the economies of the world have been sucked dry. The remnants of the Versailles and Bretton Woods financial systems are shattered.

The more the fundamental living conditions

economic development order."

America is in a state of depression collapse. For instance, studies show that approximately 20 percent of the inner city black and hispanic populations in New York City are already HIV positive. Similar rates of HIV-positives were measured by scientists in the inner city of Baltimore, Maryland.

The proliferation of pandemics is caused by the fact that the world economic crisis has reached catastrophic proportions. No one can doubt that neither the Marxist economic system nor liberal Adam Smith free market economics has proven able to deliver food, shelter, education, and medical care for the majority of the people suffering under these collapsing economic systems. For instance, in Eastern European experiments, both the Marxist system and radical free market approaches have proven to be equal failures.

The greatest part of mankind today lives in fear of repression without the inalienable rights, dignity, and securities appropriate to the sacred children of God. Many in the Third World who have witnessed the invasion of Panama, Washington, D.C.'s support given the Tiananmen Square massacre in China, the unjustified quo non for all development. The "one world" conception is hostile to the idea of national sovereignty. In contrast, the community of principle is based on the notion of national sovereignty.

National sovereignty itself rests upon a common spoken and written language and is expressed through poetry and music. A common spoken and written language is necessary to communicate policy. Populations cannot function as informed citizens unless there is a common basis for cooperation on the same set of principles. To tamper with the idea of national sovereignty, condemns mankind to the tragic fate of the Tower of Babel.

Credit mechanisms have to be in accord with national sovereignty, since credit is created and regulated at the level of sovereign nations. National credit systems, organized through a national bank along the design of that of the new American republic during the late eighteenth and early nineteenth centuries, not over-reliance on borrowing from abroad, is the foundation of productive economic investment and output.

A True Fourth Development Decade is based

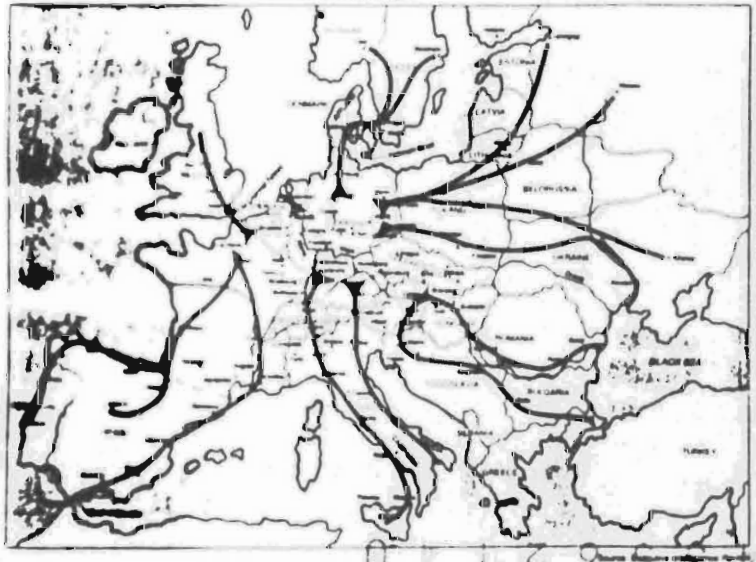
brushed aside for the creation of new, more freedom-ordered post-colonial institutions.

Reason Number 2: Certain ruling elites were determined to re-impose the old order even at the cost of brutally conducting large scale racial Malthusian genocide on a scale 100 times worse than Hitler. For instance, a series of formerly classified documents authored by U.S. National Security Directors Henry Kissinger and Brent Scowcroft in the period 1974-1977 argued that conceptions such as "the new world economic development order" created "excessive optimism" among the peoples of the Third World, would encourage their increase in population, and were therefore a national security threat to the United States. The most explicit of these documents was National Security Study Memorandum 200 or NSSM 200 titled "Implications of Worldwide Population Growth for U.S. Security and Overseas Interests." It targetted 13 Third World nations for radical depopulation programs and disparaged the efforts of the movement for a New World Economic Order and the Vatican for encouraging economic optimism and resistance to depopulation plans.

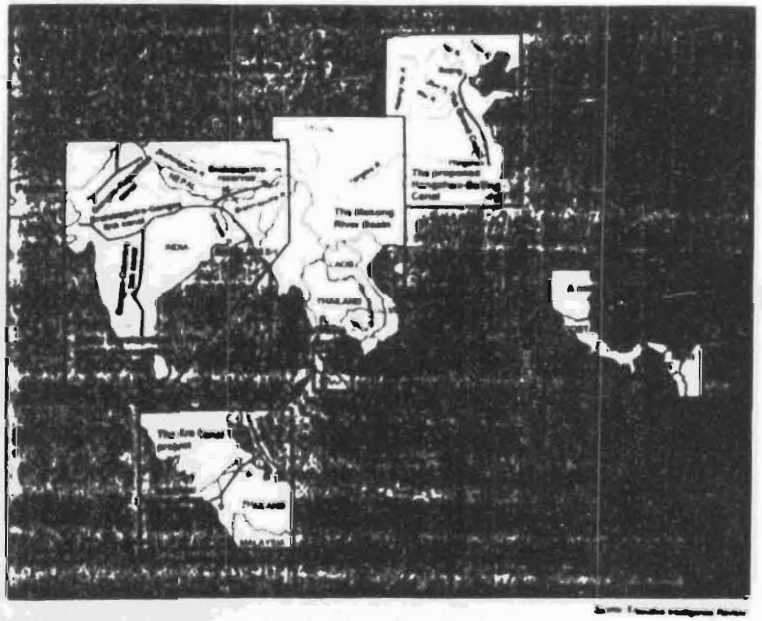
Please turn to page 11, col. 1

"LaRouche has proposed the Productive Triangle Program for Western and Eastern Europe, to unleash the economic development potential in the triangle between Berlin, Vienna, and Paris as a productive engine for the world economy."

LaRouche's Proposal for a European Productive Triangle



Development Projects for the Indian Ocean-Pacific Basin



"The Fourth Development Decade will feature a series of Great Projects for Asia, including: the Ganges-Brahmaputra project for water management; the Mekong development project; and the construction of the Kra Canal in Thailand."

AMERICAN *Almanac*

The Establishment Media Doesn't Dare Report

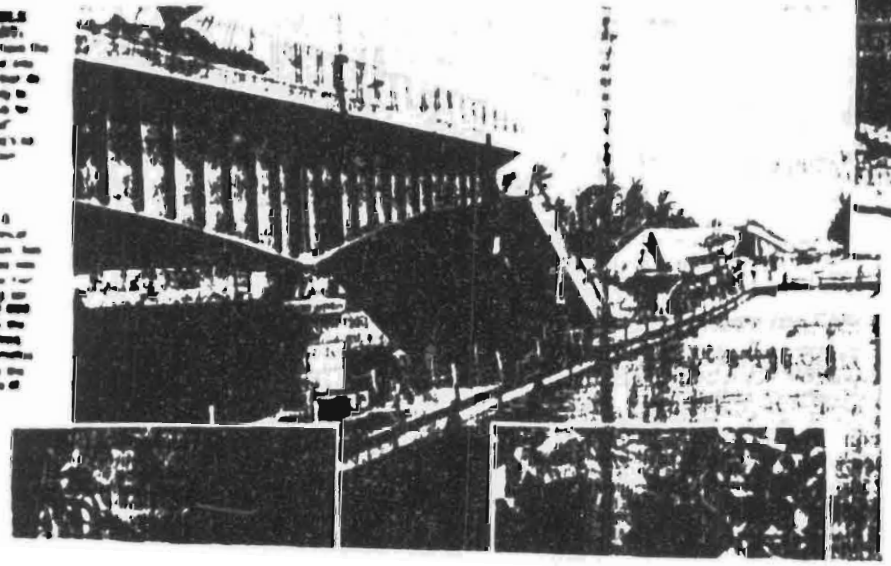
WHAT BUSH'S SANCTIONS ARE DOING TO IRAQ

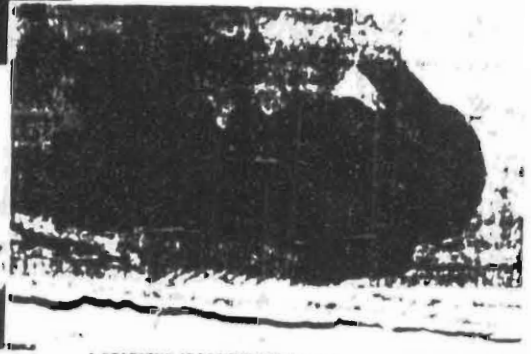
The pictures on this page were provided to *New Federalist* by individuals who have personally witnessed the genocidal results of George Bush's sanctions against Iraq.

A SEVERELY MALNOURISHED IRAQI BABY: In February of this year, a joint [illegible] team found that 440,000 children below one year of age were receiving no more than between 750 and 1,000 calories a day.

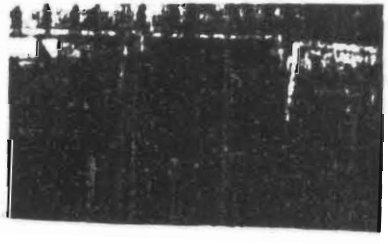
A BOMBED-OUT MILK PROCESSING PLANT: [illegible]

THE REMAINS OF A BRIDGE: [illegible]

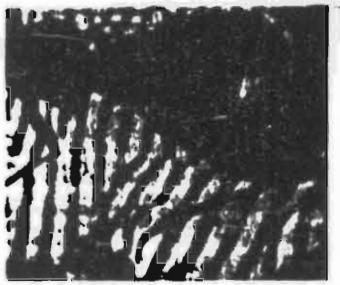




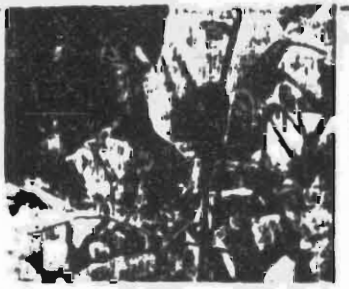
A STARVING IRAQI INFANT: The U.S. government has repeatedly rejected Iraqi requests to use its own frozen assets abroad to purchase urgently needed milk, food, and medicine for its population.



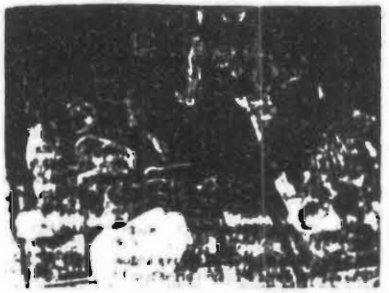
A JUVENILE VICTIM OF THE FEBRUARY 13 AMARIYAH SHELTER BOMBING: This was [illegible] in which 2[illegible] children, and elderly [illegible]



AN ADULT VICTIM OF THE AMARIYAH SHELTER BOMBING IN BAGHDAD: This deliberate bombing of a civilian shelter in Iraq's capital told the world that the war had nothing to do with freeing Kuwait. But was a campaign of genocide against the Iraqi people.



MORE CIVILIAN VICTIMS IN A MORGUE: "It wasn't a war, it was genocide," Raphael Bidawid, the Roman Catholic Patriarch of Iraq (Chaldean Rite) charges on March 4.



A GRIEVING MOTHER IS HELD BACK BY OTHERS AT THE SITE OF THE AMARIYAH BOMBING: It was [illegible] among the [illegible] of the United Nations that an entire country be destroyed under the pretext of implementing international [illegible] Foreign Minister Ahmed Hussein stated in an October 24 letter to the United Nations.

IRAQ'S CHILDREN APPEAL FOR THEIR LIVES AND THEIR COUNTRY: Three emergency shipments of food and medicine have been organized by the Schiller Institute's Committee to Save the Children in Iraq, and other organizations are sending aid. But no amount of humanitarian aid can save a population of 18 million—the sanctions must be lifted.

THE SANCTIONS AGAINST IRAQ MUST BE LIFTED!

Bush's Genocide Continues in Iraq

"Most of Iraq's population of 18 million is directly exposed to water-borne disease in their potable water supply."

A International Study Team organized by the Harvard University School of Public Health, Oxford University and the London School of Economics has provided new evidence on the genocide being imposed on Iraq by continuing U.S.-imposed sanctions. The team, which was composed of 27 physicians engineers, and other researchers, visited Iraq from August 30 to September 8 in order to study the health and welfare of the country's children. On October 31 the team released a seventy-hundred page report on their visit, titled Health and Welfare in Iraq after the Gulf Crisis. The report has predictably received little coverage in the U.S. establishment press. What follows are excerpts from their study.

Health Facility Survey

The study team included five health professionals. Three medical doctors and two public health specialists, who visited 20 hospitals and 17 community health centers located in nearly all governorates of Iraq. At each hospital they conducted semi-anonymous studies of admitted patients, interviewed health directors, department heads, and pharmacists, and analyzed medical and hospital records of malnutrition and disease. The study focused emphasis concentrated on patients under the age of five.

Mortality for patients under five years of age varied dramatically throughout the country. For example, at Basrah Maternity Hospital it has increased 3.8 times for the first seven months of 1991, while at Ramadi, an increase of 12 fold was documented. The prevalence of diseases was similarly severe, with the resurgence of Baghdad's water supply, the risk of communicable diseases in the capital has substantially diminished in recent months, while in southern Iraq, the unreliability persists in substantially short supply, and shortages epidemic or near-epidemic [illegible]

A young victim of George Bush's genocidal sanctions against Iraq

Due to lack of water and detergent, sanitation was poor in nearly every hospital visited. The supply of water to most hospitals and health centers is sporadic. In a bacteriological survey conducted in southern Iraq, 30 percent of hospital water sources were grossly polluted with coliform, indicating fecal contamination. In Kurdish areas, tested water supplies of hospitals found heavy coliform pollution. Moreover, the water that is supplied is often contaminated with fecal matter. Lavatories are clogged. At several hospitals, raw sewage had backed up into the wards.

Electrical Facility Survey

The project surveyed the conditions of most major electrical facilities in Iraq. The sites were selected by team members to gain a com-

"Government food distribution covers at best one half of the nutritional needs of the population. Many households have to sell their assets to complement food rations with market purchases."

water treatment plants inspected operated at 100 percent capacity. Water distribution and purification suffer from minimal flow and lack of chlorine, which is being rationed at all plants. The primary factors impairing water treatment and purification do not result from damage caused by the war and civil uprisings, but from a lack of spare parts and chlorine. Wastewater treatment, water delivery, and purification are also substantially limited by the lack of electrical power.

Reduced water flows and insufficient levels of chlorine in the distribution system promote the incidence of water borne diseases. The lack of electrical power has eliminated wastewater treatment in Baghdad and southern Iraq, and raw sewage is being discharged into waterways. Sewage treatment is also dramatically reduced because of a lack of chlorine, spare parts, and reliable electrical power. The study team estimates that if current trends continue, the entire water treatment and delivery system will deteriorate to the point of collapse. Within a matter of months, those critical public services are expected to be operating at only 5-10 percent capacity.

Environment and Agricultural Survey

Environmental and chemical engineers investigated and interviewed public health officials, environmental regulators, and local residents concerning the environmental and public health consequences of the Gulf crisis.

Team members collected drinking water samples at 158 randomly selected households in all 18 governorates in Iraq. The sampling framework of the public health survey team was used to collect drinking water samples.

Most of Iraq's population of 18 millions is directly exposed to water-borne disease in their ty, private incomes, public distribution and household consumption.

More than a year of war and internal conflicts have had a disastrous impact on the economy. The destruction of the economic infrastructure and an acute shortage of imported inputs have caused a considerable decline of ouput and wage employment (especially in the private sector). The reduction of formal employment opportunities and the general impoverishment of the population, have led to a large scale expansion of "informal" self-employment (e.g. street vending).

Overall, money earnings have remained more or less unchanged for the majority of the population since August 1990. Over the same period, consumer prices have sharply increased due to trade restriction, exchange rate depreciation and reductions in subsidies. The food price index has risen by 1,500 to 2,000 percent.

Correspondingly, real earnings have fallen to less than 7 percent of their pre-crisis level in terms of purchasing power over food. In terms of private incomes, the incidence of poverty is now greater in Iraq than in say, India; the collapse of private incomes has been further aggravated by the deterioration of many basic public services.

These adverse developments have been partly compensated by the expansion of public food distribution. Iraq's public distribution system, which covers all residents (except in areas not currently administered by the government, particularly the north), is equitable and efficient. However, food distribution covers at best one half of the nutritional needs of the population. Many households have to sell their assets to complement food rations with market purchases.

Overview and Discussion

6.1. Selective overview of findings. The following are selected conclusions that have a particularly important bearing on the current debate about sanctions.

It is not our brief to defend a particular position in the current debate on economic sanctions against Iraq. However, our enquiry would be incomplete if we failed to take note of the implications of our findings for some important aspects of this debate.

Before entering this discussion, one general point deserves emphasis. The "effects of the sanctions" have often been analyzed in terms of what these sanctions do to aggregate commodity supplies: how far food supplies or medical supplies, or the supply of cement fall short of ordinary levels. What really matters, however, is how the sanctions affect the ability of consumers (or producers), in the case of raw materials and intermediate inputs) to acquire the commodities in question. "Effective sanctions" in that sense can be quite different from what sanctions look like on the basis of supply-centered analysis.

For instance, now that the embargo on food imports has been lifted, it is tempting to assume

tured by the United Nations or other international bodies, as has been suggested from time to time in public debates. Rather, the crucial need is to ensure that the government of Iraq has the financial means to sustain (or even better, expand) the existing system of public distribution.

Second, it is rather hard to understand why a narrow limit should be imposed on Iraq's exports of oil (if, as specified in Resolution 706, the proceeds from oil sales are ear marked for the provision of essential "humanitarian" needs under close U.N. supervision). The government of Iraq has a proven ability, and strong political incentives, to expand public provisioning on a large only in the domain of food rationing but also in those of health care, education, water supply, sewage, sanitation, and power supply, among others. Allowing this process to take place would not conflict with the current directives and stated aims of the embargo.

Indeed, paragraph 23 of Resolution 687 clearly empowers the Sanctions Committee (alias Security Council) to authorize "exceptions to the prohibition against the import of commodities and products originating in Iraq" when these are required to assure adequate financial resources on the part of Iraq to carry out the activities under paragraph 20 (these activities refer not only to unrestricted purchases of food and medicines, but also to imports (under the "accelerated no objection procedure") of "materials and supplies for essential civilian needs as identified in the [Ahtisaari report] and in any further findings of humanitarian need by the committee." It may be recalled that both the Ahtisaari report of March 1991 and the Aga Khan report of July 1991 (which can surely be included under what Resolution 687 calls "further finding of humanitarian needs by the [Sanctions] committee") provided lists of materials and supplies for essential civilian needs covering a wide range of commodities. These included food, drugs, vaccines, medical equipment, fertilizers, pesticides, agricultural machinery and spare parts, generators, water treatment equipment, sewage disposal equipment, means of alternative communication, and the inputs required to regenerate essential domestic power supply, fuel production and telecommunications.

It is, therefore, hard to reconcile the stringent limit of U.S. $1.6 billion on oil exports imposed by Resolution 706 (of which less than U.S. $1 billion will be actually available for humanitarian purposes) with the stated principles of the embargo. As was discussed in Section 2.2, this limit falls far short of even the most conservative of all the estimates of Iraq's humanitarian needs contained in recent reports submitted to the Secretary General at the request of the Security Council.

Third, while public provisioning in Iraq can avert famine, epidemics and other confined catastrophes, it cannot on its own (either the economic transformation that is required to eliminate hunger and achieve a significant reduction in poverty. As we saw earlier, the value of food rations at their current levels represents only about 20 percent of the current value of the pre-crisis food basket of the average Iraqi household. Even an extension of public distri-

Within hospitals infant and child malnutrition is clearly the most significant problem documented by the health facility team. Among in-patients at Erbil Pediatric Hospital, the prevalence of malnutrition as an admitting diagnosis was 71 percent, at Sulaymaniyah, 66 percent, at Mosul, 65 percent, and at Ramadi Pediatric Hospital, 61 percent. Food shortages and frequent gastrointestinal upsets appear to have contributed to a very high level of malnutrition. This is reflected in the large increase in low birth weight babies. As an example, in Kut, low birth weight babies represent 29-30 percent of all live births compared to 13-14 percent in 1990. The cost of infant formula on the open market has increased 2,000-3,000 percent since August 1990.

In addition, water borne diseases, including typhoid, gastroenteritis, and cholera are epidemic. Hepatitis has increased throughout Iraq and by as much as 100-fold in some areas. Meningitis is now widespread in southern Iraq. With the damage to child vaccination programs, such preventable illnesses as measles and polio are also resurgent.

Strained health facilities operate at only a fraction of pre-crisis levels. Most lack even basic medical supplies such as aspirin, antibiotics, anesthetics, and syringes. Medicines are in extremely short supply. As a result, infectious diseases go untreated. There is little or no chloramphenicol for typhoid, fluids for rehydration of those suffering from cholera or gastroenteritis, or antihistamine for meningitis. Lack of vaccines and poor sanitary conditions have resulted in outbreaks of previously uncommon and preventable childhood diseases such as polio, measles, and tetanus.

Drugs for chronic diseases are also unavailable. The rate of mortality due to heart disease is unable to obtain angina medication. Teenage diabetics are dying because they cannot obtain insulin. Children with treatable leukemia are dying because anti-cancer drugs are largely unavailable. Laboratories, X-ray units, neonatal units, and operation theaters either do not function or provide only limited services.

"prehensive" picture of conditions throughout the country. The study was comprised of site inspections and interviews at 24 facilities over a ten-day period.

During the Gulf crisis, enormous damage was inflicted upon the electrical generation infrastructure of Iraq. Since the cease-fire, electrical generation has been restored to about 68 percent of the 1990 peak load (5,162 megawatts (MW)) but, to only 37 percent of the installed capacity (35 MW). The study estimates 75 percent of electrical transmission lines are operable. All repairs have been done using salvaged parts and improvised methods.

Much of this repair, especially in the switchyards and first span connections to transmission, does not meet normal standards of construction, poses increased safety risks, and is likely to break down. Without spare parts, replacement and further repair will not be possible. The store of salvageable parts is depleted. Iraq does not have the capability to manufacture the necessary items. Many are specific to foreign companies from Europe, Japan, and North America that built or supplied all the power stations.

Finally, the study team documented the profoundly negative impact that the damaged and ill-repaired power generation system has had on, and will continue to have on, water purification and wastewater treatment and public health infrastructure generally.

Water and Wastewater Systems Survey

Civil and chemical engineers inspected water and wastewater treatment plants, distribution systems, and collection systems in all parts of Iraq. Twenty-eight facilities including eighteen water treatment plants, eight wastewater treatment plants, one water supply and one aluminum sulfate plant were visited in thirteen cities.

Much of Iraq's water and water purification facilities function at only a fraction of pre-Gulf crisis levels or not at all. Only one of eighteen potable water supply. Each sample was tested for coliform or fecal contamination. The results were 100 positive for gross coliform contamination, 20 confirmed negative, and 27 unconfirmed negative. Roughly half the areas tested, weighted according to population density, showed positive evidence of gross fecal contamination. Only in Baghdad, where coliform media sampling was used, did over half the samples test negative. Team members documented unsanitary water source and waste disposal conditions in all cities surveyed. Common conditions observed included: 1) solid waste accumulation in the streets due to the lack of collection and landfilling equipment, 2) raw sewage overflows in the streets and around homes, 3) raw sewage being dumped directly into the rivers due to impaired or inoperable wastewater treatment plants, 4) children bathing and playing in these rivers, 5) people with little to no tap water supply because impaired or inoperable water treatment and distribution plants cannot generate adequate line pressure, 6) people drawing drinking water directly from the rivers, and 7) people drinking water from holes dug in watermains, which are often contaminated by cross-connections from adjacent sewage pipes.

The team found that direct sewage contamination of water supplies results from two primary causes: inadequate chlorination of discharges or bypassing treatment entirely, and contamination through breaks in the watermains.

Over 80 percent of the population in five of the seven governorates surveyed no longer have tap water available in their homes because of low water supply system pressure. The low pressure is caused by lack of spare parts to maintain pumps, power outages, and breaks in the water mains.

Income and Economic Survey

Two economist members of the team studied the impact of the Gulf crisis on economic activi-

that there is no need to worry about the food situation in Iraq. Indeed, food seems to be readily available from neighboring countries, and in that sense "food supply" is no longer a problem in Iraq. However, as we saw again and again in this report, nutritional deprivation remains endemic, and may even be increasing. Effective sanctions on food remain due to the crippling effects of general sanctions on economic activity and employment, despite the formal exemption spelt out in Resolutions 687 and the ready availability of food from neighboring countries.

First, sustaining the public distribution system in Iraq is clearly the key to famine prevention in the short run. If the public distribution system runs out of supplies or breaks down for some other reason, widespread starvation is almost certain to result. The system works well, and it would be senseless to attempt to supplant it with a parallel distribution system adminis-

expected in the near future would fail to restore normal food intakes, let alone bring real wages and incomes back to their pre-crisis levels (about 15 to 20 times as high as current ones). The elimination of hunger and poverty in Iraq crucially depends on the regeneration of private incomes through economic activity and employment.

In the absence of international trade, the economy comes to a grinding halt, especially when the effects of sanctions are compounded by war related destruction.

War and prolonged sanctions have caused such comprehensive damage to the Iraqi economy that it is now impossible to maintain these sanctions in their present form without perpetuating, and perhaps even accentuating, the state of acute poverty in which a large part of the population is now plunged. The debate about sanctions cannot ignore this simple truth.

Food Price Increases in Iraq Since Sanctions

Food item per kg*	Price per unit (Iraqi dinars) Aug. 90	Aug. 91	Increase over 1 year
Wheat flour	0.05	2.42	4,531%
Milk (powdered)	0.75	27.33	3,661%
Bread (per piece)	0.01	0.33	2,857%
Baby milk (tin of 450g)	0.45	10.00	2,222%
Sugar	0.20	4.42	2,208%
Cooking oil	0.48	10.33	2,138%
Rice	0.23	4.08	1,801%
Tea	1.70	23.67	1,392%
Tomatoes	0.27	1.25	463%
Chickpeas	0.66	2.92	442%
Potatoes	0.45	1.92	427%
Eggs (carton of 30)	3.83	12.50	326%
Onions	0.37	1.25	341%
Dates	0.52	1.75	337%
Meat (lamb)	7.00	18.33	262%
Meat (beef)	6.83	16.90	247%
All items (high case)			2,004%
All items (low case)			1,546%
Cost (at current prices) of the average 1990 basket for a family of six ("low case" assumptions)	66.00	1,010.00	1,546%

*Unless otherwise stated

"War and prolonged sanctions have caused such comprehensive damage to the Iraqi economy that it is now impossible to maintain these sanctions without perpetuating, and perhaps even accentuating, the state of acute poverty in which a large part of the population is now plunged. The debate about sanctions cannot ignore this simple truth."

FIGURE 1

National Infant Mortality Rate

Children under 1 year of age, deaths per 1,000 live births

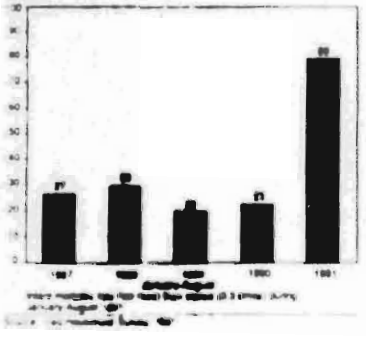


FIGURE 2

National Mortality Rate

(Children under 5 years of age, deaths per 1,000 live births)

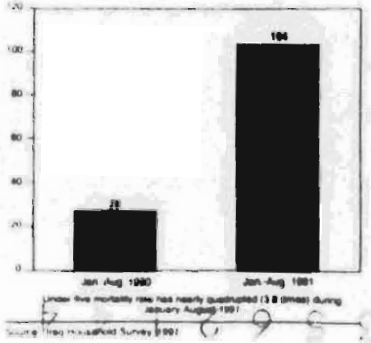


FIGURE 3

Reported In-Hospital Incidence of Malnutrition in Children Under Five

Babel Pediatric Hospital (Jan.-Jul. 1990-91)

(number of cases)

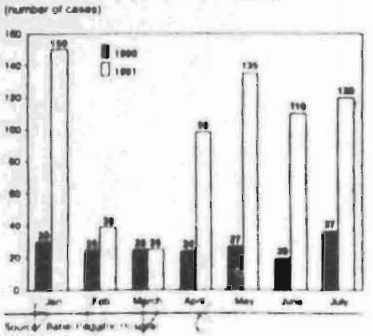
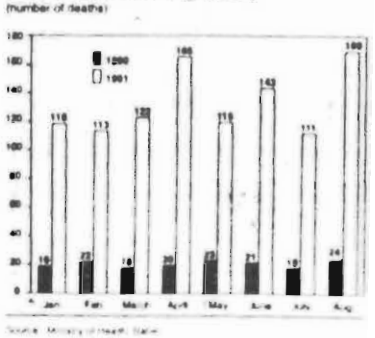


FIGURE 4

Reported In-Hospital Deaths Due to Chronic Illnesses (All ages)

Babel Governorate (Jan.-Aug. 1990-91)

(number of deaths)



AMERICAN *Almanac*

Dr. Kofi Nyidevu Awoonor Is Interviewed by *Executive Intelligence Review*

Chairman of Group of 77: 'By a Stroke of the Pen, Cancel All Debts'

Dr. Awoonor

Dr. Kofi Nyidevu Awoonor is the Ambassador and Permanent Representative of Ghana to the United Nations. He is the chairman of the Group of 77, which represents the more than 100 developing nation states. This interview was conducted in New York on Oct. 30 by Dennis A.J. Hamerman and Rosa Tennis. The interview was first published in Executive Intelligence Review magazine [illegible]

EIR [illegible] about the role [illegible] proposed on the developing sector for action during the period of preparations for U.N. [illegible] Conference on the Environment and Development in Brazil, the Prime Minister of Malaysia, Dr. Mahathir Mohamad, has denounced what he called "green" constitutionalists which are being imposed on the developing sector. Its Chairman of the Preparatory Commission for U.N. [illegible] you have also issued a protest against the notion that it is the name of protecting the environment [illegible] and being asked [illegible]

Dr. Awoonor: You indeed. When the question of the environment was put on the international agenda a few years ago, we were enthusiastic supporters of this issue because we share a common planet and we must be concerned as to its future and suddenly when we, the developing countries, started [illegible] support of any effort to deal with environmental degradation on a global scale, we were being told that we were introducing an irrelevant issue. And we said: It's not only a question of helping the world green, or protecting the flora or the fauna of this planet, but the human beings which are the makers or creatures of this planet. A great percentage of this human population lives in a state of abject poverty in our parts of the world. poverty is the cause of environmental degradation. It is not in the developed parts of the world, where overconsumption is.

EIR: [illegible] taken the view that there are a lot of books on environment, and many of us is largely predatory in many, many instances—that free market concept was constructed over a long history of exploitation of other people. The British Empire was not set up because the trees and the coconut groves of the west coast of Africa were greener than any other trees anywhere else. It was predicated on exploitation. But if that is the principle with which we are entering into the so-called new world order, then we are going to be having problems.

EIR: *In the last few years, a series of documents written in the United States in 1974, by Dr. Henry Kissinger at the National Security Council, and when George Bush was head of the CIA, has been declassified. And in these documents, the National Security Council of the United States said that it was in the strategic interest of the United States to drastically reduce the population of the developing sector, and to prevent any organizing for a new, just world economic order. These documents target 13 key nations in the developing sector, for what has been called genocide or Malthusian depopulation. Have you seen these documents?*

Dr. Awoonor: I have seen these documents, and I think they are authentic documents. And I'm not surprised that this was the thinking which was coming out of a certain kind of political mentality. Having said that, of course, one has to resist this oversimplification of the problems of the world. We talk in the United Nations—at least we talk—about an interdependent world, where each nation is linked with the other. And of course, we are all part of the same species, *Homo sapiens*. Now we say, on the question of population alone, for example, there is no reason why population control by itself will answer the question of poverty and underdevelopment. It is the other way around. If you are able to provide the developing countries the tools for development, afford them the opportunity to be able to earn their way in an equitable marketplace of the world—and I'm stressing the word equitable—they will, given education, given environmental work, they will reduce their population [illegible]

conditionality, imposed by the International Monetary Fund"

Dr. Awoonor: Yes, it is.

EIR: *Is that the case in Ghana specifically?*

Dr. Awoonor: We are being told that even though our growth rate over the past eight years has averaged about 5 percent, we have a population growth of about 3 percent, and therefore our growth rate was computed as 2 percent. And so we should do something about it. We are getting all the lectures and the sermons. We are listening very carefully, we are trying to. But we have come to the conclusion, the irrefutable conclusion, that poverty is part and parcel of population growth. Where economic development occurs, populations naturally lower off. You can't have it the other way around.

EIR: *I would like to ask you a question about the relationship between peace and development—or war and poverty. In last year's [illegible] United Nations General Assembly session [illegible] Dec. 13, 1991, p. 40], the Foreign Minister of Ghana quoted Pope John Paul II's encyclical Centesimus Annus, which was issued earlier this year. Your Foreign Minister said that the encyclical named the obvious necessary solution: that development is the new name for peace, quoting the Pope. I would like to ask you to comment on this.*

Dr. Awoonor: Yes indeed. Our Foreign Minister underscored that point. And I think it's a point that we are also insisting upon, within the framework of the United Nations. We are saying: If you talk about population, we must deal with development, if you talk about environment, we must deal with development, if you talk about any element—

EIR: Human rights?

Dr. Awoonor: Human rights, about democracy, we must talk about development. All these elemental features which are suddenly becoming so looming in the eyes of those who have mandated the world for all these years, must come along with the recognition that developing[illegible] as also. And I gave as an example, which coincides with what the Schiller document and the LaRouche document ("The Oasis Plan for the Middle East") [illegible] the example of the cyclical drought in the Sahel, or in the Horn of Africa. The question is the problem is of water. We wait every year, and when the drought comes we rush airplanes coming, dropping food around. And [illegible] they go back. Next year, the same drought will occur. Why don't we sit down and say: Let us develop a water system for this area, which we send for. It gives the people the capacity to grow their own food.

A housing project under construction in Ashimota, Ghana during the 1960s

"The debt is *unpayable*. We cannot pay that debt, because it is a cycle of dependence, a cycle of poverty that has been constructed, within which we are whirling and whirling, and whirling. The center cannot hold."

I gave another example of Bangladesh, which almost every year is the victim of one of the most destructive typhoons in the history of modern times. The world watches every year. The typhoons come, about two hundred thousand people die in Bangladesh. We rush airplanes in there, we drop food. Then back to our nice little homes in Bellevue, or wherever it is that we are coming from to do this good work. The LaRouche program says, let us go in and solve that problem once and for all. It is a problem of low lying areas; it is a problem of controlling draining from the Himalayas. It is a problem of constructing an engineering system that would prevent the recurrence of this problem, and at the same time enable the people in the whole of that vast area, vastly populated area, to have the capacity to produce food, to develop schools, and to [illegible]

[illegible] not be one of focusing so-called pollution in one area or another, but of finding an economic development program which can increase the world's economic output as a whole to maintain its population. This would imply a need to have technology transfer to the developing sector. How do you view that issue?'

Dr. Aweonor: 'You're absolutely right. In the discussions in the Prep Coms [Preparatory Committee sessions for UNCED] one of the questions where we get stuck, as it were, is the vital question of technology transfer. We are being lectured, are the developing countries, are being lectured about the virtues of free enterprise. In this area also, we should go to the marketplace and buy technology — when anybody in his right mind in the advanced countries knows that we cannot afford the price tag on the kind of technology that is available in the advanced countries. We are saying that governments through the United Nations must establish a mechanism which will enable the transfer of these technologies at concessionary rates, to nations that cannot afford them, so that we can do our own part in the protection of the environment.'

EIR: *Dr. Bidhendra of Bangalore has publicly voiced the view that the developing sector should consider not going to the UNCED conference in Brazil next year. As your capacity as chairman of the Group of 77, do you have any thoughts on that proposal?*

Dr. Aweonor: 'I think Dr. Bidhendra's frustration with some of the tactics that are being used preparatory to the meeting in Rio is very understandable to many of us, many of our countries in the Group of 77. At the same time, we don't think that meeting at this point not to go would be a move in the right direction, because we have not completed the preparatory process. The Fourth Preparatory meeting will take place next year, and it is at that point that such vital questions that we call under "Agenda 21," the cross-sectoral issues of the technology transfer, and so on, will be on the table. And when we are not able to reach any agreement, at that final Prep Com, then we may decide what will be the fate of the meeting in Rio.'

Bush's Pax Universalis'

EIR: *George Bush came to the United Nations General Assembly and gave a very imposing speech of the version of Pax Universalis, which would take the form of the hegemony of America and its allies over the entire world economy. Yet, the U.S. economy itself is in great decay and collapse. It has been said that while the Soviet economic system has largely collapsed, the economic system of the United States and Britain is not far behind. How do you see that overall strategic situation?*

Dr. Aweonor: 'I want to return to the concept of the Pax Universalis that I think there is something rather ominous about it. And the xenophobic-nationalistic distress from the self-perceptions of big governments, the arsenals of power, and of course that is a post Gulf war syndrome. It is also hedged along by the fact that the Soviet Union and its empire had collapsed. But a uniform, or a unilateral world, which is based on a single philosophy of reality — which has got ingredients such as the free market, which to [illegible] as a result of any pressure from any sector who says, "We are afraid of being swamped, and so therefore let us impose a Malthusian solution." Having said that, we are aware of the distribution of resources in the world. The developed countries of the world still have control over the vast remnants of resources that the world has. Yet, we are calling for a balance in the consumption of these resources. And therefore, a Malthusian effort to control population will be seen by us, as an attempt to reduce the populations of our countries in order to have greater access to the resources on which we sit.'

EIR: *We have concluded in addition that the world is vastly underpopulated, and especially Africa being underpopulated, and point as evidence to what we ought to do, to the injunction in the Book of Genesis. God says to be fruitful and multiply and for man to subdue the earth and have dominion over it. And areas like Africa are vastly underpopulated at this time.*

Dr. Aweonor: 'I agree absolutely with you. But I want you to tell that to those who are purveying this idea of family planning.'

EIR: *Isn't population control also increasingly a [illegible] world that we must deal with if we want peace.*

Recently I made a speech in the UN after the coup d'état in Haiti. And everybody is sort of jumping around, screaming blue murder because Haitian democracy is under assault and there was talk of landing troops, and so on. And I said: What nonsense. Haiti has this problem because it is one of the chronically most poor countries on planet Earth. It's a miserable country which is ground in the dust by poverty. And that poverty is exacerbated by a debt, a foreign debt. Why doesn't somebody begin by simply saying to Haiti: "The $3 billion that you owe to the rest of the world, we cancel it off. And we will provide you with more money now to build schools, to build hospitals, and things that will enable you to stand up on your feet." Until you do that, no democracy in Haiti is going to be sustainable. It will not work.

EIR: *We agree very much with the need to defend national sovereignty in the developing sector, which Mr. Bush seems not to wish to respect. National sovereignty is the basis for ending poverty in the developing sector. Could you give us your thoughts on this issue of the protection of national sovereignty?*

[illegible] *which was prepared under the direction of the American economist Lyndon LaRouche. This proposal calls for going outside the collapsed Bretton Woods system, to create a true fourth development decade. I would like your comments on this proposal.*

Dr. Aweonor: 'I think it is a brilliant document of immense originality. It takes a lot of courage for anybody from the developed part of the world, the advanced part of the world, to see the problem in that global perspective. The document spells out the technical possibilities of providing the infrastructure with which many, many parts of the world, which are now racked with hunger and poverty, can lift themselves up. When they say you must lift yourself up by your bootstraps, it's like providing the boots first. This system of doing that technical work, the development of water, and such elements that are part of the program, sounds to me like one of the most innovative and original ideas that I've seen.

I have talked in that direction when we were dealing with the question of humanitarian relief. When we talked about humanitarian relief, I have said, we must think about development

"A Malthusian effort to control population will be seen by us, as an attempt to reduce the populations of our countries in order to have greater access to the resources on which we sit. . . ."

Left, a family planning clinic in rural India, which specializes in male sterilization. Above, an impoverished Haitian family.

"Why doesn't somebody begin by simply saying to Haiti: 'The $3 billion that you owe to the rest of the world, we cancel it off. And we will provide you with more money now to build schools, to build hospitals, and things that will enable you to stand up on your feet.' "

Role of the Non-Aligned Movement

EIR: *The proposal suggests that there be some form of discussion, formal preparatory discussion around that positive solution, as opposed to allowing debt or Malthusian policies to crush the developing sector. Do you see the possibility for such discussions over the next period?*

Dr. Aweonor: 'The possibility will occur only when those who own the technology, those who have the money, are able to sit down in partnership with us and say, We understand what it is that you are talking about, let us now move one step forward and talk about the feasibility of this new alternative. Now, until we do that — and I find it very difficult to believe that we can do that just by the drop of a hat — we are going nowhere. In the United Nations system, the function of the G-77 is to continue to keep on hammering away at the resistance that we meet to suggestions of this kind of cooperative enterprise. That is why we still have the Non-Aligned Movement, which we have called the conscience of the majority, of 103 nations, many, many of them, post-imperial, post-colonial nations, that have been exploited for hundreds of years by the now great prophets of democracy. And we say, even when we see it as a kind of a reparation for the predation that you people visited upon us, let us sit down and talk about the possibility of doing it another way. Some now, they find us irritating, they find us nagging, but we are saying, we're not going to be wished away. We will be here, we will continue to be insistent when we will talk, we will raise our voices, and we will raise them in every forum. And it is good to believe, to feel that, on the other side of the divide, that is in the developed, the advanced countries, there are people who are listening, there are organizations who are listening.

EIR: *Mr. LaRouche was found to be an irritant also, and, as I think you know, he has been in jail now for almost three years. Have you had a chance to look at how his trial was conducted? Do you find it shocking that in the land of liberty, of America, this kind of procedure would have been carried out?*

Dr. Aweonor: 'I have not yet gone into the details of that trial. I am in receipt of some documents, and I would like to find time to look at it. But I could see how a man who is promoting the kind of program that he is promoting would be seen as a thorn in the flesh. He would be a very uncomfortable person to the powers that be, and this is not the first time in the history of the world that those who really are coming with new messages, new prophets, are regularly crucified! Aren't they?'

EIR: *Actually, he became a political prisoner in the same week that George Bush was inaugurated President of the United States.*

Dr. Aweonor: 'I tell you, someone once said: if Christ walked into this country or any of these great advanced democracies of the world, they would lock him up! Because he would be a troublemaker.'

EIR: *You have used the phrase "advanced sector" which is associated with the United States. However, the state of the economy is far from advanced.*

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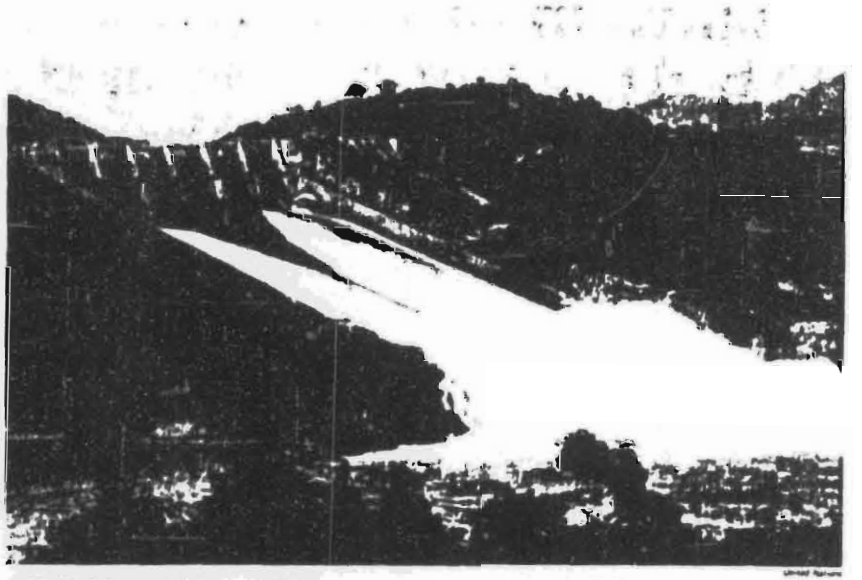
AMERICAN *Almanac*

Scenes from the United Nations First Development Decade: the Volta Dam at Akosombo, Ghana, above, under construction in 1963, and right, the completed dam.

The environmentalists want to "keep the whole of Africa as a zoo of the world, a botanical garden of the world. Of course, this is nonsense. You cannot keep Africa as a zoo of the world, with us, the Africans, in there as the zookeepers. Africa needs development."



gy for development, we are getting lectures from some of these groups. Lectures that are reflective of a Garden of Eden mentality. We keep the whole of Africa as a zoo of the world, a botanical garden of the world. Of course this is nonsense. You cannot keep Africa as a zoo of the world, with us the Africans, in there as the zookeepers. Africa needs development, so the Non Governmental Organizations (NGOs) that are involved in environmental work must move away from the thinking of some of the institutions that we have already talked about, which thinking is refusing to link up the question of development with that of the environment.

Effects of Usury

EIR You referred earlier to the crushing debt problem in Haiti. Overall, worldwide, we're looking at foreign debt in the trillions of dollars. Much of this debt, according to an analysis conducted by *EIR* and [illegible] is the result of [illegible] of high interest rates and forgiveness of debt would be a special case. Finally, what one wants to say is that the debt is unpayable. We cannot pay that debt, because it is a cycle of dependence, a cycle of poverty that has been constructed, within which we are whirling and whirring. The center cannot hold. We are saying that interest payment alone is a burden for many, many countries. In 1988 the IMF took out of Africa $1 billion more than it put in. Tell me, what is that? You use the term usury. What else is that? It is usury of the most horrendous type. But we are saying that the world, beginning with those who claim that they control it, must sit down and analyze the collective burden of debt on each country, and by a stroke of the pen, cancel all debts.

I don't think Britain has paid all its debts to the United States since the Second World War. I don't think the Canadians have paid the amount of money that America poured in to build the various railway systems. Debt cancellation is not a new thing in the history of the world. We must sit down and address this once and for all, because we are going nowhere.

EIR *The biggest debt collectors, the IMF and the Anglo-American banking system, are also the biggest supporters of the idea that the developing sector economies should be export-oriented, to pay the debt. They are also big proponents of triple liberalization and so forth. But can this basically still work to collect the debt?*

Dr. Awoonor You have said it, it is basically to collect the debt. It is a form of slavery, a new form of slavery. I give you money, you stay on my plantation and you work for a plantation, and I give you clothes, and I give you food. That's it. You are only a beast of burden. You have nothing of your own to do, you have no mind of your own, you have no capacity to dream, and to build. We say this is what you are going to do, you are going to produce [illegible] which they didn't build. We have to make provisions of water for our villages and towns. How do we do that, if all we work for goes back to the same people who had exploited us over the centuries?

zocs. Maybe.

EIR *Do you have any thoughts that you would like conveyed to the readership of EIR that we've not covered up until this point?*

Dr. Awoonor I would like to say, addressing what I consider the post Gulf war and the post-Cold War period, what Mr. Bush and many others have described as a coming new world order. We are seeing some ingredients of that so-called new world order, as being no different from the old world order. In fact, we are seeing other things coming up. When we had the Soviet empire, at least there was what one commentator called a balance of terror, and so therefore, arrogance of power was slightly more muted. We are seeing, one person used the word, a unipolar world, in which one power and its way of doing things, and its way of perceiving reality, and its ideology—they talk as if communism is the only ideology [sic] we have. Capitalism is also an ideology, and that capitalist ideology is based on concepts of democracy, liberal democracy which is individualism, and as often

EIR *Probably the only way to defeat a divide-and-conquer strategy is to unify in opposition to the empire. This is the lesson from how to defeat the British world empire. And today that would mean unifying eastern Europe and the developing sector, especially in the advanced sector for a True Fourth Development Decade. That would seem like the approach which would most terrify Mr. Bush and the Bretton Woods institutions.*

Dr. Awoonor: What you have said is so correct. All the while these are very much worried about some of the organizations in the developed countries whose agenda sometimes seems to coincide with that of the big powers, the big centers of authority and so on. We are talking about the conduct of some of the environmental groups for example. When we are talking about environmental work, and we are insisting that this should be part and parcel of an entire strategy

What would the Group of 77 like to see happen in this respect, both in terms of the debt stock and the debt service?

Dr. Awoonor: We had made a statement in Geneva on behalf of the Group of 77 where we were considering the question of the collapse of eastern Europe, of the Soviet empire, and its impact upon the global system. And I made a point on behalf of the Group that the kind of concessionary arrangement that was made by the United States and a number of other countries with Poland must be a model with which we can begin, which is a generous forgiveness of debt. Almost 70 percent of Poland's debt had been written off. And when we raised this point, we are told, Poland is a special case. We don't know why Poland is a special case. Why Haiti is not a special case. Why Argentina is not a special case. Why Brazil is not a special case. Why Nigeria is not a special case. Why Ghana is not a

EIR *A worldwide debt moratorium could be part and parcel of creating a new post-Bretton Woods economic system. This is an aspect of the True Fourth Development Decade proposal.*

Dr. Awoonor: Absolutely. I agree with you entirely, that we have got to begin with debt, because that is already on the table. A year ago we in Ghana used 60 percent of all our foreign exchange earnings, just to service our debt. Sixty percent. So we have 40 percent left, with which we have got to build schools, which the British never built when they were there for over a hundred years. We have to build clinics,

hard luck, because it's a free market!

EIR *It's not free if people are put in slavery, and there are no credits available because the markets have now collapsed.*

Dr. Awoonor: That a right. Coffee growers in the world are seeing the lowest price that they've received for coffee in 50 years. Fifty years! And take the case of Colombia. It's a coffee producing country. Now, there's a big hue and cry about drugs. How else do you expect Colombian peasants not to grow coca leaves when you cannot even pay them the smallest pittance for their labor in the coffee fields, and when they know that with a little bag of coca, they can make tons and tons of money. Somebody just organize the arithmetic and the logic of this, and therefore enable Colombia to grow coffee instead of coca. But, no, that is not going to happen. Maybe somebody is benefiting from the

best of your friend, snap-dealing, cut-throat corners," which also reveals a lack of compassion for our common humankind, and we are saying, if that is the world that we are going to be constructing, then we are in for trouble. And I want to say, that we, in the developing countries, who form the majority of the human population of this planet, we also are the ones who are poor, malnourished, without education, without adequate shelter, we are the ones who are ill with diseases both old and new. We lack clinics and hospitals, we are the ones who are supposed to earn our way in this marketplace, which even though it is called free, we know it is not free. Then we are going to be insisting—we are going to be here and we are going to be making as much noise as we can make. And we will make it. Nobody can deter us. We will put our needs on the agenda, and to insist upon the world looking at these needs.

For a True Fourth U.N. Development Decade

[continued from page 1]

These documents were only recently declassified by the U.S. government. Can it be doubted, therefore, that Carrington, a member of the Bush-Kissinger Administration, for instance, is growing himself a spiritual perpetuator of blood-deal in the way that he has handled the resolutions of the Yugoslav crisis at the Hague?

IV. What Is a True Fourth Development Decade?

The absolute [illegible] of a True Fourth Development Decade are four-fold:

1) Absolute respect for the sovereignty of nation states, their governments, institutions, and natural resources for their own self-development. Thus, the Fourth Development Decade emphatically rejects the conception of "softer sovereignty" which various ruling elites in the North would impose upon the nations of the South.

2) Absolute commitment to provide the moral and organizational will to all mankind, through a global mobilization to economic development and scientific and technological research so as to modernize agriculture, and create new jobs and industry. Thus, the Fourth Development Decade aims, in its first phase, at waging a global war against AIDS, cancer, and other diseases which are afflicting the world, as mankind from the desperate populations of central Africa to the black and Hispanic ghettoes of New York City.

3) Absolute commitment to the idea that each and every man, woman, and child in the face of the earth is a special individual, made in the image of God with the divine right to economic development. Thus, the Fourth Development Decade will mount all forms of direct and indirect forms of genocide, or Neo-Malthusian racial demographic warfare, waged against the non-Anglo-Saxon populations of the world.

4) Absolute commitment to establishing new institutions to finance and invest in the primacy of economic development, productive economic progress, and technological development.

Thus, the Fourth Development Decade rejects the arrogance of bankrupt financial institutions to maintain usury, debt service strangulation, and resource looting over the right to life of billions. Already in the August Preparatory Meeting of U.N. Council on Economic Development for the Brazil '92 Summit in Geneva, voices from the South raised the fact, that means for debt relief, technological transfer, and economic development must be established before environmental burdens and "green conditionalities" are imposed on nations already overburdened with oppressive financial conditionalities imposed from the outside.

The absurdity of the debt and usury oppression of the world economy is demonstrated by the case of Ibero-America. In 1980, the debt of all Ibero-American nations was $243 billion. Over the course of the 1980s, these nations paid out $321 billion in interest payments alone. Yet at the end of the decade they owed $429 billion. Furthermore, they lost a minimum of $158 billion through capital flight, which means that their capital exports through the decade was $479 billion or nearly one-half trillion dollars in pay outs, at the end of which they owed nearly double what they did in the beginning.

In terms of the net export of physical capital, the picture is even more dramatic. The trade surplus of Ibero-America through the decade of the 1980s was $218 billion. When the terms of trade, $180 billion is added, the total net export of physical capacity becomes $399 billion. When the net capital flight is added, the figure becomes $535 billion in physical loot taken out of Ibero-America between 1980-1990, or 13 percent of the productive GNP of the entire continent.

V. How to Initiate the Fourth Development Decade

Third World voices have already been raised in August in Geneva in protest to the planned Earth Day Summit—Eco '92—in Brazil. Voices have pointed to the urgent necessity of addressing the issues of Third World debt and technology transfer as the pre-condition for any workable effort to preserve the environment.

Therefore, we propose to postpone indefinitely the Rio Summit.

In its stead, we propose a Preparatory Meeting for a Fourth Development Decade Conference with the mandate and limiting principles described above. The establishment of a Coordinating Committee for Regional Development Projects is encouraged to begin its deliberations with consideration of the following development proposals which were developed by Lyndon LaRouche and his collaborators over the past two decades.

1) **The Productive Triangle Proposal for Western and Eastern Europe**, the unleashing of the economic development potential in the "triangle" between Berlin, Vienna, and Paris as a productive "engine" for the world economy. Through the construction of high-speed rail lines, the economic output from this area will be transferred via radiating arms from the triangle into eastern, southern, and northern Europe, as well as the Middle East and Maghreb.

2) **An Oasis Plan for the Middle East** designed to "green the deserts" through large-scale water purification and irrigation projects. The plan includes the creation of artificial rivers and peaceful nuclear energy driven desalination projects for revitalizing the entire economy of the region.

3) A series of **Great Projects for Africa** including: the construction of a trans-African East-West Railway from Dikar to Djibouti; transforming the Qattar Depression into a man-made lake; connecting Lake Chad with a man-made Lake on the Zaire River for the purpose of greening the Sahara; completion of the Jonglei Canal in Sudan to make it into a breadbasket.

4) **The Ibero-American Integration Plan** which includes the following projects: a second Panama Canal; a northern Mexican Water Development Project; the polygon of development to construct a canal system to connect the Amazon Basin with the Rio de la Plata across Brazil, Argentina, Bolivia, and Uruguay and build an East-West railway across the continent through Brazil, Bolivia, and Peru.

5) A series of **Great Projects for Asia** including the Pacific and Indian Ocean Basin Project, the Ganges-Brahmaputra development Project for water management, the Mekong development project, the construction of the Kra Canal in Thailand.

6) **A vast program of urban, agricultural, and industrial infrastructure revitalization for the U.S.A.**, which has as its aim the realization of Martin Luther King's dream of Economic Justice for all its citizens. Specific programs for the U.S. would include the NAWAPA plan for water and power development, building a rapid transport system of high speed rail lines and Maglev systems, rebuilding cities, basic industries and the capital goods export capability.

The development project orientation outlined above includes generalized debt moratoria and the construction of new cities founded around superzero-nuclear energy powered agro-industrial complexes in each area, and is vectored toward a commitment to encourage a space program with the aim of colonizing Mars and incorporating the Moon into man's economy in the first third of the twenty-first century.

The moment is propitious to realize such ambitions because of recent promising scientific breakthroughs in the energy field.

The world has long dreamed of having a safe, vast, and inexpensive energy supply, and has long looked to the promise of *fusion energy*, the same energy means which powers the Sun. In March of 1989 scientists first announced breakthroughs to a process known as cold fusion, which added to systematic breakthroughs in hot fusion energy research.

The desirability of providing large amounts of safe and cheap energy to empower world economic development on the scale envisioned above establishes the necessity for a worldwide crash fusion energy research program. Scientists from many nations should be encouraged to embark on this enduring scientific renaissance.

Each of the programs referenced above is the subject of detailed feasibility studies among teams of scientists and economists.

VI. U.N. Authority

In contradistinction to the consequences of the New World Order which certain ruling elites would impose perpetuating genocide, war, famine, disease, and global depression, the proposal for a True Fourth Development Decade described above is consistent with the principles enshrined in the following international instruments:

1) the Universal Declaration of Human Rights (adopted and proclaimed by General Assembly resolution 217 A III of 10 December 1948);

2) the International Covenant on Economic, Social, and Cultural Rights (adopted and opened for signature, ratification and accession by General Assembly resolution 2200 A XXI of 16 December 1966);

3) the International Covenant on Civil and Political Rights (adopted and opened for signature, ratification and accession by General Assembly resolution 2200 A XXI of 16 December 1966);

4) the General Assembly resolution 1803 XVII of 14 December 1962, "Permanent Sovereignty over Natural Resources";

5) the Convention on the Prevention and Punishment of the Crime of Genocide (approved and proposed for signature and ratification or accession by General Assembly resolution 260 A III of 9 December 1948) and related instruments;

6) the Slavery Convention signed at Geneva on September 25, 1926 and related instruments and protocols concerning servitude and forced labor;

7) the Universal Declaration on the Eradication of Hunger and Malnutrition (adopted on November 16, 1974 by the World Food Conference and endorsed by General Assembly Resolution 3348 XXIX of 17 December 1974);

8) the Declaration on the Use of Scientific and Technological Progress in the Interests of Peace and for the Benefit of Mankind (proclaimed by General Assembly resolution 3384 XXX of 10 November 1975);

9) the Declaration on the Right to Development (Adopted by General Assembly resolution 41/128 of 4 1986).

FOOD FOR PEACE

Food for Peace Wants Action to End Huge World Milk Shortage

2 Trillion Pounds More Are Needed Each Year

by Phil Valenti

"If a brother or a sister be naked," says Saint James, "if they lack their daily nourishment, and one of you says to them, 'Go in peace, be warmed and be filled,' without giving them what is necessary for the body, what good does it do?" Today, no one can be ignorant any longer of the fact that in whole continents countless men and women are wracked by hunger, countless numbers of children are undernourished, so that many of them die in infancy while the physical growth and mental development of many others are retarded and as a result whole regions are undermined to the most frightening degree.

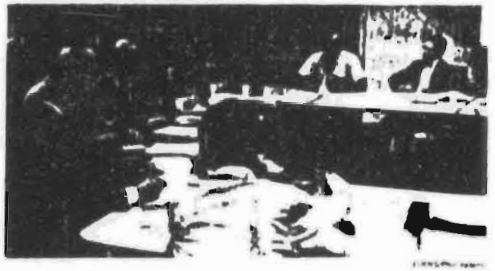
These words of Pope Paul VI, addressed "to all men of good will" in the 1967 Encyclical Letter "On the Development of Peoples" Populorum Progressio, were meant to mobilize the world especially the advanced nations, for a War against Hunger. Today the genocidal conditions condemned by the Pope so long ago have worsened, while the so-called "advanced sector" itself is crumbling into deepening economic depression and misery.

It is in the face of these undeniable facts and despite the repeated, anguished appeals of leaders of religions and nations representing billions of people, the United States government continues to insist that the American farmer is producing too much food, accordingly the U.S. Department of Agriculture's greatest concern is to reduce production or even to eliminate surplus.

Too Many Farmers?

An [illegible] dairy section official Charles Shaw put it, "There are just too many dairy farmers and they're too damned efficient. The only thing to do is keep lowering the price support until you kick the damn farmer out of business."

Dozens of milk dairy farmers had come to believe that better prices could only be obtained from the Bush administration in exchange for some sort of reduction in total production ("supply management"). How that illusion has been shattered, with Agriculture Secretary Madigan's Oct. 30 threat to recommend a veto of any legislation to "directly or indirectly raise the support price level" of milk, the time has come to launch that



G.G. Christian (second from right), a leader of the Food for Peace producer-consumer alliance in Pennsylvania, testifying before the state's Milk Marketing Board on the need for parity prices for dairy farmers.

TABLE 1
World Food supply
average 1986-88 (pop. 4,995,854,000)

	"Developed Countries" Calories/day	"Developed Countries" Protein/day	"Developing Countries" Calories/day	"Developing Countries" Protein/day
Vegetable products	2368	43.4g	2218	46.6g
Animal products	1034	59.4g	226	13.2g
Grand Total	3400	102.8g	2442	59.8g

TABLE 2
Milk Production (excluding butter)
average 1986-88

	Production (lbs)	Per capita/year	Calories/day	Protein/day
World	1,184 billion	186.32	114	6.8g
"Developed countries"	642 billion	436.12	279	17.3g
"Developing countries"	302.1 billion	77.44	80	3.4g

TABLE 3
1990 Milk Production, Supply vs. 1950 USDA Recommended Consumption
(802.5 lbs. capita/year milk equivalent)

	Population	Total milk prod.	Lbs./cap.	Deficit (-)/surplus (+)
World	5,295,000,000	1,171,788,400,000	221.3	-2,018,454,000,000
N. Amer.	276,000,000	165,622,800,000	600.1	-682,400,000
Europe	498,000,000	598,027,200,000	779.2	+87,996,600,000
Oceania	27,000,000	31,363,200,000	1161.6	-15,095,700,000
Africa	847,000,000	26,017,200,000	40.2	-363,808,100,000
Rem. Am.	448,000,000	89,898,800,000	200.7	-180,006,400,000
Asia	3,111,000,000	210,029,800,000	67.5	-1,864,385,000,000
USSR	288,000,000	234,748,800,000	815.1	+81,228,800,000

Sources: FAO Production Yearbook of Statistics 1988, v. 42, 15 April 1991; 1987 Statistical Yearbook, United Nations

[illegible] countries, the third class mostly north of [illegible] person per year.

Lyndon LaRouche at the December 1988 international conference of the Food for Peace organization in Chicago.

LaRouche: Without Food Democracy Means Nothing

During his third campaign for the White House in 1984, Lyndon LaRouche drafted a full agriculture policy platform, which was published in the book-length Independent Democrats 1984 Platform. Excerpts follow:

Proposed Food Policy For the United States

Unless a nation can feed its people, that nation is more or less certainly doomed to endure the worst political evils of civil strife and emergence of the most vicious sorts of tyrannical governments. In regions of the world so affected, bloody civil commotions and regional wars are endemic. Under famine conditions, the Four Horsemen of the Apocalypse rule and ruin. Without adequate food, the very words 'peace,' 'human rights,' and 'democracy' become disgusting nonsenses in the mouths of men and women who must be classed either as simply fools or much worse. Food lies at the center of the self-interest of each and

subject to the condition that the importing nation may not export this or product of the same agricultural type. Under those conditions of export sales, the price paid by the importing nation may be less than the standard, partly determined, commercial price.

4. The government of the United States shall seek to establish agreements with others among the principal food exporting nations, including agreements with bodies such as the European Community (EC). The purpose of these agreements shall be to establish a uniform policy of practice consistent with dedicated U.S. food policy.

Food for the Hungry

5. Although the U.S. government should not prevent itself from subsidizing grain, of reduced prices to nations receiving Food Assistance, it were desirable that the United States establish a "Food Assistance Gratis Fund," preferably in concert with cooperating food exporting nations and with importing nations, and that grants made under Food Assistance

plus." In the case of milk, they complain that annual production exceeds consumption by over 5 billion pounds in the United States, which has to be purchased and stored by the U.S. government Commodity Credit Corporation (CCC) ("And at taxpayers expense," they remind us.) In other words, they explain, the "supply" exceeds the "demand."

Supply and Demand

Consider the two alternative definitions of "demand" for milk:

1) The quantity of dairy products which people can afford to buy; or

2) The quantity of dairy products required for decent nutrition.

According to definition number one, there is a "surplus" of milk in every starving country, since the people are always too poor to buy it. (As we shall see, the economic depression gripping the United States means the American people cannot afford adequate nutrition either!) This ruthless, narrowly "free market" mentality, so pervasive in Washington, D.C. today, has been eloquently refuted and condemned by another Pope, John Paul II:

"It would appear that, on the level of individual nations and of international relations, the free market is the most efficient instrument for utilizing resources and effectively responding to needs, but this is true only for those needs which are 'solvent' insofar as they are endowed with purchasing power and for those resources which are 'marketable' insofar as they are capable of obtaining a satisfactory price. But there are many human needs which find no place on the market. It is a strict duty of justice and truth not to allow fundamental human needs to remain unsatisfied, and not to allow those burdened by such needs to perish. ... If one prior to the logic of a fair exchange of goods and the forms of justice appropriate to it, there exists something which is due to the person because he is a person, by reason of his lofty dignity. ... Everything [that is] required, something is the possibility to survive and, at the same time, to make an active contribution to the common good of humanity." (Centesimus Annus, May 1, 1991)

How does humanity stand today, in supplying the "fundamental human need" of food? The United Nations Food and Agricultural Organization (FAO) divides the world into "developed" and "developing" countries, and defines the vital self-interests of nations, also defines the basis for self-interested relations among nations. A foreign policy not settled upon the solid cornerstone of a sound food policy is a contradiction in terms.

1. The expanded export of food by the United States, especially cereals and dense protein, must be the cornerstone of U.S. foreign policy.

Parity Price Needed

2. U.S. food produced for export (as well as domestic consumption) must be purchased from farmers at not less than 90 percent of a well-determined parity price, and shall be exported through ordinary commercial channels at a price not less than a price based on 90 percent of parity paid to farmers.

3. In the case that U.S. export is delivered as "Food Assistance" to relatively poorer, hungry nations, the seller shall be the U.S. Department of Agriculture, and the buyer shall be the government of the importing nation, ... under $2.00 a bushel, enforced by the cartel grain companies worldwide (Cargill, Continental, Louis Dreyfus, Bunge, André/Garnac, and a few others). The Canadian Wheat Board, the Australian Wheat Board, and similar national entities are being smashed trying to compensate for this.

On Oct. 24, over 8,000 farmers and supporters rallied in Saskatchewan against the low wheat prices in Manitoba and other parts of the prairie grainbelt; there have been other, smaller actions. One of the coordinating groups is Concerned Citizens Against Free Trade.

The cartel-imposed low farm prices, and cartel control of marketing is part and parcel of the free-trade demands George Bush is threatening that the world must obey. Because the European Community has balked, in the past six weeks Bush, U.S. Agriculture Secretary Edward Madigan, Trade Representative Carla Hills, and others have personally trekked through Europe to demand EC compliance with a U.N. GATT-enforced "free trade" regime in which nations give up the right to set farm prices.

Canadian officials are kowtowing to this very same line. The Canadian Wheat Board has taken out ads and issued press statements in the prairie provinces calling for support for the new GATT proposal of a 30% cut in EC farm price supports, arguing that this will result in an immediate rise in Canadian wheat prices through "market forces."

Cargill Free Trade Stunt: U.S. Port Ships Canada Grain

Special to New Federalist

Nov. 15 (EIRNS)—The Canadian Wheat Board will begin shipping grain through a U.S. port next month for the first time in 56 years. This is the latest in a series of moves since the U.S.-Canada Free Trade Treaty, in which the world cartel food companies are positioning themselves to totally monopolize North American food output and wield it as a global weapon.

The board has announced that 55,000 metric tons of barley will be shipped through the port of Seattle as an experiment this December. The shipment will go through the Seattle grain terminal owned by Cargill, Inc., the cartel company which dominates U.S. grain and also soybeans through its cohort cartel company, ADM (Archer Daniels Midland).

The Canadian Wheat Board has cited reasons for the "experiment," including difficulties from the strike by government customs and port workers (Public Service Alliance). However, the shipment coheres with the consolidation of grain movements under Cargill control—a consolidation which is taking place in Australia, within the United States itself, and in general throughout the Anglo-American sector.

Farmers Hit

The Canadian Wheat Board, originally set up to buffer farmers from market price swings, is itself near to insolvent, and now just a pawn in the cartels' repositioning. Farmers have been hit by drastic all-time-low prices

Kennedy: 'Food Is Peace'

I don't regard the ... agricultural surplus as a problem. I regard it as an opportunity. ... I think the farmers can bring more credit, more lasting good will, more chance for peace, than almost any group of Americans in the next ten years, if we recognize that food is strength, and food is peace, and food is freedom, and food is a helping hand to people around the world whose good will and friendship we want.

—John F. Kennedy, speech in Mitchell, South Dakota, 1960

King: 'Feed God's Children'

"As I beheld these conditions, something within me cried out: 'Can we in America stand idly by and not be concerned?' And an answer came: 'Oh, no!' And I started thinking about the fact that right here in our country we spend millions of dollars every day to store surplus food; and I said to myself: 'I know where we can store that food free of charge—in the wine-sacked stomachs of the millions of God's children in Asia, Africa, Latin America, and even in our own nation, who go to bed hungry at night.'"

Martin Luther King, Jr. speaking on his trip to India

Derek Humphry's Handbook on 'How To Kill'

by Linda Everett
LA Club of Life

Final Exit: The practicalities of self deliverance and assisted suicide for the dying, by Derek Humphry. Published by The Hemlock Society. Distributed by Carol Publishing Co. New York, New York. 1991. 192 pp. hardcover $16.95.

"Final Exit" was written by an individual who admits to having killed his first wife, has fathered an love, and his brother. Author Derek Humphry says this book, which has topped the best-seller lists, tells all he learned from those murders and his dozen years in the euthanasia movement. He dispassionately describes scores of methods people have used to kill their spouses, relatives, friends—and themselves. Medical experts are quoted giving the pros and cons of travelling out one's life by putting a plastic bag over one's head or injecting air into a vein.

Death Experts

Leaders of Germany's death movement, Hans Hennrich and Johannes Gerhardus, give specifics on injecting opiods for "peaceful" death. Humphry consults anesthesiologists, physicians and psychiatrists from five countries on the best ways of experimenting with various methods to advise how to administer specific drugs and how long they survive.

Derek Humphry, founder of the National Hemlock Society and instigator of the Washington State death-on-demand initiative, defeated at the polls, how he would have you believe that each one of his page after page of cheap, pro-murder compassion, the rest.

Unfortunately, many the book has been on the best-seller lists for 10 weeks, it appears Americans are willing themselves to be deceived by this garbage. Or maybe the book's popularity can be accounted for by prurient interest and a yen for obscenity.

Besides creating a popular outcry for suicide on demand, Humphry wants to make a bundle in royalties on this book. So he's added plenty of gore (death by freezing or electrocution) and illicit info (where to get "magic drugs") to capture the voyeurist attention of millions of Americans who are steeped in soap opera. For good measure, he recounts the suicide deaths of hundreds of despondent people as a testimony for his 'cause.'

Humphry's World

His cause is a world in which medical treatment means a lethal syringe, in which "success" means death, and in which compassion means tying a plastic bag tight over your spouse's head. The underlying premise in such a world is that of Nietzsche: Death is as "good" as life, and life is reduced to a choice between enhancing personal pleasures and eliminating burdens.

On a government level, that means that, when medical care for people with disabilities becomes a burden to a nation's leaders, it's eliminated. Just as George Bush is doing today with Medicaid. On a personal level, when your spouse's illness becomes a burden to your lifestyle, you either walk out—as Derek Humphry did when his second wife was fighting cancer—or you kill the patient—as Derek Humphry did to his first wife, also fighting cancer.

It is important to recognize how Humphry manipulates irrational beliefs and reinforces the fears of vulnerable patients. He says what they want to hear. Thus, Humphry dedicates the book to, among other victims, Valerie Harper. She and her family traveled to Michigan so she could die at the hands of Jack the Ripper Kevorkian, the unemployed pathologist with the homemade "death machine" who was allowed to get away with murder in 1990.

Valerie's husband Bertram Harper told the Phil Donahue Show that his wife had cancer and she wanted to die because she remembered the horrible pain of a relative who had died of cancer 22 years before.

Who in their right mind really believes cancer treatment and pain management have not changed in this country in 22 years? No doubt. Mrs. Harper was scared. But why, if her husband was willing to travel clear across the country to help kill her in a motel room, couldn't he have done as much work to find medical help to dispel her fears? And, why, reader, didn't Humphry tell you, when recounting her story, that studies show again and again that about 80% of the sick elderly who try suicide, (as Mrs. Harper had earlier) are clinically depressed—and **clinically treatable**?

Are the Americans who snap up Humphry's book, swallowing this evil propaganda and eager to make killing legal?

Humphry's book is full of lies, and it also exposes the lies Humphry used to sell his suicide on demand initiative in Washington State, in which, supposedly, he guarantees that only the terminally ill will be "allowed" euthanasia.

Yet, in this book, he tells doctors there are no standards for who gets the lethal injections. Humphry supplies defense funds for the criminal trials of hospice workers who boast of an underground of renegades across the country—renegades who kill AIDS patients. So it's not surprising that in his book he exhorts nurses to feel free to ignore the law "if there is an overriding moral imperative." Not very comforting if you're heading to a hospital any time soon.

Finally, forget Humphry's hollow words about dignity. Anyone who ever depended on someone else's help can tell you that it is not the infirmity that denies one dignity, as Humphry would have us believe. Your dignity rises and falls with the efforts and commitment a society and its people invest in overcoming the limits with which we are saddled at any point in life. And your own sense of your dignity derives in some degree from the extent to which society values you—or doesn't.

Humphry's "commitment," as demonstrated by this book, is a loaded gun, aimed at your head, aimed at all our country's people, and at the laws that protect us. Wake up, America.

DEREK HUMPHRY, author, euthanasia ideologue, and "suicide assister," shown here at a National Hemlock Society conference.

Cisneros in Venezuelan Political Defeat

by Cynthia Rush

Nov. 18 (EIRNS)—Venezuela's powerful Cisneros family, which has desperately tried to suppress information regarding its ties to the underworld of drug money laundering, suffered a major political defeat Nov. 15 when it lost its bid for CANTV, the state-owned telecommunications monopoly undergoing privatization. Although it had been assumed that the Cisneros would get the bid, it turned out that their consortium—which included Bell Atlantic and its Canadian subsidiary—fell far short of the offer made by the only other bidder, a consortium made up of the Spanish telephone company, ATT, GTE, and Banco Mercantil, owned by the wealthy Vollmer family interests.

The loss of the bid reportedly shocked the family, which has often been referred to as "the Rockefellers of Venezuela." Their dirty financial and organized crime ties, including their current collaboration with the Anti-Defamation League of B'nai B'rith (ADL) against U.S. political prisoner Lyndon LaRouche and the Venezuelan Labor Party (PLV), are as unsavory as those of their Canadian counterparts.

President Carlos Andres Perez had met recently with Bell officials and Cisneros, which local observers saw as a sign that the family had clinched the takeover deal. Local media and political groups had fiercely opposed the Cisneros bid, warning that if the family won, they would create a private monopoly in all areas of the strategically important national telecommunications sector that could threaten national sovereignty. However, last minute changes in the language of the concession agreement were thought to have mollified the opposition.

The Cisneros also put tremendous effort into a high-profile campaign against the PLV, not only because it opposed their CANTV bid, but because it is demanding the lifting of the ban on the book "Narcotrafico," the Spanish-language version of the best-seller "Dope, Inc." which the Cisneros ordered banned in Venezuela in 1985. Information has recently surfaced circulated pamphlets and put out newspaper ads and other "phony moves" slandering the PLV and LaRouche. This has gone to such an extreme that, in his latest ad, Guisandes has made the libelous charge that LaRouche is a drug trafficker.

With the loss of the CANTV bid, it would appear that not only has the Cisneros family's slander campaign failed, but the family is now on the defensive. They were unquestionably hurt by a PLV ad exposing the ADL's filthy history, which appeared in two Caracas dailies on Nov. 14, and in the English-language Daily Journal the next day. Headlined "The Authentic Connection to Narco-Laundering," the ad referred to the anti-LaRouche pamphlet put out jointly by Guisandes and the ADL's Jerusalem Institute for Latin America, and explained that since its founding during Prohibition, the ADL has been tied to bootleggers and later drug runners. Under the false pretext of defending Jewish concerns, the ad continued, the ADL attacks as "anti-Semites" anyone who opposes its shady interests. The ad detailed the ADL's links to gangster Meyer Lansky, fugitive financier Robert Vesco, and his buddy Colombian drug kingpin Carlos Lehder.

The PLV ad asserted that the ADL serves all intelligence services equally; it is implicated in the scandal of the Israeli spy Jonathan Pollard in the United States, whose information also reached the Soviet KGB. At the same

Virginia Slate Gets Up to 20% of Vote

Special to New Federalist

NORFOLK, Nov. 11 (EIRNS)—Candidates supporting the LaRouche economic recovery program garnered up to 20% of the vote in elections for the state legislature in the Tidewater area of Virginia. The candidates had a tremendous impact on political discussion in the area, appearing on TV debates and broadcasts 30 times, airing almost 60 radio commercials, speaking at numerous candidate debates, being featured on radio talk shows, and distributing tens of thousands of leaflets and issues of New Federalist.

And get people back to work.

Campaigning for these policies candidate Earline Boone, a supervisor at Ford Motor Company, took 20% of the vote in her 89th District House of Delegates race; of 17 precincts, she won one precinct with 65% of the vote, took 30-40% in five others, and 20-30% in three more. Alain Lareau, spending $53 to the $70,000 raised by his opponent, took 17% of the vote—over 2,000 votes, evenly distributed throughout his district. Lisa Haigood, a candidate for the 95th District in Newport News and Hampton, won 16% of the vote. In the [illegible] contested between Democrat [illegible] and Republican [illegible], Haigood received 20% of the vote.

Haigood Seeks Fraud Probe

Haigood noted in her statement: "In a sound judgement it is statistically im-

way beyond this politics as usual.

Candidate Lisa Haigood followed up the election with a call to the Commonwealth Attorney and the State Election Board to look into potential fraud in her district. In the Hampton precincts which had been added to the district just this year, Haigood registered a solid 30% of the vote; in the Newport News precincts, which are the patronage stronghold of her opponent Henry Maxwell, the vote was absurdly different.

The candidates raised the issues that will continue to be headlines long after the polls closed. The water shortage in Virginia Beach is being discussed daily as newspaper columnists call for halting any further growth in the resort area. Candidate Joe Eschriche's call for water detumtinion was the only alternative proposed. Similarly, the [illegible] in the area continues to [illegible] as the joblessness, and in many cases homelessness, of [illegible] personnel is discussed.

For Economic Growth Up

Watching the Tidewater area's [illegible] economic development [illegible] Alain Lareau said suggested are uniquely the solutions and characterized [illegible] the solutions proposed [illegible] be independent [illegible] and debate on how to gear up [illegible] increased production [illegible] ocratic and Republican candidates. the Independent candidates took between 3% and 4% of the vote as follows: Joe Eschriche, 83rd District, 3%; Linda Robinson, 87th District, 4%; Loretta Chandler, 5th Senate District, 4%; and Lorene Marable Safavinia, 1st Senate District, 3%.

Switching Turkeys

In these highly contested areas, Tidewater voters followed the national pattern of registering their disgust with incumbents. The State Democratic Party was stunned by its loss of eight Senate seats, as old party stalwarts fell to Republican newcomers. However, by voting out Democratic incumbents in favor of these Republican opponents, disgruntled Virginia voters merely traded one brand of turkey for another. The message that the LaRouche connected slate will continue to spread is that it is time to go possible to have gotten about 21% (two pie-digit figures) in some geographical areas—specifically the Hampton Precincts (Kraft 539 to 250, Northampton 561 to 224, and Tucker Capps 437 to 215) while getting a landslide slaughter—less than 8% (single and double digit counts) in the other area—specifically all but one of the Newport News Districts (Jefferson 400 to 6, Dunbar 244 to 8, Reed 553 to 33, Marshall 395 to 30, and Huntington 300 to 11). Since I know that a very large portion of Haigood supporters reside in the city of Newport News, of course I surely know that it is impossible for such an outrageous voting count to have occurred.

Haigood continued by noting: "The names Haigood and LaRouche did not win the battle of this election of the 95th District, but the war is not over yet—and we shall return. We the people of America, must not allow such

LISA HAIGOOD RAISED the question of vote fraud against her in her recent Virginia campaign.

corruption to continue—or death and destruction to us all." She concluded with a sentiment expressed by the entire candidates slate: "The fight for economic equality and political justice has only just begun."

[illegible] has recently surfaced confirming allegations made by "Narcotrafico SA" regarding the family's drug ties. The PLV is asking that the illegal and unconstitutional ban on the book, unprecedented in democratic Venezuela, be lifted.

In Bed with the ADL

The character of the forces the Cisneros family has mobilized to attack the PLV and LaRouche, who commissioned the publication of "Dope Inc.," virtually confirms the charges made against the family by "Narcotrafico" and others. Although hireling Congressman Dellums alleges they have joined with the ADL, whose own ties to organized crime are notorious, and reached the Soviet KGB. At the same time, Mrs. Miles Lansky Boland, an ADL official (and author of the pamphlet against the PLV) recently admitted that she was employed by the United States CIA.

The PLV has called on Venezuela's Attorney General to investigate the links between the ADL and the Cisneros group. It has also called for a freeze on the privatization of CANTV—a company with strategic and national security implications. While the privatization of CANTV went forward, somebody in Venezuela apparently thought it better to keep it out of the Cisneros group's hands.

LaRouche Opens Presidential Campaign

[illegible] from page 1

[illegible] is to declare the U.S. banking system as bankrupt as it is. In contrast to the fascist programs of the other Democrats, he elaborates. "You can't say that banking systems are sacrosanct and human lives are not. You cannot force somebody to starve to death on non-existent welfare because you say the banking system has to be saved. Kiss No. Human lives are more important than banks. The U.S. economy, the U.S. as a nation, is more important than any bank or collection of banks. Banks are only businesses, which can go bankrupt like any other business. We are going to save the people and the nation. We'll do the honorable thing, but we are not going to support a bankrupt banking system, which did a great deal to create the mess in the first place."

LaRouche then outlines the American System economic measures that must be taken to stop the depression, especially the nationalization of the Federal Reserve, and the issuance of credit for massive infrastructure projects which are necessary to get the country out of the depression.

Recent Elections

The recent elections in Pennsylvania and elsewhere sent a clear message that people are ready for a challenge to George Bush. Particularly sharp was the sting of defeat for former Governor and Bush Attorney General Richard Thornburgh, who lost in the Pennsylvania Senate race to the less well-known Democrat, Harris Wofford.

The Wofford vote was a vote against Bush's economic policies. Taken together with the New Jersey vote, the economic policies of the Democrats and Republicans alike did not receive very high marks. In Pennsylvania, the issues were Bush's North American Free Trade Agreement (NAFTA) and the resulting job loss for Pennsylvania past, present, and future—because of these free trade policies.

The NAFTA issue was so heated that Thornburgh found himself accosted on the streets by angry citizens, and found himself backing off the issue. The Wofford campaign found support for its efforts, however, in a pamphlet issued by the LaRouche campaign, which attacked the "Auschwitz" slave labor camps south of the border.

In New Jersey, the Democrats lost in both houses of the state legislature. This was another anti-austerity vote against Democratic Governor Florio's initiatives to increase taxes. In Houston, the electorate, led by a trade union mobilization, voted down Proposition 8, which would have permitted teachers' pension funds to be used to buy real estate. Since Texas real estate and real estate nationally is bankrupt, Proposition 8 really amounted to a Resolution Trust Corporation real estate bailout.

All these voter patterns show that the economic situation is the key issue before the electorate. Responding to the Nov. 15 New York Stock Exchange drop of more than 100 points, LaRouche had this to say: "The U.S. is now entering a new phase of an ongoing economic depression. . . . As long as the present policies, including Gramm-Rudman and budget balancing policies, generally, are continued in Washington under the influence of free trade and deregulation policies of the past dozen years, this economy will continue to go deeper and deeper into this depression.

Paid Political Advertisement

Endorsement of Lyndon H. LaRouche for President of the United States

Supporters of Lyndon LaRouche's 1992 presidential campaign released the following call for endorsement of the candidate on Sept. 5. Completed endorsement forms may be sent to Democrats for Economic Recovery LaRouche in 92, P.O. Box 690, Leesburg, Va. 22075.

Recent developments in the Soviet Union, as Soviet Republics declare their independence, one year after the removal of the Berlin Wall and two years after Chinese students and workers faced down communist tanks at Tiananmen Square, bring us to an historical crossroads unparalleled in the 20th century.

While the sparks of freedom, kindled by the bravery of the freedom fighters from Tiananmen Square to Lithuania, burn bright with record opportunities, we also face the dangers of the regrouping of fascist colonial forces, most apparent with the Serbian declaration of war and brutality against Croatia and Slovenia. The Yugoslav conflict can easily become a European-wide and even global conflict.

George Bush's New World Order has set in motion raw material and population control wars, terrorizing developing countries around the world. Brazil and Pakistan fear they are the next Iraq, targets of depopulation genocidal Malthusian Anglo-American cabal.

In the summer of 1988, one year before Tiananmen Square, at the Democratic Convention in Atlanta, Ga., Lyndon LaRouche warned of imminent economic breakdown and a world food crisis, and forecast the collapse of the communist empires. In the fall of 1988, one year before the Berlin Wall came down, LaRouche spoke of the reunification of the two Germanies and announced the formation of an International Anti-Bolshevik Resistance Movement. For more than 20 years, LaRouche has warned of these dangers and offered anti-International Monetary Fund, anti-colonial alternatives.

LaRouche is a political prisoner today because of his outspoken opposition to 20 plus years of Malthusian genocide. LaRouche's Triangle Policy can be the locomotive for world economic recovery. LaRouche's Third World economic development programs and his demands to end the last 20 years of post-industrial genocide, which has turned the United States into an economic, political, and moral wasteland, make him the most important fighter against New World Order colonialism and genocide and the best ambassador for political freedom and economic justice.

Therefore, we the undersigned agree that Lyndon H. LaRouche must be elected President in 1992 and demand his immediate political freedom.

Name City State

Paid for by Democrats for Economic Recovery LaRouche in 92

THE NEW FEDERALIST

"If horror would overthrow the liberty of a nation must begin by subduing the freeness of speech."
Benjamin Franklin

Nancy Spannaus, *Editor in Chief*
Alan Yue, Christina N. Huth, *Associate Editors*

THE NEW FEDERALIST *continues the tradition of New Solidarity in its dedication to reviving the American System of economics and politics. The American System of Franklin, Hamilton and Washington defines the mission of the United States as to foster economic and scientific progress, the republican form of government, and the inalienable right to life for all its citizens, both at home and abroad.*

New Spotlight on AIDS

One would hope that the widespread publicity over the fact that basketball star "Magic" Johnson is infected with the AIDS virus, would lead to a more serious approach to this global pandemic. So far, unfortunately, this is not the case.

Johnson himself could do a lot of good if he were to carry out his crusade not "on behalf of the virus," as he perhaps inadvertently said, but on behalf of the emergency program for mass mandatory testing, for expanded hospital care and for basic orthodox research. Another campaigner for "safe sex" and an enthusiast for putting condom ads on television, is not what we need to defeat this scourge.

Leaving aside the issue of the libertine lifestyle which must ultimately be reversed in any case, we should focus on the public health policy toward AIDS. And the truth must be faced. If the U.S. government had not consistently refused to spend the money required to test and treat AIDS victims, to research ways to conquer the virus, and to upgrade public health conditions generally, people like Johnson would probably not have the virus today.

It was in 1983 that the LaRouche movement first put a spotlight on AIDS. We noted that it was spreading particularly dangerously in impoverished African countries, where health care for even simple diseases is very scarce, and where malnutrition, insects, and lack of sanitation are rampant. Regardless of how the disease got there, we said, the IMF conditionalities which enforce this poverty must be dumped, or they will ensure that it spreads. A people weakened by malnutrition and other diseases, is a prime target for AIDS.

Unfortunately, nothing was done to change that IMF policy. The result is that no region of the world is more devastated by the AIDS virus than sub-Saharan Africa. At the present rate, the population of Uganda will actually decrease by 17 million people by the year 2010, according to the nation's President.

A similar point can be made around the United States AIDS epidemic, which is at least 10 times worse than the official figures show. In 1985 and 1986, the LaRouche movement put forward concrete proposals, including a proposition on the California state ballot, for mass testing and a research program of over $3 billion on the frontiers of biological science. The answer that came back was: "You're anti-gay and Nazis."

What that answer really meant, is that the Democratic and Republican leadership were unwilling to spend the money necessary to stop this deadly pandemic. They knew that if people were not tested, they would continue to spread the virus. They knew that if people found out they had the virus, they would want to be treated. And they didn't want to spend the money! So they tried to make pariahs out of those who proposed a solution to the problem.

The same motivation lay behind the ruling parties' handling of the research program. Researchers who had initial results pointing to the fact that AIDS was not a venereal disease, and to the fact that it was intimately connected with conditions of poverty, were cut off. Monies to develop palliatives like AZT were hived off other medical programs. And today doctors are more pessimistic about finding a cure than they were a year ago.

Of course, the longer we wait to deal with the AIDS pandemic, the more expensive and gargantuan the task is going to be. But testing is cheap, and must start now. Then the task is to mobilize around the medical program that's required. It will take science, not magic.

Saving the World's Nations

We call our readers' attention to the call for the Committee to Save Croatia, which appears with some of its supporters in the paper [illegible]. It seems that the U.S. and British governments have determined to maintain the very policies which led to the horrors in Croatia, and it will take the extraordinary efforts of private citizens and organizations to change direction. We hope you will sign and circulate this resolution.

This is the second "committee to save" which Schiller Institute founder Helga Zepp-LaRouche has inspired within the current year. The first was the Committee to Save the Children in Iraq, which has registered significant success in getting medical aid into that blockaded nation, and in stirring the consciences of those who would forget that a UN-endorsed action is starving a nation of 18 million to death.

[illegible] think of other such emergency committees that should be set up—committees to save Africa, to save Russia from famine, to prevent tens of thousands of Americans from being thrown out on the streets this winter. The emergencies are real and the causes worthy.

But the success of any such committee should be measured not only by its particular cause, but also by its success in pulling together broader forces who will change the policies and governments which have created the disasters. In the cases of the two we mentioned, it means bucking the Bush administration, and dumping the austerity regime of the International Monetary Fund. It means fighting for a just new world economic order that will provide a framework and credit for prosperous development for all sovereign nations.

Our cause is to fight for life and liberty for all. Won't you join us?

"Bush reminds us of a chicken with his head cut off."
—New Zealander Fielding

The Making of the President

Item: Nov. 12 poll finds President Bush's ratings have collapsed, and he would run in a dead heat with any unnamed Democrat, if the elections were held today.

* * *

• Thanksgiving Day, 1991. U.S. jobless rate hits 15%. New poll shows President Bush would run in a dead heat with Aaron Burr, if the election were held today.

• Christmas Eve, 1991. American jobless rate hits 25%. Three biggest banks in country go belly-up. New poll shows President Bush would run in a dead heat with Freddy Kruger if the election were held today.

• New Year's Week, 1992. U.S. dollar collapses to 9400 to [illegible] shows President Bush would lose to Alf Landon if the Republican convention were held today.

• Ground Hog Day, 1992. U.S. government sells Guam for a billion dollars to meet the federal payroll. New poll shows President Bush would lose to Geraldine Ferraro if the election were held today.

• St. Patrick's Day, 1992. President Bush calls in Roger Ailes and James Baker for skull session.

• April Fool's Day, 1992. President Bush tells press "I [illegible] locked."

• April 15, 1992. President Bush invades Cuba.

• May Day, 1992. President Bush invades North Korea.

• May 30, 1992. President Bush invades Haiti, Brazil and Guam.

• June 15, 1992. President Bush orders troops into Broccoli Growers National Conference, U.S. Congress and Pennsylvania State House in Harrisburg.

• July 1992. President Bush sends special forces into Democratic convention, Times Mirror polling service.

• Election Day 1992. President Bush invades voting booths in 55,000 major U.S. precincts, makes world safe for de[illegible]

the funnybone

LETTERS TO THE EDITOR

The Question of Usury

To The Editor

Re "Carlton Brenden 'The Ideology of Usury' New Federalist Oct 14 1991

While Carlton Brenden's article represents a useful compilation of quotes on the subject the author unfortunately tends to take up the Aristotelian loop of equating usury with all lending of money at an interest. Marcia [illegible] quoted St. Thomas Aquinas to reflect [illegible] many centuries the Church condemned all lending at interest including the lending of money. Similarly St. Thomas Aquinas paraphrasing Aristotle [illegible] ...ey interest for money lent which is called usury."

I think it is a good mistake to mix up the healthy principle of credit with the [illegible] principle of usury that admittedly today dominates the financial world and economic practice in general. There exists however a pretty much forgotten principle of credit—credit that is used for investments into industrial or infrastructural projects—and it has been practiced during the time of industrialization. Such credit can be issued by the state (Hamilton LaRouche) but also by private banks or in the form of bonds. People bought certain railway bonds for example in order to contribute to financing this project which they liked and in order to receive a certain interest. This interest must be defined as a portion of the surplus coming out of the bond financed project and it can certainly not exceed that surplus. This is the first principle of healthy credit. The interest can certainly not be higher than the productive surplus coming out of the undertaking financed by the credit. The second principle is that the credit institutions must always be the "servants" of the productive process and not vice versa as things are today.

In contrast to this usury is correctly defined as a practice in which a person or an institution exploits a situation of shortage or hardship of a person, company or even a country to impose on them usurious interest rates prices or rents. A person in desperate need of money is forced to accept astronomical interest or other conditionalities to get new credit. The same happens to indebted developing countries when they are dependent to get their debts rescheduled. In times of water shortage usurious water sellers demand exorbitant prices for a bottle of water. Food shortages lead to usurious black market prices for food. Or landowners feel entitled by the ground rent system to exploit the farmers working on their land like serfs. These are all forms of usury which must lead ultimately to the destruction of the society in which they are widely applied.

Another quote by St. Thomas Aquinas ("On the fraud committed by buying and selling") seems to indicate that the author tends also to put merchant activity in the category of usury probably thinking of Adam Smith's slogan "buy cheap sell dear." This is of course just as wrong as mixing up credit and usury. Trade is as such unproductive but is absolutely necessary in order to distribute the goods once they are produced. Also as the various retail sellers down to the small shop owners have to make a living it is legitimate that they sell the goods for a higher price than they buy them for. Of course this must be in such limits so as not to damage either the producer or the consumer. But there is apparently no better distribution system than trade.

Also the condemnation of the ground rent system must not go overboard to the point of regarding it as immoral if someone rents out flats to other people. It is utopian to demand that every person should live in his or her own house. Today people move around very often how can they have a house of their own wherever they go? Where should people live if not in rented flats or houses? Also it is much more efficient if more families live in one bigger house than in so many small houses. In other words to invest in the building of flats in order to rent them out to other people is not a criminal or immoral activity but a very useful and laudable one if the rents are not too high compared to the costs and to the income of the people who have to pay the rent.

Didn't the author stumble over the fact which he quotes himself that notably two figures dominate the equation lending at interest = usury namely according to St. Thomas Aristotle and Adam Smith in "The Wealth of Nations"?

The complete prohibition of usury or mercantile interest on money is not a way to obviate (avoid completely) [illegible]

I have the suspicion that Aristotle and Smith set up that paradox purposely. They mix up credit and usury because then they can use the arguments in favor of credit also as apology for usury. I am sure Jeremy Bentham does exactly that extensively in his "In Defense of Usury." This is the reductionist method of syllogism: 1. Credit is usury. 2. usury is immoral. 3. credit is immoral. But on the other hand: 1. Credit is usury. 2. credit is necessary and useful. 3. usury is useful and should therefore not be done away with.

I think it is the job of your newspaper to clear that purposeful confusion up as Lyndon LaRouche has done many times and to clearly distinguish between productive credit at a legitimate low interest and subsumed to the primary productive side of the economy and destructive usury. While credit is based or should be based on the harmony of interests so that everybody gains something by the process usury is based on misuse of power in order to exploit others.

Gabriele Liebig
Editor in Chief
New Solidarität
Germany

To The Editor

Re "The Ideology of Usury"

It is unclear to me exactly what Mr. Mendez the author of this article advocates. While the traditional anti-usury doctrine of the Roman Catholic Church prohibited any lending of money for interest, this would seemingly require abolition of private banking and credit altogether. I hardly understand this to be the policy of the Ameri-can system as propounded by Hamilton, Henry Lee, or LaRouche. LaRouche is a proponent, explicitly in fact, of private banking as the medium for making government-created cheap credit available to manufacturing industry, hard-commodity production, etc.

It is not important to distinguish between extortionate lending, and the ensuing demand for the "pound of flesh," versus the rational use of credit which is necessary to facilitate production and trade.

An absolute prohibition on lending at interest would leave us with only state banking, as far as I can see. Does not such "socialized" banking function contrary to the letter and the spirit of Leviticus Annus? But if a reasonable interest—including a profit, not just administrative costs—is to be allowed, then how does this differ, say, from Melanchthon or Grotius?

Secondly, the issue of usury and the Reformation is a bit more complicated than presented in this article. Usury was an issue in the initial split between Luther and Rome, but rather differently than our author suggests. The campaign to ban Luther and his teachings was led by the Augsburg theologian Johann Eck, who publicly debated Luther, then went to Rome and drafted, published, and implemented the papal bull *Exsurge Domine* which led to Luther's excommunication. Eck, it is well known, was employed by the House of Fugger—the bankers to the Hapsburgs. Eck was commissioned by the Fuggers to take part in a disputation in Bologna defending usury, at which he declared that it was permissible to lend money at up to 5%. Eck was defending usury while Luther was attacking it. This created a public scandal. Luther's supporters violently attacked Eck for his approval of usury.

It is not irrelevant that Luther's first public set of 95 theses, the "Disputation Against Scholastic Theology," an attack on the Aristotelian nominalism prevalent at the time, drew little attention, but his 95 theses attacking indulgences drew a vigorous response a few weeks later. There was nothing un-Catholic in either set of theses. As one might suspect, the reaction was primarily financial and political, not theological. Erasmus was only partially right when he said in 1520 that Luther's crime was that he attacked the Pope's crown and the monks' bellies; he probably did not realize that half of the money collected from believers during the jubilee indulgence was being paid directly to the Fuggers.

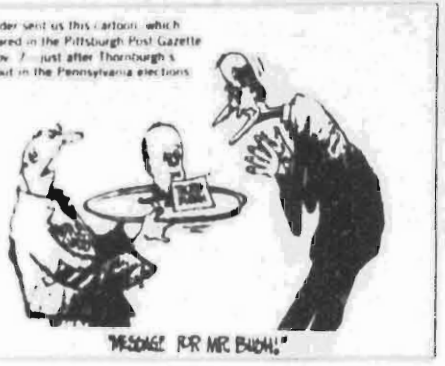
The fight over usury obviously predates the Reformation, and cuts across religious and denominational lines. An effective and ecumenical approach to the issue requires clarity as to what constitutes usury, both historically and at the present time, so that we can find a common ground for battling the murderous policies of the bankers and the IMF today.

Edward Spannaus
Leesburg, Virginia

The Editor Replies

Mr. Mendez is pleased to have provoked such a discussion on usury, and plans to write more on the subject at a later time. New Federalist welcomes further comment and debate on this crucial issue.

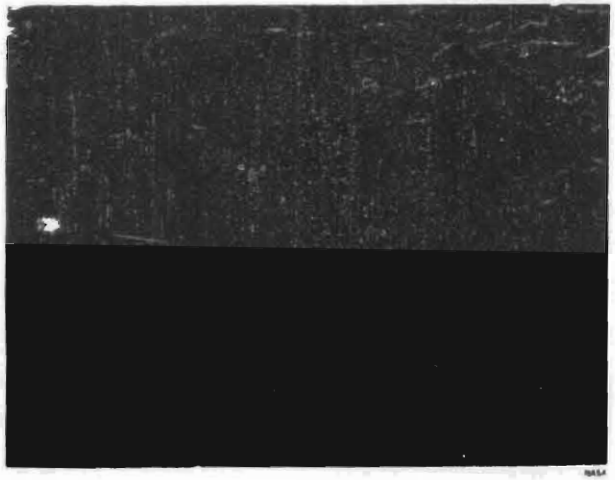
A reader sent us this cartoon which appeared in the Pittsburgh Post-Gazette on Nov. 7—just after Thornburgh's upset in the Pennsylvania elections.



What you can do:

Nancy Spannaus,
Editor-in-chief of
THE NEW FEDERALIST
welcomes your letters.
Write to:
The New Federalist
P.O. Box 889
Leesburg, Virginia 22075

Behind the News



This full-resolution radar mosaic at 4°4 degrees south latitude on Venus shows a 124-mile segment of a channel. The channel is approximately 1.2 miles wide and appears to have been formed by lava flows.

Magellan Spacecraft Shows Changing Geology of Venus

SCIENCE & TECHNOLOGY

by Carl Osgood

[illegible] the United States Magellan spacecraft went into orbit around Venus in August 1990 it has transmitted a picture back which we may learn much about our Earth, as scientists struggle to understand [illegible] changing geology. Magellan transmits [illegible] radar signals off the surface of Venus to "see" through its thick clouds. The varying lengths of time these signals take to return to Magellan's antennae are used to put together pictures of the surface. While previous attempts have been made to look at Venus with radar, the 400 foot resolution of Magellan is 10 times better than that of earlier spacecraft.

The surface of Venus is relatively young and shows signs of continual renewal. It is cratered like our Moon, but the cratering is much more recent, as is shown by the existence of plains of lava flows with no craters at all. Craters are caused by impact of meteors on Venus the smallest craters are about 4-6 miles in diameter, [illegible] is not all that different from cratering on Earth, the Moon, or Mars.

The relative youth of the impact craters is indicated by the plains, created when widespread volcanism occurs and destroys all the craters, as ocean sized floods of lava inundate the surface. Most of the lowland areas were created by vast lava flows either from one catastrophic phase of volcanism 400 million years ago, or from a series of different eruptions. Such a scale of volcanic activity is unknown on Earth.

Another unusual feature is the pancake-shaped domes, about half a mile high and 15-20 miles across. In one region, seven of these domes stretch out in a remarkably straight line, and scientists speculate they were formed by extremely viscous lava pouring out of volcanic vents. Dr. Saunders says the pattern "is telling us something about the eruption mechanism, the viscosity, and the eruption rate."

Similiar lava domes are seen on Earth, but only inside the calders of active volcanoes. The wide variety of volcanic formations on Venus suggests variations in the thickness of molten rock flowing there. Its consistency ranges from that of toothpaste, seen in the pancake domes, to [illegible] that forms channels hundreds of miles long.

due to volcanic activity is a slower process on Venus than on Earth. Geologist Roger Phillips from Southern Methodist University speculates that Venus produces about one tenth of a cubic mile of lava per year, compared to 2.2 cubic miles of lava on Earth. It is believed that plate tectonics plays a longer term role in renewing the surface of Venus. Other parts of the surface are plains that show much evidence of tortuous tectonic activity.

'Venus-Quakes'

Our planet's earthquake activity usually occurs where two tectonic plates meet, such as the San Andreas fault in California. "Venus-quake" activity appears to occur over wide regions. There are linear mountain ranges, such as are common on Earth, rift zones, fractured plains, and wrinkled plateaus. Scientists speculate that Maxwell Montes was formed by the same type of compression forces that created the Himalayas.

One striking characteristic of all the surface features found on Venus is lack of erosion. On Earth, geological formations begin to be eroded by water and wind as soon as they form. On Venus, there's no water and the wind is very slow, about 2-4 miles per hour. Thus, newer formations are superimposed over older ones, such as fault lines running through impact craters, leaving a full record of geologic events.

Magellan completed its first mapping cycle of Venus last April and, because the quality and quantity of data exceeded expectations, project scientists immediately got approval to begin a second mapping. One goal of the second mapping cycle is to determine whether Venus is still geologically active; this will be done by comparing images from the first cycle with images of the same areas from the second cycle, taken nine months later.

Landslides and Channels

Since April, a landslide not present in the first mapping cycle has been observed in the area known as Aphrodite Terra, an equatorial highland. The landslide was probably caused by a quake, and could not have occurred unless active processes were taking place inside the planet, according to Dr. Saunders. On the second cycle, Magellan has also discovered the longest known channel in the Solar System, longer than the Nile, at 4,200 miles. The very existence of this channel is a puzzle. "If the channel were carved by something flowing," Dr. Saunders said, "the liquid would have to have very unusual properties. There are no likely candidates for a liquid. Lava, even very high temperature types, would need to have a very high [illegible] rate to flow so far. This is not

Pull the Plug on Your Electric Piano! They Don't Make Music

VIEWPOINT ON MUSIC

by Alan B. Ogden

It's bad enough that so many small "spinet" pianos with poor musical qualities are foisted on music students. But the new, even cheaper, alternative flooding the musical instrument market is much worse. The electronic piano, or "electronic keyboard," even in its 88 key "professional" version, is really an insult to a generation of young aspiring music students.

Electric pianos exist only because the brain deadening mass culture of rock "music" exists. In their design and conception they are really instruments of anti-music, easily plugged in to earsplitting amplifiers and combinable with every other type of earsplitting electronic rock noisemaker. The keyboard can be transformed to play any of a large variety of strange inhuman electronic sounds, by pushing buttons absurdly labeled with the names of real instruments such as "harpsichord," "clavichord," "organ," "reeds," or even "chorus." Some have a feature called "transpose," which invites the player to replay a passage of music a chromatic step or two higher, by merely turning a dial and playing the music again in the original key. While transposition has its place in classical music, this dial on the electronic piano is helpful only to the "modernist" campaign to unleash arbitrariness and anarchy in music.

The worst abomination, though, is the addition by manufacturers of drum pulses, rock background sounds, wild tremolos and even entire canned "piano pieces," all available to the impressionable novice at the push of a button. Parents beware!

What To Look for in a Piano

The piano, originally known as for [illegible] (loud soft), or pianoforte, has existed for about 250 years. It was invented as part of the effort to develop musical instruments which would imitate features of the human singing voice. On the earliest keyboard instruments, such as the harpsichord and organ, a musician could play a line of music louder or softer by use of stops and double or [illegible] the ranks of pipes and reeds. But only a piano can respond differently to each touch of the musician's fingers, not only in volume, but also in tone quality. In the best-designed and most carefully made pianos, this variability is available over a very wide and finely differentiated range of selection, making the instrument expressive of all the subtle transformations needed to understand and perform beautiful classical music.

The electronic piano manufacturers imitate the piano in their "Cadillac" models. They add a sustaining pedal, a damper pedal, and even a primitive loud-soft response to different touches of the finger. But, aside from the offensive sound produced, these technical pretensions are a failure. For example, as the player of an electric piano tries to play more than one or two tones simultaneously, he will find that the total volume of sound may be the same, but the individual volume of each tone is reduced, even though he may maintain the same force on the key. That makes it impossible to play real music, since piano music is written to be played with the different voices, or horizontal lines of music, contrasted to each other and shaped differently. A student playing an electric piano can never learn these fundamental aspects of real music.

Society has as fundamental an interest in a renaissance in musical education, as in the nurturing of souls. But from this standpoint, there is no way the further compromise in quality implied in the idea of "cheap electric pianos for the masses" can be considered acceptable. There simply is no way to advance musical culture without the necessary productivity in the economy to sustain the production, distribution, and maintainance of large numbers of high-quality, real pianos.

Tuning all pianos to the lower scientific pitch of C = 256 is a big problem, but it cannot be solved by the shortcut of using electric pianos which are easily tuned down with a screwdriver. The loss in musical beauty is too severe. Want a choir practice? No piano available to establish the right pitch? Don't bring your electric piano for that either, unless it's a real emergency. From my experience, the pitch they produce is too murky and wavering to be easily distinguished by the singer

...sphere. Some smaller craters have multiple impact points, indicating that the meteors which created them broke up before hitting the surface.

One of the first craters surveyed by Magellan is 20-mile-wide Golubkina, discovered by a Soviet radar survey in the early 1980s. It has many of the same characteristics as craters on the Moon. The inner walls are terraced, a central peak rises from the center, and boulders and other debris extend in all directions from the rim. NASA project scientist Dr. Steven Saunders says that materials that cratering on Venus ...the chemical composition of the hot rock flowing from inside the planet.

Before there can be volcanic explosions, however, the hot lava must have concentrations of volatile gases high enough to overcome an atmospheric pressure 90 times that of Earth. There are also, apparently, unusual materials coming to the surface in these eruptions. The tops of the mountain range containing the tallest mountain on Venus, the 38,000-foot Maxwell Montes, are covered with a material that reflects the way ice would.

The evidence suggests that surface renewal ...geology.

The challenge the new data provide is in the understanding of planetary geological process and related fields such as material properties and fluid dynamics, particularly under extreme temperatures and pressures, since geologic materials undoubtedly act differently under the surface temperatures and pressures of Venus from the way they act on Earth.

Magellan is showing us a third body beside Earth which is geologically active. Voyager showed us such activity on Jupiter's moon Io and similar activity on Neptune's moon Triton.

volume by use of mechanical shakers ...they of that information.

Bushnomics: Not Incompetence, but Fraud

PHYSICAL ECONOMY

by Anthony E. Wikrent

The posturing Bushmen and the financial cartel which owns the U.S. Federal Reserve System, have been frantically trying to stimulate the U.S. economy by cutting interest rates. But what's going to take advantage of 7% or 8% interest rates if he or she doesn't have a job? Or worse, if he doesn't have a job, and his unemployment benefits have run out?

At the end of August, the Center on Budget and Policy Priorities reported that 332,000 Americans had exhausted their unemployment benefits in July, the highest one month total since unemployment benefits programs were first established in the 1930s. In August, 304,000 people exhausted their unemployment benefits, the second highest number on record, since Wayne Vroman, a senior research analyst at the Center on Budget and Policy Priorities, expects the number to remain at around 300,000 a month for the next several months. That's twice the level of just two years ago.

Ignoring Unemployment

John Liscio, a columnist for Barron's magazine, dropped a political bombshell on George Bush on Oct. 28, when Liscio revealed that a staff member of the Bureau of Labor Statistics (BLS) had told Sen. Dixon of Illinois & Mr. Murphy Research here, in Princeton, N.J., that a new economic team of job losers would be kept out of office at U.S. government statistics. Why? Because, Liscio wrote, "the slightest appearance of a sudden labor market would be too much of a political embarrassment to the President, who vetoed the unemployment benefits extension bill." Just before the statistics Stone warned of even bleaker.

The statistics in question are the State Personal Income figures, which the BLS calculates from two surveys. The first, preliminary survey includes employment information gleaned from about 8% of all employers in each state. Six months later, these preliminary numbers are revised based on information from a survey of 98% of all employers.

These final, very comprehensive figures are called the ES202 series, and they are used by the Bureau of Economic Analysis at the Commerce Department to calculate national income and national expenditures, which, in turn, determine Gross National Product.

Liscio reported that the final ES202 figures for California showed that there were 373,000 less jobs than originally estimated from the preliminary survey of six months before. ES202 figures for New York showed 138,000 less jobs than originally believed. This would have meant a downward revision—and loss—of $15 billion in income for those two states, a fact confirmed by massive revenue shortfalls for the two state treasuries. But, having found that there were 511,000 fewer jobs than estimated, the BEA at the Commerce Department did not subtract that number from its totals!

The head of the BLS section working on this told Liscio that the "BLS is still reviewing" the data because they are "worried" about the awful numbers and that "there is disbelief" at the size of the job losses. "It's two times larger than what's ever been seen. Were there really that many employers out there that turned out the lights?"

The economists and analysts at the Federal Reserve Bank of San Francisco were also horrified by the numbers, and have also refused to believe them.

Maybe they're feigning their disbelief in order to make the feds appear only incompetent, rather than the frauds they really are. As this newspaper has documented, the U.S. government figures for unemployment are consciously constructed to minimize real unemployment by at least 50%, and perhaps by as much as 75%. Certain staff members at the Bureau of Labor Statistics—perhaps in opposition to the addiction of the Bush regime to the Goebbels style Big Lie—have provided information to EIRNS for a series of exposé articles (see "Government Can't Hide Soaring Unemployment," by Laurence Hecht, New Federalist, June 17, 1991, and, by the same author, "Did Unemployment Top 32 Million in U.S. in 1990?" in Executive Intelligence Review, July 5, 1991).

Another indication that the Bush regime is resorting to fraud to try to hide the extent of the Second Great Depression was reported by Liscio. A Treasury Department tax analyst named Joel Platt recently conducted meetings with New York, California, and other state officials on the fact that both federal and state tax collections are coming in far below expectations, reflecting the depression collapse in employment. These state officials told Liscio that Platt said that "collections fell behind schedule in June, and with an even greater vengeance in September and October." Liscio reported that Platt had refused to comment when Liscio contacted him.

The line goes on and on. Unemployed New Yorkers queue up at a Brooklyn unemployment center.

(EIRNS/Stuart Lewis)

Was The Late Robert Maxwell An Israeli Nuclear Spy?

COUNTERINTELLIGENCE

by Jeffrey Steinberg

(EIRNS/Stuart Lewis)

The late Robert Maxwell. Was he a Mossad agent? Was he "murdered"?

Robert Maxwell, the British press baron who died under mysterious circumstances on Nov. 4, may have been one of Israel's most important nuclear bomb spies. And the recent exposé of his role in the top secret Israeli nuclear program may provide the key to the mystery surrounding his death.

Maxwell's nude body was discovered in the coastal waters off the Canary Islands, 12 hours after he supposedly fell from the deck of his private yacht, having suffered a heart attack. Family members and at least one participant in the Spanish coroner's inquest have claimed that his death was due to foul play and have dismissed the official verdict that he died of "natural causes."

Maxwell's death came within weeks of the publication of investigative reporter Seymour Hersh's book "The Samson Option," which documented how Israel obtained the nuclear bomb. In the book, Hersh accused Maxwell of personally working with the Mossad in the autumn of 1986 to suppress evidence of the Israeli nuclear program which had been surfaced by Mordechai Vanunu, an employee at the top secret Dimona nuclear weapons compound in the Negev Desert. Vanunu had turned up in London with photos and other details of the Dimona nuclear reactor/reprocessing facility, trying to sell the data to the British press. Maxwell's Mirror newspaper published a photo of Vanunu and tipped off the Mossad to his whereabouts, enabling the Israelis to kidnap the nuclear engineer and bring him back to Israel, where he was tried for treason. As a result of the Mossad kidnaping, the Vanunu revelations never made big headlines.

In his book, Hersh identified Mirror foreign editor Nicholas Davies as a Mossad recruit and described Maxwell as a collaborator of top-level Mossad officials.

Maxwell and Davies both sued Hersh and his British publisher for libel. Hersh countersued.

Within a week of the onset of the legal tussle, on Nov. 1, Davies was suddenly fired by the Mirror Group and his name was withdrawn from the suit, after evidence surfaced proving his Mossad links. Three days later, Maxwell was found dead.

Mystery Man

This news service has been told by a well-placed ex-official of the U.S. government that Maxwell's involvement in the Israeli nuclear bomb program went back decades, to the beginning of the effort in the early 1950s, under the supervision of then-Prime Minister David Ben Gurion.

A Czech-born Jew, Maxwell, according to his biographies, had been an assassin for the Irgun before World War II, and had continued that work on behalf of British intelligence in the war. As a reward, Maxwell got British support from the Rothschild family, among others, to set up Pergamon Press in the late 1940s. Pergamon became one of the world's biggest publishers of scientific books, giving Maxwell extraordinary access to the international nuclear scientific community. It was apparently in that capacity that Maxwell was part of Ben Gurion's "secret team" working on the bomb project.

In a fascinating note that may be relevant to the strange circumstances of Maxwell's death, the London Financial Times reported on Nov. 15 that the British government is now investigating evidence that the Soviet government financed Pergamon Press. Years ago, another leading aide to Ben Gurion, Israel Beer, was exposed as a Soviet spy.

The EIR had reported earlier that the Maxwell corporate empire was over $4 billion in debt and on the verge of bankruptcy.

Mary Sue Terry and Democrats Dictate Va. Supreme Court Rulings

TERRY, seen here in an intimate moment

Special to New Federalist

Nov 16 (EIRNS)—In a naked display of corruption, the Supreme Court of Virginia has thumbed its nose at an order of the U.S. Supreme Court to issue a tax refund to state military and federal retirees. In a second case that resembles the BCCI machinations, the Court—all seven of its members appointees of the Democrat-controlled State Legislature, compliant with the Democratic State Executive—reversed its own 6-1 decision of six months ago and allowed local politicians to float tax guaranteed bonds rejected 4-1 by the voters.

The Virginia Supreme Court decisions were the result of vigorous pressure by Virginia Attorney General Mary Sue Terry on a corrupt court which is trying to "make straight the path" for Terry to be Governor in 1993.

These high stakes, blatantly political actions by the judges of Virginia's highest court have set the state on its ear. Newspapers, pensioners, and taxpayers affected by the cases are charging that Virginia's politically appointed judges are, in effect, just Democratic Party hacks in black robes.

Today, Rochelle Ascher, an associate of Lyndon LaRouche, appealed Terry's political prosecution of her to this same Virginia Supreme Court, which is Ascher's only remaining legal redress in the state. The Supreme Court judges are aware that the prosecution of LaRouche associates has been the bragging piece of Terry's long campaign for Governor, in flagrant violation of the U.S. Constitution's requirement of a fair and impartial prosecutor. With the incredible willingness of the Court to make political decisions at Terry's demand, the fate of Ascher's appeal may have been "decided" before she filed.

The people of Pennsylvania finally got fed up with this kind of corruption, and struck down Richard Thornburgh for U.S. Senate Nov 3. Thornburgh had been a Pennsylvania "loser" for Wall Street, and then George Bush's hatchetman as Attorney General, and had even tried to get his opponent prosecuted during the race!

It is to be hoped that the people of Virginia will rise up against such corruption before an innocent woman has to spend time in jail.

In 1989, the U.S. Supreme Court ruled in Michigan v. Davis that states could not tax federal pensions while exempting state pensions. In March 1991, 200,000 retired federal employees and military in Virginia brought suit to the Virginia Supreme Court for a $433 million refund, covering only four years out of decades of unfair taxation. No refund, said the Court—even though the state at that time had a $900 million surplus, accumulated in part through the illegal taxation of the retirees.

In June 1991, the U.S. Supreme Court vacated the Virginia Supreme Court's decision and sent the case back with a "warning" to read the U.S. Supreme Court's decision in Beam v. Georgia: an unconstitutional tax must be remedied retroactively.

On Nov 8, the Virginia Court decided 7-0 to ignore the U.S. Supreme Court, and refused to refund the illegal taxes it had been charging the old soldiers, Social Security recipients, and federal workers.

The Virginia Supreme Court's decision was based on politics, not law. Virginia is now broke, and repaying the half billion to which retired soldiers and federal employees are entitled would destroy Terry's campaign for Governor, and Gov. Doug Wilder's campaign for President.

Kept Court

Virginia is virtually unique in the United States in not allowing the citizenry to elect its judges; instead appointing them through the state legislature. The appointment of judges by politicians is compounded by the fact that in Virginia, there is one-party rule. The Democrats have been in power for 100 years, and have approved every judge appointed.

Two of the current seven Supreme Court judges got their appointments immediately after helping Mary Sue Terry's political, political prosecution against the LaRouche movement. Barbara Keenan was appointed while heading the Appeals Court panel which denied Rochelle Ascher's appeal. And Elizabeth Lacy got her appointment after declaring, as State Corporation Commissioner, that loans raised by the LaRouche political movement were "unregistered securities"—which was untrue, true of the loans raised by Terry's political friends and sponsors.

Recently released federal government documents, reported in this newspaper Oct. 28, show how much the Lyndon LaRouche vendetta shapes Terry's demands. FBI and Justice Department officials frankly stated that in 1986, when LaRouche-related publishing offices in Leesburg, Va. were raided in a massive show of federal state force, Terry was pressuring the FBI to go along and take credit for the raids, that the FBI tried to refrain from placing her political advantage above and at the expense of all "law enforcement considerations."

In the Social Security tax case, one plaintiff, retired Army Col. John Chapman of Richmond, told the Washington Post, "The Virginia justices are appointed by the legislature here and they're not going to take any position that creates a problem. ... This isn't a legal opinion, it's a political decision [by the Court] that says the state is bankrupt, 'problem,' I want to place a [illegible]. The Bond Fraud [illegible] overturned decision by the [illegible] Court, following [illegible]. In 1990, Virginia voters rejected by a 4-1 margin a ballot initiative that would have allowed localities to float bonds to be repaid with future tax revenue. In April 1991, the Virginia Supreme Court, in a 6-1 decision called the attempt by a so-called "Northern Virginia Transportation District" to float bonds to be repaid by the taxpayers of Fairfax County, a mere "subterfuge" to get around the voters' disapproval.

But on Nov 8, "after coming under heavy pressure from Attorney General Mary Sue Terry, Gov. L. Douglas Wilder, the Democratic leaders of the General Assembly, investment bankers, bond lawyers, and other assorted political hacks and money changers," according to the Richmond Times-Dispatch, "the Court reversed itself, 4-3."

"The Court heard not a scrap of new evidence," the Times-Dispatch said. Judge Lacy, Terry's old friend from the LaRouche "extortion" case, wrote that the local bonds were needed because the localities could just default. Terry "unprincipled power ... should not be blessed with the decision."

The corruption of the State Supreme Court had already been demonstrated in the LaRouche prosecutions. The Virginia Supreme Court refused to remove Judge Clifford Weckstein as the trial judge for LaRouche associates in 1990. The decision was made although Weckstein had been forbidden release [illegible] Anti-Defamation [illegible] Inc. [illegible] about the LaRouche [illegible] while

MSU Leaders Find Opposition to NAFTA in U.S., Mexico

[illegible] (EIRNS)—[illegible] of the Ibero-American Movement in [illegible] concluded here [illegible] international tour [illegible] Mexican opposition [illegible] Free Trade [illegible] Vicaro [illegible] Legislature [illegible] State of Sonora, [illegible] flag of the [illegible] a series of [illegible] labor and [illegible] interviewed by [illegible] Francisco Bay [illegible] and elsewhere. [illegible] defeat of Richard [illegible] Pennsylvania on [illegible] opposition to [illegible] the position [illegible] George Bush and [illegible] Salinas de [illegible] the success

the case and everyone in the border area realizes that, given its economic condition, the U.S. cannot offer Mexico anything that NAFTA is a cruel hoax," said Carrasco.

In her speeches to Mexican businessmen, Carrasco told the following story. Joining NAFTA is like the Christian who was thrown to the lion. He went down on his knees and prayed, "Lord, my only hope of getting out of this alive, is for that lion to become a Christian. Please Lord, convert the lion to Christianity." The beast entered the cage roaring, opened its maw and—miracle—became a Christian. The lion bowed its head and said, "Bless, O Lord, this meal, which we are about to eat."

In Mexico, 70,000 manufacturing jobs have disappeared in the past five years. A $17 billion trade deficit is expected by the end of this year. According to a study just released today in Mexico, if agriculture is included in the accords, [illegible] jobs will disappear.

Carrasco, who noted that the American unionists were not concerned only with their own unions, but with the conditions of all working people on both sides of the border.

At a meeting with local leaders of a major national union in Los Angeles, the two visitors were shown a report on NAFTA and workers rights, prepared by one of the unionists, which quoted extensively from a special report on NAFTA released by Executive Intelligence Review, and from LaRouche himself.

Carrasco also proposed to the labor leaders that they ally with Mexican "entrepreneurs," particularly the small and medium sized businessmen and industrialists, whom she found to be very much against NAFTA.

One local leader expressed her gratitude to Carrasco and Vizcarra for what they are doing to stop NAFTA. The unionist said they don't expect much from AFL-CIO boss Lane Kirk-

of his administration on Bush had the passage of NAFTA. Mexican and U.S. media are reporting that the White House may be moving to jettison NAFTA —and Salinas with it— if NAFTA is seen as hurting Bush's re-election chances.

Earlier, Carrasco spoke with scores of business leaders at conferences in the Mexicali border cities of Baja California State and Sonora. "Everyone on the Mexican side of the border recognizes that there is a depression in the United States itself, and other sales have dropped 50%. People told me 'We are being hit by the U.S. depression.' There are depression conditions in the south and center of Mexico, but people there believed that things were progressing in the north, as the border with the U.S. That's not

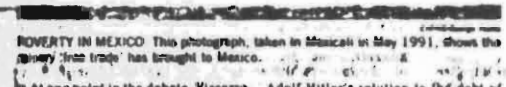
million Mexican peasants will be forced off the land and will move to the cities, or emigrate to the United States.

Meanwhile, Brown, the last shoe manufacturer in the U.S., has announced it is shutting down all its remaining stateside factories. The U.S. Big Three automakers will be moving much of their manufacturing operations to Mexico, reports the Mexican press.

Carrasco and Vizcarra found remarkable openness among California trade union and farm leaders, whom they told to collaborate with the forces of U.S. presidential candidate Lyndon LaRouche, to fight NAFTA. There was also a tremendous hunger for discussion of economic policy and the overall political situation, reported Carland, "because he is a member of the Trilateral Commission."

The two visitors spoke at several colleges and universities, including the University of Southern California, the Long Beach and Los Angeles campuses of Cal State, and East Los Angeles College. These meetings set the basis for a worker-student alliance against NAFTA.

A debate at East Los Angeles college on Nov. 13 pitted Carrasco and Vizcarra against two pro-NAFTA speakers. While their opponents mouthed platitudes about how "protectionism is becoming outdated in the new global economy," Carrasco and Vizcarra described for 70 very attentive students and faculty the depth of the devastation caused in Mexico over the last 10 years by "free trade."



POVERTY IN MEXICO: This photograph, taken in Mexicali in May 1991, shows the misery "free trade" has brought to Mexico.

At one point in the debate, Vizcarra turned to his opponents: "Are you asking Mexico to negotiate a treaty of confidence with the Bush administration, after the genocide in Panama? Are you asking us to trust Bush after the genocide in Iraq?" Bush's solution to the debt problem is exactly the same as Adolf Hitler's solution to the debt of Nazi Germany!"

One of the pro-NAFTA speakers, a Los Angeles businessman, said at one point, "There's really not much disagreement here; in fact, I agree with 80% of what the other side is saying, maybe even 95%."

LaRouche prosecutions—even while he was [illegible] Weckstein, who wrote more than 11 letters to the ADL without the knowledge of the defendants, and appointed by the chief judge of the Virginia Supreme Court to preside over all the LaRouche cases save one.

Terry herself, and her employees, have worked diligently and openly with the Washington, D.C. office of the ADL in planning and carrying out the prosecutions of LaRouche's associates.

New York Hit by a Strain of Killer TB

by Dr. Debra Freeman-Freeman

New York, [illegible] has become the scene of what appears to be an extremely virulent, drug-resistant strain of the [illegible] tuberculosis bacterium, claiming the lives of [illegible] victims in a matter of [illegible].

The latest case was that of an inmate from the Rikers Correctional Center in Queensboro, N.Y. where, over the last 18 days, four other inmates had died of the same symptoms for guards had been quarantined in the new strains of tuberculosis.

Over the same period, eight inmates who had been housed in the short-term Queensboro Jail facility, and who were subsequently transferred to a Manhattan hospital, also died. None of the 14 victims responded to conventional drug therapy, and all 14 were dead within days of the initial diagnosis.

New York State Corrections Commissioner Thomas A. Coughlin III said that all of the victims "had immune systems that had been compromised." Apparently, the 14 inmates had tested positive for the HIV virus, although they showed no overt signs of having AIDS. The guard had been successfully treated for cancer of the prostate gland last year.

'Worst-Case Scenario'

Coughlin said that the current level of known tuberculosis cases among the state's 60,000 prison inmates has increased seventold over the last five years. Describing the current outbreak (which the federal Centers for Disease Control in Atlanta, Ga. has confirmed as being caused by "one drug-resistant strain that is being carried from place to place") as being the "worst-case scenario," Coughlin said that the apparently new strain poses "an immediate deadly threat to New York's 60,000 inmates, 28,000 prison employees, and their families."

The situation in the Queensboro Jail, located in Long Island City, has been identified as a cause of particular concern to local health officials. According to a spokesman for the New York City Department of Health, Queensboro is a short-term facility housing inmates who are awaiting trial or serving sentences of less than one year. The average stay is approximately 80 days. "This jail is a virtual revolving door," he said. "Our immediate concern is in preventing a widespread epidemic inside the facility. But, because of the turnover in population, any spread among these inmates is going to be very quickly reflected in a similar spread in the poorer, crowded neighborhoods that they come from. We could move very quickly to an uncontrollable situation."

With the total number of tuberculosis cases increasing by over 20% in the last year alone, the United States is already suffering what experts describe as a "low level" nationwide epidemic. The situation in urban centers like New York, Detroit, Baltimore, and Washington, D.C. is significantly worse. The Centers for Disease Control attributes the increase in tuberculosis to "more and more people infected with the AIDS virus ... living in shelters, prisons, or other overcrowded settings where tuberculosis spreads easily." (Tuberculosis infection is caused by an airborne bacterium commonly spread by coughing.)

But the appearance of this apparently new, drug-resistant strain of the disease in an acceleration that could usher in a full-scale killer epidemic, especially under the current conditions of [illegible] collapse.

New York Governor Mario Cuomo has announced that, in an effort to avert just such an outbreak, despite the worst fiscal crisis in the state's history, New York will today begin universal screening intended to test all 60,000 inmates and 28,000 prison employees for tuberculosis within the next 30 days. However, in the midst of a policy of [illegible] shutdowns and health care outbacks, Cuomo has not indicated what he intends to do with those individuals who test positive

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Bush and Baker Threaten a War in Asia

by Michael Billington

Nov. 19 (EIRNS)—Although George Bush was forced to cancel his long overdue trip to Asia because of the collapse of the U.S. economy, he used the opportunity of a speech to the Asia Society in New York, plus the trip by Secretary of State James Baker to Japan, Korea, and China, to attempt to strong-arm the Asian nations into accepting his "New World Order." As the U.S. depression deepens, Bush's message to Asia was: Commit economic suicide in order to bail out the U.S., or face the Iraq treatment.

The method proved only partly successful, and it sparked mounting anger and resistance among the Asian nations, as well as the danger of a new Asian war.

In his Asia Society speech, Bush demanded that Japan "create a better climate for U.S. businessmen," in particular, that Japan (and Korea) open up their agriculture to the speculative machinations of the grain cartels—just as Bush is also demanding of Europe (see article, p. 1). Baker meeting with Japanese Foreign Minister Watanabe the day before Bush's speech, threatened him with responsibility for a "serious political problem" if the Japanese continued to resist U.S. agricultural demands. However, both Japan and Korea refused to give up their policy of defending the food supply from foreign manipulation.

Another Korean War?

Both nations also refused to capitulate to U.S. demands to create a military confrontation with North Korea over the North's nuclear development program. In keeping with the Bush New World Order policy that nuclear power development is forbidden to Third World nations, Baker called the North Korean nuclear program "the greatest threat to nuclear peace," and the head of the U.S. Pacific Command, Adm. Charles Larson, publicly compared the North Korean situation to the Iraq crisis, calling for a repeal of the "collective" policy used to justify the genocidal destruction of Iraq. But South Korean President No Tae Woo rejected Baker's attempt to impose a superpower settlement on the Korean peninsula, insisting that the question

Secretary of State James Baker

an entities was a "Korean responsibility," not subject to the desires of the "New Order" ideologues.

But Bush and Baker were more successful—and more openly thuggish—on the issue of preventing the formation of an independent trade association among Asian nations. The proposal by Malaysia's President Dr. Mahathir for an East Asian Economic Group combining all the Asian nations but excluding the non-Asian nations (specifically the U.S., Canada, and Australia) has been increasingly supported throughout Asia, with strong hints from Japan that it might go along. Baker made public a letter to the new Japanese government demanding that it help prevent the formation of the new alliance. When he arrived in Japan, he [illegible] the Japanese "checkbook diplomacy" (that is, the support of [illegible] development projects in the Third World), and demanded that the Japanese work with the U.S. to "shape a new era in world affairs" based on the "promotion of democracy and human rights," the buzz words for the New World Order.

With the South Koreans, Baker was even more crass. According to the Washington Post, Baker at one point "stared starkly across the conference table at his South Korean counterpart and reminded him, 'Malaysia didn't spill blood for this country, but we led under the pressure and promised that they would not support the Malaysian proposal.'"

Naming the Targets

In keeping with his policy that military intervention is justified whenever he feels like it, Bush directly named the targets of a potential Asian military adventure. "While we must adjust our force structure to reflect post-Cold War realities, we also must protect our interests and allies."

"In this light," he went on, "we cannot afford to ignore the important sources of instability in North Korea, Burma, where socialist despotism holds sway, [illegible] in China and other states that resist the worldwide movement toward political pluralism and that contribute to the proliferation of dangerous weapons."

Bush's attack on China echoed language from Baker, whose trip to China was intended to "drag China, kicking and screaming, into the New World Order," in the words of David Scheffer of the Carnegie Endowment for International Peace. Bush wants to preserve the lucrative cheap labor concessions along the Chinese coast, but cannot tolerate Chinese military and technological support for other Third World nations, especially in the Arab world. He is also aware that his continuing support for the murderous Chinese regime is hurting his already iffy chances for re-election.

But the Baker trip failed to wip any concessions that could have preserved the unhealthy relationship. A last minute Chinese agreement to curtail missile shipments to Pakistan and the Arabs, and a few minor concessions on trade and human rights issues, gave Baker a fig leaf of a final press conference. But, as soon as he left, the Chinese press reported that Beijing had only agreed to "consider" the proposal on of missile sales. Then it announced that two leading dissidents who had been approached by the U.S. embassy for potential meetings with Baker had been forcibly detained during his visit.

The world press is ridiculing the Baker trip as a failure. The danger remains that Bush, rather than reversing his thug methods, may react by launch

THE NEW FEDERALIST

DOUBLE ISSUE

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NEW WORLDWIDE COALITION, FOUNDED IN BERLIN, SAYS:

Build World Economy To Stop War

by Gabriel Liebig

BERLIN, Nov. 27 (EIRNS)—More than 300 people from 31 nations came together on Nov. 22-23 in the Koepenick section of Berlin, Germany, at the invitation of the Schiller Institute, for a most out-of-the-ordinary conference called to address the issue of world economic recovery.

From all over the globe they came: legislators from Hungary, Peru, Jordan, and the state of South Carolina; farmers from Germany, Sweden, Denmark; representatives of human rights organizations, economists, businessmen, and union councils, along with representatives of the Ukrainian government and Ukraine's Rukh independence movement; delegates of Croatia, Slovenia, and Kosovo from the former Yugoslavia.

Berlin, until two years ago divided by the Wall which had been a symbol of despair and enslavement for nearly three decades, became the gathering place for an international movement, conscious of the urgency of its own decisive intervention at this critical point in history.

We are already living through the second war in this year ... after the Gulf war, now the slaughter in Croatia—said the president of the Schiller Institute, Helga Zepp-LaRouche, in her opening speech. It is clearer than before, that a change in policy is needed on a global scale, if the explosion of regional conflicts is not to expand and lead sooner or later into a world conflagration." The goal of the conference is to "to discuss the concepts and unify the forces, upon whose intervention a change in policy will [illegible]

AT THE BERLIN CONFERENCE: Schiller Institute founder Helga Zepp-LaRouche and others laid out how the 'Productive Triangle' represents the way out of economic disaster for Eastern Europe—and the world.

Banks Bailed Out as America's Poor Die

by H. Graham Lowry

Dec. 3 (EIRNS)—While American poor are evicted from their [illegible] rags, cut off from health care, and left to starve in the streets, the nation's bankrupt financial institutions have just been handed another $120 billion of the taxpayers' money.

The two institutions [illegible] approved by Congress [illegible] are the Federal Deposit Insurance Corp. (FDIC) and the Resolution Trust Corporation (RTC). $20 billion to blow-out banks which [illegible]

[illegible] to do to save Americans from being crushed by the worst depression of this century. And no matter how much taxpayer money is poured into the collapsing system, the banks will still go under.

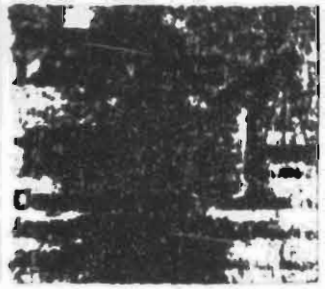
The FDIC Hoax

The already bankrupt Federal Deposit Insurance Corp. (FDIC) [illegible] stopped closing failed banks. Congress did not have the [illegible] money even to shut them down, will now be authorized to borrow another $25 billion from the Treasury—to be repaid by selling off the assets of failed banks. Total cost of the FDIC bailout [illegible] to the taxpayer: a cool $68 billion.

The second bill created a mechanism in the case of savings and loans banks. Congress handed the Resolution Trust Corporation (RTC) $20 billion to blow-out banks which [illegible] go under in the next four

[illegible] legislation is that the bailed-out banks will repay the loans. The FDIC will also borrow another $40 billion in "working capital" from the Treasury—to be repaid by selling off the assets of failed banks. Total cost of the FDIC bailout [illegible] to the taxpayer: a cool $68 billion.

The second bill created a mechanism in the case of savings and loans banks. Congress handed the Resolution Trust Corporation (RTC) $20 billion to blow-out banks which [illegible]



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COMMITTEE TO SAVE CHILDREN IN IRAQ ORGANIZES EFFORT

U.S. Farmers Send Milk to Iraqi Kids

Special to New Federalist

MADISON, Wisc., Nov. 25 (EIRNS)—The following statement was released here today by Philip Valenti of the Committee to Save the Children in Iraq, at a press conference in the state capital. (Also speaking at the press conference were Wisconsin dairy farmers Gregory Blaska of Marshall, and Dennis Jelle of Horeb.)

I have the honor to announce that the first relief shipment of 5,000 pounds of milk powder from American dairy farmers, has been successfully delivered in Iraq. This means that about 6,250 gallons of U.S. produced milk will be available to starving Iraqi children, whose mothers have been feeding them mostly sugar water, because of the total embargo imposed by the United Nations Security Council.

We hope that this is only the beginning of a great humanitarian effort by the American people, an effort which will not only save the lives of innocent, suffering children in Iraq, and help build support to reverse the horribly unjust sanctions policy of the U.N., but which will also help mobilize the world behind the independent farmer, whose existence is also threatened by the free trade policies of our government.

Twenty dairy farmers from eight states began this movement on Oct. 1. They decided that sending milk powder to Iraqi children was the best, most dramatic alternative to dumping milk, as some advocates of a milk strike were proposing. The Committee to Save the Children in Iraq put the farmers in touch with Bishop Ibrahim N. Ibrahim of the Chaldean Catholic Church in the USA, who established a special Chaldean Catholic Church Milk Relief Fund just to purchase U.S. produced milk powder for shipment to Iraq.

The Fund purchased the milk powder through regular commercial channels in early November. I personally picked up the 100 bags of non fat dry milk, each 50-pound bag labeled 'Grade A' and 'Made in USA,' in a rented truck from a northern New Jersey warehouse on Wednesday, Nov. 13. The milk was loaded onto two pallets, each carrying 50 bags, with each pallet sealed in plastic, and clearly labeled 'GIFT TO IRAQI CHILDREN FROM U.S. DAIRY FARMERS.'

I delivered the two pallets that afternoon to Lufthansa Air Cargo in Philadelphia, which had generously offered to transport them free of charge to Cologne, Germany. The milk was then transferred onto a German military cargo plane, under the auspices of the Office of the

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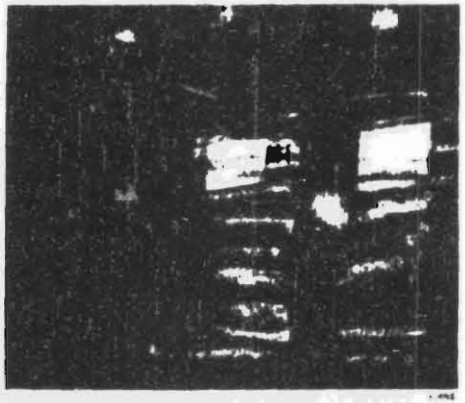

SCHILLER INSTITUTE Food for Peace organizer Phil Valenti (above) organized 20 U.S. farmers to send milk powder to Iraqi children, rather than dumping stocks in a vain attempt to lower the price, following the U.S.-led Gulf war. The milk was shipped with assistance from the Chaldean Church.

Atrocities by Serbians Exposed in EC Report

by Umberto Pascali

Dec. 3 (EIRNS)—The sickening brutality of the Serbian-dominated Yugoslav Army and the Serbian Chetnik terrorist gangs against Croatia has been fully confirmed in a recent report by European Community (EC) observers. The report, which was not supposed to be published, demonstrates—if demonstration be needed—that Britain's Lord Peter Carrington, the United States Cyrus Vance, and the other "mediators" who remained "neutral" between butcher and victim, knew the truth in detail. Nevertheless, they chose to protract the massacre for months, and even to recommend that governments not recognize independent Croatia and Slovenia.

As the EC report was coming out, the German daily Bild Zeitung revealed that the Easter Serbians had sent terrorist hit squads to assassinate German, Austrian, Italian, and Vatican leaders who wouldn't support the Serbians' objectives and operations.

Crimes Against Humanity

The EC report was sent on Nov. 28 by a monitoring mission in Zagreb, the capital of Croatia, to EC headquarters in Brussels. The Yugoslav Federal Army, the report said, has "not hesitated to shoot either indiscriminately, without [illegible] fire or in certain cases, to deliberately select civilian targets of important symbolic value, including schools, museums, churches, radio and TV stations, and—particularly—hospi-

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The Great Mudslide Is On, Candidate LaRouche Says

by Lyndon H. LaRouche, Jr.

Democratic presidential candidate Lyndon LaRouche released the following statement Nov. 23 on the subject of the crisis on Wall Street.

Many people have been looking for a definitive one-day, two-day, three-day financial crash, perhaps on the markets, with the Dow Jones, sometimes called 'Baby Jones,' Index crashing 500 or 1,000 points or more. What they are seeing is something a bit different. What they are seeing is the great mudslide of 1991.

By mudslide, I refer by comparison to the eruption of, say, a Hawaiian-style volcano. The mud comes sliding down inch by inch, hour by hour, approaching the villages and the sea. As the mud reaches the sea, a bit flakes off today, a bit flakes off tomorrow, a bit flakes off the next day. But we know what's happening. The mud is going down to the sea. It's going under water with a great deal of steam and pain.

What has happened is this. It is not so much that the stock market has collapsed, as that the underlying financial system as a whole—the Anglo-American, London-New York-Washington financial system—has collapsed. The banks are bankrupt, the life insurance and other insurance companies are in deep trouble, the pension funds have been looted by the junk bond dealers such as Michael Milken and Kohlberg Kravis Roberts with their crazy junk bonds. State governments are bankrupt, municipal governments are bankrupt, the federal government is bankrupt, and the federal government and state governments and corporations are stuck with something on the order of $34,625 trillion of unpayable combined public and private, on-balance sheet and off-balance sheet liabilities. As a result of this

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Amid Vaccine Shortages, Virulent Flu Sweeps U.S.

by Joyce Fredman

Dec. 3 (EIRNS)—The flu season began early this year, catching not only the general population, but the public health facilities off guard. In a country where whole subsections of the population are suffering from preventable, poverty-related chronic illnesses like TB, and where medical aid is vanishing as budget crises worsen, an influenza epidemic this year looms as a deadly threat.

The coming disaster was heralded by a shortage of vaccine, occurring well before the expected flu season. The four major manufacturers of vaccines produced extra quantities this year, but not nearly enough.

Too Little, Too Late

A Baltimore Sun report gave a hint: The federal Centers for Disease Control in Atlanta estimates that production [of vaccine] was sufficient for 30 million people this season, although manufacturers refused to say how much vaccine they had made; one company said it had raised its production by 40%. But the companies say they have sold all of this year's supply . . . even if the companies resumed production, it might be too late in the winter flu season to do much good.

It's already too late for many. General Injectibles and Vaccines Inc. of Bastian, Va., describes itself as the largest distributor of flu vaccine in the country. A spokesman there said they had run out.

Bob Bessie of Bessie Medical in Cincinnati, the second-largest distributor, said, "Everyone is wiped out. Dealers I have never heard of are calling me."

This couldn't come at a worse time. An outbreak of virulent Type-A Beijing flu in Nashville, Tenn., was so bad that the entire school system was shut down for the first time in history. Nearly 25% of the school system's 67,000

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'92 Race Takes Shape: Bad Year To Be 'Mainstream'

by [redacted]

Dec. 2 (EIRNS)—[redacted]

haven't followed this closely yet, we mean Mario Cuomo.

What has changed everything and has opened the door for reality to burst in, is the state of the economy. Just how bad that is becomes clear when you realize that it is front-page news when President Bush spends $28 at a mall in Maryland (he bought four pairs of socks) to open the holiday shopping season. It appears that the administration plan for a consumer-led recovery is for each American household to spend a like amount on socks, providing that the Congress approves the President's demand for a reduction in the capital gains tax to make this investment in hosiery worthwhile.

But as Hobart Rowan, the well-known economics writer for the Washington Post, recently wrote, the awful truth is the Democrats' mainstreamers don't have a plan either. In fact, if you took the programs of those six candidates, plus the unannounced one from New York, and boiled them down, you would have left a very small hard-boiled egg.

In 1992, the word "mainstream" will come to mean those candidates so positioned as to be buried in the great financial mudslide. Indeed, the strongest presence of any Democratic candidate in this election is that of Lyndon LaRouche, the opponent George Bush so feared that he had him put in prison. LaRouche's campaign committee has already qualified and is applying for federal matching funds. And LaRouche's view that the only way to an economic recovery is to restore the American System's policy of national banking is already being echoed in statements of government officials at the state and local levels, such as state legislators and county supervisors.

The latest twist in the '92 campaign is the announcement by David Duke's handlers (almost certainly the Westminster Kennel Club) that he will participate in several Southern GOP presidential primaries. That this is no normal candidate is proven by the fact that no normal candidate would announce for President after absorbing a 21 percentage point pasting in his home state. ... Duke did in the Nov. 16 Louisiana gubernatorial race. Duke's role in this climate of political upheaval is to take advantage of the indiscriminate nature of the protest which is spreading in this country, in order to lead it into a dead end.

The actual target of the media exposure of Duke is the voters, in an oblique effort to convince enraged voters to identify their effort at protest with racism. Although Duke's role as an FBI agent may not yet have been demonstrated, if he isn't being reimbursed for his services, he's missing a paycheck.

The first victim of Duke's campaign will be Buchanan, should he choose to run. The media will try to ensure that Buchanan's message is tarred with the Duke brush. More important, Duke's campaign can be used as a kind of lightning rod to attract protest votes, black and white, and frighten away support from LaRouche, as an editorial in the Richmond Times-Dispatch already demonstrated.

Still, these fun and games for the FBI, for the media, and for the party bunches won't withstand the force of reality. No voter will be interested in who told what off-color joke, or whether somebody looks good with a blow-dry hair-do, when that voter is doubting that he has a job. Then it will be LaRouche's program for a revived economy against the rest of the field.

THE DEMOCRATIC STABLE. Here's who you can spot, left to right: Jay Rockefeller, Tom Harkin, Ron Brown, George Mitchell, Bill Clinton, Pam Harriman, Lloyd Bentsen, Richard Gephardt.

'[redacted]' Is Ravaging [redacted] Agriculture

by [redacted]

characteristics change so quickly through rapid breeding." Already there is talk of letting the Imperial Valley lie fallow for years, to deny the bug a livelihood. Horse feathers.

According to respected entomologists with decades of field experience, the poinsettia whitefly can most likely be eradicated or controlled. "Under the circumstances that prevailed 20 years ago, a broad arsenal of pesticides were available as part of the quasi-traditional integrated pest management approach."

Twenty years ago, systemic organo-phosphate materials were available. With the whitefly and pests such as scale, the best basic approach to control is to use a systemic pesticide, carried in the sap of the plant. The poinsettia whitefly kills plants by sucking their sap, and sap carrying a pesticide will kill it. (At the earlier larval stage, the coat of the whitefly larva makes it difficult to kill.)

But today, systemic organo-phosphates are no longer in our farmers' ... so-called environmental ...

Genl. Washington Bids Farewell to Officers

Special from the Committee of Correspondence

Dec. 4, 1783—After seven years of British occupation, New York City is once again under American control. General George Washington has entered the city in triumph, and today he will bid a fond farewell to the officers of the Continental Army before he journeys to Annapolis to resign his commission as Commander-in-Chief.

General Washington's choice of Fraunces Tavern as the site of his ...

THE

NATION

New York Port Police Ordered To Ignore Drug Dealers

Nov. 27 (EIRNS)—Port Authority of New York officials have instructed police to ignore drug dealers infesting the busy Manhattan bus terminal. A memo released to the New York Post reads: "Effective immediately any form of drug interdiction being conducted by detectives assigned to this office will cease.

"We will concentrate instead on robberies which have been on the increase."

Frustrated detectives released records of their drug busts between Sept. 9 and Nov. 7, 1991, which showed 23 arrests yielding 27 pounds of cocaine and 490 glassine envelopes and one four-ounce stash of heroin. Robbery complaints show no increase over the level recorded this time last year.

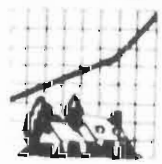
Said one detective, "The Port Authority is into interstate commerce. I guess narcotics is another thing they don't want to inhibit crossing state lines. There's no good reason for this."

Galbraith Says U.S. in a Depression, Needs a 'New Deal'

Nov. 21 (EIRNS)—John Kenneth Galbraith, the Harvard economist who was the chief economic adviser to John Kennedy, told the National Press Club in Washington this week, "The present recession is not an autonomous, self-correcting economic drama. It is the wholly predictable response to the speculative extravagances and insanities (and the government policies) of the '80s."

Galbraith said that the current recession is actually a depression, and what is required is a "New Deal" focused on creating jobs by rebuilding America's broken-down infrastructure.

Mortgage Delinquencies Are Skyrocketing



Nov. 27 (EIRNS)—Mortgage payments that are 90 days or more delinquent are increasing at the fastest rate in over five years, according to a survey by the Mortgage Bankers Association. These bad loans rose 8%—from 0.78% in the second quarter to 0.82% in the third quarter, the largest increase since the first quarter of 1986. Loans in foreclosure rose to 0.98% in the quarter, and the increased rate of delinquencies portend even greater foreclosures in the future.

The Northeast was particularly hard hit. Home foreclosures rose a whopping 43.7% in the quarter.

Cardinal O'Connor Calls on Politicians To Repent

Dec. 2 (EIRNS)—John Cardinal O'Connor of New York pleaded with "pro-choice" Catholic politicians to confess their sins and change their lives, reported the New York Post today. Besides pro-abortion politicos, O'Connor blasted those "engaged in any sexual activity outside of marriage," including "man with man, woman with woman," and "those engaged in sexual activities by themselves." He also singled out ...

[illegible] something has gone badly out of balance.

[illegible] agricultural pests [illegible] bug has a wide host range [illegible] ranging from al[illegible] to sugar beets and [illegible] The fly [illegible] four to five [illegible] of the crop of the plant [illegible] disease of [illegible] that [illegible] Imperial Valley [illegible]

[illegible] has now [illegible] to [illegible] Joaquin [illegible] crossing from neutral to [illegible] California. There over 60% [illegible] farmlands are grown $12 [illegible] of the state's $48 billion [illegible] agriculture.

'Greening'

[illegible] as a [illegible] to pest[illegible] and [illegible] pressures. For ex[illegible] a new Philippine [illegible] variety [illegible] that [illegible] do[illegible]

ists and environmental laws banned their use, or drove them out of the market. The laws that created the Mediterranean Fruitfly fiasco during Jerry Brown's tenure as Governor of California are in place, or worse.

After decades of the looting of the American family farmer and his land, there may now be something far more fundamentally out of balance with the biosphere as a whole, expressing itself through new strains of pests and disease. All the more reason to hit this whitefly with everything we've got. The whitefly must be seen as a marker of things to come, if the lunacy prevailing in Washington and in state capitals such as Sacramento is not quickly ended. Example: Denied the use of Parathion and even restricted use of *Dilf*, California's own specialists are warning that the citizens of California face the risk of an epidemic of Western Encephalitis.

farewell to his officers is a tribute to the important role played by owner Samuel Fraunces during our just concluded revolution. Mr. Fraunces was a free black who came from the West Indies to New York in the early 1760s and set up a tavern which had an enviable reputation for fine food and wines. As America's troubles with Great Britain multiplied, the New York Sons of Liberty adopted Fraunces Tavern as their regular meeting place. Secure in the knowledge of their host's patriotic sympathies and his strong quality of discretion.

In June of 1776, as General Washington was fortifying New York against an impending British attack, a plot was discovered against the General's life. The operation was run by former British Governor Tryon, who had fled to the safety of a British ship in the harbor. His networks led through the Tory Mayor of New York and several Tory tavern keepers, even to one of General Washington's bodyguards. From New York City, the Tory networks extended up the Hudson to West Point, which was supposed to fall to the British at the same time that General Washington was killed or kidnapped, and fires and explosions were set off in New York City.

GEORGE WASHINGTON enters New York City to bid farewell to his troops.

At first word of the plot, Samuel Fraunces sent his 13-year old daughter Phoebe into Washington's headquarters to serve as his cook and ward off any attempt at poisoning. Phoebe also served as her father's eyes and ears to detect further ramifications of the plot, which was successfully defeated. It is said that Phoebe stopped General Washington from eating a plate of peas poisoned by his bodyguard Thomas Hickey. Hickey was later hanged for treason.

After the Continental Army was forced to withdraw from New York, the occupying British Army also discovered the culinary delights of Fraunces Tavern. Apparently unaware of the owner's political sympathies, the British officer corps flocked there every evening. So for seven long years, Samuel Fraunces served as an agent of the American intelligence service, regularly sending information gleaned from the tavern goers along the "secret road" which carried intelligence to Washington's headquarters. This road, traveled by experienced couriers, led east across Long Island, then north by whaleboat across Long Island Sound and then northeast across Connecticut to Major Benjamin Tallmadge, Washington's Chief of Intelligence.

Mr. Fraunces was also instrumental in easing the list of American prisoners of war held in New York, especially those who suffered on the deathship Jersey in New York Harbor. For these services it is expected that Samuel Fraunces will soon be commended by the United States Congress and the New York Legislature.

Jack Kevorkian Loses Medical License, Finally

[illegible] suicide, regardless of the methods employed.

Kevorkian *ignored the injunction* and, on Oct. 23 of this year, killed two more women, Marjorie Wantz and Sherry Miller, with his home-made devices.

State Atty. Kelly accused Kevorkian of violating the state's public health code, saying: Regardless of his motives, Dr. Kevorkian's actions appear to be beyond the law. Under our system, people are not allowed to take the law in their own hands.

Last year, the Club of Life had reminded the State Medical Society and the Michigan Board of Medicine that Michigan's Public Health Code provides *that the Board of* Medicine has the authority to revoke a physician's license if it finds that "the physician has acted in negligent or incompetent manner, or has administered drugs for uses other than lawful diagnostic or therapeutic purposes."

Kevorkian's ghoulish *ambition to* find more victims for his suicide machine was well known to the Department of Medical Licensing and investigations last year—even before he killed his first victim. Now Kevorkian—who says it's the duty of courts who give medical care based on Judeo-Christian principles who are the "Nazis"—will appeal the suspension of his medical license. But, as his lawyer, Geoffrey Feiger, tells us, Kevorkian doesn't need a medical license to help people kill themselves.

Vietnamese Students Protest Expulsion of Boat People

Special to New Federalist

[illegible] Nov. 30 (EIRNS)—[illegible] Vietnamese students at the University of Texas at Arlington are shown holding a protest against Hong Kong's forced repatriation of Vietnamese people to Vietnam. The New Republic, part of a seven-day campaign, the check might helped collect 1,000 signatures that were sent to President Bush to protest his New World Order, which abounds in such crimes as the repatriation.

Hong Kong, with the permission of the British government, is sending the boat people back to Vietnam because they are classified as economic refugees, not political prisoners. Economic refugees have fled Vietnam by the thousands because the economy of the country is a state of utter collapse, a crisis brought about in large part by the United States' policy, but the Left's [illegible]

[illegible] activities by themselves. He also singled out child abusers, liars, abortionists, slumlords, drug dealers, drug users, anti-Semites, and racists.

Penna. Senator Wofford Castigates Bush

WASHINGTON, Dec. 2 (EIRNS)—In remarks at the National Press Club here today, Pennsylvania Senator Harris Wofford focussed mostly on health care, job issues, and why he defeated Richard Thornburgh in Pennsylvania's recent U.S. Senate race. Wofford also said that it was wrong to characterize his campaign as "America First." Retreat in isolationism, he said, was not the point of his campaign, but: "Pennsylvanians don't understand why we seemed to have the resources to defend Kuwait, but not the resources to defend the health and welfare of working families in the United States."

Wofford said that he learned while working in the Peace Corps that—and he quoted John F. Kennedy—"We can't be strong abroad if we're not strong at home." He said President Bush had misread the trouncing of Thornburgh as meaning "come home and stay home," and had therefore missed a great opportunity in Eastern Europe.

Death Lobby Invades Hospitals, Courtesy of Federal Govt.

Nov. 30 (EIRNS)—As of Dec. 1, the federal government is insisting that all health institutions which rely on federal funding for Medicare and Medicaid must offer incoming patients the "right" to decide not to be treated. The main instruments to be offered will be so-called living wills and durable powers of attorney. Both of these are oriented to getting the person to decide when he or she wants to die.

Although some ethicists have cautioned that it's difficult to confront someone being hospitalized with a piece of paper specifying when he or she wants to die, the process is proceeding apace all over the country. The media are full of personal stories of those who have decided they "don't want to suffer" and are signing living wills. According to the law, you don't have to agree to sign, but doctors will be available to discuss this sensitive matter—otherwise known as manipulating people when they are at their most vulnerable into agreeing to be killed.

Billington Verdict Upheld by Va. Court of Appeals

RICHMOND, Dec. 1 (EIRNS)—Without a dissent, the Virginia Court of Appeals today affirmed Michael Billington's conviction and 77-year sentence for conspiracy, fraud, misusing political loans totaling $36,000. Billington, an associate of Lyndon LaRouche, had been railroaded into prison with LaRouche in the federal trial in Alexandria, Va. in 1988, and then retried in Virginia in 1989 on the same charges.

Billington had argued that, under double jeopardy, after his federal conviction, he could not be retried for the same alleged conspiracy in Virginia.

People In The News

BOB DOLE, the Senate Minority leader, warned President Bush Nov. 29 that he is in "rough shape" politically.

■■

THE WORLD

Israel Opens Military Relations With China

Forecast Tenfold Increase in AIDS Cases by Year 2000

Cancers Link Months on Allied Gulf War Crimes in Stuttgart

Argentine Supreme Court Nixes Continued Impunity

Ukrainian Vote for Independence Buries Fiction of the U.S.S.R.

Special to New Federalist

Dec. 3 (EIRNS)—The fact that 90% of the voters in the Dec. 1 Ukrainian election cast their ballots for independence, should have buried once and for all the fiction that the U.S.S.R. still exists. Moan as he might, George Bush cannot breathe new life into his irrelevant buddy, U.S.S.R. President Mikhail Gorbachov.

The Ukrainian vote superseded even the most optimistic projections of the independence movement there. Even the Russian ethnic population of Ukraine voted overwhelmingly for establishing a state separate from the former Soviet Union. The victory for Leonid Kravchuk the parliamentary presidential race for Ukraine's presidency is widely attributed to his capitulation to the independence sentiment.

While the Russian Federation has reportedly moved immediately to recognize Ukraine as have Canada and Poland, all eyes are on the United States, to see what Bush will do. Despite rhetorical gestures in support of recognizing the will of the Ukrainian people, the Bush administration has privately threatened Ukraine that it must not desert Gorbachov, and cannot be trusted to act honorably.

Sovereign Rights

Ukraine is a nation of over 50 million people, with an industrial and scientific capacity rivaling that of Germany. It is also the breadbasket of the former Soviet Union and an indispensable collaborator of the Russians, if a hunger winter and its political consequences are to be avoided.

The Ukrainian independence movement has been centered in Rukh, which had fielded its own candidate for President. As recently as a year ago, Rukh representatives were being persecuted by the Ukrainian communist government. Today, the former communists who were persecuting Rukh have taken over the bulk of the nationalist program.

On the agenda for Ukraine is the development of its own national bank, its own currency, and its own armed forces. Plans for land reform have been put together. The government there has already indicated its desire to get rid of the nuclear capability on its soil, and its willingness to pay a portion of the debt of the former Soviet Union.

Over recent months Ukraine has already signed bilateral agreements with the Russian Republic in an effort to resolve potential problems over borders and trade. Although unwilling to join the new U.S.S.R. union treaty, Ukrainians have been more than willing to make barter arrangements and other deals that would prevent economic disaster in the rest of the former U.S.S.R. It is primarily oriented toward economic integration with the West.

Mikhail Gorbachov, who is already a head of state without a state, has greeted the Ukrainian moves toward independence with apoplexy. He has railed that such independence would be "a catastrophe for the Union. Ukraine itself, Russia, Europe, and the world." The only specific he raised was the spectre of territorial conflicts between Ukraine and Russia.

It is not to be excluded that friends of Gorbachov, including the West, will try to create such conflicts, despite current agreements to resolve them. Such interference is helping to keep alive the conflict between Armenia and Azerbaijan, for example.

As for Bush, Great Britain, and the West, they are hysterically holding on to Gorbachov. After all, where do the great diplomatic achievements of disarmament end up if Gorby disappears? Thus Bush is sending James Baker to Moscow, and then to Ukraine. Given that Bush used his own visit to Ukraine last summer to spit on independence, it's an open question as to how Baker will be received.

LEFT, LEONID KRAVCHUK, President of independent Ukraine. And, on the right, we have Mikhail Gorbachov. What's he President of now?

RUSSIAN PRESIDENT Boris Yeltsin went to Germany for economic [illegible]

Yeltsin Visit to Germany Yields Economic [illegible]

Cisneros Steps Up Attack Against PLV

Special to New Federalist

Dec. 2 (EIRNS)—Venezuela's Cisneros family, which was instrumental in the 1985 banning of the Spanish-language edition of the book Dope, Inc. in Venezuela, has escalated its witchhunt against the Venezuelan Labor Party (PLV) and against other political forces which oppose its policies, but too quietly.

Alexandre Feira Exposito, secretary general of the PLV, was subpoenaed—questioning Nov. 25 by the South Circuit Criminal Court of Caracas. Forbidden to have a lawyer present, the closed-door questioning from Feira was to focus on a criminal libel complaint brought by Jose Rafael Revenga, head of Venezuelan Intelsat, over work against various publications and exposes Venezuela is owned by Gustavo Cisneros, magnate of the Cisneros family business empire, who, together with Revenga, had specifically ordered the banning of the book Narcotrafico SA in 1985.

Judicial Witchhunt

The complaint and subsequent court proceedings are intended as a judicial threat against the PLV leader. [illegible] Cisneros and the [illegible] Information Leagues of Rights [illegible] (ADL). Through Congressman Dalton Gandolfo, who heads up a phantom Anti-Drug League, the Cisneros family has joined with the ADL to publicly attack the PLV and American political prisoner (and presidential candidate) Lyndon LaRouche, who commissioned the writing of Dope, Inc. A compiled Gandering LaRouche, written by the ADL's Jerusalem Institute for Federal Affairs, [illegible] appeared in an article in the Caracas daily El Nacional of late October.

The Cisneros family, which [illegible] has close ties to Rockefeller's Council on Foreign Relations, [illegible] Reagan administration officials, most recently [illegible] Henry Kissinger in a recent, most recent public [illegible] regarding its ties to Cuban exile groups accused of involvement in drug trafficking and money laundering. They are hoping their attacks on LaRouche and the PLV, using the ADL's dirty tricks, will deflect attention away from the real issues raised by Dope, Inc. and the PLV. Following press [illegible] regarding the Cisneros family's [illegible] necessary contributions to the PLV, demanding that the [illegible] Council on Foreign Relations [illegible].

The Cisneros family is also reeling from a recent unexpected political defeat in which it lost the bid for 40% of the stock in the state-owned national communications company, CANTV.

The PLV-Feira had inserted a number of recent paid newspaper ads that in 1965 the Constitution of Venezuela was flagrantly violated when, at the request of Mr. Gustavo Cisneros and of Mr. Jose Rafael Revenga, the book Narcotrafico SA was prohibited from circulating in Venezuela. Those ads also documented the ADL's dirty history of link to organized crime and drug traffick[illegible].

While Feira discharged his obligations as a Venezuelan citizen by answering the court's questions when he was subpoenaed Nov. 25, there remains the threat that his testimony at that fishing expedition can be used against him—a practice permissible under Venezuelan law.

Eight of the Court's 9 judges ruled that the defense [illegible] upholds the nature and dignity of the human person. The constitutional right to free [illegible] is linked to the need and duty to [illegible] the common good.

Amnesty International Defends Narcoterrorists

[illegible] EIRNS—The London-based Amnesty International is escalating its campaign against Peru's armed forces and in defense of the murderous Maoist Sendero Luminoso narcoterrorists. While Sendero continues to attack Peru's political and economic infrastructure—having murdered 20,000 people over the past 10 years—Amnesty's Americas Watch has charged the military and police with violations of peasants' human rights. The group also lamented the alleged violations of human rights perpetrated by the Sendero terrorists.

Yeltsin Reserves Europe in [illegible]

[illegible] Economic Community [illegible] the most material [illegible] the economic ex[illegible] declined by [illegible] 1990 and [illegible] the de[illegible] between [illegible] dropped by over [illegible] with its average [illegible] East [illegible] the ruble's [illegible] hardest hit [illegible] number of [illegible] minimum [illegible] the rate of inflation [illegible] to 84% in August.

People in The News

[illegible] arrived in North Ko[illegible] of talks with Communist [illegible]

[illegible] AL-GABAH, second [illegible]

by Rainer Apel

WIESBADEN, Nov. 29 (EIRNS)—Bilateral relations between Germany and Russia should be developed with reference to the centuries-long cultural, economic, scientific and human ties, and the tradition of friendship between the German and Russia people. Thus reads the joint declaration signed by German Chancellor Helmut Kohl and Russian President Boris Yeltsin on Nov. 21 in Bonn.

It is true that Bonn held back in taking up diplomatic relations with the Russian Federation, and that the glow (however artificial) which surrounded Mikhail Gorbachov's 1989 visit was lacking in Yeltsin's trip to Germany, but Yeltsin was greeted in Bonn with full honors, as if he were an official guest of the state—thereby fulfilling one of Yeltsin's chief desires.

His second desire, the definition of productive common economic projects, also found its way into the text of the German-Russian declaration. There was talk of the special significance, which belongs to the traditionally close relations in the area of transport (road, railroad, air, sea and inland water traffic).

Yeltsin, who was accompanied on his German visit by 30 Russian industrial managers and economists, identified in remarks in Cologne, where he was received by the Trade Commission of Germany's Business, and in Stuttgart, where he met with the top executives of Daimler-Benz, the areas besides transportation in which he seeks the deepening of German-Russian cooperation: agricultural production and the processing of food; medical technology; pharmaceutical production; and the conversion of military to civilian production.

At the conclusion of his speech in Stuttgart, a declaration of intent was signed between the Russian Federation and Daimler-Benz, with which an intensified collaboration was announced in areas like transportation, railroad technology, air and space travel.

First, from 1992 onward, 10,000 multi-use vehicles of the Unimog type, produced by Mercedes-Benz [illegible] for Russia, to be employed [illegible] and construction [illegible] as industries. The production could go much higher, because Yeltsin spoke in Stuttgart of Russia's need for at least 200,000 of this kind of vehicle. Otherwise, Yeltsin showed interest in modern automobiles, which Mercedes-Benz [illegible] to the Russian [illegible]

main for a long time the Russians' chief source of hard currency. Yeltsin asked for German help in the repair of the badly damaged Russian pipeline network. This damage has meant that loss of oil and gas through the pipelines has been so great (up to 30%) that yearly losses of $8 billion result. The money recovered by repairing the leaky pipes will be placed in the future at the disposal of the Russian Federation.

Through joint exploratory drilling, it can be expected that new oil and gas finds will be opened up immediately after Yeltsin's visit: the German firm Deminex and the Russian oil hauling firm Nizhnivolshneft signed a contract for projects in four regions in the upper Volga basin and in the northern region of the Caspian Sea. It is the first direct Russian agreement with a Western enterprise in the oil industry, just as Yeltsin's visit to Germany was the first official Russian visit to the West. Both these events suggest that the Russian Federation is seen as Germany's most important foreign partner.

G-15 Meet Split on Direction To Take

by Lydia Cherry

Dec. 4 (EIRNS)—The Group of 15 developing countries, envisioned at its founding meeting a year ago as the steering committee for the Non-Aligned Movement, has just completed its second summit, in Caracas, Venezuela. According to observers, there was a sharp split with the nations of Africa and Asia—led by the bloc formed by Malaysia, India and Indonesia—against the nations of Latin America.

The G-15 is now made up of Algeria, Argentina, Brazil, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, Yugoslavia, and Zimbabwe.

The opening speeches, with Venezuelan President Carlos Andres Perez representing Latin America and Malaysia's Dr. Mahathir Mohamad representing Asia, concretized this split. Perez claimed that the present situation is "the most favorable since World War II for building a New World Order," but Mahathir said that the inequities of the international [illegible] system have never been greater, and "the new unipolar world" fraught with dangers of a return to the old dominance of the powerful over the weak.

Mahathir addressed the issues on which there is much agreement among Third World leaders, though few speak as loudly as he. An Indian representative noted that the small country of Malaysia spoke for Asia because India—with its difficult economic situation—could not have afforded to be quite as outspoken.

Slams 'New World Order'

Mahathir described a New World Order "propounded seemingly to legitimize interference in the affairs of independent countries" and the forceful spread of the religion of Democracy and the Free Market as interpreted exclusively by self-proclaimed prophets, whose dictates must be accepted as holy script. He cited manipulation by United Nations agencies to impose Northern values on the South [illegible] and pointed in particular to the U.N. [illegible] economic programs. They have come up with [illegible] known as the Human Freedom Index, where a nation's Freedom Rating depends on whether homosexuality between consenting adults is permitted or not!

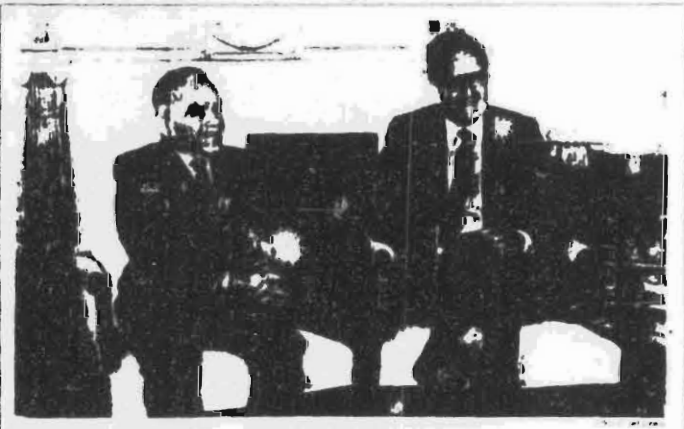
The weakness in Dr. Mahathir's prescriptions reflected in the extreme in the meeting's final communique, is that there is no attempt to develop a solution outside the Bretton Woods system and GATT (U.N. General Agreement on Tariffs and Trade). Insisting that the developed nations have taken the same liberal medicine that the Third World has, Mahathir says the North "must give up subsidies and price support for agricultural products and remove protectionist barriers that impede access to market for the produce of developing countries." But that would destroy more food production.

The Debt Crisis

Zimbabwe's President Robert Mugabe gave the opening speech for Africa. He focused on the debt problem and its counterpiece, the transfer of capital from poorer to richer [illegible] Interesting advice [illegible]

[illegible] has paid a high [illegible] of its debt than any [illegible] countries. Mugabe rightly emphasized that "developing countries have been forced by their economic circumstances to accept asymmetrical IMF and World Bank conditions, and the result has been 'further conditionality,' increased poverty and depleted natural environment." He concluded with the obvious: Multilateral institutions must seriously consider cancelling or rescheduling the debt owed (often by low- and middle-income countries).

Indian Prime Minister P.V. Narasimha Rao's main focus in the work [illegible] to ensure that development remains the center of international attention. The theme that development is the number one priority did come through strongly in the final statement but overall the statement was a mix[illegible]



Bush-Shamir Rendezvous is the Romance

special to New Federalist

WASHINGTON, Nov. 24 (EIRNS)—George and Yitzhak Shamir, that is, he's the Israeli Prime Minister) looking jolly at the White House Nov. 22. However, according to the U.S. and Israeli press, the two men can't stand each other. U.S.-Israeli relations are at a crisis point, the media say, and there is even talk of a showdown. The claim is that Bush wants to ensure a Mideast peace by forcing the Israelis to strike a deal with the Palestinians.

He's an anti-Semite, members of Shamir's cabinet have said, all because Bush postponed by three months forking over $10 billion in [illegible]

A [illegible] in Rio looks like this: a Brazilian favela

Cholera, AIDS Rip Through Ibero-America

by Peter Rush

Dec 3 (EIRNS)—What many health experts have been warning of for months has happened. Cholera has reached a major Brazilian city, Rio de Janeiro, among whose people are hundreds of thousands who live in desperately poor slums called *favelas*. The disease, an extreme form of diarrhea which, untreated, can fast cause fatal dehydration, spreads like wildfire in the absence of clean water and proper sanitation and sewage disposal, all of which are lacking in the favelas. In Rio now that the bacterium has been introduced, a devastating epidemic could break out and infect hundreds of thousands, perhaps millions, and kill thousands.

One soldier stationed in the Amazon came down with cholera while home in Rio on furlough. The authorities immediately closed beaches near where sewage from the soldier's home favela emptied into the ocean, and issued an alert to the local population. But a companion of the soldier, loose in Rio, is also thought to have cholera, and authorities have not been able to locate him. If he is carrying the disease, he could infect a large number of people before he experiences the symptoms, setting off an epidemic that would spread to every other Brazilian city, threatening tens of millions.

The only answer for Ibero-America is billions of dollars of investment in infrastructure to provide potable water and proper sanitation. Without this, the continent could be doomed. But nowhere is the necessary investment being made; on the contrary, austerity and cutbacks on orders of the International Monetary Fund, the international banks, and Western governments led by the U.S., are slashing such expenditures.

With the arrival of Peru's summer season this month, cholera has broken out again in the country in which it first erupted in the Western Hemisphere last February. Already, the government has reported 1,290 cases of severe diarrhea, and 91 confirmed cases of cholera, and the *true figure* is certainly far higher. The government has from the beginning sought to minimize the danger and understate the statistics.

Despite a government pledge to take steps during the winter to improve sanitation, nothing has been done. Major rivers, such as the Rimac River which supplies water to all of Lima—a city of over 6 million—is still virtually a latrine. Instead, the Fujimori administration has continued to impose, on orders of the IMF, draconian austerity that ensures that this year's epidemic will outstrip last year's. At best, the government is guilty of incredible negligence—for example, in closing a government lab that produced rehydration salts needed in the treatment of cholera, for nonpayment of taxes mandated by the IMF.

Cholera is more often fatal among people who are malnourished, have inadequate water, and or are suffering from other diseases like TB and malaria. In Peru, most of the population lacks an adequate diet and many people, including a large proportion of children, eat only one meal a day. And TB has doubled in Peru in recent years, according to the magazine Caretas; malaria, yellow fever and dengue are spreading rapidly.

Worse still, a new, deadlier strain of cholera has now turned up in Peru. It can kill within two hours if not treated immediately. Given that most Peruvians live many hours from the nearest treatment facility, if this new strain spreads widely, the death toll from the disease could increase from 1-2% of those who come down with it, to 10-20, or even 50%—or more.

Other countries are also at high risk. In Colombia, it was just reported that 125 soldiers in a unit stationed outside of Cartegena have all contracted cholera.

Cholera is merely the most visible, rapidly spreading epidemic to the continent. AIDS is also spreading out of control in every country. A World Health Organization study recently warned that Mexico could have 6 million people infected by the year 2000. Mexico has launched a campaign to teach "safe sex," to supposedly cut this figure down to a still shocking 2 million—a campaign which hasn't worked anywhere else and won't work in Mexico either.

Brazil's Health Ministry announced last week that the country has 21,023 official cases of AIDS, with a suspected 300,000 people infected, more than 75% of them heterosexuals.

In Argentina, 100,000 people are already suspected of carrying the AIDS virus, and over 300 babies have been diagnosed with the disease, again indicating a high rate of heterosexual transmission. Dr. Israel Stolovitzky, head of the Multidisciplinary Association Against AIDS, called the figures alarming, especially in light of the widespread cases of malnutrition, TB, chagas, and other debilitating diseases which lower resistance to AIDS and hasten death once the disease is contracted.

Future of Quebec: Papineau or Pariseau?

[illegible] a little

[illegible]-Soldier

[illegible] Jacques Parizeau to replace the actual Prime Minister Robert Bourassa, whose pedigree shows nothing better.

Parizeau, a sorcerer of the financial world, is unfortunately viewed by the population of Quebec as the spokesman for the *independence movement* since the death of Rene Levesque. The [illegible] broke with Parizeau a few months before the collapse of the Meech Lake Accords in June 1990. I asked him what were his intentions regarding the relations of a sovereign Quebec with the International Monetary Fund. His answer showed his true [illegible]. The Canadian dollar will remain the currency, and given the fact that the Central Bank of Canada [illegible] the currency, the relations will remain the same. What interests me is all the wolves had [illegible] over the wool cap.

A nation that doesn't have control over its currency is not a sovereign nation. This, by the way, is a serious problem in and of itself in the United States today, where the Federal Reserve, an unconstitutional bureaucracy run in the shadows, has control over the U.S. dollar.

Quebec and, for that matter, Canada, cannot be independent as long as they do not fight to oppose George Bush's New World Order and "Her Majesty's" Malthusianism, and their policies of genocide.

The French Canadian must break from the Anglo American "werewolf" oligarchy, and if the rest of the Canadians are interested in joining Quebec to form a constitutional republic based on the principles of Papineau or those of LaRouche's Canadian constitution, they are welcome. If not, Vive le Quebec libre!

ADL Pushes Race War, Targets E. Europe

by Joseph Brenda

Dec 2 (EIRNS)—Educated blacks are the worst anti-Semitic group in the U.S.," the speaker claimed, "and blacks overall have been the most anti-Semitic group since slavery." The speaker, Prof. Leonard Dinnerstein, was addressing a B'nai B'rith Anti-Defamation League conference held on Nov. 3-4 in Montreal, Canada. The conference was devoted to bombarding worldwide anti-Semitism, which the [illegible] are infested with anti-Semitism. It was said at the conference, especially among students from ethnic groups which usually vote Democratic.

Imprisoned Democratic presidential contender Lyndon LaRouche was also denounced from the podium. "I can think of no better reason for the existence of the ADL than stopping LaRouche," ADL vice chairman Jo[illegible] Spitzer said.

Dying to Be George

[illegible] ever since the ADL split with the [illegible] claim there is increasing conflict between the Zionist lobby and the White House, that conflict was not in evidence in Montreal.

The other big bugbear for the ADL was the global rise in nationalism, particularly in Eastern Europe. This was also Bush's theme in his UN address last September.

According to speaker after speaker at the ADL conference, Eastern European nationalism is inherently anti-Semitic. That death of communism

Brazil's Collor Hands Over Huge Area to Indian Tribe

by Geraldo Lino

Nov. 30 (EIRNS)—Obeying the dictates of the international environmentalist lobby, Brazilian President Fernando Collor de Mello on Nov. 15 signed the long awaited decree marking off a 22 million acre area in the Amazonian state of Roraima for the creation of a reserve for the Yanomami Indians.

The Yanomami, a Stone Age tribe which has become an environmental [illegible] cause célebre, number somewhere between 3,500 and 9,000 people, and inhabit a vast tract of land on both sides of the border between Brazil and Venezuela.

Though hailed by environmentalists in Brazil and abroad, the presidential act was not welcomed by Brazil's nationalist military and political sectors which are now attempting to overrule it on the grounds that it threatens national security. In setting up the reserve, Collor ignored military demands for establishing a 150-kilometer (93 mile) security strip along the border, crucial for national defense in case of an emergency. Gilberto Mestrinho, governor of Amazonas state, has stated publicly that he will not abide by the government's demarcation, [illegible] of his [illegible] to use the [illegible] 5,500 military police to stop it.

One journalist referred to the Yanomami demarcation as the [illegible] narration of Saudi's vast area. "This is crazy. Who's going to control this vast

reported that Survival International had threatened to lead an NGO boycott against next year's Earth Summit meeting, known as Eco-92, to be held in Rio de Janeiro next June.

The Brazilian President is so anxious not to offend the international Malthusians that, according to a report in the Nov. 27 Jornal do Brasil, the government has asked Interpol to monitor anti-ecology groups, whose activities are deemed threatening to the 1992 conference.

Without mentioning him by name, the Jornal do Brasil article makes reference to U.S. political prisoner Lyndon LaRouche, quoting an official who describes him as an "American businessman who is now in jail" and whose magazine promotes "unlimited use of nuclear energy." Executive Intelligence Review, the magazine founded by LaRouche, has exposed the Anglo-American Establishment's offensive against Brazilian sovereignty, using environmental issues as a pretext.

The Yanomami question has become a fighting matter for various nationalist groups. On Nov. 21, Gen. Antonio Santa Cruz, Amazon military com[illegible]

conference was devoted to combating worldwide anti-Semitism, which the group said was resurgent and deadly.

American blacks and the newly emerging nations of Eastern Europe were the identified targets.

Dinnerstein's thesis, which was supported by others on the podium, was that American blacks learned their anti-Semitism from their slave masters, much as Israeli Prime Minister Yitzhak Shamir had said that Poles imbibe their anti-Semitism with their mother's milk. The NAACP's founders were anti-Semitic, Dinnerstein said, as were such black leaders as Booker T. Washington, Ralph Bunche and W.E.B. DuBois.

The provocative remarks aimed at asserting that the black-Jewish alliance which has been so important to many Democratic Party urban machines, especially in the Northeast, was no longer possible or even desirable. Much attention was paid to Brooklyn, where race riot operatives on both sides provoked the fatal stabbing of a Jewish student, after another Jewish resident of the neighborhood had driven his car onto, and killed, a black child last summer. The campus

Sprayregen said.

Doing It for George

Ever since the ADL split with the rest of the American Jewish community in 1982 to claim that the Nicaraguan Sandinistas were anti-Semitic, at a *time when the Reagan-Bush* administration was lobbying for increased Nicaraguan Contra funding, questions began to be raised about the nature of the ADL's relationship to the White House. Soon thereafter, several ADL officers began hooking up with the administration's "Project Democracy" propaganda arm. By 1988, ADL national chairman Abe Foxman reported that the ADL and Bush were "going steady."

Abe and the rest of the leadership insist on supporting Bush," one incensed ADL activist confided to this writer. "They think he's another Franklin Roosevelt." Minutes earlier, Foxman had leapt to the podium of the Montreal conference to defend Bush, after Bush was denounced from the floor for his complaints in October, about the power of the Zionist lobby. "Anyone can make a mistake," Foxman said.

Although the U.S. and Israeli press

at the ADL conference. Eastern European anti-Semitism is inherently anti-Semitic, the death of communism means the rise of anti-Semitism, it was claimed.

"Fascists are on the rise in Romania," Romanian Chief Rabbi Moshe Rosen told the audience. "Anti-Semitism is obvious and visible throughout the Soviet Union," said Moscow-based professor Mikhail Chlenov. Last year, Chlenov's VAAD (Confederation of Jewish Communities in the U.S.S.R.) signed an agreement with the ADL to combat Eastern Europe anti-Semitism. Rosen has worked with the ADL for decades. For both men, and for Bush and Israeli Prime Minister Shamir, the solution is Jewish emigration to Israel.

In order to combat this supposed nationalist anti-Semitism, the ADL has opened up offices throughout Eastern Europe, reports Daniel Mariachin, who runs ADL Eastern European operations. The problem, Mariachin said, is that Eastern Europeans have no democratic tradition. He learned this, he said, from [illegible] Haig, a Reagan-Bush Secretary of State.

5,500 military police to stop it.

One journalist referred to the Yanomami demarcation as the setting up of a "human zoo," designed only to preserve the Indians' misery and poverty. Referring to the government's subsequent demarcation of reserves for other Indian tribes, Mestrinho asked, "Why are they so worried about 200,000 Indians, when we have almost 100 million Brazilians living in misery?"

Environmental Blackmail

Government spokesmen depicted Collor's decree as a spontaneous decision. In fact, in recent weeks the environmentalist lobby had escalated its efforts to force the President to grant the Yanomamis an area equivalent to 11% of Brazil's territory—larger than Holland or Belgium, larger than the state of Indiana.

According to the Nov. 16 issue of O Estado de Sao Paulo, Environmental Secretary Jose Lutzenberger, a darling of the international environmental and genocide lobby, threatened to resign, reportedly with the backing of many Non-Governmental Organizations accredited at the United Nations, if the government did not act. The Nov. 20 edition of Veja magazine

Forces are utterly opposed to the demarcation of such a vast area. "This is crazy. Who's going *to control* this vast territory?" he asked in an interview. He also pointed out that there exists "an extraordinary international interest in the Yanomami case," related to "the mineral riches of the region: gold, cassiterite, diamonds, and other strategic minerals."

In the Congress, strong opposition has erupted among all parties, including pro-government ones. Roraima deputy Joao Fagundes filed suit against the demarcation, on the grounds that it violates the constitutional demand that the 150 kilometer border strip be considered a matter of national security.

Trying to circumvent the wave of criticism of his decree, President Collor promised on Nov. 24 to locate an industrial park in Roraima as a compensation for the state's loss of 25% of its territory to the Yanomamis. But on Nov. 25, State Governor Ottomar de Souza Pinto told O Globo that the mineral deposits in the demarcated area are fundamental for any industrial development plan for what remains of Roraima.

What is the science mafia trying to suppress?

[illegible] issue of 21st Century Science & Technology

[illegible]

- [illegible] coverage of the second annual cold fusion conference
- [illegible] report on 3000 [illegible] who [illegible] overcome environmental sickness
- [illegible] Goddard's [illegible] of oxygen in 1804

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U.S. Milk to Iraqi Kids

Continued from page 1

Special Delegate to the U.N. Sadruddin Aga Khan.

The milk left Cologne on Nov. 19 for Larnaka, Cyprus. From there, it was flown on Nov. 21 directly to the airport in Habbaniyeh, Iraq, near Baghdad, where it was met by representatives of the Red Crescent for delivery by truck to children's hospitals and feeding centers.

Committee to Save the Children in Iraq representative Muriel Mirak-Weissbach, who was in Iraq last week delivering 16.5 tons of medical equipment from Sweden, featured the dairy farmers' activity at a press conference in the Baghdad Red Crescent office Nov. 18. Mrs. Weissbach's mission was major news in the Arab press since it involved the first flight of an Iraqi civilian airplane since the war, and received approval of the U.N. Sanctions Committee.

A Unique Effort

Although relief agencies have been delivering milk powder to Iraq for many months, the usual procedure is to purchase European products in Jordan. To my knowledge, what American dairy farmers have begun is a unique effort to deliver their own product to the needy children there, as a gift directly from the United States.

On Nov. 7, the farmers' effort received editorial support from the Catholic Herald, the official newspaper of the Diocese of Madison, Wisconsin. On Nov. 16, the Philadelphia Peace Branch of the National Association for the Advancement of Colored People (NAACP) unanimously passed a resolution at its monthly membership meeting, which received from Philadelphia Branch of NAACP expresses appreciation for the action of those dairy farmers trying to feed starving children and offers the hand of fellowship and solidarity to the independent family farmers of Pennsylvania and America.

Now that the first phase of the Milk Lift for Iraqi Children is complete on time for Thanksgiving, I call upon individual farmers, farm organizations, dairy cooperatives, churches, and all Americans who respect the right of all children to life and good nutrition, to get behind this movement. Let's send another gift of milk to children in Iraq by Christmas."

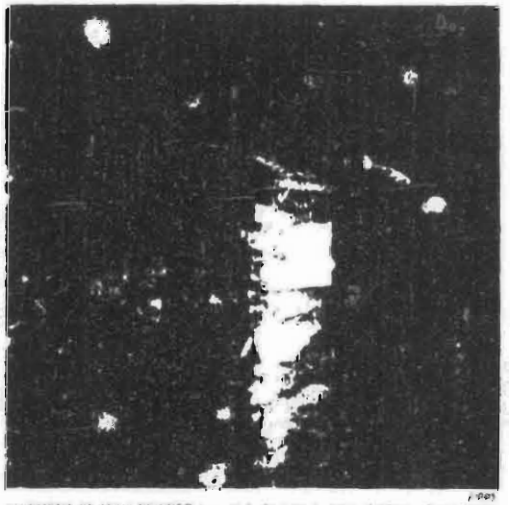
Donations may be sent to:

Chaldean Catholic Church Milk Relief Fund, 25585 Berg Rd., Southfield, Mich. 48034. (For more information, contact Phil Valenti, 215-336-2000.)

Thanks Received

Within days after the press conference, the farmers received a letter of thanks from a committee coordinator, Muriel Weissbach, which read in part:

"As we saw in the hospitals in Baghdad, the food and medical supply situation has deteriorated dramatically



SHIPMENT OF MILK POWDER from U.S. farmers to Iraqi children, shown being [illegible] in Philadelphia Nov. 14.

[illegible] due to the continuing embargo. Such that double the number of children [illegible] the wards as what we saw in July during our first trip. Nine out of 10 cases are children suffering malnutrition or diseases directly related to malnourishment. The embargo is literally starving them. Therefore milk powder is perhaps the single most important commodity that one can send to Iraq [illegible] to save children's lives. Please [illegible] your work.

Bush's Pals Steal Your Pension, Part 3: Corruption in Minnesota

by [redacted]

HOUSTON [redacted] (EIRNS)—The [redacted]

employee pension funds. That one person is the Comptroller.

Regan, a Republican, received a $25,000 campaign contribution from KKR in [illegible] and another $20,000 in [illegible] for his reelection campaign that year. After the election, he received another $15,000. Not surprisingly, Regan invested $[illegible] million of New York's pension funds in KKR's [illegible] Fund, followed by $375 million more for the 1987 Fund.

Corruption in Minnesota

In Minnesota, the State Board of Investment (SBI) is charged with investing the state employees' pension funds. A total of eight retirement funds, with more than $16 billion in assets, is in the hands of SBI Board members.

The SBI has invested in three KKR takeover funds since 1986, including $146.6 million in the infamous 1987 Fund. The SBI is made up of the Governor, the State Auditor, the Treasurer, the Secretary of State, and the Attorney General. A majority vote is required to determine how funds are invested. However, sources have told this news service that the two members on the SBI who have pushed for the investment of state pension funds in KKR's funds have been the Treasurer and the Attorney General.

The State Treasurer is Michael A. McGrath. An investigation of his campaign finance reports shows that he has been the recipient of $2,500 contributions each from Henry Kravis and George Roberts, the leading partners of KKR. Although these are dwarfed by the $65,000 which KKR contributed to New York Comptroller Ned Regan's campaign, the two contributions are the largest McGrath received in his last campaign.

What role was played by the Attorney General, Hubert H. Humphrey III ("Skip"), in supporting KKR's grab for Minnesotans' retirement funds?

Lansky's Children

New Federalist has been publishing a series of articles on how organized crime has dominated politics in Minnesota since the end of World War II ("Are Minnesota's Democrats the Most Corrupt in the United States?"). A recent article in New Federalist provided evidence that the gang run by Isadore Blumenfeld (aka Kid Cann) in the Twin Cities was intertwined with the operations of notorious organized crime boss Meyer Lansky.

It was Blumenfeld's organized crime ring that provided financial resources and muscle to Hubert Humphrey II (Skip's father), who was elected Mayor of Minneapolis in 1945, and later served as Senator and Vice President of the United States. In return for his backing, Humphrey looked the other way when it came to the Blumen-

mental in KKR's success in the takeover game on Wall Street. Corporate raiders such as Carl Lindner, Ronald Perelman, Saul Steinberg, and Victor Posner used insurance companies and other firms they took over (often with the aid of junk bond king Michael Milken) to launder funds used to launch raids on companies targeted by KKR for takeover.

Given the name "Milken's Monsters" by one of them, Meshulam Riklis (who began his career in Minneapolis), they bought many of the junk bonds sold by Milken, who then engaged in often illegal support operations for KKR's takeovers.

Milken and his collaborators pocketed hundreds of millions of dollars through collaboration with KKR. For example, in KKR's leveraged buyout of Beatrice, KKR gave Milken and Drexel warrants (which give them the right to buy bonds at greatly reduced prices), even though KKR partners knew the warrants were not needed to attract bond purchasers. Milken kept them for himself and his family. He paid less than $[illegible] million for them; their actual value was between $400 million and $[illegible] million.

Milken, who is currently in jail, was stealing directly from the profits which by rights belonged to the pension funds, deriving from their stake in Beatrice, which was purchased by KKR with those very pension funds.

By working on KKR's behalf today, Skip Humphrey is continuing the family tradition of aiding organized crime. His involvement in the looting of pension funds goes beyond his vote to place Minnesotans' funds with KKR.

A lawsuit was filed in federal court in the Southern District of New York in August 1991 accusing KKR of taking "millions of dollars of undisclosed fees in the form of investment banking fees and management fees from companies controlled by its clients," i.e., the state pension funds. The suit was filed by Minnesota State Representative Phyllis Kahn and Steven Thorne, a former Deputy Natural Resources Commissioner and thus a pension fund contributor.

In KKR's Motion to Dismiss, Kahn was attacked by KKR's lawyers for using the suit "to advance her personal political career," a response which ignores the substantive claims made in her suit, which has since been amended to name SBI as a co-defendant.

Kahn's charge of excessive fees for KKR is supported by a review of the RJR Nabisco deal, which used the $1 billion committed by state pension funds. From Minnesota, KKR receives $2.2 million per year just to hold the funds. Once the funds are invested, KKR's profits balloon. [illegible]

Wall Street; those losses will be charged off against the investment of the state pension funds, not against KKR.

And so, not surprisingly, KKR is frightened by the implications of Phyllis Kahn's suit. In an hysterical reply on Oct. 7, their lawyers argue that "if this suit is not dismissed, an 'open season' would be declared on all investment decisions of all state investment funds and virtually limitless numbers of prospective plaintiffs would have the opportunity to engage in extortion by threatening actions of this type against pension fund managers and those with whom they chose to invest."

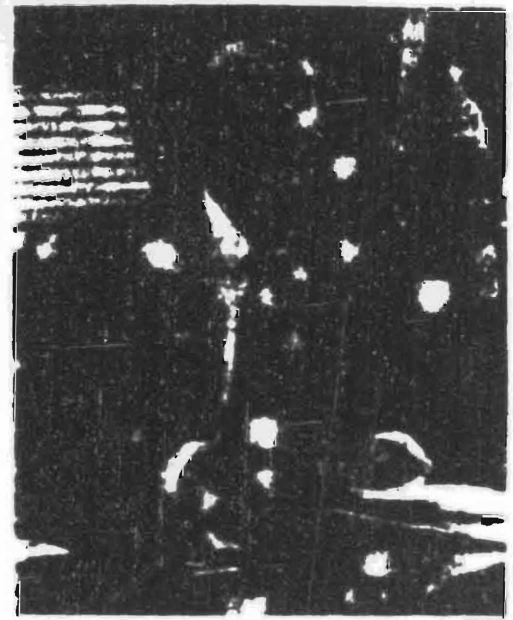
In other words, KKR's ability to loot state pension funds would be jeopardized.

On Oct. 28, KKR's position was defended by the office of Attorney General "Skip" Humphrey. He filed a motion to dismiss the case, defending both the SBI's choice of investing with KKR, and KKR's right to defraud the people of Minnesota.

At the time of this writing, Humphrey's office had no comment when asked about allegations that he is serving as a frontman for KKR.

This is the same Attorney General who has used his office to harass supporters of Lyndon LaRouche, including by engaging in fraud to improperly seize the bank accounts of the Constitutional Defense Fund. A [illegible] million dollar damage action against Humphrey for these violations of constitutionally protected rights is still pending.

In Part 4: Bush and the Takeover Mob.



Skip Humphrey

Banks Bailed Out as America's Poor Die

Continued from page 1

assets of failed S&Ls. Even when buyers can be found, the real economy stands to be the loser. In the case of some properties, such as corporate landholdings, the legislation gives first dibs to non-profit organizations like the Nature Conservancy and other environmentalist groups—which intend to turn the properties into permanent wilderness. Maximum cost to the taxpayer for the latest S&L bailout boax: another $80 billion.

The FDIC funding bill also makes room for chicanery on Wall Street. For the first time, brokerage firms have been given direct access to the Fed's discount window in times of crisis, instead of having to turn to the banks (which don't have the money anyway) for a line of credit. In other words, the taxpayer will cover the next stock market crash.

Telling the Poor To Drop Dead

[illegible] deaths [illegible] federal, state, and local.

[illegible] a month ago, the Bush administration announced the biggest federal budget deficit in history—$268.7 billion for the 1991 fiscal year that ended Sept. 30. Less than two years ago, the Bush projection for this year's deficit was only [illegible] billion. This year's income tax revenues came in $14.1 billion less than had been projected this July, when the figure was [illegible] revised downwards from earlier estimates. The Congressional Budget Office already projects the deficit for fiscal 1992 at $362 billion!

The murderous delusion that the deficit can be "cured" by massive spending cuts at the federal level has compounded the brutal austerity in state budgets. Overall, the states raised taxes by $15 billion for fiscal 1991 and another $10.2 billion in out-

[illegible] for the [illegible] $18 billion below [illegible] their fiscal year July 1.

Murder in Michigan

In Michigan, where the General Assistance fund was eliminated Oct. 1 and a legislative leader told the poor to move "somewhere else" if they didn't like it, the cutbacks have already killed. A 5[illegible]-year-old woman with high blood pressure died when a blood vessel burst in her brain; she had been rationing her medicine after losing her low-income assistance, as have 82,000 other recipients.

In Detroit, according to the London Guardian, there has grown up "Engler City," a tent city named after Republican Governor John Engler. "It is total war between the people and the government," one homeless woman told the Guardian. "We have drawn [illegible]

Fund raised eyebrows, because of the relationship between state Comptroller Ned Regan and RJR. New York is the only state which gives one person sole responsibility for overseeing state

other way when it came to the Blumenfeld crowd's operations, even going so far as to call his police off an investigation of Blumenfeld in 1986.

Lansky's heirs have been instru-

KKR's profits soften.

In 1989, KKR made almost $80 million from the RJR Nabisco deal. If there are losses from a deal (which is likely, given the volatile climate on

Letting the Poor To Drop Dead

The toll all this is taking on human suffering is mounting at a hideous rate. The $30 billion added to the federal deficit by the current S&L bailout

1992, and another $15 billion in new right budget cuts was imposed, bringing the total austerity crunch to more than $25 billion in a single year. Despite the record tax hikes, the revenu

in the sand. Detroit Mayor Coleman [Young] is throwing people out on to the streets. Bush needs to get down here and do something fast."

One homeless leader said there will be 100,000 homeless in the Detroit area by Christmas.

An Air Force veteran who is homeless said, "Right now, my worst enemy is not street violence or the elements. It's the government."

And in Maryland

Maryland has announced plans to cut Aid to Families with Dependent Children by 30%, leaving a welfare family of three with a monthly payment of only $284. Part of the cut may be restored for recipients who can prove that they paid their rent on time. Maryland's Secretary of Human Resources, Carolyn Colvin, says the cuts are designed to "encourage" people to get off welfare.

The state's Emergency Assistance program, often the only source of aid to the poor who face evictions, will be terminated. No matter, says Colvin:

Most people are evicted anyway. And eligibility for the General Public Assistance program will be further restricted, to eliminate 20% of current recipients. Another proposal would deny assistance to a disabled person until he had officially been disabled for one year—by which time he could be dead.

Meanwhile, all categories of unemployment and welfare recipients remain ineligible for federal bailouts.

Virulent Flu Sweeps U.S.

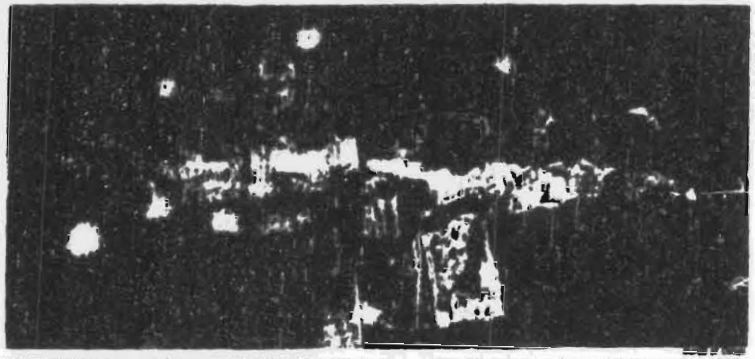
Continued from page 1

The upshot is that no health official in the country knows which areas are hardest hit, nor where there might still be supplies. People simply do their best guessing, a sick kind of betting pool. The questions are compounded because the virus constantly mutates, hence any leftover vaccine is considered worthless. An entirely new vaccine must be produced every year.

There is no federal agency that monitors the distribution and use of flu vaccine, while the data that officials do get come after the time when it could be useful. Twenty-five percent of doses are returned after most flu seasons. The inefficiency is staggering.

The Worst in Recent Memory

Add to this the financial devastation facing most hospitals, and the prospect of getting the flu becomes even more frightening. The annual report of the City Hospital Visiting Committee, a voluntary monitoring group in New York that has been evaluating hospitals for 130 years, was issued at the end of November. It describes hospital care as "the worst in recent memory."



REMEMBER WHEN the U.S. government had an aggressive health care policy? Kids lined up for vaccinations back in 1954.

There is no confusion as to the cause of the deterioration. The budget of the Health and Hospitals Corporation, which runs the city's 11 municipal hospitals, was ordered cut by $44 million over fiscal year 1991.

Hospital care now for the flu patient as for others, is characterized in the words of the report: "Draconian budget cuts demoralized staff and soaring service demands." This is all the more stunning when you consider that New York State is being swept by a wave of drug-resistant tuberculosis, which recently killed 23 state prison inmates and one prison guard, and induced Gov. Mario Cuomo to order the TB screening of all 56,000 New York State prison inmates and 22,000 prison employees before New Year's.

The hospital budget cuts in New York have enraged Dr. Barry Lachow, president of the Doctors' Council. "The city has managed to incorporate malpractice as a daily element in our municipal hospital system. The victim, as always, will be the patient."

That's true for the country as a whole, and the shortage of flu vaccine now only underlines it.

The book that will destroy George Bush's career...

...serialization of this political blockbuster begins in the next issue of The New Federalist!

The Great Mudslide Is On

Continued from page 1

the stock market and other financial markets can no longer sustain the appearance, the illusion, of so-called prosperity.

This Europe has seen and the Japanese have seen, and Europe and Japan are saying that the financial system of the United States is something to stay as far away from as possible.

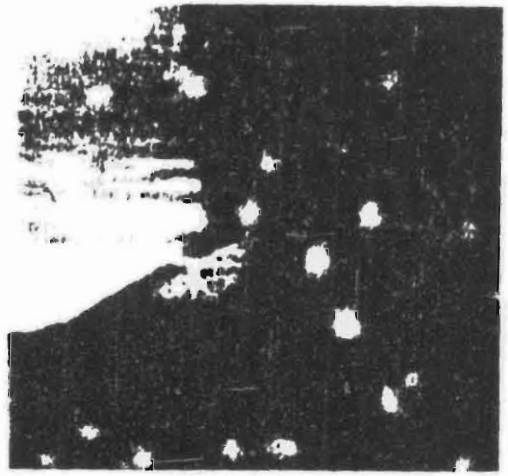
As the financial system weakens, George Bush's political power weakens, and his ability to clobber the Europeans and Japan into making large subsidies to Wall Street is no longer as great as before.

So, down and down and down we go—not all at once, but day by day, hour by hour, inch by inch, the Great Mudslide that carries the United States into a financial collapse and depression far worse than anything in the 1930s is now on full tilt.

What Can Be Done?

There is only one thing that can be done. Build a new system, over the past years I have been warning of this—particularly during the 1980, 1984, 1988 presidential campaigns. I warned of this exactly and said what had to be done. But so far, none of the other candidates has paid any attention. As a result of your choosing from among those other candidates, you are going to suffer. I correct it, but you're going to suffer. It's your own fault for not supporting me.

Now, are you going to be foolish or do you want to get out of it? I know how to get out of it. It's going to be hard work, but it can be done. If you vote for another one of those candidates, the Great Mudslide will continue, inch by inch, hour by hour, day by day, worse and worse. Maybe for you, for your family, for your children, for your grandchildren, everyone will make it. Some people will survive it all, and maybe that the way you vote, the kind of candidate you support, will determine what happens. And if you don't vote for me, if you don't support me, I don't know what is going to become of you.



HERE IT COMES. The volcanic eruption that precedes the mudslide.

3 4 0 4 3 5 6 2 1 6 8

'October Surprise': DOJ, CIA Protected Hashemi and Pottinger

[redacted]

up conversations in which Hashemi and Pottinger were arranging the shipment of embargoed military equipment to Iran.

Within days after the Reagan-Bush administration removed the wiretaps in February 1981, FBI agents and prosecutors in New York tried to get a search warrant [illegible] said Hashemi's offices. The newly declassified FBI files show that FBI Headquarters and the Justice Department blocked the raid, and then repeatedly stalled efforts to prosecute Hashemi and Pottinger. A Jan. 19, 1982 FBI memorandum, for example, says that the Justice Department had ordered the U.S. Attorney to postpone a planned *federal grand* jury investigation "because of national security considerations."

DOJ Tips Off Hashemi

Finally, after years of delay, arrest warrants for Hashemi and a number of other participants were issued in New York in mid-May of 1984.

However, Hashemi evaded arrest after being tipped off by the Justice Department. A declassified New York FBI teletype dated May 16, 1984 complains that Hashemi, who was in London, canceled his Concorde flight reservation to return to the U.S. at the last minute, after DOJ Deputy Attorney General Lowell Jensen ordered the U.S. Attorney in New York to notify Hashemi's attorneys of the prosecution. Jensen did this, according to the FBI teletype, "because he made a commitment to Hashemi's attorney, former Attorney General Elliot Richardson, who obviously has Cyrus Hashemi notified."

The New York FBI office, which had worked the Hashemi case since 1980, concluded that because of this, the arrests were not likely to occur, and that "results of a positive nature do not appear forthcoming despite the massive investigative effort put forth thus far."

Hashemi stayed outside the United States and remained a fugitive for almost two years, until he returned to the U.S. to aid the Customs Service in the 1986 sting operation against Israeli General Abraham Bar-Am and others. During the time he was a fugitive, he was in frequent contact with top CIA officials, including William Casey, through his lawyer Elliot Richardson and John Shaheen, a businessman and close friend of Casey who was one of the founders of the CIA. During this time, there was apparently no effort made to extradite Hashemi.

In fact, on the contrary, a recently declassified CIA document from November 1985 states: "We were advised in August 1985 that the U.S. government must not touch the Iranian in the U.K. whom the U.S. is seeking to extradite for his part in a failed Iranian attempt to purchase U.S. arms." The memo goes on to discuss the fact that Elliot Richardson was attempting to arrange for the charges against Hashemi to be dropped, in return for his efforts to aid in the hostage negotiations ongoing at that time.

Even after Hashemi returned to the U.S. as part of the U.S. Customs sting operation in March of 1986, he was still inexplicably allowed to travel abroad. In July 1986, Hashemi suddenly died in London, under what an FBI memo calls "questionable circumstances."

The 'Missing Tapes'

The newly released FBI files also confirm the long *rumored* "loss" of FBI surveillance tapes of Hashemi and Stanley Pottinger. The files further confirm that the absence of these critical tapes was used as the reason for not indicting former Nixon-Ford Justice Department official Pottinger for illegal arms shipments to Iran. A partially released FBI file, labeled "Administrative [illegible] Inquiry Missing Tapes," documents an internal FBI investigation which was conducted after the loss of the tapes was allegedly discovered at the end of May 1984—days before Pottinger was to have been indicted.

The fact that critical tapes were missing was discovered at the end of May; nevertheless, federal prosecutors in Manhattan stated their opinion that Pottinger could still be indicted for perjury and other counts, even if, lacking the tapes, they could not substantiate a conspiracy count. However, the Justice Department continued to stall the prosecution of Pottinger until November 1985, when an FBI report concluded that there was "no basis" to proceed with an indictment.

According to the "Missing Tapes" file, the FBI conducted an extensive internal investigation into the missing tapes. An October 1985 summary of the probe stated that "significant inconsistencies" had been found in the stories told by various FBI officials involved with the tapes. There was some indication that the tapes might have been delivered to the Justice Department in 1981 or 1982.

This is clearly a mystery which rivals the famous "18-minute gap" in the Nixon/Rosemary Wood tapes, and which merits an equally prominent investigation—this time without the coverup.

AUTHOR EDWARD SPANNAUS gives a press conference at Washington's National Press Club on the "October Surprise."

Build the World's Economy To Stop War

Continued from page 1

link the perspective of an all-European infrastructure program and the "Paris-Berlin-Vienna 'Productive Triangle' as the locomotive of the world economy, with the onset of a 'True Fourth Development Decade' for the nations of the developing sector."

Later in the conference, the main resolution, "Europe's Role in the Reconstruction of the World Economy," was passed unanimously, and in nearly identical wording was signed by 113 participants as the founding document of the World Coalition "Peace through Development."

Political Prisoners

The second major theme of the conference was the need to free George Bush's political prisoner, Lyndon

[illegible] must be scrapped and a "general policy of the creation of state credit" must be introduced to foster, chiefly, "the productive union of idled productive capacity with idled sections of the labor force."

Helga Zepp-LaRouche had previously compared today's IMF shock policy with the deflationary policy of the Bruening regime, which ruined the battered German economy in the early 1930s and paved the way for Nazism. Frank Hahn of the Schiller Institute in Hanover, Germany contrasted to this the idea of productive credit creation, which was introduced by the first American Treasury Secretary, Alexander Hamilton. Had it been applied in time in Germany, it would have saved the world from the Hitler regime.

[illegible]

logical potential of Ukraine. Developing and using this potential to modernize industry is considered as the highest priority by the Ukrainian leadership. A national bank, national currency, and state-directed investment in R&D are urgently required to prevent the brain drain of scientists and to secure fruitful scientific and technological collaboration with the other republics of the former Soviet Union, especially Russia, and with Western Europe.

Rosa Tennenbaum, who heads the Agriculture Commission of the Schiller Institute, discussed the world food crisis in the East and South and the need for structural reforms of agriculture in Eastern Europe and the republics of the former Soviet Union, with an emphasis on productive, private family farms. She [illegible]

Bush Is in Bed with Medellin Cartel

Continued from page 1

that the Feds' pact with Lehder was like giving Charles Manson a deal to testify against a burglar. "It's okay to have the devil describe to you the [illegible] conditions in hell, but it's not okay to let the devil out of hell!" Mer[illegible] wondered how the American peo[illegible] [illegible] this deal with a Nazi [illegible] when the Bush admin[illegible] [illegible] political hay [illegible] penalty for Ameri[illegible] [illegible]

[illegible]

[illegible]

[illegible]

DOPE KING CARLOS LEHDER, second from left, got a new lease on life when the Feds decided to make a dirty deal with him.

documented by this news service back in 1984. Lehder testified that Lopez had accepted nearly $1 million in cartel donations to his 1982 presidential effort—a full one third of his campaign war chest. Although Lopez's re-election bid failed, he was adopted as the cartel's "political godfather," according to Lehder, and has repeatedly interceded on the cartel's behalf ever since. Lehder also charged that the Medellin Cartel had ordered the murder of Colombian Justice Minister Rodrigo Lara Bonilla in 1984 to, among other things, prevent revelations about Lopez's mafia ties.

Attempts by the Noriega defense team and prosecution to subpoena Lopez—who was vacationing in Miami—were thwarted when a direct appeal to George Bush by Lopez intimate Carlos Andres Perez, President of Venezuela and Socialist International vice president, won the former Colombian President a quick exit from the States on a Venezuelan jet. Lopez was understandably furious at his awkward predicament, and blasted the U.S. plea bargaining system which had allowed the likes of Carlos Lehder to expose the corruption of a former President. But it was Lopez Michelsen who helped mediate a similar plea bargaining arrangement between his pals in the Medellin Cartel and the Gaviria government in Colombia.

The last time Lopez stood thus exposed was in 1984, when this news service had internationally circulated documentation of Lopez's role as cartel "godfather," prompting an appeal by Lopez to Colombia's then President Belisario Betancur to "defend his honor." Betancur released the text of that appeal to the press. Lopez has been known in Colombia as "El Padrino" (The Godfather) ever since.

This time, Colombian President Gaviria, a close associate of Lopez, has gone much further in defending the former head of state. In an official presidential statement, Gaviria gushed that Lopez, "a fervent partisan of social justice and tireless worker for Latin American unity ... needs no defense."

But Gaviria does. This week, he was denounced as a traitor by one of Colombia's few surviving heroes of the 1980s war on drugs. Former Justice Minister Enrique Parejo Gonzalez, who survived a mafia assassin's bullets in 1987 only to be stripped of official protection by the Gaviria government earlier this year, charged Gaviria with having surrendered the reins of power to the drug mafia and with having conducted a "coup d'etat" against the legitimate institutions of the nation. He called on the Colombian people to organize a "great national mobilization to rescue their country, for it is the right and duty of the people to speak up, to reestablish a state of law."

[illegible] representatives of a worldwide resistance to totalitarianism of all sorts, many of those present had been political prisoners themselves, but were still prepared to put their lives on the line for human[illegible] freedom. Many paid homage to LaRouche's role in fighting the IMF, a role which made him a target for the Anglo-American Establishment.

"Enough is enough," was the theme struck by Dennis Small, who had also been a political prisoner in the LaRouche case. Small was referring to the fact that LaRouche will have been in jail three years as of Jan. 27, 1992, and he and the world have suffered enough. The conference unanimously passed a resolution demanding LaRouche's freedom.

War in Europe

The bloody, expanding war of conquest against Croatia stood in the foreground of the conference. Dr. Harki from the presidium of the Austrian-Croatian Society of Vienna condemned the immoral policy of the European Community. The expanding war against the Croatians has cost 20,000 dead and 30,000 wounded, while 500,000 people are already refugees. For this, people like Lord Carrington must be called to account.

Edita Taheri from Kosovo appealed to the gathering to adopt the cause of the 3 million Albanians who live in former Yugoslavia and over the last 10 years have suffered under Serbian oppression. Dr. Socan, Slovenia's envoy to the European Community in Brussels, sketched the background of the Balkan crisis. The dramatic collapse of the Yugoslav economy since 1986 has fed Slobodan Milosevic's Serbian fascism. One resolution, "Save Croatia and Europe's Conscience," was adopted unanimously.

Revolution in Credit Policy

American economic scientist and Democratic presidential candidate Lyndon LaRouche, despite his nearly three-year incarceration as a political prisoner of the Bush regime, had sent a speech from prison which provided historical depth to the current struggles. Just as the bankruptcy of the Lombard usurers of the 14th century threw Europe into the Dark Age of plague and depopulation, he said, so the inexorable collapse of the Anglo-American financial system today is making millions of people into victims of the "Four Horsemen of the Apocalypse"—famine, pestilence, war, and death.

Yet just as it did in Italy at the end of the Dark Age, a renaissance can still follow this horror, LaRouche said. To stop the bottomless slide into world economic depression, the "shock therapy" of Margaret Thatcher and Jeffrey [illegible] model was unanimously rejected. The warning by the Am[illegible]can economic writer William Engdahl to East European participants, that after throwing off the communist yoke they must not now allow the IMF, World Bank, or GATT to rob them of sovereign control of their national economic development, was underlined eloquently by the speakers from East Europe.

Professor Nikolov from Sofia (Bulgaria) rebutted the IMF model, which in Russia would sink "the living standard below the biological minimum." He warned Russia not to adopt it, and criticized the current situation in Bulgaria as the "Pakistan model," because there is only a tiny layer of super-rich along with a broad population for whom things are getting worse and worse.

A representative of Rural Solidarity from Poland said that the Polish government's privatization policy is above all a job-creation program for the ex-communist Nomenklatura, who now grab lucrative jobs for themselves in the free market. Production is still dropping, and 2 million Poles are jobless. The direction of a positive economic program must be to put the unemployed to work in goods production for Polish domestic use and in projects like the construction of highways and railways, which contribute to the increase of production.

The reports by Dennis Small and Peruvian Congressman Carlos Calderon Carbajal, described the devastating results of IMF policies in Latin America: financial bloodletting through usurious interest rates, the boom of the drug cartels, control of whole land areas by the drug mafia and their terrorist bands, and famine and malnutrition, as well as outbreaks of cholera and other epidemics.

The "Productive Triangle"

Dr. Jonathan Tennenbaum, co-author of the book "An Economic Miracle for Eastern Europe," explained the proposed Eurasian infrastructure program of Lyndon LaRouche, starting from the "Paris-Berlin-Vienna 'Productive Triangle,'" with the details that have been worked out since the original conception appeared in 1989.

One particular project, the planned coastal highway from Luebeck to Gdansk, was reported on by the German businessman who initiated it, Walter Merz. The six-lane highway over the 50-60 kilometer distance will not only decisively improve transportation between Western and Eastern Europe, but also contribute to economically develop the 150-kilometer band around the road.

Professor Ilya Ryabchenko, chairman of the State Commission for Science and Technology for Ukraine, explained the high scientific and techno[illegible] LaRouche's "Food for Peace" policy to the dangerous GATT policy which would sink food supplies even lower by removing farm subsidies. "All nations have a common interest in sufficient food reserves, so that no one has to go hungry anywhere."

Worldwide Movement

The most surprising aspect of this conference was the harmony with which citizens from Eastern and Western Europe, the United States, Asia, Africa, and Latin America discussed problems and s[illegible]ions.

Democratic State Senator and civil rights activist Theo W. Mitchell of South Carolina came as a representative of the real America. He lashed the Bush regime's policy for having driven the country into poverty and collapse. Yet Bush, and Reagan before him, would never have come [illegible] power, but for the timidity and cowardice of the Democratic Party. Lyndon LaRouche had dared long ago to come before the nation and world public opinion and to say that the fatal errors of Reaganomics would doom it to ruin and that the world economy would be brought down with it. Even today LaRouche is the only one who knows a way out of the crisis. Only an infrastructure program like the Productive Triangle in Europe will help the U.S. today. "Abolish the IMF!" Senator Mitchell said; the world needs a new, just world economic order.

It was happily noted that many representatives came from the former Soviet bloc. A delegation from Armenia was led by Yerevan City Councilman Bhabouklan; Guntis Vilcans, a member of the Latvian Citizen's Congress from Riga was there; and Ukrainian economics teacher Prof. Sikora and his colleague Filipenko from Kiev, along with their counterpart Prof. Dr. Taras Muranivski from Moscow University, and Prof. Beletski from the private consulting firm Sovintercontact, who belongs to the Boris Yeltsin camp. Dr. Kemur of Afghanistan, who played a leading role in the Finance Ministry before the Soviet putsch of Babrak Karmal, spoke of the 2 million victims which the Afghan war had cost. "But we are proud," he added, "that we beat the Red Army in Afghanistan and thereby contributed to the fall of the Wall in Germany in 1989."

Closing remarks were made by Elisabeth Hellenbroich, editor of the cultural magazine Ibykus. She spoke of the Christian-humanist image of man—man endowed with reason in the likeness of God, in distinction to the anti-human concept of the Malthusian Club of Rome—which must become the basis of the democratic reorganization of society in the East, if it is truly to lead to a new renaissance.

AMERICAN *Almanac*

How Usury Destroyed America's Family Farm System

The Association has a plan of [illegible] collect this loan, that plan being that when the guaranteed [illegible] will be made to accelerate the indebtedness and [illegible] to get the terms of the guarantee.

Farm credit officials accused of abusing U.S. loan program

FmHA showed little inte[illegible]

Grand jury investigates charges

Why Iowa brothers are suing PCA

by S. [illegible] and S. Rose

"The Farm Credit System and the FmHA were entrusted with the well-being of the nation's food supply. Instead, they became instruments of usury, which transferred over $40 billion out of the farm sector. . ."

In 1989, a federal grand jury was convened in Cedar Rapids, Iowa, to hear facts bearing on charges that the Farm Credit System (FCS) deliberately arranged farmer indebtedness in order to liquidate the farm, then collect federal loan guarantees. The letter reprinted above, from Bruce Baumgarn, a PCA vice president, is part of documented correspondence by PCA officials about handling farm loans so as to collect on government guarantees. Baumgarn wrote to PCA official Evelyn Carlson: "The Association has a plan of action to collect this loan (the Caviness farm). . . . The Association is also very reluctant to indicate this plan of action in anything but an informal letter such as this which will not be part of the permanent loan file. In order for the Association to collect this loan, it is anticipated litigation will be involved and no doubt the content of the loan folder would be revealed in litigation. If the Association indicates in its loan comments that it entered into the guaranteed loan with these borrowers with the vile intent of collecting the indebtedness and perhaps not working with them, it may jeopardize our guarantee (from the government.)"

However, no charges were filed, and the grand jury expired. Investigations by the Inspector General of the U.S. Department of Agriculture and the Government Accounting Office likewise covered up the wrongdoing.

Before [illegible] the family farm system. The parity price system, through which a farmer is paid the cost of his production plus a profit to reinvest to maintain his productivity, was phased out, beginning in 1954.

The most important of the liberal establishment planning groups against the family farm system was the Committee for Economic Development (CED). It was set up in 1942 by the Wall Street elite to plan postwar economic policy for Europe and the United States. The group included S.D. Bechtel, chairman of the board of Standard Oil; Ilon David from the Harvard Business School; Thomas J. LaMont, *from J.P.* Morgan investment bankers; Nelson Rockefeller; and William Benton *from the University* of Chicago. Their agriculture policy called for "free trade," curtailing and controlling technological progress, dumping goods on poorer markets, decreasing acreage of cultivated lands, and decreasing farm price supports.

In 1962, a CED blueprint for agriculture was released which demanded a complete restructuring of agriculture by reducing the number of family farmers. Entitled "An Adaptive Program for Agriculture," the report advocated utilizing "positive government action" to facilitate and promote the movement of labor and capital [illegible] exposure, because the ability of farmers to repay debt was simultaneously being undermined by government-led moves to reduce farm prices below parity levels.

By 1972, when the Soviet markets were being opened up for U.S. grain sales, massive amounts of credit were being infused into the farm sector. The demand for U.S. grain exports suddenly exploded and transformed the face of U.S. agriculture. At the same time, government-backed farm price supports were dropping. In 1970, the five-year farm bill lowered [illegible] by 15 percent, driving more than a million farmers off the land during the 1970s.

Young, new farmers came into the system through offers of plentiful cheap credit which were made through the Farm Credit System. Established farmers borrowed in order to help their children, all to meet the need for the growing U.S. export market for grain shipments to the Soviet Union. The small, diversified farms which had historically been the center of U.S. agriculture, gave way to larger monoculture tracts, which grew wheat and corn for export to the Soviets and the cash-crop new specialty for export to Europe, soybeans.

Land prices soared and land speculation took off, fueled by cheap credit provided through the Farm Credit System. (Figure 1). The farmers

During the land-price boom of the 1970s, owner investors in farm assets averaged $53 billion annually in capital gains from land speculation. About one-third of the increase in value went to non-operator landlords. The rest was split among farm operators, most of whom owned only part of the land they farmed.

By 1978, land prices were 78 percent higher than they had been in 1973, an increase which was three times that of farm income. The increase in land values created more equity on lending institutions' balance sheets, which permitted them to increase borrowing. At this time the Farm Credit System began issuing consolidated system-wide bonds to finance their lending, further ensuring that the entire system would be responsible for the total debt, rather than just the amount each district bank had borrowed.

The Bubble Grows

In 1979, Jimmy Carter chose Paul Volcker to head the Federal Reserve. Volcker increased interest rates sharply, and as they rose, funds flowed from low-interest deposits to higher-[illegible] money market certificates. Rural [illegible] did not have the ability to tap sources of funds such as foreign deposits, larger negotiable certificates of deposit, or other instruments available to larger urban banks. This undercut the ability of rural banks to lend to farmers during a year when loan demand was high. As a result, farmers turned to Farm Credit and to FmHA. Farm Credit's share of total farm debt rose to 30 percent, while the Land Bank's share of the real estate debt rose to 35 percent. At the same time, the system began issuing a substantial number of long-term "non-callable" bonds to investors at interest rates between 11 and 13 percent.

Farm Credit Act amendments in 1980 allowed the Land Bank to loan up to 97 percent of the market value of the farmland collateral when the loan was guaranteed by some government agency. Congress also passed the Young, Beginning, and Small Farmers lending program which made more opportunities for lending available to the Farm Credit System. Farmers continued to refinance in order to stretch out their debt load, continuing to borrow against increase in farm real estate debt was provided by the Land Banks. Their share of all debt secured by farm real estate rose to 43 percent. Farm debt, which was almost negligible before 1970, rose from $52 billion in 1970 to $204 billion in 1984. It grew during this period to 1,350 percent of net farm income (see Figure 3 and Figure 4).

By 1982, the Farm Credit Administration's national board adopted a regulation which effectively removed loan-making authority from the local farmer boards. The decision-making authority over the loans was moved to "professionals" within the Farm Credit Banks because farmers' loans were expected to deteriorate.

At this point, interest charges were about 15 percent of the total farm production expenses and nearly double the share of 10 years earlier. All asset accounts except livestock and poultry declined. The real value of land dropped about 18 percent, while outstanding debt grew 2 percent.

Anticipating the farm liquidity crisis, the Farm Credit System developed its plan for reorganization in 1983. Called "Project 1985," the report presented a plan for restructuring the FCS in expectation of the collapse of the farmland bubble which would occur two years later. At the same time, Congress passed a key piece of legislation which would trigger mass liquidations when it was implemented in 1985. Called the International Lending and Supervision Act of 1983, it mandated an accounting change for the Farm Credit System. FCS would have to transfer a large portion of its expected income and equity to the deficit side of the balance sheet in anticipation of future potential losses, called a loan loss reserve. The rules of the system changed. Farmers' loans were now going to be evaluated differently. Had their calculations of anticipated losses been based solely on a projected drop in land values, the disappearance of farmers would not have been as high as policymakers desired. In order to achieve a sufficiently high destruction of family farmers, farmer conservative projections were made by loan officers using double the usual annual expenses plus added liquidation expenses and legal fees. Double the amount of loan loss reserves were established than were actually required, putting the system technically in the red. Because of the new income-expense criteria, the evaluation of individual farmers

control over the world's food supply.

The Farm Credit System, the widely heralded "farmer controlled" cooperative of 37 banks and credit associations, and the FmHA (set up by Congress) were entrusted with the well being of the nation's food supply. Instead they became instruments of usury, which between [illegible] and 1985 transferred over $40 billion in [illegible] interest on real estate debt alone out of farming into the hands of the banks, insurance companies, and investors. A comparable [illegible] was extracted in interest on operating [illegible] producers and other [illegible] production.

[illegible] The list includes [illegible] banks that [illegible] by the Farm Credit System to [illegible] for their own gain [illegible] such as Chase Manhattan [illegible] Chemical Bank, the three largest [illegible] banks Wells Fargo, Security Pacific and BankAmerica, as well as [illegible] Salomon Brothers [illegible] Sachs [illegible] participated with [illegible] banks [illegible] which were [illegible]. When farm [illegible] in the mid 1980s [illegible] guarantee [illegible].

Origins of the Farm Credit System

[illegible]

How They Did It

From the late 1960s on, changes in regulations, banking practices, and procedures took place in the Farm Credit System and the FmHA which facilitated the practice of usury. Deregulation began in 1968, when the Farm Credit System repaid its government capitalization and became fully private. At the same time, FCS enjoyed the reputation of being a "government-backed" system, that is, it was understood by investors that the government would back Farm Credit System securities, if necessary. Decision-making control over the system's banks and associations, however, was nominally vested in the farmer-elected boards, both national and local. The National Commission on Agricultural Finance was formed in 1969 to plan long-term changes in the system which would put it completely in the pocket of Wall Street. Serving on the commission were representatives of the CED, the Farm Credit System, the media, all of the major farm groups, and the Federal Reserve.

Many of the recommendations of the commission were incorporated in the 1971 Agricultural Credit Act. This act was the first major overhaul of the system since 1933. It further deregulated agricultural finances. Under the act, the USDA would no longer supervise the Farm Credit System. From then on, auditing of its banks was done on a regional level. The conditions were ripe for a heist.

The act was passed the same year the Nixon administration took the dollar off the gold reserve standard. The postwar monetary crisis had hit full force, and Wall Street found it necessary to find new sources of liquidity and new avenues for debt creation, and sources of profit through usury. Hence, the dollar was unmoored and an unprecedented orgy of speculation began. The farm sector was a juicy target. The 1971 overhaul of the FCS put into place mechanisms which would trigger, and then manage, the mass liquidations that had been recommended in the "Young Executives Report."

One of the highlights of the 1971 act was an increase to 85 percent in the amount the Federal Land Bank could loan against farmland as collateral. The collateral would now be valued according to its "market value," instead of its productive value. This not only increased the [illegible]

where a higher rate of return on investment could be achieved by financial institutions.

A decade later, in 1971, "The Young Executives' Report" appeared. It was written in conjunction with the CED by a committee of "young executives" from the U.S. Department of Agriculture (USDA). The committee included Eric Thor, who was simultaneously participating in a commission to restructure the Farm Credit System, called the National Commission on Agricultural Finance. The report stated that by the year 2000, some 2 million family farmers should be eliminated and that the nation's food supply could be maintained by 500,000 corporate farms. The plan recommended that farm policy disregard the incomes of farmers and be concerned only with ensuring enough production to meet needs of the domestic and export markets. The "young executives" speculated that 78 percent of American farms would be eliminated.

costs rose, too, as a result of the speculation. Farm taxes tripled, fuel costs had tripled, interest charges multiplied. But farm income dropped. By by the end of the 1970s, the price to farmers for major commodities had been cut in half (Figure 2). [illegible]mers who took pride in staying out of debt, were forced to borrow because of the high costs created by the speculation.

Interest rates on *Federal Land Bank loans* were 8-10 percent during the 1970s. A farmer never makes more than 3-4 percent real profit from production, even in the best of times. Usurious interest rates, in many instances, put the cost of interest *per acre* close to or above the actual farm income per acre! For a while, a usurious rate of return (anything over 2 percent on credit extended) can be extracted *from farming*, if the farmer cannibalizes on his family's living expenses, cuts costs in maintaining the productivity of his land and equipment, and increases output. But this cannot go on forever.

Refinancings began to increase during the 1970s as equity was taken out of the farm operations to restructure debt, to expand operations, and to meet short-term obligations. *Off-farm income* grew to the point that it was nearly 60 percent of the total farm income, as farmers were forced to work in town to earn enough money to make their payments and cover their costs.

an inflated equity, created by the bloated land values. Over half the growth in farm debt was secured by farm real estate. Farm real estate debt grew at the greatest rate in 60 years. Assisting in the vast flow of funds into the Farm Credit System were the ever higher interest rates offered to investors, which reached over 15 percent.

The Bubble Bursts

The five-year 1981 farm bill, titled the Agriculture and Food Act of 1981, allowed the commodity loan rate, or the *basic price support* mechanism for grains, to be [illegible]ed another 10 percent. Then, in 1985, the new five-year farm bill took loan rates off a parity standard entirely and caused a massive collapse of prices. Farm price supports were dropped 40 percent, and farm incomes overall fell 15 percent between 1985 and 1980.

Here is what farmers faced: The interest rates on Federal Land Bank mortgages rose to 13 percent in 1984. Farm cash receipts however, increased only 4.6 percent, while production expenses rose 8.6 percent on a cash basis.

Almost *half* the loans made by the Farm Credit System at this time were to refinance existing debt. Moreover, nearly 75 percent of the net loans made farmers candidates for foreclosure and liquidation.

The Trap Is Sprung

In 1985, the trap was sprung. Newspaper headlines blared that the Farm Credit System was suffering massive losses. It was not explained that these losses were due in large part to accounting changes.

Marvin Duncan, chief economist with the Federal Reserve in Kansas City, wrote in February 1985 in the *Economic Review of the Federal Reserve Bank of Kansas City* that restructuring debt won't help in a farm crisis. Farmland must change hands. Several months later, Duncan assumed the second highest position at the Farm Credit Administration. The stage was set for farmer liquidations.

A system of "restructuring" and renegotiating the farmers' loans began. Interest rates on the most "distressed" loans were raised to astronomical levels, sometimes twice their previous rate, and the farmer was left to await foreclosure. If the farmer had additional collateral to be taken, his loan would be "restructured" and he would be offered a partial debt set-aside for one to three years, in return for more collat-

Please turn to page 10

FIGURE 1
Iowa Land Values Soar
(current dollars per acre, 1940-86)

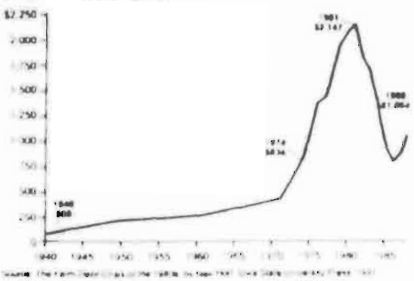


FIGURE 2
Prices to Farmers Collapse

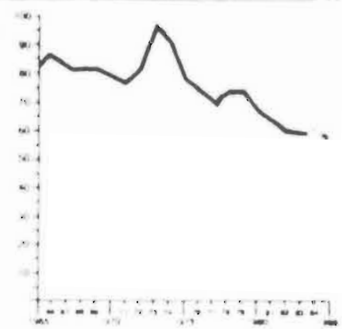


FIGURE 3
Farm Debt Soars, Farm Income Stagnates

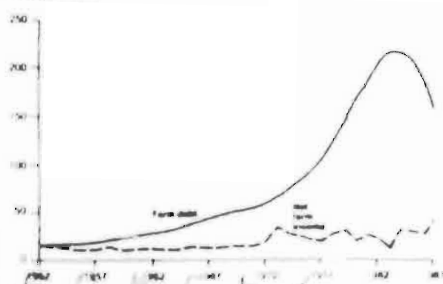
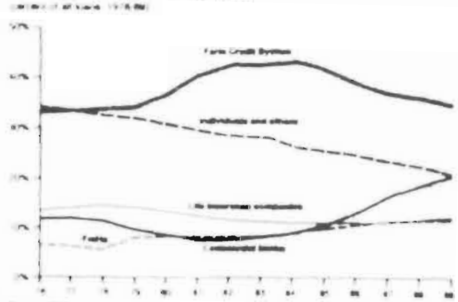


FIGURE 4
Holders of Farm Real Estate Debt



AMERICAN *Almanac*

The Eco-92 Summit: The Oligarchs Move for an Eco-Fascist Global Order

Excerpts from a Schiller Institute White Paper

UNCED Secretary General Maurice Strong. Below: Worldwide Fund for Nature patron Prince Philip of England.

[redacted] Mother Earth" not seen as a sacred be- to be grievously at any and all costs.

With this foundation, Eco 92 has the follow- principal objectives:

1) An end to national sovereignty. The one- world concept of a "Global Commons" would re- place the concept of a "community of principle" based upon inviolable national sovereignty. No longer would a nation's forests, rivers, mineral and other biological resources be viewed as a part of its national patrimony, to be harnessed for the well being and development of its popu- lation. Instead, they would be considered man- kind's "heritage," warranting "legally binding global regulation," perhaps under the auspices of a new United Nations Environmental Secu- rity Council. The ongoing drive to "internal- ize" the Brazilian Amazon is the first ma- jor test of this concept.

2) Depopulation. The UNCED Secretariat as- serts in its document on population that the earth's "biological systems . . . are in danger of losing their capacity to sustain the rising lev- el of population and meet resource demands. De- veloping sector nations are held responsible for this "runaway population growth," which "eats up resources that could otherwise go to environmental controls."

The Secretariat's proposed solution is that "methods of population reduction, including in- voluntary abortion and sterilization such as is already practiced in China, Brazil, and else- where, should become globally enforceable."

An early precedent for this kind of global population control strategy was adopted se- cretly by the U.S. government during the period of prohibiting environmentally unsound technologies, developing nations would be de- nied the right to develop advanced technologies in the nuclear, aerospace, chemical, biological and other fields. Thus would end, once and for all, their chances for high technology based growth to overcome underdevelopment. And in many areas, would send them back to pre-industrial times. In fact, the UNCED proposals on technology transfer explicitly argue for con- tinuing "appropriate technologies" that en- courage backward, rural and indigenous practices.

For example, under the heading of the "Ozone Depletion Theory" (see article, this page), underdeveloped nations would be denied the technology for large-scale refrigeration necessi- tated by solving their population's food needs. Be- cause of the nuclear waste scare, nations would be denied access to nuclear energy, forcing them to burn coal and oil, thereby [illegible]

Planting a staple [illegible] in Africa with no help from machines. [illegible] what the environmentalists consider appropriate tech- nologies, for most of mankind.

misery.

4) Debt collection. With "sustainable devel- opment," i.e., zero economic growth, legally en- forceable under Eco 92, the banks and financial institutions which blatantly fund the environ- mentalist movement will be the big beneficiaries, rather than participating for their own devel- opment. Developing sector nations will be forced to channel even more of their resources into debt repayment. One brand new mecha- nism for enforcing this is the so-called "debt for nature" swap, under which developing sector nations are pressured to hand over territory for internationally supervised "environmental protection," in exchange for immediate debt cancellation.

It is no accident that such institutions as the World Bank and International Monetary Fund are in on the ground floor of the planning for Eco 92, promoting the notion of "environmental protection exchange programs" which would force debtor countries to reduce population growth and abandon allegedly unsound technologies and industrial processes, and swap debt for nature. There is a contradiction [illegible] with about the- using a Global Environmental Facility admin- istered by the World Bank and an Earth Fund administered by former International Mone- tary Fund directors, which would control a large portion of the funds available for the "sus- tainable development" projects such debt- swaps would require.

"Paganism Incognito": The most important objective of Eco 92 is to consolidate a "New Age" cultural paradigm shift which has been under way for two decades to destroy the idea of "man in the living image of God," and thus capable of infinite development, and replace it with pagan beliefs that equate man with each and every other animal species.

Times of NCPAC head Maurice Strong has de- scribed Eco 92 as "a whole new vision" and as "a sea change in relations between countries and people."

The author of Brazil's Environment Secre- tary is a intellectual is exemplary of this "new vision." Lutzenberger heads the Gaia Society of Brazil and claims that ecology has never been a technical question, but a religious one. Lut- zenberger explains: "For the nature worship- per, nature itself merely the object of study and exploitation, she is much more. She is divine. She is sacred, and we humans are merely a part of her. In the book of Genesis we individu- al humans are told that we are the owners of one of the most precious resources which today seems to be rare: the industrial society is signed with utter terror- ism by the tremble of Gaia."

Lutzenberger's role has appointment to the Brazilian cabinet through the influence of Prince Charles of England, a fellow-earth wor- shipper to last many leaders of the Gaia Prin- cipal in England are closely tied to the British royal family, where Prince Philip, the Queen's consort, is head of the World Wide Fund for Nature, a leading member of Eco 92. Prince Philip now shares a [illegible] to the new [illegible] and has published [illegible]

of memoranda was issued by the U.S. National Security Council, arguing that U.S. control over developing sector natural resources was being *threatened by the growth of population in those* nations, and that this constituted a "security threat" to the United States. The most explicit of those documents, National Security Study Memorandum 200, targeted 13 strategically important Third World nations for radical depopulation programs, and recommended means to form such programs on those target nations.

3. Technological apartheid. Under the pre-

4. Zero economic growth. People like UNCED Secretary General Maurice Strong argue that they are not really against development, per se; it's just that environmental concerns must also be considered – thus the new catch word, sustainable development. This argument is an utter fraud, meaning in practice that development must cease in order to "save the environment." The false premise behind sustainable development is that mankind faces unsolvable problems of "resource scarcity" and population pressures," exactly as described in the

of the environment.

What Lutzenberger fails to report is that a hunting and gathering based society could not support a global population greater than 10 million people. Does Minister Lutzenberger propose to simply kill off the remaining 5.5 billion people?

UNCED is preparing a special charter of "indigenous rights" to be ratified at Eco-92, which would erect a legal barrier between these people and the rest of human civilization in order to "preserve" them in glorified Stone Age

take reincarnated as a deadly virus, so that he could help eliminate the world's excess human population. In a May 18, 1990 address to the National Press Club in Washington, D.C., Prince Philip asserted: "It is now apparent that the ecological pragmatism of the so-called pagan religions such as that [illegible] American Indians, the Polynesians and [illegible] Australian Aborigines was a great deal more [illegible] in terms of conservation ethics than the more intellectual monotheistic philosophies of the revealed religions.

THE HOLES IN THE OZONE HOAX:

What You Need to Combat Green Propaganda

H[illegible] combat the [illegible] Anglo-American [illegible] to implement [illegible] New World [illegible] to show that all [illegible] emphatically [illegible] United States. Save [illegible] industrial [illegible] resources [illegible] should be [illegible] deduction [illegible] science and [illegible] of the scientific

[illegible] The Big

[illegible] depends for its [illegible] big lies—one [illegible] often that the [illegible] drive. This book [illegible] the scien[illegible] debunked [illegible] the [illegible] publicized [illegible] over the past 20 [illegible] concentrations [illegible] molecules, the [illegible] and [illegible] makers [illegible] Man's work on [illegible] destroying [illegible] an advanced [illegible] the condi[illegible] it built atop [illegible] Big Lies:

[illegible] atom from a [illegible] that destroy [illegible] molecules up [illegible] in the stratosphere.

In fact, CFCs are *inert, nonreactive, nontoxic, nonflammable chemical compounds that do not destroy ozone or anything else. To turn CFCs into destroyers, the ozone hole propagandists have theorized that, high in the stratosphere, ultraviolet radiation breaks up the CFC molecules, releasing a molecule of chlorine, and that this chlorine molecule then becomes the villain that allegedly destroys the ozone layer.* Omitted from this story of mass destruction is the fact that the amounts of chlorine contained in all the world's CFCs are insignificant compared to the amount of chlorine put into the atmosphere from natural sources (see Figure 1).

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

In fact, CFCs are heavy, complex molecules and there has yet to be published a single scientific paper that presents any documented observations of large numbers of these molecules in the stratosphere. It is especially difficult to see how they can rise to 30 kilometers, where the greatest concentration of ozone is located, and even up to 40 to 50 kilometers, the only altitude at which there is intense enough ultraviolet radiation to break up CFC molecules releasing chlorine. At lower altitudes, the ultraviolet rays are filtered out. Present claims are based entirely on the supposition that CFCs will rise to the stratosphere because they are not water-soluble molecules, which means there are allegedly no sinks or resting places for them on the surface of the Earth.

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

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

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

Chapter 1: The Facts About Chlorine

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

The yearly production of CFCs is presently estimated at approximately 1.1 million tons a year, which includes approximately 750,000 tons of chlorine. Compare this to the natural sources of chlorine gases as shown in Figure 1.

- More than 600 million tons of chlorine are released into the atmosphere every year by the evaporation of seawater, which contains salt, sodium chloride, NaCl. Large amounts of this chlorine reach the stratosphere through the pumping action of thunderstorms, hurricanes, typhoons, and other cyclonic activity.
- Tectonic degassing volcanoes pump more than 36 million tons of chlorine gases into the atmosphere in ordinary years when there are no volcanic eruptions. Great volcanic eruptions pump down a few million to hundreds of millions of tons of chlorine into the atmosphere. Most important, violent volcanic eruptions will inject gases and debris directly into the stratosphere.
- 44.4 million tons of chlorine gases are produced by forest fires and the burning of biomass, largely as a result of primitive slash and burn agriculture methods and the lack of modern energy sources in the developing sector.
- Ocean biota, including algae, kelp, and plankton, have been measured to emit more than 5 million tons of methyl chloride into the atmosphere, and vast amounts of this biotic source of chlorine have been measured high in the stratosphere. Recent studies indicate that land plants may also contribute vast amounts of methyl chloride to the atmosphere.
- In addition, untold millions of tons of chlorine enter the Earth's atmosphere from outer space, as a result of meteorite showers and cosmic dust encountering the atmosphere and burning up.

These comparisons are even more startling when the actual amounts of chlorine allegedly released from CFCs are compared to the natural sources. According to the theory, approximately 5% of the CFCs are broken up in the stratosphere every year (the reason why they have lifetimes of over 100 years in the atmosphere). Therefore, a year's production of CFCs would contribute at most 1.5 million tons of chlorine to the atmosphere. That is if CFCs are [illegible] breaking up in the stratosphere at all – which there is no evidence.

Chapter 3: Experimentalists vs. Modelers

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

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

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

Solomon went on to Antarctica together with

[illegible] and the measurements at McMurdo Station. These are the famous measurements that show concentrations of chlorine in the stratosphere 100 to 1,000 times greater than the expected concentrations. These concentrations were [illegible] immediately [illegible] CFCs as proof that man-made CFCs were releasing the chlorine that was destroying ozone and creating the hole. None of these [illegible] measurements [illegible] balloons [illegible] the balloons [illegible] chlorine [illegible] above McMurdo [illegible] which [illegible] more than 1,000 tons of chlorine every day [illegible] the existence of this active volcano is never even mentioned in the accounts of chlorine measured at McMurdo.

[illegible] National Academy of Sciences [illegible] percent [illegible]

Chapter 8: The Cost of the Ban

[illegible]

Figure 1

Atmospheric Sources of Chlorine

(million tons)

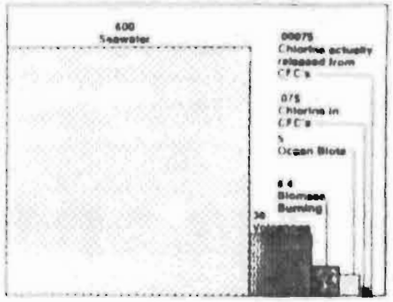


Figure 2

Mt. Erebus Chlorine Output Compared to Chlorine Released from Breakup of CFC's

(tons)

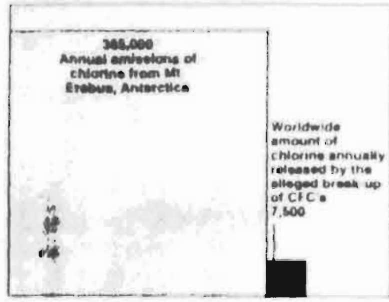


Figure 4

Natural Sources of Bromine Compared to Bromine in Halons

(tons)

such "drop-in" replacements. That means that all of the existing equipment that uses CFCs will have to be junked and replaced by equipment which can use new chemicals. Given the fact that the equipment to be scrapped includes hundreds of millions of home, commercial and industrial refrigerators, it is not a small matter.

The awesome amount of equipment to be scrapped includes:

- [illegible] million refrigerators and freezers,
- 120 million cold storage units,
- 100 million refrigerated transports,
- 150 million car air conditioners.

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

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

There is not enough space in this book to detail the consequences and costs for the world economy of the ban of CFCs and related chemicals. Perhaps one example—how the ban will affect air conditioning—will suffice to give an idea of the scope of the disaster. As a result of the ban on CFCs, the air conditioning systems [illegible]

replace CFCs. Du Pont Company, Britain's Imperial Chemicals, Allied Signal, and Hoechst have all spent hundreds of millions of dollars and $1 billion total has been invested in the search. The expenses are high, but so is the payoff. The company that patents a replacement for CFCs stands to make tens of billions of dollars in profits.

Chapter 9: No More Chemicals?

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

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

Halons, chlorofluorocarbons which contain a bromine atom in their chemical structure, are a *special branch of the CFC family*. The bromine atom gives halons extraordinary properties in extinguishing fires and suppressing explosions. There is no chemical known to man that can extinguish fires as quickly and effectively as halons. Furthermore, halons are nontoxic, non-corrosive, and not damaging to electronic equipment. The toxicity of halons is so low that they can put out a raging fire without harming anyone present. Carbon dioxide, by contrast, which is also effective in fighting fires, suffocates people and animals. Other fire-fighting chemicals extinguish fires without harming people, but destroy electronics and computer equipment.

The [illegible] of halons [illegible]

Figure 3

Timetable for Chemical Bans Under the Montreal Protocol

Controlled Substance	Uses	Controls under 1990 update to Montreal Protocol
CFCs	Refrigeration, air conditioning, rigid & flexible plastic foams, solvent in electronics industry, aerosols	Complete phaseout by 2000
Halons	Fire Extinguishers (especially in [illegible]), ships, aircraft, computer rooms)	Complete phase-out by 2000
HCFCs	Replacement for CFC's in refrigeration, foam blowing and aerosols	[illegible] 2040. Most likely to be banned by 2000
Carbon Tetrachloride	Chemical feedstock for CFC's, solvent in pharmaceuticals, pesticides, [illegible]	[illegible] percent by 1995, phase-out by 2000
Methyl Chloroform	Solvent for [illegible] manufacturing and electronics industry	[illegible] percent by 2000, phase-out by [illegible]

ozone layer. Congress this spring will debate more than 12 bills that would ban the production and use of Halon 1301, a gaseous substance [illegible] on more than 20,000 Army combat vehicles [illegible] the M1A1 Abrams main battle tank and M2-3 Bradley Infantry Fighting Vehicle.

"It is [illegible] widely because it extinguishes fires almost instantly and does not [illegible] sophisticated electronic equipment or [illegible] machinery. ... In 1969 the Army selected Halon over conventional fire extinguishers such as automatic sprinklers, carbon dioxide, dry chemicals or foam."

"Once a fire erupts inside the tank crew compartment, the Halon is automatically released and mixes with chemicals in the fire. The gas kills the fire in less than one quarter of a second, [illegible] say. Its success has prompted NASA and the Federal Aviation Administration to use Halon to stave off fires in the space shuttle and commercial aircraft."

Chapter 10: Who

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

What kind of profits will the cartel rake in?

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

The giant chemical companies have already made more than $6 billion in profits from the prohibition on CFCs. CFCs have become [illegible]

Chapter 10: Who Benefits?

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

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

The *Journal* article concludes: "The most early winners in genuine ozone-friendly market are the leaders today in CFC production: E.I. Du Pont de Nemours of Wilmington, Delaware; Hoechst AG of West Germany; Atochem SA of France; Allied-Signal Inc. of Morristown, New Jersey; and Imperial Chemical Industries PLC of England."

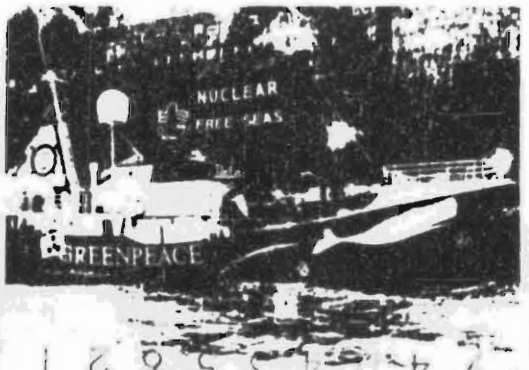
The ozone war is on for real. The ban on CFCs has effectively created one of the most closely held cartels in the history of commerce. Three gigantic chemical corporations have total control not only over the patented products but also over the means of production.

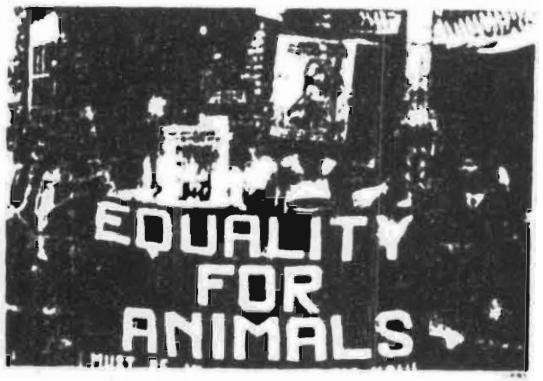
On June 29, 1990, Du Pont announced it would build production facilities worldwide to produce "environmentally safe" CFCs. Du Pont (increasingly scarce since the signing of the Montreal Protocol in September 1987, and prices are now six to twenty times—depending on the product—what they were at the beginning of 1988. CFC-12, *for example*, the CFC most widely used in refrigerators and air conditioners, was sold for 50 cents per pound in 1988; it now costs between $3 and $5 per pound. *Experts in the* refrigeration industry estimate that by 1995, when CFC production is scheduled to be reduced to 50 percent of what it was in 1986, the price for CFCs will have risen to between $15 and $25 per pound. It should be noted that the cost of production will be the same—less than 50 cents per pound. The difference between the sale price and the cost of production falls to the coffers of the chemical giants.

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

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

Look at the numbers. In 1988, the world market for CFCs used in refrigeration was about $1 billion. The leading candidate to replace these CFCs is Du Pont's patented HFC-134a. Despite Du Pont's protestations, it would be no more than two to five times as expensive. Now that HFC-134a has reached the market, it carries a price tag 30 times larger than CFC-12: $10 per pound instead of the 50 cents per pound CFC-12 cost in 1988. This means a total price tag of $30 billion to HFC-134a users to replace CFC-12 worldwide.





AMERICAN *Almanac*

LaRouche Tells Berlin Conference

Financial Crisis Is Opportunity To Build New World Economic Order

LaRouche on the White House campaign trail in 1984

[redacted]

De[redacted]

course of cooperative action is the only rational choice of means to find mutual economic, social and political security.

Unfortunately, as we have seen, since the end of 1989, among the London and Washington circles of Castlereagh and Milner, continental Eurasia's great new opportunity is the dreadful geopolitical nightmare of Conrad's ruse de Brisis. Nicholas Ridley, Henry Kissinger, Lord Carrington, and similar people.

Although Britain's guilty role in causing World War I must be acknowledged now, if we are to find the roots of the post-1989 Anglo-American sabotage of Eurasian security, we must not overlook the contributing follies of relevant other powers, the follies of those powers either before [illegible] World War or at the present time. Then, before the first World War, recall that imperial Edwardian London was enabled to play the Castlereagh Holy Alliance game of divide and rule by exploiting such unspeakable but popular follies as speed, power, [illegible] logistics, fetishes, delusions, and above all, intellectual arrogance among the governments and populations of the powers.

Today's Anglo-American imperial fantoon of such figures as London's Chatham House's Kissinger, Eagleburger, and Carrington, plays the same kind of game upon the follies of European and other powers.

Opportunity for a Renaissance

Despite this cynical pattern in this century's events, presently there is reason to hope that the present economic debacle of the Anglo-American system might become the opportunity, the stepping stone, for a global moral and economic renaissance.

Future generations will look back upon our [illegible] technological progress into the corrosive decay of what is fairly described as post-industrial utopianism.

By 1970, the inertia of growth left over from the Kennedy recovery measures was spent; for terms of net depreciation of capital improvements of basic economic infrastructure, there has been an accelerating net erosion and collapse of the U.S. physical economy since 1970-1971.

Until the successive financial and related crises of 1987, 1989, and 1990, the full impact of this cumulative U.S. economic contraction was masked, not merely by increasingly fraudulent official economic statistics, but also by scandalous, widespread misevaluation of the growth of incomes and relative employment in nonproductive categories of administration, services, and parasitical financial speculation.

Thus, the fullest impact of the contraction upon the U.S. economy essentially was masked by the ability of the United States as a superpower to loot or bleed [illegible] not only developing nations, but even of industrialized allies, on Japan and Western Europe.

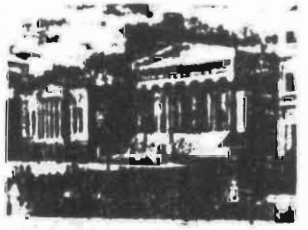
The 1968-1972 stepwise demonetization of the Bretton Woods gold reserve agreements, and the substitution of a floating exchange rate system, brought to an end the possibility of sustaining the international long-term division of costs below the rates of achievable yields in long-term productive investments.

This was greatly aggravated by the Kissinger petroleum price hoax of 1972-74. The continuation of the 1971-72 and 1973-74 events destroyed the economies of the developing sector as a whole for as long as these cruelly absurd monetary policies remain in effect.

This collapsing of the developing sector's potential for technological progressive capital-intensive investment and increased productive powers of labor [illegible] and average consumption of the world economy [illegible]

How LaRouche Will Organize the Recovery

1 Scrap free enterprise



2 Refederalize the Federal Reserve and loan to restart production

3 Invest in high-technology, capital-intensive production and infrastructure

4 Increase the productive powers of the work force

5

"The collapse of the financial and monetary power of the Anglo-American oligarchy creates the political flank against which we must move now, to create a new world monetary and financial order."

[illegible] nations and cul tures during the [illegible] of an oncoming twenty first century [illegible]

[illegible] countries from de [illegible] we must take into account [illegible] between the [illegible] London and the Anglo-[illegible] policy trends of the [illegible] a similar [illegible] a similar phe [illegible] the re [illegible] economic, politi cal and cultural [illegible] of today.

[illegible] was impe [illegible] fear that a [illegible] 1914 period [illegible] with Paris and [illegible] [illegible] period.

[illegible] London utilized [illegible] Entente [illegible] Russia and [illegible] Austro-Hungary [illegible] the Balkan [illegible] vast [illegible]

[illegible] an emerg [illegible] a press [illegible] [illegible] immediate [illegible] [illegible] the capital [illegible]

[illegible] 1970s and 1980s, upon the cult fads of Thatcher ism free trade, deregulation, and lunatic forms of ecologism with the same abhorrence which history has already shown toward the tulip ma nia of the Netherlands past or the pathetic mobs of Flagellants of fourteenth-century Europe.

Fortunately, as in those earlier cases, there is a limit beyond which history will no longer tolerate such mass lunacies as these. We ap pear to have come near to such a breaking point inside the United States. The recent senatorial election in the U.S. state of Pennsylvania is one among a number of important recent positive signals which should *encourage* us. That Anglo American global financial and monetary sys tem which was established by the Versailles Treaties and which was reaffirmed by the insti tutions founded at the close of World War II, is now bankrupt, and is in the process of disinteg rating.

This collapse of that system not on[illegible] demands *radical reforms in economic institutions*; the self-discrediting of the system defines the his toric moment of political opportunity to estab lish long needed reforms.

To define this bankruptcy of the United States, of the Anglo-Americans, as briefly as possible, trace the principal turning points of the process since the 1957-1958 Eisenhower re cession inside the United States. That 1957 re cession was the inevitable and relatively disas trous result of the policies which were intro duced in 1954 *under the influence of economic* adviser and later ambassador to Germany Ar thur Burns.

Had there not been the recovery measures of the Kennedy administration, the monetary crises of 1968 and 1971 would have struck as early as the mid-1960s. It is important to note that 1963, the year of the November assassina tion of President John F. Kennedy, was also a period of some very critical techtonic and cor related changes inside Europe.

The coordinated emergence and kindred pol icies of Britain's Prime Minister Harold Wilson and of the United States Johnson adminis tra tion marked the beginnings of that Anglo-Amer ican bankruptcy erupting so conspicuously to day. Wilson and Johnson introduced a turn away from the earlier emphasis upon capital intensive investment in global scientific and [illegible] tion of the world's economy in per capita and in per square kilometer terms.

Descent into Depression

The U.S. deregulation of banking and trans portation during the 1978-1979 period and Fed eral Reserve Chairman Paul A. Volcker's Octo ber 1979 introduction of what he had identified as controlled disintegration of the economy, sent the United States economy into the steep recession of 1980-1982. Despite the foolishly much admired 1983-1986 expansion of non pro ductive employment in incomes, the physical economy of the United States has continued a downward slide without interruption from the period 1971-1982 up to the present day.

Instead of accepting a reform during the late 1982 period, when such financial reorganiza tion of international debt structures might have saved the core of the U.S. banking system, the U.S. government and financial establishment launched what became quickly the greatest *bubble of lunatic speculation* in modern histo ry, the so-called Thatcherite financial bubble which is at this moment collapsing inward upon the ruined physical economies of North America and the United Kingdom.

This 100-year history of the Great Powers' stubbornly repeated follies presents today's statesman with two urgent queries.

First, why were these bankrupt Anglo-Ameri can policies not corrected years ago, when the danger should have been obvious already? Sec ond, why might we hope today that we have a chance of changing these policies, in spite of the fact that we failed to make such changes in previous crises?

The core of the problem in policy making up to now has been this. That oligarchy which is based upon quasi-immortal family foundations, which is the core of the Anglo-American estab lishment, has reached the state of rarely chal lenged power over most of this planet. This has been generally the case and trend since the Versailles Treaty. As the power of stateless President Gorbachov has faded to a mere phan tom, like the grin of the fabled Cheshire cat, the Anglo-American establishment has deluded it self that the last agency capable of challenging its power over this universe, has faded away.

So in the imageries of classical Greece, the Anglo-American would be rulers of the world, these would-be gods of Olympos, have fallen victim to a fatal infection which the classical Greeks called *hubris*, the delusion that even the Creator of this universe must submit to the mer est whims of *Washington and London*.

There is an historical parallel most usefully considered in this connection.

We are situated today as the late fourteenth century forerunners of the Golden Renaissance were politically advantaged by the mass bank ruptcy of the usurious Lombard houses during the middle of that century. The present-day col lapse of the *financial and monetary power of the Anglo-American oligarchy* constitutes a devastating tactical setback for the political power behind such London Chatham House agents as Henry A. Kissinger. This creates the political flank against which we must move now, to create a new world monetary and financial order.

To organize a recovery from the bottomless global economic depression which is now in progress, we must move promptly to the follow ing effect. I shall simply identify measures which will be presented and discussed in de tail [illegible] later in this meeting.

Organizing the Recovery

First, the center of the economic recovery will be the scrapping of the lunacy of Thatcher's [illegible] shock therapy and related delusions of the so-called free trade cult of fools such as Har vard University's notorious Professor Jeffrey Sachs or former State Department official R. Mark Palmer.

2. We must adopt as our initial general policy of economic recovery the policy of the creation of state credit as a monopoly by sovereign na tional republics, credit used chiefly for the pro [illegible] of idled productive capacity with [illegible] sections of the labor force.

5 Build a new, just international economic order

3. This use of a monopoly of state credit among cooperating sovereign republics shall be chiefly for a massive development of nation al and international basic economic infrastruc ture and for promotion of capital-intensive modes of technological progress investment in production and physical distribution of ag ricultural, mining and manufacturing products.

The objective is to increase the productive powers and output of labor per capita and per square kilometer throughout the regions of northern Eurasia and the world as a whole.

4. It must be stressed that the sovereign states' monopoly of power to emit legal tender is a central feature of Article I of the 1787-1789 federal Constitution of the United States, as this monopoly is clarified by the relevant writ ings of U.S. Treasury Secretary Alexander Hamilton, one of the drafters of the U.S. Consti tution. This policy respecting state credit should must be prominently identified as the American System of Political Economy, as that American System was so named and was so introduced into European thought and practice by Germa ny's Friedrich List and Russia's minister Sergei Witte.

5. We must extend these initial measures of economic recovery to establish a new, just global economic order, an economic communi ty of common principle among members of a global community of what are each perfectly sovereign nation-state republics. This new, just [illegible] economic order shall replace the Versailles system, and shall replace such amended features of the Versailles system as the Bretton Woods monetary and financial in stitutions.

6. The implementation of such a just global economic order must as a practical matter be built around the center of the [illegible] and development of a northern Eurasian railway axis, this axis to be the generator of the supply of high-technol ogy capital goods required so urgently for the equitable transformation of the southerly por tions of this planet.

Thank you.

Usury Destroyed America's Family Farm System

[illegible] tate assets to generate cash, which caused an increase in the loss projections as the reduced values were plugged into the loan analysis forms. This effect began "snowballing" as the system tried to liquidate fast enough to gener ate cash to cover the ever increasing loss pro jections which were being caused by the higher interest rates and the reduced asset values. What all but a handful of people never realized was that the liquidations were triggered by po tential losses, not actual losses. The actual loss es, which were determined after the liquida tions, only required half the funds set aside to cover them. Therefore, the system was never in the dire financial condition being portrayed.

The liquidations continued until the end of 1987 when Congress passed the Agricultural Credit Act of 1987. Acting on the assumption that the system had booked $4.5 billion in loss es, Congress made some substantial changes. A further restructuring and consolidation was ordered. A new secondary market, Farmer Mac (Federal Agricultural Mortgage Corporation), was established to channel all qualifying ag ricultural real estate loans from the originators to "poolers" who would use them as collateral for a new security issue for investors. Congress also mandated that the system would generate sufficient income by raising interest rates to recapitalize itself and establish an account as insurance against future losses.

Overall farm debt increased 300 percent be tween 1970 and 1984. From 1985 on, the debt bub ble was reduced by foreclosing on hundreds of thousands of farmers and millions of dollars of loans. Between January 1986 and January 1988, some 46 percent of all Federal Land Bank loans were foreclosed upon, involuntarily liquidat ed, or paid off, or borrowers fled the system. A total of 305,000 farmers were eliminated from the FLB loan roster. The same thing happened to 54 percent of all Production Credit Associa tion borrowers. Some 184,000 hundred farmers were eliminated from the PCA loan roster. There was $23.5 billion of loan volume termi nated in the FLB. There were $10.5 billion in loan terminations in the PCA.

The FmHA began the liquidation of its farm er borrowers in 1988. In 1990, a report from the Congressional General Accounting Office said that the FmHA was prepared to write off as losses $12 billion or 44 percent of its outstand ing farm loans. Instead of a government bailout, there was a liquidation of both the farmer and of valuable farm properties. Throughout the so called "farm crisis" there was never a loss to an investor, and payments of principal and inter est were made on time.

Since the reorganization beginning in 1985, over 40 percent of U.S. farmland has moved into the hands of non-owner operators. Some of this land is rented by neighboring farmers who are forced into farming larger tracts in order to survive another season. But millions of acres are now in the hands of investors or large opera tors who simply hire the previous owner on as a tenant or employ one of the growing numbers of farm management companies to work the land for the owner investor on a strictly cash flow basis, which permits more intense looting of what was the family farm system of agricul ture. The large owner/operator who dominates the farm sector today finds the market con trolled by the cartels. (He is not actually con tracted to a cartel to run his farm.) Some 500,000 large farms now produce 80 percent of the na tion's food.

The family farm system as we know it has disappeared.

About 3 million farmers were lost between 1970 and 1990. Virtually all of the decline in farm numbers occurred on family-sized farms. The reduction in farm population during this time was 52.7 percent.

[illegible]

AMERICAN Almanac

Are Minnesota's Democrats The Most Corrupt in The Country?

Part 6: How the Mob Destroyed Its Political Enemies

by a New Federalist Investigative Team

M[illegible] Minnesota [illegible] Democratic Party [illegible]

Must G-Men Smash Local Racketeers?

The Mid-West AMERICAN

POLICE PROTECT KID CANN AFTER ATTACK ON LIGGETT

Above: Murder, Inc.'s "Bugsy" Siegel, a frequent visitor to the Twin Cities.

"Edith Liggett and Wesley Andersch both identified Blumenfeld as Walter Liggett's assassin. Yet Kid Cann was acquitted amid charges of jury-tampering, after 90 minutes of deliberation."

ALIBI WITNESSES FOR KID CANN TRIAL

At left: another Minneapolis newspaper reports on the trial of Kid Cann for Liggett's murder in December 1935. Two of Cann's four alibi witnesses were his brothers-in-law.

[illegible] comprised primarily of ethnic Rumanian Jews who were known and trusted by Lansky.

Their relationship was virtually family in nature. There was Isadore Blumenfeld and his two brothers, Harry and Yiddy Bloom. Yiddy was Meyer's bag man and cared for Meyer's paraplegic son, Buddy, in Florida. As recently as 1978, Yiddy was convicted in Philadelphia Federal District Court for stock market manipulation.

Another Twin Cities resident, John Pullman, a Rumanian Jew who had anglicized his name, was deported by the Immigration and Naturalization Service in 1954. Pullman continued to operate in Canada and Europe as a laundry for Lansky's vast illegal profits. Pullman is given the credit for "introducing" Lansky to the benefits of [illegible] banking under the auspices of [illegible] Rothbaum. [illegible]

There is no such thing as an independent "home-grown" mob. And the Minneapolis Combination as Blumenfeld's gang was later called, was not simply a group of local Twin Cities thugs who hit the big time. The lucrative illegal liquor trade was highly organized by Lansky et al., and the opportunities of the Canadian-Minnesota smuggling route did not escape their attention.

Meyer Lansky's and Benjamin "Bugsy" Siegel's Murder, Inc. made certain that no independent operators survived in this business. Hence the Minneapolis Combination has maintained extensive connections to the highest echelons of organized crime for more than 50 years. It is, in the vernacular, "good for business." Although there is little of this story in the history books, it is a matter of public record.

The focus of attention on the [illegible] [illegible]

Crusading journalist Walter Liggett's *Midwest American* reports on his October 1935 assault by gangster Kid Cann.

tion, "The Land of 10,000 Lakes." But the number of lakes may be surpassed by the number of swindles carried out by the Minnesota mob. These men behind the scenes did not simply buy the local politicians. They created the Democratic Party machine itself.

Along with the political power came the control over the courts, the prosecutors and the police. It became, in essence, a license to steal.

So it is no wonder that the head of the Twin Cities Democratic Party beginning in the 1920s, Fred Ossanna, ended up in Minneapolis Federal District Court in 1960 along with mobster Kid Cann, a big contributor to "Skipper" Humphrey's political campaigns. Fred Isaacs and his father Harry, and several other past and present Democratic Party bigwigs. They had simply looted the Twin Cities Rapid Transit Company after World War II.

Frameup of Liggett

The extant written history of this period is tailored to fit the wishes of those who came out on top—the mob and their friends. The fraud perpetrated against the memory of anti-mob crusaders, the newspapermen Howard Guilford and Walter Liggett gives one an insight as to how and why the truth has been concealed about the Minnesota Democratic mob.

It is useful to look at the circumstances surrounding two trials involving Walter Liggett. The first was the attempted frame-up of Liggett and a labor official in 1935 on sodomy charges. The second was the 1936 trial of Isadore Blumenfeld for the murder of Walter Liggett on December 9, 19[illegible]

After the September 1934 slaying of editor Howard Guilford there were many in the press, including Chicago Tribune publisher McCormick, who held Minnesota Governor Floyd B. Olson responsible. Walter Liggett, editor of The Midwest American, agreed. Although he was once an Olson supporter, Liggett began to document Olson's connection to the Minneapolis Combination.

The Midwest American published stories about the gambling and prostitution operations being protected by Governor Olson and Hennepin County Prosecutor Ed Goff, complete with the relevant names and addresses. Goff was the assistant to Olson when he was Hennepin County Prosecutor during [illegible] Olson. The most damning revelation was that it was Ed Goff's brother Art, and Olson's brother-in-law William Appel, who were running the numerous [illegible] slot machines. When Olson was prosecutor, the Appel-Goff slots empire was located in Minneapolis. After Olson became governor, their slot machines were placed all over the state.

So it was no great surprise when Liggett was indicted by Ed Goff on a trumped-up morals charge in mid-1935, after numerous failed efforts to buy or scare him off. At first Liggett was charged with abduction of two girls from Austin, Minnesota together with anti-Olson labor leader Frank Ellis. When [illegible] turned out that the girls' parents had asked Ellis to take them [illegible]

not do anyth[illegible]g officially through the CLU, but I can see that Liggett is aided to get an att[illegible]ney and investigator, which ought to be the accepted rights of any defendant."

Leonard, now on the defensive, responded to Baldwin on October 19th: "I do not believe that there is deep political enmity behind the prosecution which Liggett charges. He accuses the present state administration, particularly Governor Olson, in pushing the prosecution. I am satisfied that it is not so. ... I am not convinced that the charges are irresponsible. ... Ellis is charged with abduction and Liggett with sodomy. ... Liggett is not helpless; he has a brother in St. Paul, who I am given to understand is willing and able to help him. I might say that Ellis is a leading Farmer Laborite in the southern part of the state and it is hardly conceivable that he would be framed by a Farmer-Labor administration."

Because of Olson's friend, George B. Leonard, Walter Liggett began his trial without an attorney. Leonard's cynical coverup is reflected in his last comment on Ellis, as Ellis was in the middle of a bitter battle with the Olson, and had just refused to seat an Olson crony on the Austin Central Labor Council.

Roger Baldwin was obviously not impressed with liberal Leonard, and wrote again to him on October 22nd: "I am ever so much obliged to you for yours of Oct. 19th further in regard to the Liggett case. Whatever the facts you will of course agree that Liggett is entitled to the services of a lawyer and an investigator. Even a common criminal should have that much protection.

"He seems desperate even for funds for this. I don't know about that St. Paul brother, but I guess they have exhausted the possibilities there.

"Of course we are not going to do anything officially, but I would like to see Liggett get this much of a chance to prove his contention. Are there any sympathizers with a fair trial who could be found in Minneapolis to help out?"

On November 2, 1935, Roger Baldwin sent the following telegram to Leonard: "Would greatly appreciate your aid in getting postponement of Liggett [illegible] trial now set for Monday. In view of his illness and necessity of further investigations for which I am raising small funds here, cannot believe trial will be forced if you intervene even privately with authorities."

Liggett's "illness" was caused by a beating administered by Kid Cann, Abe [illegible]ownstein and five other thugs on the eve of trial. Minneapolis Police refused to press charges.

On November 4, Baldwin sent another telegram to Leonard: "Mrs. Liggett advises Judge Ever[illegible]n forced Liggett to trial though ill without counsel and with no chance for depositions or investigations of witness. Cannot such procedure be halted?"

Liggett won an acquittal. Despite all, yet his victory was short lived: he was assassinated December 9, 1935. Leonard received one more telegram from the national ACLU director on the following day: "Kindly advise us by wire collect New York whether desirable for us to post reward for arrest and convictions of slayers of Liggett to uncover and stop these assaults on crusaders against corruption and vice stop [illegible]

The Canadian Whiskey Pipeline

[redacted]

Combination were Barney Berman and Abe Brownstein. This group was the focus of the 1950s Kefauver Committee's investigation of Lansky's takeover of Miami Beach, Florida.

Barney Berman was Kid Cann's lieutenant. In 1933, five Minneapolis crime figures went on trial in Oklahoma for involvement in the ransom kidnapping of oil millionaire Charles F. Urschel. Berman and "Machine Gun" Kelly took the rap and went to prison, while Blumenfeld, Sam Kroznick and Sam Kozberg were acquitted on charges of laundering the ransom money. Blumenfeld even had Minneapolis Police Chief Joseph Lehmeyer flown in as a defense witness. Berman and Kelly were later pardoned by President Harry Truman.

The ADL Connection

Another Twin Cities resident of Rumanian extraction, Burton Joseph, is a long time B'nai B'rith Anti-Defamation League National Commission member and served as the ADL's national chairman. The ADL has never hesitated to use its clout to protect Meyer Lansky's crowd, under the pretext of fighting anti-Semitism.

Although a grain merchant by trade, Joseph received some notoriety for his role in Lansky crony Robert Vesco's takeover Bernie Cornfeld's Investor's Overseas Services.

In 1978, while he was national ADL chairman, Joseph convinced another Minnesota based grain trader, Dwayne Andreas, head of Archer Daniels Midland, to rescue the ADL from the brink of bankruptcy. Both men, long time cronies of the Humphrey family, collaborated on the creation of the Hubert H. Humphrey Institute at the University of Minnesota, headed by Burton's wife, Geri. But this is getting ahead of our story.

legged whiskey in organized crime folklore, deflects scrutiny away from the actual nature of the criminal rackets in Minnesota and their protection by the Democratic Party. Of course, the smuggling of Canadian whiskey was a profitable enterprise for [redacted] Minneapolis Combination. Ironically Floyd Olson got his job as Hennepin County (Minneapolis) Prosecutor at the beginning of Prohibition when his boss, William Nash, was run out of office for protecting smuggled Canadian whiskey. Olson stayed in the mob's pocket throughout his career.

In 1919, the smuggling operation was uncovered and publicized by newspaperman Howard A. Guilford. Guilford's charges were later affirmed by Minnesota's governor. Boxcars full of Canadian whiskey were unloaded in Minneapolis, supervised by the Hennepin County sheriff and his deputies. If some unwelcome federal liquor agents showed up, the laborers would be arrested and the liquor impounded as evidence by the sheriff. Waiting back at his office, on the nights of these transfers, was Hennepin County Prosecutor William Nash, who was prepared, by prearrangement, to book the arrested men under phony names and have them released on a small bond.

In 1927, the same crusading editor exposed Prosecutor Floyd B. Olson's protection rackets and corruption. For his efforts, Guilford was shot and left for dead. While he was recovering, Floyd B. Olson shut down his newspaper. The Saturday Press, using the infamous Minnesota Gag Law, overturned four years later by the U.S. Supreme Court in 1934, Guilford got back on his feet and ran for mayor of Minneapolis. Again he went after Floyd B. Olson for his connections to organized crime. He was slain gangland style on the very day that he announced his campaign against Olson's corruption.

Minnesota license plates carry the inscrip-

to having sex with a minor. When it later came out that the girls were adults, the charges were again changed to sodomy.

Liggett appealed for legal and financial assistance to the national American Civil Liberties Union in New York City. The Twin Cities ACLU was headed by George B. Leonard, an ardent Olson supporter and organizer of the first successful Socialist Party ticket in Minnesota in 1916. His law firm, Leonard, Street and Deinhard, is a crucial element of the Minnesota mob.

Leonard stopped the ACLU from helping Liggett, as indicated by a letter to him on September 24 from the ACLU: "Our Board at the meeting yesterday considered your letter of September 14th with reference to the Walter Liggett case and adopted your recommendation that we do not participate." On October 9 the national director of the ACLU, Roger N. Baldwin, wrote to Leonard: "On my return from Europe, I find correspondence about Walter Liggett's case. Your letter of Sept. 14th is most helpful and you were good to go to the trouble of substantiating some of the evidence [of Prosecutor Goff]. [redacted] There are two [redacted]. However, on which I am not satisfied: 1. Is there not in your judgment some political animus behind the prosecution? Are not the Child Welfare people and the political opponents of Liggett somewhat connected or did not the political opponents take advantage of possibly irresponsible charges by these two girls? 2. It hardly seems credible that an offence of this sort could have been committed in the presence of another person, and that if any force was used, as the state charges, that both girls should have kept quiet about the matter for over a year. I presume it is only their word against Ellis' and Liggett's. It seems difficult to accept their story."

"It's sole interest is in seeing that a man gets a fair trial, if there is any element of political

tion of these murders."

On December 11, Leonard responded: "Mrs. Liggett today identified in local jail Kid Cann as the slayer. See no occasion for you posting award. Will write."

There is a sharp contrast between Liggett's trial and Kid Cann's trial for the murder of Walter Liggett. Edith Liggett and Wesley Andersch both identified Blumenfeld as the assassin. Yet Kid Cann was acquitted after 90 minutes of deliberation. Throughout Cann's trial there were numerous allegations of witness and jury tampering and intimidation.

The prosecutor's office was run by Ed Goff, one of the men whom Liggett charged with protecting the Minneapolis Combination.

We leave it to our readers to interpret George B. Leonard's reply to Roger Baldwin on July 16, 1936, after the acquittal of Kid Cann: "...Liggett created sufficient doubt in the minds of the jury to get an acquittal. I am still of the opinion that the Civil Liberties Union was right in not offering him assistance in his defense in a matter involving moral turpitude, having nothing to do with freedom of the press, speech or any of his civil rights. 2. I do not know Mrs. Liggett, but judging by the stuff she has written, I am not surprised at all that she is charging anybody either with prejudice or dishonesty. I am not conscious of any prejudice in my appraisal of the situation. She claimed to have identified Kid Cann as the slayer. The jury found against her and acquitted Kid Cann. What efforts are being made by the local authorities to find another slayer, I am unable to say. It certainly comes with poor taste from her to charge the authorities with failing to run down the slayer.

I am unable to state in what respect the authorities have failed to run down the slayer of Guilford. There are a number of murders committed in the last few years which still remain unsolved."

This exchange of telegrams from autumn and winter of 1935 shows that, when American [redacted] tried to help journalist Liggett during his frameup trial, and to investigate Liggett's death, [redacted] mob connected Minneapolis attorney George Leonard.

"Liggett appealed for legal and financial assistance from the national American Civil Liberties Union in New York City. The Twin Cities ACLU, headed by George B. Leonard, of the mob-connected law firm, Leonard, Street and Deinhard, intervened."

9 4 0 4 3 2 5 6 9 1 0

LETTERS TO THE EDITOR

Highway Safety

To The Editor:

[redacted]

Error

To The Editor:

I think a correction is needed in the following editorial in the Aug. 19, 1991 issue on page 10.

While the debt carried by the economy has zoomed from $3.8 trillion in 1972 to $9.8 trillion in 1982 to a staggering estimated $25.5 billion today, I point out the word "billion" be changed to "trillion."

Thank you.
Randy C. Wharton
Akron, Ohio

The Editor Replies:

You are totally correct.

Croatia

To The Editor:

In light of the heroic battle of the nations for their independence from the last communist regime in Europe, I wish to publish an exchange of appeals between Hungarians and Croats during the 1956 uprising of the Magyars against the Soviet Army.

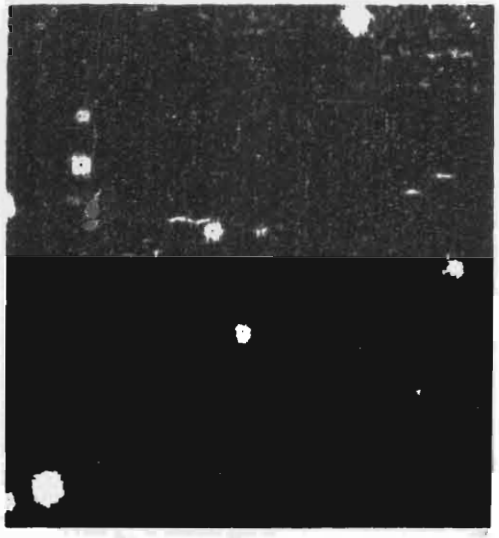
My own ancestor, Lazar Mesaros, played a crucial part in organizing the national army in the 1848 War of Independence against Austrian Emperor Franz Josef of the Hapsburg Empire. His organizational genius created a fighting force within six months that expelled the Imperial troops from Hungary, only to be crushed when the Emperor appealed to Tsar Nicholas to reconquer the Magyars with 370,000 troops in their [illegible].

be spread through all bodily fluids, and the greater the density the greater the chance of transmission. Because of overall poverty (minimally), it is worse in Africa, but because of U.S. government policy, AIDS is still spreading unchecked in the United States. We must have testing and a crash research project, or we're condemning our entire species, on every continent, to death.

To The Editor:

You are just great. You don't know how I felt when you covered the AIDS drug. No. 32, and I'm a Kenyan. God bless you all.

Josephat Kitere
Haledon, New Jersey



issue of the "Direct Credits Society" write to 28856 Columbia St., Hemet, Ca. 92544. A stamp would be appreciated.

Matt Bouvie
Hemet, California

To The Editor:

It seems that the list of government services we can no longer afford is endless. The truth of the matter is we cannot afford to do business with the Federal Reserve.

They are the private corporation which has a monopoly of creating our money. They have a devious scheme which cons people into paying for their own enslavement.

Originally Congress was chosen to coin our money and set its value. Congress usurped the rights of all citizens when they gave the monopoly to control our money to a private business. The International Bankers reset the price of gold and the value of our money every day.

The name of our dictator is the Federal Reserve. The g establishment in the nation that has never been audit[illegible] If they were part of our government they would be tested [illegible] U.S. [illegible]

Energy

To the Editor:

[illegible] about a recreational attack by the [illegible] bankers' [illegible] in California [illegible] that is a renewable and basically a free energy source?

And especially an attack on small independently owned hydro utilities. The offensive in the ecological field is spilling over into the alternative and renewable energy field.

By the way, I like your articles on ecology and read them very much.

Vladimir Terziski
Los Angeles, Ca.

The Editor Replies:

The article you sent me [illegible] down the dams on Washington state [illegible] definitely an outrage. Taken with the deliberate [illegible] tion of reducing energy supplies [illegible] that doesn't mean we [illegible] need big energy sources, and especially [illegible] energy which [illegible] tions have to take that fact into account.

Nancy Spannaus,
Editor-in-chief of
THE NEW FEDERALIST
welcomes your letters.
Write to:
The New Federalist
P.O. Box 889
Leesburg, Virginia 22075

Plato and Christianity

To the Editor:

The title of the recent cover article "Our Fight for the Christian Platonic Method" seems to my mind to confuse Christianity and Platonism and tends to meld, rather than to separate out several historic lines involving philosophic points in view, truth and theology.

First, you refer to the Bogomils as buggers in a longer line of evil people. I do not know, but the Bogomils are considered to be heretics from "Roman" church doctrines.

Plato lived three centuries before Christianity and, I had thought, is regarded as a pagan philosopher. Certainly he did not adopt the Old Testament.

Plato was a student of Socrates. Socrates, himself a statesman, who rejected the old gods and was accused of introducing new gods, believed, among other things, that wisdom consisted in knowing that he knew nothing, really [illegible] contrary to the Old Testament, which teaches that God is the source of all knowledge and that man ordinarily receives this knowledge. Socrates denied fear, stating that "the beginning of wisdom is the definition of terms" (see Psalms 111:10).

Aristotle was with Plato for 20 years and was called "the mind of the school." He perpetuated Greek error and believed and taught that the exercise of man's rational faculty should be by what he called the "golden mean," which was the middle road between the extremes [illegible] this enabled truth to [illegible] be obscured and compromise elected. Aristotle believed that woman may be said to be an inferior man. [illegible]

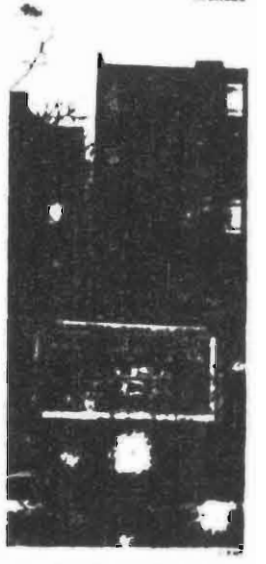
To what extent you are right about Aristotle, he probably not performed Plato's evil. But how say you then?

R. Paul Riegen
Wheaton, Illinois

the ethical standpoint taken is of paramount assistance during the last troubled decade of the twentieth century.

The intellectual standard of argument employed is second to none and one can only hope that the power of reasoned debate will eventually penetrate the initial blind prejudice that accounts for so much of the political scene these days.

Councillor Michael Ross
Scotland



Genocide in New York

The petition was denied. In their decision they maintained Dankert's intention was a demonstration session and therefore would produce the errant results.

Sincerely,
William Walters
[illegible] City, Indiana

AIDS

To The Editor

[illegible] recent edition of "The Sun," one of those country newspapers type tabloids, [illegible] article relating to AIDS. [illegible]

[illegible] this city of the suicide capital which recently went [illegible] AIDS. We [illegible] and other conditions but now infants with the [illegible] AIDS.

[illegible] going to bring back AIDS [illegible] and Halloween, and introduce [illegible] a whole new sense of the popular.

[illegible]

[illegible]
Franklin Lakes, New Jersey

The Editor Replies

[illegible] the cause of AIDS is no coincidence [illegible] AIDS is not [illegible] is coming from within, or God is a [illegible] disease of the white race.

[illegible] radio station issued this appeal to the world:

Civilized people of the world. On the watchtower of 1,000-year-old Hungary, the last flames begin to go out. The Soviet Army is attempting to crush our troubled hearts. Their tanks and guns are roaring over Hungarian soil.

Please do not forget that this wild attack of Bolshevism will not stop. You may be the next victim. Save us. SOS. SOS.

People of Europe, whom we defended once against the attacks of Asiatic barbarians, listen now to the alarm bells ringing from Hungary. Civilized people of the world, in the name of liberty and solidarity, we are asking you to help. Our ship is sinking. The light vanishes. The shadows grow darker from hour to hour. Listen to our cry. Start moving. Extend to us brotherly hands. . . . God be with you and with us.

In the spring of 1957, Croatian exiles in Argentina wrote: American Hungarians of North America.

We Croats have a special reason to salute the magnificent fight of Hungarians. Not only because they are our neighbors, but also because we have lived for eight centuries in a common fate and brotherhood with them. Therefore, their tragedy is our tragedy. Now we also put the black ribbons of grief on our flags, and weep over the graves of the fallen heroes. We are proud of the Hungarian heroes for our ancestors lived together with them and fought with them for centuries in the defense of common ideals. We declare their victory as our victory, for it would be the victory of right and freedom, of human dignity and religious freedom, the end of all thought control. Their national dawn would mean [illegible] dawning too.

Sincerely,
Slena Mrsaros
Minneapolis, Minnesota

Economy

To The Editor

[illegible] such is the sorry economic plight of the world's peoples that by the year 2000 Alfred W. Lawson and his money system will be universally known.

Lawson's "Direct Credits for Everybody," founded in 1918, is the only sane economic plan in existence that gives justice to everybody, that harms nobody, and makes it easier to be honest than dishonest.

Today, "Direct Credits for Everybody" is the world's best kept secret, but with modern global communications at hand, it cannot be hidden forever from decent people.

For a copy of the 60th anniversary

government phones.

Thank you.
Phillip Hammill, Sr.
Camas, Washington

To The Editor

In our local paper in Lansdale, Pa., the Reporter featured a series of articles about our Vietnamese population. It talks about how our government supports these people with money, yet this government can hardly lend a helping hand for our own people. My father works a modest job as a truck driver, just getting us by. I'm a strong believer in socialism, yet you have not stated your position on Democratic Socialism (such as Sweden's former government). Please state your position on this economic system and your stance on abortion, dealing with commentioned situations (rape, incest, mother's life in danger, crack babies).

Sincerely,
Justin Hafner
Lansdale, Pennsylvania

The Editor Replies

Swedish socialism, and every other kind I know, is an oppressive system that destroys individuals and productive capacity. In the West it has been socialism for the bankers; in the East, socialism for the communist Nomenklatura.

To learn how to run an economy that does not lead to the kind of messiahs which you express toward the Vietnamese, I propose you read some of LaRouche's economic work, such as his 1984 text, *So You Wish To Learn All About Economics?*

As for abortion, we believe it is killing a child, and all particular situations like [illegible] are going ahead with quite safely and efficiently.

LaRouche

To the Editor

If every single one of us voted for Lyndon LaRouche for President, would the country then have no President? How could he serve, locked up in prison? I ask this in all sincerity, but somehow feel foolish asking.

Will you please be so kind as to address this in the Federalist?

A reader
Wenatchee, Washington

The Editor Replies

To get a mass of Americans to vote for LaRouche is going to take a mass movement, one that will not only organize for the election, but will also organize to overturn LaRouche's political conviction. The law has always been on our side, if it had been applied correctly. But we need a politically alert citizenry to get the judges and jurors to be honest. Political convictions have been overturned "out of the blue" before, but it requires a fight.

In other words, you can't "just vote." You have to get involved in fighting the slanders spreading the literature, and organizing people. It's an uphill battle, but it has to be made if a disaster worse than the 14th century is to be avoided.

The Editor Replies

Unfortunately, the sources you are relying on, such as Gibbons' *Decline and Fall of the Roman Empire*, the Columbia Viking Encyclopedia, and the like, will not give you the real history by which Mr. LaRouche in his speech refers. You need to read St. Augustine on the question of Plato versus Aristotle, and some of the later Church scholars such as Nicholas of Cusa, to understand Mr. LaRouche's standpoint that Plato is the appropriate philosophical precursor of Christianity.

What is crucial is the question of method of knowing—and that defines a devastating difference between Plato and Aristotle, despite Aristotle's presence at the Academy. I refer you to Mr. LaRouche's *In Defense of Common Sense*, which is not an easy book, but directly addresses the methodological question.

New Federalist

To the Editor

I have recently come across a copy of The New Federalist, and wish to complement you on the quality of the material.

In the past year I have investigated at some depth the policies and opinion of Lyndon LaRouche and his collaborators as expounded in other material, and have come to the conclusion that

To the Editor

I recently had the opportunity to find out, first hand, what the conditions of public health are like in New York City, and the reality of the situation there, which showed an incredible contrast to the soap opera mania that surrounded the recently concluded Clarence Thomas confirmation hearings. I was part of a fact finding team that went into the ghettoes to document the genocide that is taking place in New York.

We went to two places in New York: in the South Bronx, we were taken around by Charles Hollingsworth. He works at a VD clinic in the Bronx, which is the only one in the Bronx, and also serves parts of lower Westchester County. In other words, it's the only clinic for 2.5 million people. There are four clinicians (he's one of them) and they can only see 80 people per day, and every morning there's already more than that lined up outside the door when the place opens up.

After that we went to East New York where we were guided by Mr. Colon, who is an activist for the homeless and against the real estate scam being run in this area. There's an operation going on to tear these brownstones down and replace them with Nehemiah (H.U.D.) projects, which are cheaply built townhouses, and much smaller than the brownstones they replace.

So what happens to the people who live in one of these brownstones when Nehemiah wants to build on that block? The city moves in by eminent domain, gives them $20,000 and throws them on the street. Two thousand dollars may sound like a good amount of money, but in New York it doesn't buy another house for someone who previously owned his own home. We talked to one man who was in that situation. He's living in a van parked across the street from where his home used to be. He's a 68 year old Korean War veteran. The city has left him there without helping him find another place.

I returned to Washington a day or two after the alleged sexual harassment charges against Judge Thomas broke in the news. It seemed incredibly unreal to me. What can be said for the U.S. Senate when it allows itself to become engaged in this sort of degraded debate? Worse, what can be said for the population of this country when it becomes so absorbed in this trash that the real moral issues of human life are completely ignored? The question that Americans have to be forced to answer is understanding the source of all this sh—. Do you want to know how Germany got Hitler? Look in a mirror.

Carl Osgood
Arlington, Va.

9 4 0 4 3 5 6 2 1 0 2

Interview with Organist Ljerka Ocic-Turkulin

[illegible]

INDEPENDENT CROATIA

NEZAVISNA HRVATSKA

that is Serbia. They want to destroy our cultural identity.

NF: Is that why you decided, as a musician, to use your talents to try to defeat them?

LO: Yes. We are trying to fight in our way, because we have a culture, we have a tradition, and we have to preserve our art, our treasure in that sense.

I as a musician didn't know how to behave in such terrible circumstances and I felt very unuseful, so I joined the Croatian Art Forces and we try to fight in our way. That means we are organizing concerts all around. We had some concerts during the battles in Osijek in a cathedral which had been attacked before. The symphony orchestra went there and they performed the Beethoven Eroica Symphony.

I'm going to play also in that cathedral on my way back. We are trying to do such things to support the morale of the people there and we think that nobody can destroy the whole nation. Somebody will survive and they will be witness for the future generations.

NF: How has the response been to your concerts in America?

LO: So far I've had concerts in Florida, and I spoke each time at the end of the concert. I think the American people can understand what's going on. I think a lot of disinformation is going around, because Serbia has still a very strong lobby here in the last 30 years.

NF: They have Deputy Secretary of State Lawrence Eagleburger.

LO: They also have Helen Bentley [MD]. She proclaims herself like a [illegible]. It's very hard to fight against such a thing, because Croatians haven't had a chance to speak freely in the past.

NF: Are you speaking freely in your concerts?

LO: Yes, I'm trying. But even in the churches where I'm playing here in Baltimore, they had phone calls to each of them threatening calls, saying they were Serbians and they demanded to know how could they give the opportunity to somebody from Croatia who is killing children and such things to give a concert here.

NF: That story was untrue, and Reuters News Service retracted it today.

LO: Yes, I was sure that it was untrue and I spoke about that all over. But unfortunately some people already read or heard that and it's tough to counter it.

Culture and Politics in a Time of

bergis is head of state and he's a musician. In Czechoslovakia, Vaclav Havel is President and he's a playwright. How do you see this growing trend of newly freed nations in Eastern Europe calling on cultural figures to give political leadership in this time of crisis?

LO: It's amazing, because under the communist system, musicians and artists were in a terrible position. Writers couldn't express their feelings, their fears, the experiences that they had during the communist system; so a lot of them, in our country, were jailed, just because of their opinions. It's hard for me to express this in English, but [voting for them] is a way to express the free spirit that is preserved in the circumstances we passed through.

NF: What program have you chosen for your concerts here?

LO: It always depends on the organ. In Florida, I included one of the Croatian composers, and I played one elegy, a very sad composition, because my mood was sad. It was full of folk elements from our country. I also played Romantic music and Baroque music.

Here in Baltimore, because of the type of organ, I played Baroque music, but always at the end of the concert I play a piece from the St. Matthew Passion of J.S. Bach, in memory of all the children and civilians that have been killed in the war.

NF: I'm sure that's had a good effect on people.

LO: I think so. I hope that in this kind of expression, a musical kind, the people can understand much more about the feelings that we have and to share them with us. We are grateful for every move that you make here in America.

Ocic-Turkulin, Schiller Institute Rep Meet

Mrs. Ocic-Turkulin is shown speaking to Fred Haight of the Schiller Institute, following her concert Nov. 24 at St. Luke's Evangelical Lutheran Church in Baltimore. She is holding the Institute's call demanding that the West recognize Croatia's independence.

Said Haight, himself an accomplished musician, "She played an all-classical program of Handel, Pachelbel and J.S. Bach on a German-made tracker (mechanical) organ. The combination of the organ's superior registration, and her contrapuntal skill made the polyphony more transparent than many concerts, so that Handel's Concerto actually was recognizable as a concerto—no mud."

Canadian Govt. Betrays Croatia—And Canada, Too

by Paul Fraleigh and Jeremy Batterson

MONTREAL, Nov. 25 (EIRNS)—Despite a groundswell of support for Canadian recognition of Croatia and Slovenia from many constituencies across Canada, Canadian Secretary of State for External Affairs Barbara McDougall, in a disgusting betrayal of Canada's national sovereignty, told the House of Commons on Nov. 18 that the Canadian government would kow-tow to the imperial dictates of London and Washington, rather than act according to the wishes of Canadian citizens. She was speaking at an emergency late night debate, which had been called for by all three major Canadian political parties, which lasted four hours and which has been blacked out of the Canadian media.

McDougall whined, "Our government continues to receive calls for recognition of those republics which have unilaterally declared independence. I know this is a sensitive point. We shall continue to resist such pressure. First, we believe, along with members of the European Community and after much soul searching and discussion, that recognition of republics that wish to leave Yugoslavia should only be given within the framework of a general agreement. . . . I have discussed this personally with Cyrus Vance and Peter Carrington.

Canada Bows to Foreign Powers

She answered Bob Horner, an MP from her own Progressive Conservative [illegible] the leverage to work toward peace."

With these statements, McDougall has admitted the rather obvious truth that Canada's foreign policy is dictated by foreign powers. The Canadian government does what it is ordered to do, regardless of the wishes of its citizens. Lord Carrington and Cyrus Vance are both high level operatives of the Anglo-American establishment, specifically deployed to prevent any solution to the crisis in the Balkans, for the purpose of seeding chaos in Europe and preventing the growth of a new economic superpower there.

During the debate, the government policy was blasted by both opposition parties. Liberal Party External Affairs critic Lloyd Axworthy noted that the debate had been too long in coming. "The reason I remind the House of this," he said, "is that it was just about a year ago today that this Parliament was seized with the issue of what was happening in the Gulf area. I could tell then there was no hesitation. There was no too little, too late. There were no modest, prudent, cautionary words. The Prime Minister and the Secretary of State for External Affairs were standing on the barricades ready to do anything possible. The entire Western world was being mobilized. The largest army of the last 40 years was being readied to be launched. Thousands of ships were in the Gulf ready to impose the sanctions program. It was all done because we were going to have to quote the United States [illegible]

Despite the government's position, many members from the ruling Progressive Conservative Party also urged recognition. For example, Terry Clifford, a parliamentarian from London, Ontario quoted the Pope's defense of Croatia. Don Blenkarn, from Mississauga South, warned that the war could spread and create the kind of holocaust that created World War I and II."

One of the most interesting proposals came from the New Democratic Party's Simon de Jong. Attacking McDougall's excuses, he said, "Then we hear this rationale about it being an internal matter within Yugoslavia. Yugoslavia does not exist today. Yugoslavia does not have a legal government. The nation does not exist." He proposed that: 1) Canada should recognize Croatia and Slovenia; 2) Canada should admit that Yugoslavia no longer exists and should ask the Yugoslav ambassador to Canada to leave; 3) Canada should demand the Yugoslav Federal Army withdraw from Croatia; and 4) if the Yugoslav Army does not withdraw, the international community should be prepared to knock out the Yugoslav air force, the Yugoslav navy, and the Yugoslav armored columns.

The speech which injected the most reality into the debate came from Alex Kindy, Calgary Northeast, a former Progressive Conservative who had resigned from the party to become an Independent Member of Parliament. "It was in the name of a 'world order' or at least the seeds for World War II, and the consequence of the second world order in 1945 was the Cold War.

"Now we are facing a third world order and it is a very dangerous stage because, of course, it could be the seeds of another war. As the United Nations tries to implement the new world order after the war against Iraq, the United States, with its dominance of the United Nations, becomes the superpower of the world."

Kindy attacked President Bush for his barbaric speech in Kiev Aug. 1 (although Kindy didn't elaborate, that was the speech in which Bush denounced the Ukrainians for wanting to be independent of the U.S.S.R.). In that speech, just before the coup attempt in Moscow, Bush accused the Ukrainians of "suicidal nationalism" and even "anti-Semitism" for wanting to be free.

Associates of the Schiller Institute in Canada, and of the Party for the Commonwealth of Canada, the Canadian political party which is based on the economic programs of Lyndon LaRouche, have lobbied the Parliament twice in recent weeks, meeting with numerous parliamentarians to brief them on the real situation in the Balkans and urge recognition of Croatia and Slovenia. MPs from all three parties have shown considerable interest in the dirty roles of Lord Carrington and Cyrus Vance, now that McDougall has admitted they advise her on policy matters.

Call to Found an International Committee to Save Croatia

by Helga Zepp-LaRouche

This statement, issued [illegible] internationally for signa[illegible] clip it out, and send it to [illegible] Washington, [illegible]

[illegible] to watch how boundless cruelty has been unleashed on the almost defenseless [illegible] Serbian aggressors. At least [illegible] people have probably many more—among them [illegible] and children—have already found death. Three hundred fifty thousand people have been [illegible] and are in flight, with a [illegible] of them. One hundred [illegible] have been blockaded for [illegible] and are exposed to inter[illegible] famine, and many have [illegible] and killed.

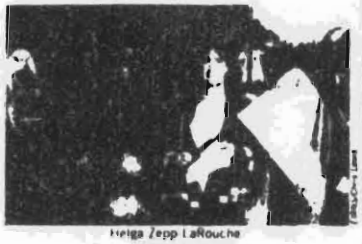
[illegible] to observe the [illegible] of the [illegible] and unanimity [illegible] the suppression of the [illegible] in the middle of Europe [illegible] people watching, there are especially [illegible]

[illegible] have proceeded [illegible] and the peaceful evolution [illegible] of the borders, but only [illegible] of independence of Hungria [illegible] that the East German regime [illegible] up the most modern [illegible] communism.

[illegible] after a week-long [illegible] started to the ground; classic [illegible] and threatened with annihilation [illegible] and Malta continued suffering [illegible] were [illegible] parents [illegible] was [illegible] would you [illegible]

[illegible] was treated [illegible] in a similar manner [illegible] that this was the case in [illegible] as frantic for you. It [illegible] vital here, why is it [illegible] Thus double standard is [illegible] backgrounds.

[illegible] whose quiet support [illegible] have dared wage this [illegible] for the genocide [illegible] but also Lord Carrington, who has conducted the negotiations at the so-called European Community peace conference on supposed British interests, so that the maximum advantage for the Serbs arose out of it. The Undersecretary in the American State Department, Lawrence Eagleburger, whose motivation is shaped by strong economic interests in Serbia, also bears blame. The mistake of those who have not participated themselves in the murderous plot, is to have trusted the policy of the Anglo-Americans for one second.



Helga Zepp-LaRouche

Since the official policy of the West up until now has failed so thoroughly, we the undersigned are constituting an international coalition to save Croatia.

We stand for the immediate recognition of the independence of Croatia and Slovenia in conformity with the right to self-determination agreed upon in the Helsinki Accords.

We stand for Croatia being due the same rights as are due any other sovereign state, among which is the right to the defense of the life of its citizens and its territory.

We appeal to the international community of peoples to make reparations for the injustice inflicted on Croatia, and to help it through a comprehensive reconstruction program.

We support the immediate realization of the all-European infrastructure program of the "Productive Triangle" proposed by the American economist Lyndon LaRouche as the only possibility for restoring peace to the Balkans.

The Croatian people have a right to peace, as all other people do.

[illegible] Name [illegible] City, State

[illegible] 4 3 5 6 2 1 4

[illegible] Canada's third major party, the New Democratic Party, called for self-determination for Croatia and Slovenia, commenting that Croatia had already recognized the rights of minorities in Croatia, one thing which the government has made a condition of recognition. However, he also noted that "the Albanian majority in Kosovo has been brutally repressed for too long," a reference to the repression by the Serbian authorities.

had been betrayed in the name of a "world order" that Yugoslavia had been artificially created in 1918, that Stalin had been allowed to murder 7 million Ukrainians and that Hitler had been allowed to cause 40 million deaths—at least—in World War II.

Attacking the infamous Yalta deal of Roosevelt, Churchill, and Stalin, he warned, "The consequence of the first world order in 1918 was World War II.

the aspirations of countries like Croatia, which struggle for sovereignty and economic development. These aspirations are best defended by associates of the Schiller Institute internationally, like founder Helga Zepp-LaRouche, whose call for an International Committee to Save Croatia is being circulated all over the world, and signed by hundreds of prominent figures.

Serbian Atrocities Exposed in EC Report

Continued from page 1

tals. The claims that the Croatian forces had been using these sites for military purposes are inaccurate and specious. "We are dealing here with [Croatian] forces deploying mostly small arms against a hugely equipped major army, navy, and air force."

The Yugoslav Army has shown a consistent pattern, in which it pours heavy artillery fire from a distance onto a target, terrorizing it into capitulation. The Yugoslav Army-backed and armed Serbian] irregulars then move in on foot to occupy the place. The Army then moves in to assume overall control. Nor is this limited to big towns. Throughout broad areas of territory, in innumerable small villages, Croatian inhabitants are killed or forced to leave, after their villages are **bulldozed out of existence**. No attempt is made to occupy or otherwise exploit the captured places; **they are simply and wantonly destroyed**," emphasis added. The Army, **disregards** cease-fire arrangements, timetables for withdrawal, inspection rights for monitors, etc., "the observers added."

A Cowardly Army

In the last analysis, the observers concluded, "the Yugoslav Army is a cowardly army. Nothing but no resistance is the principle that [illegible] its behavior. It has no [illegible] its own status and survival. It no longer has the authority to exploit [illegible] can treat civilians [illegible] the pattern of behavior outlined above."

The report's authors opposed to the EC alternatives [illegible] with the threat of the observers to the [illegible] of such effective sea and air deterrent capacity as will make continued Army aggression impossible, if not suicidal."

The warship that lies on a defenseless sea from a safe distance could [illegible] must be put in a situation where it knows that it can do so at the [illegible] of being promptly sent to the bottom. The battery that shells a hospital must know that within 30 minutes of being it risks being obliterated. The air force must learn the chance of inaction: destroyed on the ground or hopelessly outgunned in the air."

Examples of the [illegible] used by the Army against Croatian civilians in Zeljava, Vukovar, a Slovenian leader who uses the battle name Arkan. A former agent of the Yugoslav communist secret police, he is wanted on criminal charges in several European countries. I suggest that the mayor of Osijek, Zlatko Kramaric, and President Franjo Tudjman had better surrender Osijek themselves so as to avoid unnecessary destruction and casualties." Karadzic arrogantly told the press, "[illegible] I assess that Osijek will fall sooner and faster than Vukovar. It's a matter of days. We would advise Osijek [illegible] to defend them militarily to the very end."

The leading personalities of the Army echo Arkan's threats like "Arkan" ship into towns and villages to scare people from their homes—already 10% of the Croatian people are refugees. Then the Army plans to expropriate the ghost towns with "ethnically pure" Serbians.

Recognition by Christmas?

But the Greater Serbians are in desperate straits, a knowledgeable source told New Federalist. The Soviet and Rumanian support the Army enjoyed is vanishing, because the gold and hard currency the Greater Serbians had stolen from the Yugoslav federal treasury has been spent. This is the reason the Army went on full offensive and appealed to its friends in the United Nations to send "peacekeeping" troops to guarantee its conquest.

Thus UN special envoy Cyrus Vance, back from his "peace" mission announced that he had accepted the Greater Serbian view on the deployment of troops. He called for the establishment of "safe [illegible] areas" between the two warring forces—that is, deep inside Croatian territory. Vance had the nerve to say that this solution had been successfully applied in Cyprus.

Lebanon, two nations that have been systematically destroyed with their technology, Vance even claimed that Serbian butchery of the city of Vukovar could be rationalized because the Croatians had blockaded federal barracks. He compared the Serbian soldiers in the barracks to "hostages."

But time may be running out for the Greater Serbians. On Dec. 2 the Foreign Ministers of the European Community agreed to lift the sanctions against Slovenia, Croatia, and the other republics of former Yugoslavia except Serbia and its ally, Montenegro. The same day, Croatian Foreign Minister Zvonimir Separovic said he believed most EC states would recognize Slovenia and Croatia by Christmas.

THE NEW FEDERALIST

Nancy Spannaus, *Editor in Chief*

Alan Yue, Christine N. Huth, *Associate Editors*

Fighting for Life

On Dec. 1, a new death law went into effect across the United States. It requires all health institutions which receive federal funding under Medicare and Medicaid to discuss with every patient his or her options in such a dilemma, offering euthanasia treatment.

And you think hospitals were for saving lives? Well, now the first thing the hospital or doctor is to do is to the federal government is to discuss with the doctor what euthanasia you would like to die.

A reasonable alternative to the letter of the law would be to pressure to be applied. But now to get to the bedding your of the dilemma or when. Not only do to have euthanasia breathing down their necks, but now families and doctors are going to be working to overcome medical treatment toward assisting your death, and not to preserve your life.

But as human beings made in the image of the Creator, we are obliged to fight for life! Life and every human being is precious, and makes a contribution to humanity as a whole, even if not a material contribution. A society that does not put its primary value on human life is a barbarous society, destined to destroy itself because it has violated the requirements for human civilization and progress.

Nazism Today

Modern culture has drummed into all of us the evil of the Nazi regime in Germany as the epitome of barbarism. Yet it attempts to prevent us from recognizing how our modern culture not only echoes Nazi practices, but in some areas already goes beyond them in degradation of human life.

Take "living wills" and euthanasia, for example. These demands for death for the handicapped (for example) have their most dramatic precedent in the Nazi period. And yet, under Hitler, it was considered politically impossible for the regime to openly discuss such measures, much less pass public laws and referendums in favor of them. The *entire* euthanasia program was carried out in secret.

Take the policy of starving Iraq to death, or setting up camps where food is given out in exchange for sterilization, or the slave-labor wage and working conditions of the *maquiladora* camps in Mexico. These are *echoes on* an even broader scale of the Nazi concentration camp policy, which starved and worked people to death, or near death, as well as gassing them.

Nazi policy is the policy that life is cheap, is to be used up for the benefit of the dictatorial controllers, and then discarded. This policy characterizes our entire international monetary system, which has written off the *continent of Africa, and major sections of the rest* of the so-called developing sector. It is now a policy that increasingly characterizes our domestic economic system, where highly skilled workers have been systematically ground down into hamburger flippers, and the mentally ill are turned out onto the streets. Applying this same policy to anyone who is sick enough to go into the hospital, just extends it a bit further.

It is *human nature* to hold for life, and there is little doubt that Americans, like other people, will eventually revolt against this death policy. But the fight against it can be organized to effectively replace the entire culture of death, or it can be an impotent, violent protest. Americans must organize themselves to put life-saving principles into our economic and social system through a mass political movement. And we had better do it before the Nazi economists have us all signing on the dotted line.

How To Save the Children

[redacted] medical sieges—but is it morally acceptable today?

Obviously, many people argue that it is. The international community is giving the Iraqis the choice of starving or submitting to slavery. And when they refuse to do the latter, they are blamed for causing their own death.

But it is the policy of cutting off the Iraqis from food, medicine, the electrical and water infrastructure necessary for a healthy population, and all the *requisites of an industrial life* altogether, which is to blame. Iraq cannot manufacture necessary medicines or pesticides under the embargo. Contrary to the letter of the UN regulations, it cannot freely import food and medicine on the level required.

Until we lift the sanctions against Iraq, we are responsible for mass murder there. *We must move immediately* to change our genocidal policy.

ECO '92: UNITED NATIONS ENVIRONMENTAL POLICY

At Last: Election 1992

Finally, the 1992 election campaign has started in earnest. Here's how we [redacted]

- John Sununu spends an White House chief of staff bird takes back to New Hampshire.
- President Bush goes to Bush in Frederick, Md., and buys socks.
- Mrs. Bush goes to mall in Frederick, Md., and buys Slime toys for grandchildren.
- Every Republican National Committee member is ordered to buy a tree to be [redacted] at shopping centers before Christmas.
- In high-profile D.C. press conference, Barrel Bake shows he's fixed in the nine bit books to his chest.
- Mario Cuomo declares he will run against Albany democrats, New York budget cuts.

the funnybone

- Jerry Brown petitions EPA to declare Whitefly an endangered species.
- Geraldine Ferraro announces for Al D'Amato's New York Senate seat on an anti-corruption platform.
- Richard Thornburgh emerges from seclusion and [redacted] offers to campaign for President Bush.
- Presidents Bush appoints Richard Thornburgh special envoy to new Republic of Chuschka to help oil former Soviet Georgia, unless him to leave at once.
- Carlos Salinas schedules press conference in Mexico to announce his endorsement for 1992, disappears into federal witness protection program moments before press conference is to begin.
- Mikhail Gorbachov schedules press conference in Moscow to announce his endorsement, is mysteriously abducted moments before it is to begin.

Two [redacted] Readers Discuss The Middle East

Two of Our Readers Discuss The Middle East

VIEWPOINT

Peter J. Riga

I[illegible] after a whole [illegible] war with Saddam Hussein, President Bush and [illegible] were under [illegible] part of the world. New York Times, [illegible] 28, 1991, p. [illegible]

[illegible]

[illegible] late (as President Bush tells it). He knew exactly what he was doing and in taking the terrible blows from the hated West, Saddam preserved his honor and therefore his power among his people. The Iraqi exiles whom Sen. Gore says we should help are blowing smoke for obtaining American money. They know perfectly well – which the Senator does not – that absent an occupation of Iraq foot by foot by U.S. soldiers, Saddam will remain in power. And all the economic blockades in the world won't change that.

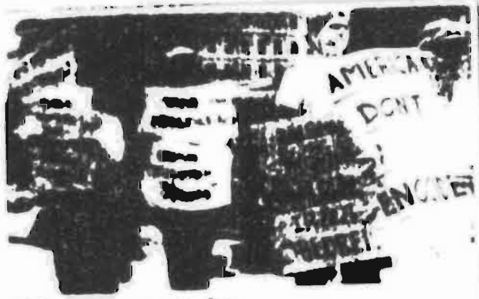
Secondly, the President and the Senator are incensed that Saddam lies, that he is deceptive with our generals about helicopters, that he goes to the very brink before backing off. Lies and deception are part and parcel of the Middle Eastern mentality to preserve honor. If you have to lie and deceive to preserve honor, it will be done. Americans are astounded by this, but this is because they do not understand the mindset of that part of the world. When Shamir tells Bush he won't build housing on the West Bank and then manages to do so, Mr. Bush feels deceived and betrayed. Arabs understand Shamir perfectly because lying and deception are an endemic part of the culture. Saddam also will say anything and do just the opposite in order to preserve his honor. It's that simple and our failure to understand that is typically American – we think everyone thinks and does as we do.

Thirdly, Sen. Gore talks about not having Saddam as "an acceptable part of the landscape. Saddam must cease to hold power." How he proposes to do this without a standing army in Iraq is for the Senator to tell us. But this is to completely misunderstand the office of ruler in the Middle East. Democracy is as foreign to Saudi, Kuwait, Iran and Iraq as the presence of Christian missions there. These countries are ruled by families. If you kill one, another is right there to take his place. That is why the Kuwaitis will wait for the second coming of Mohammed before democracy arrives. That is why Saddam, after the war, simply killed off those advisers who had any doubts and replaced them with more members of his family. The views about replacing Saddam (by force or assassination) and therefore introducing democratic reforms in Iraq are simply absurd. It is once again to misunderstand the way the people of that part of the world have been ruling themselves for the last 10,000 years. The people of Iraq have no opinion and can have none about the way they are ruled. The Kurds and the Shiite Muslims in the south rebelled because of ethnic and historical reasons. When in power, they are every bit as ruthless and dictatorial as Saddam as can be seen by the example of the [illegible] in Afghanistan whom the Americans supported against the Soviets. They no more desire or practice democracy than the man in the Moon.

Finally, Arab memory is long and patient. It endures for the day of reckoning. In Iraq, they are still fighting the Crusades, in the form of the West. To confront the West, even with mammoth punishment, was honor producing for Saddam. His memory will long endure, with Saladin and the original martyr Hussein, for generations to come. To live in the memory of Arab peoples is supreme honor, worthy of any death. Arabs live for history in the long run, while Americans have already forgotten what they had for breakfast this morning.

It is the American inability to understand this culture – which is not wrong, just different, with its lies and deception, with its historical sense and sense of enduring it and to honor – that makes essays like that of Sen. Gore look foolish and speeches of Mr. Bush before the UN appear completely misinformed by the Arabs.

Strangely, it is the Israelis who understand this culture and mentality very well. When the time comes, Arab and Jew will sit down and make peace without all the confusion and the stupidities of the Americans [illegible]



What you can do:

[illegible]

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American Century Distributors

[illegible]

Saddam Hussein: Americans just can't understand him – least of all George Bush.

VIEWPOINT

Dr. Taysir Nashif

Legal discrimination is exercised in a number of states. Some of these states use disguise in formulation in an attempt, with not much success, to conceal the fact of the exercise of this discrimination. One of these states is Israel, where legal discrimination is founded on a set of laws, regulations and procedures, according to which Israeli government authorities behave and [illegible] their [illegible]. What [illegible] of most of the laws of discrimination which were legislated by the [illegible] Knesset, the Israeli Parliament, is that they do not seem on the surface like laws of discrimination. A little more detailed and thorough examination of these laws would, however, show that they create a strong discrimination between Jews and non-Jews, the overwhelming majority of whom are Arabs.

It is my intention to point out a small selection of such laws.

The Law of Entry to Israel, 1952, was apparently legislated solely to arrange the procedures of entry into the country. But all of its articles, except the article which imposes the duty to enter through an official border point, are intended to make a clear distinction between a Jewish foreign citizen and a non-Jewish foreign citizen, although without mentioning the words "Jewish" and "non-Jewish." Thus, for instance, it provides that the Israeli Minister of the Interior is authorized to expel forthwith those "who do not possess an immigrant visa or immigrant certificate" or to deny them a permit to reside in the country at any time. It is only in a different law, the Law of Return, that the explanation and definition of [illegible] given [illegible] the Jew [illegible]

Minister of the Interior not to admit foreign citizens if there is an apprehension that they might harm Israel exists only towards non-Jews. The Minister is not authorized to deny a Jew – however dangerous and harmful to Israeli society he may be – a permit of residence, since a Jew is not in need of a permit of residence. Only a non-Jewish foreign citizen is in need of such a permit.

To a Jew are given almost forthwith upon his or her coming to Israel all the privileges which Jews in Israel enjoy. He or she receives automatically an immigrant certificate which gives him citizenship on the strength of return – and on his coming to the country, as if he had been a resident of it for generations. Additionally, he would be entitled from the beginning to vote and be elected to the Knesset without even having to know Hebrew.

It is true that the Minister of the Interior is authorized to prevent with extreme difficulty Jews also from the beginning from obtaining an immigrant visa – but after a Jew has entered the country, the Minister of the Interior would no longer be able to do anything about it, and would not be authorized to deprive him of a residence permit – as he is authorized to deprive, even after years, one who is a non-Jew.

We have seen how Jewish persons with criminal pasts, for example, succeeded in obtaining Israeli citizenship. Some of these also achieved the status of membership in the Knesset. They were able to do so on the strength of the Law of Entry to Israel, which is based on the Law of Citizenship 1952.

With this last law, the art of disguise in formulation has reached its climax. Even though the word "Jew" is not mentioned in the Law of Citizenship, the entire law is based on discrimination between a Jew and a non-Jew [illegible] in the state of Israel, in addition [illegible] which had established and continue to establish separate systems for education, administration of land (and) separate areas of residence.

Article 2 of the Law of Citizenship defines who is "a citizen on the strength of return": Every immigrant according to the Law of Return – and only such an immigrant, namely, only a Jew. This article provides that a person who is not residing in the country "on the strength of return," namely a non-Jew, cannot be "a citizen on the strength of return." Article 3 of the Law of Citizenship relates to "citizenship on the strength of residence." That article provides that a Jew, even if he (or she) has resided in the country for many years, cannot be "a citizen on the strength of residence" (but, as mentioned above, solely on the strength of return). This means that citizenship on the basis of residence is granted only to non-Jews, and this only after a detailed and thorough examination.

But the crude words "Jew" and "non-Jew" are not mentioned in the law. Such a mention would have had a bad smell of discrimination. It is only mentioned in the law that citizenship on the strength of residence may apply only to one who "has not become an Israeli citizen according to Article 2." Examination of Article 2 is needed to understand what it means. That a citizen on the strength of return, according to the Law of Return, cannot but be a Jew. Consequently, Article 3 applies only to every non-Jew in Israel.

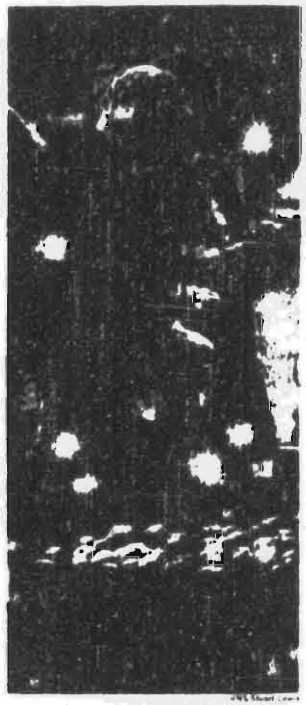
Veiled discrimination is also discernible in the process of acquiring Israeli citizenship through naturalization. A foreign citizen who seeks to have Israeli citizenship through naturalization can do that, and the rules of his or her naturalization are similar to those in operation in other states. The main condition for Israeli naturalization is that he has to stay permanently in Israel for several years. Besides, before being granted citizenship, a naturalized person has to make a declaration of allegiance to the state of Israel. A Jew, however, is free from the need to stay in Israel several years before citizenship is granted to him. Additionally, he is absolved from the requirement to make a declaration of allegiance to the state of Israel. A Jew becomes a citizen when he gets an "immigration certificate" with no conditions, such as the requirement to stay for several years in Israel during which the ways of his behavior and character would be examined, and the requirement of placing him in the test of making a declaration that he is allegiant to the state of Israel and respectful of her laws. Furthermore, a Jew is entitled to retain his former citizenship [illegible] becoming a citizen of Israel [illegible] must relinquish his [illegible] citizenship before he obtains [illegible]

Behind the News

Deadly Tuberculosis Stalking the U.S.

HEALTH

[redacted]



Elderly and poverty stricken in New York. A primary target for TB infection.

[redacted] immediately vulnerable. Even last October the Archives of Internal Medicine of the American Medical Association documented that "Tuberculosis is endemic in homeless populations of major urban areas and rates of latent infection as high as 42.7% have been shown in mass screening with tuberculin skin testing of shelter residents in New York City. In a Boston shelter, endogenous tuberculosis reinfection within the shelter was documented by bacteriophage typing and pattern of drug resistance of Mycobacterium tuberculosis isolates from 22 active cases. The prevalence of latent tuberculosis infection among homeless persons is reported to be 18% to 51%. The increased risk of latent infection progressing to active disease among the homeless has been associated with psychological stress, alcoholism, drug addiction, and poor nutrition, which are factors related in part to the lower socioeconomic groups from which many of the homeless come."

Infection Rates Soar

That was one year ago. Now Dr. Hamburg tells us rates have nearly doubled, and estimates in places such as Brooklyn put the figures for the shelters as high as 70%! But the response from Washington is almost as big a nightmare as is the disease. Commissioner Hamburg noted: "We asked for $15 million in federal funds to tackle this problem on a reasonable footing; we received only $400,000."

New York is not alone. When the budget cuts hit Washington, D.C., the number of staff members of the city's TB clinic went from 31 to eight. Hazel Swann, the control chief there, says the clinic was forced to stop giving thousands of tests to diagnose the presence of TB. And for those lucky enough to get a diagnosis? "We run out of antibiotics. Almost every year, around May or June, we start running out of stuff," she said.

In such an atmosphere, it is not surprising to hear terms such as plague and epidemic used by the ordinarily conservative medical community. They are well aware of the shortages of doctors and hospital beds that face many inner cities. They know too well that facilities used for quarantine were shut down years ago and could be reopened only with an influx of funds that are sure to be denied. They have heard that the reasons they can't get the medication: they need is because the medications aren't profitable to manufacture. In these quarters, the reality of Bush's kindlier and gentler America is seen for what it is — a murderous lie.

[redacted] Policy: Save Wetlands, Kill People

Man's Best Friend: Puppy Licks Brain Boy Out of Coma

CLUB OF LIFE

by Linda Everett

Everyone has a great story to tell about their pet, but few could top this one. We've all heard of dogs who have saved lost toddlers from freezing to death, dogs who have rescued their blind or deaf owners, etc. It's even been shown that having a dog lowers your blood pressure. But the pup in this story did what some doctors think they themselves can't do. He pulled his master out of coma, with what the New York Post calls the "Kiss of Life."

On Nov. 4, 11-year old Donny Tomes was hit by a car while trying to catch a ball. He suffered severe head injuries that nearly killed him, and left him in a coma at Yale New Haven Hospital's Pediatric Intensive Care Unit. The Tomes family kept vigil by his bedside day and night, reading him hundreds of letters from well wishers.

Rusty Misses You

The child, still in coma, had not moved since the accident — it was when a tape he heard the name of his six month old collie/chow pup, Rusty, that Donny moved for the first time. When his family urged him to get better quick, "Rusty misses you," Donny moved his hands and legs. A day later, when his uncle told him to snap your fingers for Rusty, Donny snapped his fingers. Response to commands is what the family and doctors were looking for, a significant step to early recovery.

Days later, Donny opened his eyes for the first time, but was still not fully conscious. Tony's older brother, Albert Tomes, [illegible] ing that "He loves that dog more than anything," hoped to spur more progress by bringing Rusty into the hospital for a visit. Rusty whimpered for his master, hopping onto Donny's [illegible] net and enthusiastically licking him. Donny at first tried to escape the kisses, but slowly a big smile spread across his face and he grabbed for the dog.

Although still unable to talk, Donny improved to higher and higher levels of consciousness each day with Rusty's help. It was during one of these visits when Rusty's tail [illegible] lauded on target that Donny said his first words. "Bad Rusty." Days later, Donny started feeding himself, and communicated with single words and gestures.

With all this success, I asked Cathy Zaorski, spokeswoman for Yale New Haven, if they considered adding a veterinarian to the staff, she said, "No, but Donny's pediatric neurosurgeon, Dr. Charles Duncan, wants to enroll the dog in the residency program. The story of Donny and his beloved dog has moved thousands to send everything from donations for medical care to dog food and chew toys.

Donny has now begun the long rehabilitation process at Newington Children's Hospital, an acute rehabilitation center for children of all ages in Connecticut. Newington, which provides all types of therapy, including pet therapy, has already invited Rusty to visit.

Anniversary of Mozart's Death: What He Gave World

MUSIC

by David Shavin

Thursday, Dec. 5, 1991, is the 200th anniversary of the premature death of Wolfgang Amadeus Mozart. He died during the [illegible]st, having completed almost all of his sacred work the "Requiem." He had not yet completed his 35th year.

Concerts and memorials throughout [illegible] are being held to celebrate the life of the infant [illegible] City to whom

EPA Policy: Save Wetlands, Kill People

PHYSICAL ECONOMY

[redacted] Congress and the Environmental Protection Agency grapple with testimony per[redacted] ...ishing and managing wetlands, [redacted] ...review an old legend of the Cayuga Indians. This tribe had once lived on the shores of the Cayuga Marshes in [redacted] New York, but had been forced to mi[redacted] ...e to a [redacted] malaria decimat[redacted] ...d how members. The Indians' explanation for [redacted] ...ns to [redacted] destructive.

[redacted] ...ed the legend. A pair of monstrous [redacted] ...ed in the reedy marshes, [redacted] ...a curse of terror against the Cayu[redacted] ...The [redacted] ...ended on war, and a [redacted] ...ed against the [redacted] ...The Cayuga warriors finally [redacted] ...d the monsters and went [redacted] ...to hold a victory feast. But [redacted] ...their tribe [redacted] ...required that any [redacted] ...honorably [redacted].

[redacted] ...decomposed [redacted] ...thousands and [redacted] ...all of them per[redacted] ...The [redacted] ...were the Cayugas and the [redacted] ...who [redacted] ...them.

[redacted] Water & Mosquitoes

[redacted] ...a combination of major [redacted] ...stagnant water, a [redacted] ...and sanitary con[redacted] ...can breed. And [redacted] ...which the [redacted] ...and the EPA favor [redacted] ...of U.S. wetlands and [redacted] ...of 1940. And [redacted] ...no mistake about it.

[redacted] ...Bush delighted [redacted] ...pledge that there [redacted] ...Federal [redacted] ...which greatly [redacted] ...supervised as well, [redacted] ...the federal government [redacted] ...and others that would [redacted] ...into new wet[redacted] ...managed wetlands regula[redacted] ...and landowners [redacted] ...and sent [redacted] ...offenders.

[redacted] and There

[redacted] ...the incompetency of the wet[redacted] ...policy continues, President Bush ap[redacted] ...to wait all to August of this year, by [redacted] ...regulations that would [redacted] ...of wetlands and decrease [redacted] ...even more money [redacted] ...government for buying [redacted] ...as undeveloped [redacted] ...the new regulations [redacted] ...until Dec. 16 after [redacted] ...the new wetlands regulations will [redacted].

[redacted] ...there has been no [redacted] ...to the [redacted] ...wretched policy out[redacted] ...

nature to provide a more healthful environment. Although the environmentalists are always screaming about health, what they really mean is: let Mother Nature do what she will, even if it kills you.

And it often will kill you, according to testimony by Dr. William J. Hazeltine to Congress on Oct. 31. Dr. Hazeltine, who is an entomologist and head of the Butte County, Calif. Mosquito Abatement District, warned that the current Bush administration policy of preserving wetlands carries the risk of triggering epidemics of viral encephalitis, malaria, and other diseases among men and animals. "We respectfully submit," said Dr. Hazeltine, "that production of mosquitoes and the attendant risks of disease transmission have been largely overlooked in the present effort to save or remake wetlands."

Dr. Hazeltine pointed out "the competing interests of wetlands preservation and public health as demonstrated by the recent outbreaks of encephalitis. The tension between preservation and public health is unfortunately exacerbated by EPA's pesticide relabeling program, which prohibits the application of many safe and effective mosquito control products to wetlands and adjacent property." The most important weapon against mosquitoes, DDT, was banned years ago in one of the most infamous environmentalist hoaxes ever run on the American population.

The Story of Walter Reed

The limiting of pesticides, combined with the regression-induced collapse of sanitary systems, is setting up the conditions for a massive outbreak of mosquito-borne and water-borne diseases. Time was when the techniques used to prevent these diseases were as simple as ABC to most Americans. Members of Congress who are confused on the subject need only look as far as Bethesda, Md., where stands the army hospital named after Walter Reed.

In 1898, Walter Reed was sent to Cuba to deal with a serious outbreak of yellow fever. That fever had ravaged the United States since colonial times, and had wiped out one-tenth of the population of Philadelphia in 1793. Reed discovered that the disease was spread by the *Stegomyia fasciata* mosquito, and that the mosquito thrived in unsanitary conditions. According to the Encyclopedia Britannica: "Possessed of this knowledge, American sanitary engineers eradicated the yellow fever from Cuba, and it has since been largely eliminated from civilized portions of the world."

The key word is "civilized." As long as fresh-water management and modern sewage treatment systems are well-maintained, and the human population is not weakened by malnutrition, diseases such as yellow fever, malaria, cholera, and typhoid fever cannot gain a significant foothold. But you do not have to live in the tropics to catch a tropical disease. Malaria in upper New York State and yellow fever in Philadelphia are possible when public sanitation breaks down. Unlike the Cayuga Indians, modern Americans cannot all move to a "better location." And that, after all, is the point of the "save the wetlands" policy: only a small proportion of our present population could survive in the conditions that prevailed in 1600. And the environmentalists and the EPA know it.

Dean Kleckner, president of the American Farm Bureau Federation, gives a press conference Nov. 13 calling federal delineation of wetlands "an invasion."

Mozart was not the first composer to die young, nor the only to die under suspicious circumstances, nor the only composer worth listening to. His music that touches our hearts so directly needs no special occasion to warrant our attention.

There is no joy in Mozart's premature death. However, the commemoration of the event should properly seize the reflections of any thoughtful American. The issues buried beneath his murder go right to the heart of the attempt to isolate and mortally wound the young American republic.

Mozart was not an aristocrat by birth. His genius is the genius of which any self-respecting citizen was capable. The wealth of his invention, and of his creativity, and the passion of his commitment for real beauty, for the truthfulness of the heart, were the key ingredients for the success of republics.

What He Did

In particular, in the decade following the American Revolution, Mozart intervened time and time again on the highest level, to provide the general population and the aristocrats who would listen, the emotional and intellectual strength to win the necessary battles. If his friend, the well-intentioned Emperor Joseph, found himself tied in knots in his efforts to free the serfs, build a healthy middle class, and outflank some reactionary nobles, Mozart would properly subcircle the knot's problems, showing Joseph the path way for a solution on a higher level. This was the case from his first opera in Vienna, *The Abduction from the Seraglio*, to his last, *The Magic Flute*.

Mozart worked intimately with a group of republicans led by Baron (now) von Swieten. Joseph Sonnenfels and Ignaz von Born. They knew that the feudal practices of the sugar city would doom our country as surely as the cultish influence coming from the British-controlled Scottish Rite Masons and the libertarian networks of the French Encyclopedists.

During the fall of 1791, the future of the republican movement, given such a powerful kick forward by the success of the American colonies, was coming to a head. For republics to work, something almost unimaginable had to transpire. Human beings who had been largely consigned to the boring, repetitive labor of serfs had to find within themselves the spark of divinity that made them truly human, and to channel this power into a strong, productive middle class of citizens. The question of how to transmit the power to acquire new knowledge, and to transform the world around them, was the issue addressed in Mozart's last and most successful opera, *The Magic Flute*.

That fall, the carpenters, laborers, machinists flocked to see the opera. It

Wolfgang Amadeus Mozart

was so powerful, and so successful, that, after Mozart was dead, the state police were not able to close down the performances. Instead, they resorted to circulating their own leaflets on the opera, giving their own particular spin to its political implications.

The Real Story

The credulous today are provided with the reassuring consensus that Mozart was an unpolitical, unthinking prodigy, whose murder might be the subject of a soap opera—the jealousy of a rival composer. They are not told that Mozart had the full confidence of political, economic, and cultural luminaries of his friend, the republican leader Sonnenfels. Nor that Mozart confided to his wife Constanze that he suspected he was being poisoned. Nor that, a few hours after he died, a government messenger arrived at the door of Mozart's friend and political associate Baron von Swieten, declaring officially that Swieten had been removed out of the government.

Nor that Swieten's opposition to overturn the education of the Crown Prince had been dumped from his position a few weeks earlier, the victim of a secret police report accusing him of republican sympathies. Nor are they told that this same Crown Prince would take over the government a few months later, when the Emperor Leopold died under highly suspicious circumstances.

It seems the Emperor had made the mistake of letting the head of the Secret Police, and of attempting to undo the political travesties carried out against Mozart's friends. The Crown Prince would become the Emperor Franz, who in his first year would imprison in a dungeon George Washington's ally, Lafayette. For anyone to purport to assess Mozart's death, and not to inquire into the anti-American, oligarchical coup that took place in Vienna that winter 200 years ago, is an act of intentional blindness.

Mozart's voice speaks today as clearly, powerfully, and truthfully as 200 years ago. That this is possible may infuriate those who think they can imprison or murder the truth.

At GATT, U.S. Presses for Cuts in World Food Supply; Famine Threatens

by [illegible]

[illegible] ignoring the reality [illegible] food shortages. Euro[illegible] economically [illegible] and [illegible] continue to [illegible] would slash the world's food supply by [illegible] and many of the world's farm[illegible] under the present round of United States-[illegible] GATT general [illegible] on [illegible] and trade negotiations underway in Geneva.

GATT negotiators [illegible] a break[illegible] on the agriculture section of the talks [illegible] end of the year [illegible] Dec. 3-20 in Geneva between high level trade officials of the U.S. and the European Communities (EC). There continues to be strong resistance from especially the government of France where farmers mounted a 200,000 strong demonstration in Paris Oct. 30 protesting the proposed GATT measures.

The realities of world depression plus European farmers' bitter resistance to further agricultural price cutting is keeping the talks, which have been in process for five years, on a razor's edge. If President Bush and British Prime Minister John Major are insisting on an agreement, but EC officials, under pressure from the commodity cartels and short-sighted industrialists to conclude an agreement for deep cuts in agriculture costs, have been holding out for maximum concessions from a politically weakened Bush administration. Most recently, the defeat of Bush's chosen candidate Richard Thornburgh in the Pennsylvania Senate race Nov. 5 has cast doubt on Bush's ability to get an agreement through the U.S. Congress.

Indeed, anti-free trade sentiment is growing in the U.S. Senate. Senator Don Riegle (D-Mich.) has introduced SR 109 to suspend the President's ability to negotiate a GATT agreement on the "fast track" which authority he acquired during a vote last spring. The resolution would also allow Senate amendments to maintain environmental, food safety and labor standards as well as Senate intervention into other areas of any agreement. The Riegle resolution reflects growing opposition to giving Bush a carte blanche to negotiate a treaty which would make the U.S. more dependent on imported food and would eliminate more American farmers, in the middle of a deepening depression.

[illegible] at the Food and Agriculture Organization [illegible] Rome, Italy, [illegible] to discuss [illegible] economic issues.

Already, at a GATT meeting in Montreal in 1988, protesters were carrying [illegible] for France signs and asserting that GATT = Genocide.

Resistance to U.S. Demands

The sticking point in the Uruguay Round of the GATT trade negotiations has been the refusal thus far of Japan and the European governments to agree to U.S. demands to cut world food production by slashing farm prices and agreeing to open their borders to more cheaply produced food from abroad. The GATT process and the U.S. demands, once completed, would bankrupt the independent farmer and thereby consolidate the grip of the so-called trading companies—Cargill, ConAgra, Continental, Bunge, etc.—over every aspect of food production.

Negotiations deadlocked last December after European farmers mobilized a huge outcry against them, but an all-out effort by the Bush administration succeeded in reviving the talks this fall. Even so, the reality of world food shortage is becoming shockingly apparent, making more obviously ludicrous the demands at GATT to cut agricultural surpluses. World food reserves are at their lowest level since the 1960s, and grain production continues to fall. This year's harvest was 5% lower than last.

Since 1985, world food production has not kept pace with consumption. The U.S. Department of Agriculture has warned that "it will become increasingly difficult to sustain present levels of food consumption." Current production levels of 1.685 billion metric tons of grain, necessary to nourish humans directly and through livestock consumption, are staggeringly short of real needs—at least 3 billion metric tons produced annually to nourish the world's population adequately. Famine conditions already exist in the Horn of Africa, and other areas of the world are experiencing severe shortages and malnutrition.

Tens of thousands of farmers are expected to demonstrate at the European Community summit, which starts Dec. 9 in Maastricht. They will be protesting the "reform" of the EC's Common Agriculture Policy, which the EC has also put up for negotiation under pressure from the food cartels to eliminate the income and border protections which have maintained Europe's highly productive agriculture. European farmers are being told to adopt the U.S. approach to production: substantial income cuts, subsidies from the government, and the removal of land from cultivation to eliminate supposed "surpluses."

Demonstrations against agriculture "free trade" have reached unprecedented levels in Europe. Canada, Australia, Japan, and Korea. Since the last [illegible] demonstration of 200,000 farmers in France, news coverage of further protests has been blacked out. Nonetheless, farmers are continuing to mobilize. There are reports that they have established checkpoints to monitor vans coming across borders with more cheaply produced products from other parts of Europe, and are thereby proving that many of the imports are illegal.

On Nov. 23, 400,000 farmers demonstrated in Rome against free trade. Driving tractors and marching through the streets, they rallied for the dismissal of the Italian Minister of Agriculture. A day later, 18,000 farmers, students and their allies rallied in Seoul, South Korea against U.S. pressure to open the country to imported rice. The rally was sponsored by the National Federation of Farmers Associations and adopted a resolution calling on the Seoul government to fight rice imports and to buy up all rice at prices 15% higher than last year's levels. If the demands are not met, they threatened to leave the ruling Democratic Liberal Party in next year's elections.

In Germany, a large demonstration of farmers is expected Dec. 16 at one of the sites commemorating the 1848 revolution. Farmers have been bringing their cows [illegible] the glitzy shopping areas of Cologne to demonstrate. Another tactic they have adopted to dramatize the impending destruction of agriculture is to light open fires on the Sola, an ancient Northern European tradition which means "Warning. Famine ahead."

Will Cuomo Candidacy Crash Along with New York Budget?

[illegible]

[illegible] day, as Governor Bush does [illegible] has particularly targeted reductions in state subsidies to localities and life and death social services for the remaining quarter (January-March) of the present fiscal year. His moves include:

- Slashing state aids to schools by [illegible] on top of a 2% [illegible] cut already made this year—that is, a $415 million [illegible] what had been a $9 billion state school aid budget.
- Calling New York State and City [illegible] University and by $67 million and mak[illegible]

Bush Starves Haitians to Death With His Blockade

by Carlos Wesley

[illegible] 2 (IPS)—Some [illegible] refugees and thirty-five Haitians drowned on Nov. [illegible] just can't [illegible] die that," said Bush in a televised [illegible] interview. He insisted that the exclusionary policy against Hai[illegible] [illegible] one of the first to come out in support of Bush's genocidal war against Iraq, is now demanding that

Wall Street insiders however hoped that these drastic measures would preclude having to make further deep cuts and fat hikes in the 1988 election year always [illegible] ambitious politicians like to mind and they hoped that the usual budget wrangling could be suspended.

The [illegible] depression has lashed those hopes. Five months ago, [illegible] requested that the recession in fiscal revitalization of Reagan short falls and continued annual service [illegible] expenditure had created a $900 billion deficit so that year's budget, plus a projected $1.0 billion deficit in the 1992 [illegible] budget. That is the $5 billion [illegible] Now [illegible] that new year's [illegible] and, to $5.0 billion.

[illegible] a solid vote [illegible] reforms [illegible] the [illegible] Pay the Rent Act [illegible] year which [illegible] 1982, the new federal [illegible] a $900 million [illegible] next month [illegible] a little doubt [illegible] these [illegible] [illegible] long [illegible] and [illegible] will [illegible] again [illegible] the [illegible] months.

[illegible] Plan [illegible]

[illegible] to [illegible] the [illegible] [illegible] budget gap [illegible] proposes to do [illegible] more of what nearly drove New York City into bankruptcy in the 1970s. Borrow money against next year's revenues, calls to make deeper cuts in the next round.

[illegible] all this [illegible] the looming debt [illegible] sharing not just the state, but the national municipal bond market. Not only is the state's credit rating very shaky, but several debt issues ranging from those of such "rock solid" entities as the New Jersey Turnpike Authority to battered governments like New York City, had to be postponed [illegible] interest rates before worries would touch [illegible]

[illegible] Cuomo is trying to pin responsibility on Bush's failure to deal with the deepening [illegible] the Governor's own popularity in New York State is now [illegible] in parallel with Bush's. It's not a matter of time before Cuomo starts to look like a disciple of [illegible] or [illegible] duds. Michael Dukakis and Jimmy Carter.

[illegible] health grants by $43 million.

• Chopping $214 million from Medicaid and other social service programs.

• Extorting more savings by gutting Medicaid even more than has already been done. Cuomo wants to require Medicaid patients, most of whom are broke, to pay for a portion of their treatment; this means that many hospitals and doctors will refuse to treat them when they can't pay. He also wants to limit the number of hours in which these people can seek treatment, eliminate dental services for adults on Medicaid, and delay increases in reimbursement rates for nursing homes and hospitals.

• Eliminating 1,500 jobs by April, including 500 layoffs, in addition to [illegible] eliminating another 6,000 jobs over the coming fiscal year.

Return of the Democratic Dud?

Yet even these cuts can't close the budget gap. So Cuomo proposes to do much more of what nearly drove New York City into bankruptcy in the 1970s: *Borrow money against next year's revenues*, calls to make deeper cuts in the next round.

[illegible] all this, *all the looming debt is sharing not just the state, but the* national municipal bond market. Not only is the state's credit rating very shaky, but several *debt issues* ranging from those of such "rock solid" entities as the New Jersey Turnpike Authority to battered governments like New York City, had to be postponed [illegible] interest rates before worries would touch [illegible]

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[illegible] certain death in Haiti under the U.S.-led worldwide economic blockade against that country. The victims were among thousands of Haitians fleeing the embargo decreed by President Bush on Oct. 30, supposedly to force the reinstatement of the Pol Pot-like dictator Jean-Bertrand Aristide.

The blockade, nominally adopted through the Organization of American States (OAS), has more than *fulfilled* the threats of U.S. Assistant Secretary of State Bernard Aronson to "devastate Haiti. Already the poorest nation in the Western Hemisphere, Haiti is now virtually without electricity, water, medicine, fuel, phones and food. Some 65,000 Haitians have been forced out of jobs in a country where, even before the embargo, most of the 6 million people earned less than $50 a year.

David Duke Immigration Policy

As the decomposing bodies of the men, women and children from the capsized boat were washing ashore on Cuba's eastern coast, Bush ordered the forced repatriation of thousands of Haitian boat people intercepted by the U.S. Coast Guard under a policy developed by National Security Counsel aide Brent Scowcroft, a partner of Kissinger Associates, Inc. and one of the authors of the U.S. official government policy to depopulate the Third World, known as NSM 200.

Bush claims the Haitians are not entitled to asylum because they are economic, not political, refugees. I am saying I don't want to have a policy that acts as a magnet to risk people's lives," he said. "If you have the whole country turning out for economic reasons, and the economy of Haiti is a disaster, we [illegible] some race or double standard."

But no one was buying that. While people fleeing Cuba are invariably given red carpet treatment, including financial assistance to resettle and U.S. permanent resident status within a year, most Haitians are denied entry into the United States.

"You can always say it's economic," said Rep. Major Owens (D-NY) on Nov. 20. "The Hungarian revolution, at the basis of it, was economic. If Hungary had succeeded as an economic system there would have been no Hungarian revolution. ... Why are we pursuing what I would call a David Duke immigration policy? There is no difference that can be pinpointed except the fact that these people are black."

Guantanamo Concentration Camp

Senator Connie Mack (R-Fla), who has been a staunch supporter of the administration, also condemned the policy of forced repatriations. A federal court in Miami temporarily *halted* the deportations and scheduled a full hearing for today, but not before the U.S. Coast Guard *dumped* 538 people back in Haiti without so much as a box lunch. Unchastened by the outcry, the administration has set up a barbed-wired concentration camp for the Haitians at the U.S. base in Guantanamo, Cuba, rather than allowing them entry into the United States. The camp is so large that astronauts *orbiting* aboard the Space Shuttle Atlantis were able to spot it.

Meantime, the Nov. 26 Washington Post claimed a so-called foreign peacekeeping force is needed "to restore democracy." The Rev. Jesse Jackson, who [illegible] military is a less formidable foe than the Bengal army, said Jackson in Brooklyn on Nov. 24. "It will take less effort to get it out." A Haitian activist said Jackson is just "fronting for Bush."

Early Military Intervention?

President Carlos Menem of Argentina, and Venezuela's President Carlos Andres Perez, a member of the Socialist International, have also been pushing for an invasion, most recently at the Latin American summit that opened today in Cartagena, Colombia. An invasion, if it happens, will likely take place before the election called to pick a replacement for Aristide, which has been called by Haiti's selected Congress for Jan. 5.

OAS Secretary General Joao Baena Soares, who was at the Cartagena meeting, said the OAS will not recognize the election results, nor will it lift the embargo, which he cynically blamed on Haiti's military. "There is an orchestrated attempt to put the blame on the member countries of the OAS because of the embargo," said Baena, according to the *Washington* Post on Nov. 27. People forget that the action of the OAS was due to the coup d'etat against Aristide.

Baena sent an OAS mission to Haiti yesterday to investigate "human rights" violations by the military. Haitian Prime Minister Jean-Jacques Honorat said that OAS claims that 1,500 were killed in the coup are an exaggeration. At most 150 to 200 people died, he said [illegible] denied there are any ongoing human rights violations.

Attempts to resolve the crisis through negotiations last week be-

Jean Bertrand Aristide

tween Aristide and Haitian legislators in Cartagena, failed when "the elegantly dressed" Aristide refused to call for ending the embargo. Haitians should starve "so democracy can return home as soon as possible" so that we can hold hands with the United States government to develop our country," said Aristide, a suspended priest of the theology of liberation camp, whose claims to be on the side of the poor have not stopped him from living in a luxury hotel in Caracas while leaving Haiti, that is, except when he's jet setting around Europe, the U.S. and elsewhere.

Chicago Teachers' Strike Averted; Crisis Continues

by Tom Szymecko

CHICAGO, Nov. 28 (EIRNS)—A devastating depression-driven strike by Chicago's 26,000 teachers, which could have stopped the education of 400,000 students in this city for weeks or months, was narrowly averted today. But the economic crisis which prompted the planned strike has not been settled, and no one knows how deeply the huge budget cuts imposed will affect each student's education and ability to obtain productive employment in the future. Nor is there any plan to create a reliable revenue base to finance education in this major metropolitan center in the future.

The strike was settled when teachers signed a tentative contract with the Chicago Board of Education after an all-night marathon bargaining session. Present were the three institutions which have been battling each other for years over bankrupt school city and state budgets: Chicago Board of Education, the Chicago Teachers Union, and the Chicago School Finance Authority. Also present, as referee, was Mayor Richard Daley.

The fight over financing Chicago's schools system, while attempting to maintain a living wage for teachers, began about a month and a half ago. First, the Board of Education announced a plan to drop a program that would have hired 800-900 new music and art teachers this year, citing lack of funds. Next, the Board announced the names of over 20 schools that would be closed this year.

Parents were in an uproar. At public hearings, parents and teachers from the targeted schools demanded that they remain open. Schools Superintendent Ted Kimbrough was almost ousted in the process, with calls to cut his salary and to cut mainly from administration assets and personnel.

Even with the heavy protests, 11 schools were closed. Then the Board canceled pay raises for teachers until 1990, cutting a $486 million budget shortfall over the next two years. It also refunded $30 million due teachers this year under last year's contract.

Debt Repayment More Important

A request to the Chicago School Finance Authority for the $35 million to finance the proposed 7% teacher pay raise met with a flat refusal. The authority, created in 1980 after years of deficit spending drove the school system into bankruptcy, said none of the $150 million held in reserve would be released, as that would jeopardize the board's ability to pay its debts. Members of the authority are financial experts, not related to the school system.

With the rejection by the Finance Authority, the mayor, teachers union, and school reform activists turned again to the Board of Education to cut deeper into its administrative budget to come up with last-minute funds to avert a strike. To no avail.

So pressure was applied by Mayor Daley and Gov. Jim Edgar to the state legislature. A bill was introduced Nov. 8 to compel the Finance Authority to release the $35 million, but at the same time giving additional power to the Authority to control and cut the Board's budget for the next 12 years.

Superintendent Kimbrough, School Board President Clinton Bridgeon, Jr., and Teachers Union head Jacqueline Vaughn all opposed the measure because of the increased power it would give to the Finance Authority. The bill went down to defeat.

Yesterday, the teachers and the Board settled for a 3% teacher pay raise in February, retroactive to December, and a soon negotiable 7% pay raise next year. Union representatives gave Jacqueline Vaughn a standing ovation when she entered the ratification meeting at the Bismarck Hotel. But the union reps were grim after voting. They said they had nothing to gain from a strike. Vaughn said later, "It is not a victory; it is the best we could get. The whole union will vote on the contract some time in December."

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"Whoever would overthrow the liberty of a nation must begin by subduing the freeness of speech."

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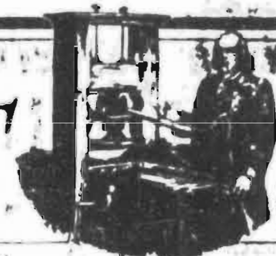

Cuba Target For Next War?

by [illegible]

John [illegible] a former high ranking CIA officer, has [illegible] that the Bush White House is planning [illegible] Third World countries as [illegible] that President George Bush needs to get the U.S. [illegible] off the growing number of [illegible] problems in the U.S.A. likely target: Cuba.

[illegible] "The Praetorian Guard - The U.S. [illegible] in the New World Order." A [illegible] of Stockwell's ar[illegible] war in the Gulf be[illegible] led him to order [illegible] 1989—as a diversion from [illegible] problems."

[illegible] President Theodore Roosevelt [illegible] confided to a friend: "I should [illegible] any war, for I think this country needs one." George Bush has frequently cited Teddy Roosevelt as his role model.

The [illegible] in a Glasgow, Scotland daily, [illegible] in (Stockwell's book) are [illegible] to be anything but [illegible] the Third World. [illegible] It is the [illegible] other observers in the U.S. [illegible] and to a lesser [illegible]

ROCKEFELLER GOES APE

Banker Demands Fast Track for Genocide in Mexico

by Dennis Small

May 14 (FIRNS)—"Without the fast track, the course of history will be stopped," banker David Rockefeller dramatically told a gathering of his Council of the Americas, which met in Washington, D.C. on May 6 and 7. "Without it," he warned, "there will be no Free Trade Agreement, there will be no Enterprise of the Americas [Bush's free trade policy for all of Ibero-America—ed.], and without that, the hope for a brilliant future for the continent will come crashing down." Rockefeller prophesied apocalyptically.

Rockefeller and cronies were gathered to launch the banking establishment's final lobbying effort on behalf of Bush's "free trade" policies for the Americas. They focused their attention on the need to bludgeon and blackmail the U.S. Congress into supporting "Fast Track" authorization for the Bush administration's North American Free Trade Agreement (NAFTA) with Mexico, which is scheduled to come to a vote before June 1.

Under NAFTA, large amounts of U.S. manufacturing will flee across the border to Mexico, where workers are paid 98 cents an hour in sweatshops known as "maquiladoras." This will create concentration camp-type conditions along the entire U.S.-Mexican border, destroy the Mexican population, and turn the area into a breeding ground for the export of cholera and other diseases of poverty. As part of this plan, up to one-third of the U.S. manufacturing work force will be thrown on the unemployment lines.

"NAFTA is a policy initiative that makes bankers drool with anticipation, since it simultaneously satis[illegible] [illegible] reduction of these nations' populations, by any means necessary.

Quayle Threatens Cong[ress]

Top establishment spokesmen at the Council of the Americas event were close to hysterical to get this policy implemented. With Treasury Secretary Brady and Commerce Secretary Mosbacher breathing hard behind him, Vice President Quayle raised the level of desperation: "I have just met with the President, and he instructed me to please request that you intensify your lobbying on Capitol Hill on behalf of the fast track. . . . If we are not able to negotiate free [trade] agreements, the democratic governments will be blamed, and there will be a resurgence of coups [illegible] and dictatorships."

After the Council of the Americas meeting, the gathered bankers and political heavyweights decamped over to Capitol Hill to armtwist Congress into voting for the fast track authorization—under which Congress would relinquish its right to modify the treaty, once negotiated.

Please turn to page [illegible], col. 1

BANKRUPT DAVID ROCKEFELLER and his banker cronies need the so-called North American Free Trade Agreement to accelerate their looting of both the U.S. and Mexico. LYNDON LAROUCHE, DEMOCRAT FOR PRESIDENT in 1992, has opposed such slave labor schemes for more than 20 years.

LaRouche Issues Program for Real Recovery

by Carol White

On May 1, Lyndon LaRouche's campaign organization, Democrats for Economic Recovery, released a [illegible] page pamphlet entitled, "Can the [illegible] Europe Pull Us Out of Economic Collapse?" One hundred thousand of these are now in circulation. [illegible]

As the reality is beginning [illegible] in that there is no upswing [illegible] and [illegible] created for ourselves first with the insane policies of Jimmy Carter and his man, Paul Volcker, and then the disastrous decade of the Reagan/Bush administrations.

The answer which LaRouche gives to the question of how Europe can help us is a qualified yes, but the answer is not to keep demanding tribute from Japan and [illegible] this is [illegible]

Furthermore, [illegible] George Bush's policy of trade war against Germany and Japan, the policy implied in the fast-track GATT and NAFTA treaties, the answer is a definite no. The GATT treaty demands that [illegible] [illegible] prices, and the Free Trade Pact [illegible]

[illegible] encourage [illegible] at home and abroad, in the present [illegible] Third World [illegible] [illegible] infrastructure projects, large-scale water and [illegible]

Inside This Issue

BOTH THE ADMINISTRATION and the Democrats are getting desperate about the banks and insurance companies. page 2

THE TRUTH of the Gorbachev faction agreement by blaming coup in the Red Army's treatment of Armenia page 3

INTERNATIONAL DEBT IS CAUSING CHOLERA to spread, more international health officials insist page 3

BANGLADESH: financial establishment's incredible response to cyclone death toll is to blame Bangladeshis for being born page 3

LAROUCHE CASE: New international protest on human rights litigation page 4

NEW RAILROAD INFRASTRUCTURE for both Eastern Europe and China, discussed at Hong Kong conference honoring Sun Yat Sen page 9

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PRESIDENT BUSH FORGET by Hampton University protest, lashes out at critics page 12

HELGA HOT LAROUCHE CALLS for implementation of Pope's new encyclical by governments page 12

American Almanac

UNITED NATIONS POLICEMAN FOR NEW WORLD ORDER Fred Wills, former foreign minister of Guyana, addresses the Schiller Institute page 5

GEORGE BUSH IS GUILTY OF WAR CRIMES page 8

WORLD'S STARVING NEED GRAIN, BU

U.S. Wheat Crop To Drop 25 Percent

by Marcia Merry

The United States harvest of winter wheat, which begins next month, will likely be down at least 25 percent from last year, at a time when the need for cereals worldwide is soaring. Worse, output is expected to be down this year in all major wheat surplus regions (U.S., Canada, Australia, Argentina) except for the European Community, whose harvests are, nevertheless, way below production potential.

World wheat output will drop at least six percent in 1991, compared to last year, according to the latest estimates from the U.N. Food and Agriculture Organization (FAO). The drop may be worse, but there is hope for decent 1991 wheat harvests in India, Pakistan, and China.

The wheat decline in exporting and relief-donor nations comes when the need for cereals for emergency food relief, due to the ravages of war, disasters and usury upon Third World nations, is overwhelming relief capabilities already. More than 40 million people are in dire need of emergency food: the four million homeless in Bangladesh; 18 million in Iraq; and over 20 million in Africa. The map (page 2) shows these areas, identifying the [illegible] African nations cited by the U.N. as in immediate need—Ethiopia, Somalia and the Sudan; Liberia, Angola and Mozambique. The FAO warned, "Fears are growing of a new global food crisis, more severe than 1974." At that time, 40 million people were at risk of starvation.

In addition to those facing famine

Please turn to page 2, col. 1

United Nations/GAMMA

WHO WILL FEED THEM? [illegible] victims of famine in Africa. Their numbers are growing, as world grain production is deliberately cut.

[illegible] forced to bail out the unproductive U.S. economy at the cost of maintaining the health of their own

The problem really goes back twenty five years to the murder of

Please turn to page 9, col. 1

October Surprise Involved Kissinger and Bush Roles

by Edward Spannaus

May 11 (EIRNS)—It is high time that the U.S. Congress conducts a full investigation of the "October Surprise" scandal which has again surfaced in recent weeks.

This investigation must not be sidetracked by secondary issues such as whether or not George Bush personally participated in meetings designed to delay the release of the hostages until after the November 1980 elections. The central issue is why the Carter administration hostage negotiations broke down in October 1980, and why the release of the American hostages was delayed until moments after the Reagan-Bush inauguration on January 21, 1981. Bush need not have been in Paris to be involved in that policy.

While recent news coverage—such as the April 15 New York Times column by former NSC official Gary Sick and the April 16 PBS "Frontline" program—has shed some interesting new light on the events of the Fall of 1980, the most essential facts are already in the public domain, and are well known. It is not necessary to know whether George Bush was in Paris on Oct. 19, 1980, or to exhume the late William Casey's body, to get to the bottom of the October Surprise story. The most important participant and witness, Henry A. Kissinger, is still fully available should Congress seek to subpoena him, and, indeed, he could not even claim executive privilege, because he was not a government official at the time.

Broader Implications

The active role of Henry Kissinger in the process leading into and

Please turn to page 4, col. 1

Civil War in Yugoslavia Could Still be Derailed

by Nancy Spannaus

May 14 (EIRNS)—Intervention by the churches of the Yugoslav republics of Croatia and Serbia defused the conditions for full-scale civil war in the Yugoslav federation last week. But the potential for avoiding military conflict in the immediate period ahead, depends directly upon a solution to the East Bloc economic crisis.

As in the Third World, the appli[illegible] usurious International Monetary Fund debt collection conditions on Eastern Europe has exacerbated the already desperate condition of the population. Faced with economic disintegration, the populations of the formerly communist states are easily fractured along ethnic lines. If the economic catastrophe is not solved with a massive infrastructure program along the lines of Lyndon LaRouche's Productive Triangle program, it is not out of the question that Eastern Europe will not only be the scene of civil wars, but that it will be the arena for renewed communist, or Soviet, intervention.

While it is virtually inevitable that the Yugoslav federation will become less centralized over the immediate period ahead, stability for any of the republics will depend upon their economic prospects.

A Truce

Following weeks of increasing violence between the Serbian-controlled military and the Croatians, the leaderships of the Catholic Church of Croatia and the Serbian

Please turn to page 9, col. 4

Dem Leaders Capitulate on Mexico Slave Labor Bill

by Suzanne Rose

Amidst a growing national debate on the Bush administration's proposed slave labor agreement with Canada and Mexico, known as NAFTA, the Congressional Democratic leadership has capitulated to White House pressure and endorsed a "fast track" negotiating authority to steamroll an agreement through congress.

A resolution endorsing the fast track submitted by the Congressional House leader[illegible] Rep. Gephardt and Rod[illegible]owski, passed the House Ways [illegible] Committee today, while a resolution against the fast track submitted by Rep. Byron Dorgan (D-N.D.) failed—in the Committee.

However, the full House has not voted yet, and just as the committee leaders were capitulating, President Bush shot himself in the foot in a very nervous speech before a hostile audience of [illegible], at Hampton University, by charging that NAFTA's opponents are racists, "making slurs against Mexicans." Immediately a Congressmen and a Senator held press conferences to denounce the President for this low blow. Paul Wellstone of Minnesota, and House Majority leader Gephardt himself.

Although the White House has demonstrably exercised control over the highest levels of the Congressional Democratic leadership, including Senate leader Lloyd Bentsen, (D-Tx) who is campaigning for the fast track, the issue of slave labor has become the subject of a national debate, the very thing the "fast track" was supposed to avoid for Bush.

In this debate, policy issues identified by Lyndon LaRouche as long ago as 1974, and articulated by him on national television in 1976 when he warned of "a system of labor

Please turn to page 4, col. 5

Austerity 'Expert' Felix Rohatyn Calls for Bank Nationalization

by John Hoefle

May 13 (EIRNS)—When the Bush administration proposed that the Federal Deposit Insurance Corporation borrow $70 billion from the Treasury and then use that money to borrow another $45 billion from the Federal Reserve, White House desperation over the banking collapse was exposed, and the Democrats let out a howl. Now the Democrats have proposed their own plan to pump more bail out into the nation's failing banks.

Sen. Terry Sanford (D-NC) has introduced a bill to create an Emergency Bank Investment Corporation as a vehicle to allow the federal government to buy [illegible] billion of stock in ailing banks, in order to qualify for this option, banks would have to merge institutions impaired by regulators, including forced mergers with other banks, demand reorganizations and management changes, and the acquisition of outside capital.

The idea is that the government would use the taxpayers' money to pay for a consolidation and small nationalization of the U.S. banking system. The bigger banks, backed by the might of the U.S. government and the wallets of the taxpayers, would be free to gobble up their smaller competitors and the public.

The proponent of the Felix Rohatyn of Lazard Freres investment bank, who has been in charge of New York City's finances for 18 years now, while Democratic Senatorial Candidate David Boyd Cutler, speaking before the Senate Banking Committee, they opposed any mere increase in the bank deposit insurance fund (FDIC), which is exhausted by bank failures. "Pumping $25 billion into the FDIC will not generate one new dollar of investment; providing $25 billion of new capital to the banking system could generate $200-$300 billion of new investments activity," said Rohatyn. "This could play a critical role in our economic recovery."

Reinflating the Reagan-Bush speculative bubble by pouring taxpayer funds into the banks, will not lead to economic recovery. Instead, it will suck funds desperately needed to rebuild the U.S. infrastructure into the black hole of the bankrupt Anglo-American financial empire.

FDIC 'Nearly Insolvent'

That the banking crisis is coming to a head was underscored April 26 in testimony by Comptroller General Charles Bowsher—the head of the General Accounting Office—before the same committee.

"The bank insurance fund is nearly insolvent, and I cannot overemphasize how important it is to restore it as quickly as possible," Bowsher warned the committee. "If you don't get on top of this soon enough, then the taxpayers will eventually lose."

While the FDIC claims that the Bank Insurance Fund contained $8.4 billion in assets at the end of 1990, an audit of the agency by the GAO put the figure at between $2 billion and $5 billion. Against $3.2 trillion in bank deposits, this represents about one penny of insurance funds for each ten dollars of deposits.

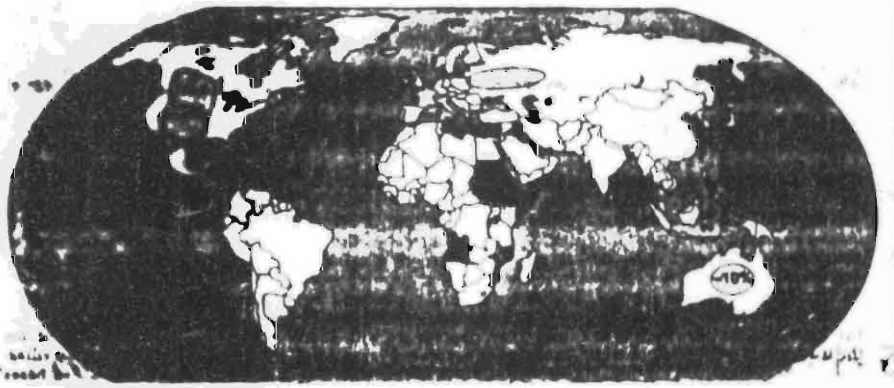
"This level represents an all-time low, and the fund is in a precarious state," Bowsher said. Unless the BIF is rebuilt, he said, "it is highly probable that the fund will be insolvent at the end of 1991. We expect that the BIF fund balance at the end of 1991 will be somewhere between a high of $1 billion and a low of negative $5 billion."

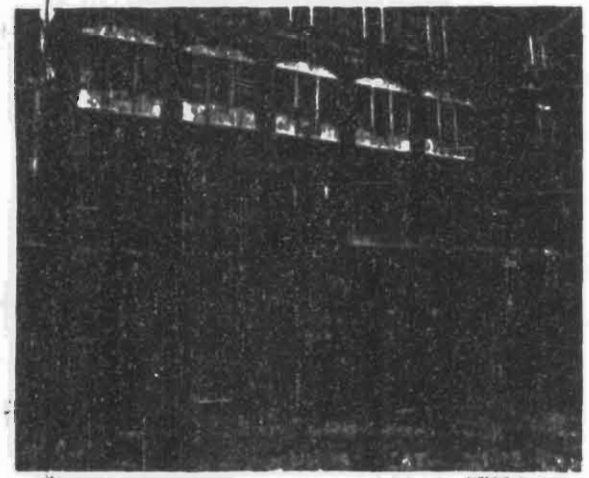
Bowsher recommended that Congress move quickly to inject $15 billion into the insurance fund through a special assessment on the banks of 40 cents for every $100 in total assets—on top of the 19.5 cents per $100 in domestic deposits the banks already pay the FDIC.

Bowsher compared the situation at the FDIC to what happened with the now defunct Federal Savings and Loan Insurance Corporation.

After the recent collapse of Executive Life Insurance Co. and the widely reported problems at First Capital Holdings, the head of a Senate Commerce subcommittee is now saying the same thing about the insurance companies, which are bigger capital concentrations than the banks. Sen. Richard Bryan of Nevada said May 7, "There are problems beyond Executive Life. . . . Many of the comments being made about the solvency of the insurance industry are a haunting refrain to what was being said about the S&L industry a decade ago or about the solvency of the bank insurance fund just a year ago."

United Nations Forecasts: • 6% drop in 1991 wheat crop
• regional famine





EIRNS/Carlos de Hoyos

AN ABANDONED HOSPITAL IN THE BRONX. Genocidal financiers are bleeding New York City to death with budget cuts.

Latest New York Budget Cuts Mean 'Doomsday'

by H. Graham Lowry

May 13 (EIRNS)—The latest massive spending cutbacks proposed for New York City, billed in the local press as a "doomsday" program, threaten it with virtual extinction. Mayor David N. Dinkins presented a $2 billion budget-cutting plan May 4 which he said would produce a "meaner" and less livable city.

"There is no adjective sufficient to describe the consequences New Yorkers will have to bear," Dinkins said. "If new resources are not forthcoming and New York City is forced to go it alone, each and every day, each and every New Yorker will be forced to suffer and sacrifice in 101, even 1,001 different ways."

New York City is being bled to death by a gang of financiers led by Felix Rohatyn of Lazard Freres, who still heads Big MAC, the so-called Municipal Assistance Corp. Rohatyn and the bond raters have made it clear that the city will be shut off from needed loans, unless it slashes enough spending to control a budget deficit now projected at $3.5 billion for fiscal 1992.

Facing the threat of a financial takeover by the state, city officials are also using the proposed cutbacks as a club to try to extract more than $700 million in wage and benefit "givebacks" from the municipal unions. The concessions would then be traded off for some of the other proposed budget cuts, and

said of the current cutbacks proposed, "This is an heroic effort, there is a lot of pain in this plan."

Following decades of austerity, New York City is already experiencing an absolute decline in population—the stated objective of the genocidal financiers who control it. Beginning July 1, the remaining population may suffer a reduction in basic and vital services below the level required to function. Peter Radford, chief economist at National Westminster Bank, predicted several months ago "a much more prolonged feeling of being at the bottom" for New Yorkers, and "something of a population slide."

Beginning July 1, the city will eliminate 35,755 full-time jobs, more than 23,000 through outright layoffs and the remainder by attrition over 12 months. Another 4,000 part-time positions will be axed. The parks department budget will be cut by 39%, sanitation by 22%, health services by 19%, and subsidies to city hospitals by 20%. The city's schools will lose 6,000 more teachers and aides.

Infant mortality programs will be eliminated; five health clinics set up specifically for children will be closed. The school health programs which administer 500,000 vision and hearing tests each year will be canceled. All outpatient pharmacies in city hospitals will be shut down, and weekend and evening

THE NATION

Treasury Bond Auction Called 'Extremely Poor'

May 10 (EIRNS)—The U.S. Treasury's 30-year bond auction May 9 went "extremely poorly," according to City of London bond market sources. The ratio of bids to offered bonds was the lowest in New York bond history. International investors reportedly fear that the U.S. budget deficit will create a de facto "government glut of Treasury bonds; a form, if you will, of U.S. government 'junk bonds.'"

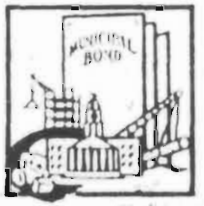
According to these sources, reports of "Japanese" buying of between 20-30% of the record $37 billion bond offering are misleading. "They are including Nomura et al., who are now listed as Primary Bond Dealers and buy for normal U.S. clients, not for Japanese life insurance companies. The days of Japan bailing out the U.S. budget deficits ended last year when Japan was a net seller of U.S. Treasury bonds and paper. And unless Bush is able to turn this around, together with the decline in German bond investments, Bush will face a major crisis in the next 3-6 months, which could even force U.S. interest rates higher."

Regulators Close D.C.'s Madison National Bank

May 11 (EIRNS)—Federal regulators closed the Madison National Banks of Washington, D.C. and Virginia yesterday, and sold the carcass to Signet Banking Corp. of Richmond for $18 million, the Washington Post reported today. The Fed had been pumping cash into the bank since late 1990, and had put in $80 million in the past few weeks to replace fleeing deposits.

For its $18 million, Signet will get $450 million in deposits and a 21-branch network. The FDIC will advance Signet $848 million and keep some $544 million of Madison's troubled assets and loans. The failure is projected to cost the FDIC $160 million.

Budget Deficits Next Major Economic Shock



May 10 (EIRNS)—London financial circles state privately that they think that the next major shock to hit the U.S. economy will be the exploding state and municipal deficit crisis. A "highly confidential" report from a leading New York municipal bond investment house estimates a total state and local budget deficit for the current Fiscal Year of "$100 to 140 billion."

Says the report, this total, some 2.3% of total U.S. GNP, means "a massive series of state and local cuts, layoffs, construction freezes, higher taxes. Its impact will be enormous on top of an already estimated $400 billion Federal Budget Deficit for the year which ends September 30."

The report also notes a major difference exists between today and the 1930's depression: "In 1929 total government spending on all levels in the United

○ Wheat production crisis ● Grain shortage crisis, 40 million people

Wheat Harvest Falls as Hunger Grows

Continued from page 1

today over the 1980s the average per capita food consumption in South America and Africa has declined in shocking pounds per person. For a minimum diet of necessary calories, at least 3 billion tons of grains of all types should be produced worldwide annually. Instead, between 1.8 and 1.9 billion tons of grains (wheat, corn, rice, etc.) have been produced each year. Instead of an output of up to 1 billion tons of wheat, there have been fewer than 600 million tons produced. The FAO's preliminary estimate for 1990 wheat is 580 million tons, down six percent from 595 million tons in 1989.

The Reality Is Genocide

This mainly reflects a reduction in the area planted, the deliberate policy of the U.S. Department of Agriculture. Estimates are that the U.S. 1990 winter wheat crop will be 1.65 to 1.68 billion bushels (about 42 million tons, compared with 1.938 billion bushels (50 million tons) last year.

The USDA decreed a 10 percent set-aside in wheat areas for farmers participating in government programs for the 1990 wheat crop now being harvested. This led to a 10 percent decline in wheat acreage planted in the fall of 1989, compared to 1988. The USDA rationale behind the smaller plantings was that there would thereby be "room" — the farm could be fixed parcels to undergo fallow.

Farmers in many endeavors are hard hit by the low prices for their wheat, the result of price rigging by the world grain cartel. Continental Grain, Louis Dreyfus, Bunge, ADM/Toepfer, Andre and others. Farmers are getting $2.40 or less a bushel. A parity of that price for U.S. growers would be $7.00 a bushel.

The map shows other producing regions in crisis.

- Canada: Canadian plantings of spring wheat this year are expected to be down by at least 3 percent. The grain cartel companies are dumping Canadian durum wheat on the U.S. market permitted by the 2 year-old free trade agreement. The Canadian Wheat Board—intended to protect farmers from low prices, is now facing insolvency, and is borrowing 30-90 day short term loans on Wall Street.
- Australia: Estimates are that this year's planting—which begins next month (the opposite of the northern hemisphere) will be 9 to 25 percent lower than last year because of farmers' financial crisis from low prices. Wheat output may drop to 13 million tons, down from 15.7 million last year.
- Argentina: Wheat planting may sink to 14.3 million acres, from 15.2 million last year, because the growers do not have the necessary means. The government is trying to order and exhort growers to plant 16 million acres, but with no assistance.
- Europe: European Community Agriculture Commissioner Ray MacSharry has decried the 20 million tons of EC grain stocks as "proof" that grain growers are "overproducing." MacSharry is attempting to impose penalties on farmers to prevent increased wheat output.
- Soviet Union: size and availability of the harvest are uncertain, to say the least.

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lion in loans to the city, as "the caboose, not the engine" of a rescue plan, Rohatyn says.

Rohatyn's Love of Pain

During the takeover of the city's finances in the mid 1970s, Rohatyn's budget slogan was "pain and agony." At a Big MAC board meeting this February, his prescription was "extreme brutality." In a speech to the Municipal Forum of New York April 24, he described his life before Big MAC as "a state of total municipal virginity. That did not last long. Like most virgins, my education was rapid, exhilarating and sometimes painful. . . . One could make political virtue out of painful necessity." City Finance Commissioner Carol O'Cleireacain eliminated. Social workers' caseloads will be increased. The city's dental clinics will also be closed, as will 10 shelters for the homeless, and drug treatment programs will be terminated.

Even the Zoo

Housing inspections will end, responses will be made only to heat and life-threatening complaints. Lead paint inspections will be cut by half, and pest control programs by 25%. Major staff reductions will be made in city libraries and cultural institutions. The Central Park Zoo and all 32 of the city's outdoor swimming pools will be closed. To ensure the proper pall over the scene, one of every four street lights will be turned off citywide.

Landsbergis: Lithuania Needs Help for Freedom

May 7 (EIRNS)—Leaders of the Baltic Republics of the Soviet Union testified in Washington, D.C. today before the Congressional Commission on Security and Cooperation in Europe, on Moscow's continuing repression of the Baltic states. Testifying here is Lithuanian President Vytautas Landsbergis who was joined by the prime ministers of Latvia and Estonia, Ivars Godmanis and Edgar Savisaar. Landsbergis told of continuing Soviet domination of his country, and reported that the Soviets had seized more buildings in the Lithuanian capital of Vilnius. He said the Soviets, "steal everything, robbing our people of their personal possessions as well as of their country."

Gen. Washington Quashes Rebellion at Newburgh

Special from the Committee of Correspondence

May 6, 1783—Now that the Treaty of Paris has ended hostilities between Great Britain and the United States, it is possible to shed light on the tumultuous events which took place at Continental Army headquarters in the months preceding the peace.

Despite the American victory at Yorktown in 1781, months dragged on with no word from Europe, and with British forces in America still threatening, Gen. George Washington established the headquarters of the Continental Army at Newburgh, N.Y., up the Hudson River, to block any military actions by the large British garrison in New York City.

During that time, no pay for the soldiers was forthcoming from Congress, and discontent ran high. In March, a series of anonymous pamphlets appeared in camp, called on the officers to march on Congress to compel it to pay them. Failing that, it exhorted the officer corps to withdraw to the frontier, and leave the country defenseless until Congress did their bidding.

It has now been revealed that one of the pamphlets' authors was Maj. John Armstrong, an aide to Gen. Horatio Gates. It may be remembered that in 1777 and 1778, there was a secret cabal dedicated to replacing Gen. Washington with Gen. Gates. The plans of that group, the "Conway Cabal," were ultimately defeated, but disrupted the Congress and the Army during its trying winter at Valley Forge.

Gen. Washington reacted to the Newburgh Addresses by going uninvited to an army officers meeting and laying out to them the actual sinister intent of the documents. "This dreadful alternative," he stated, "of either deserting our country in the extremest hour of her distress or turning our arms against it (which is the apparent object, unless Congress can be compelled into instant compliance), has something so shocking in it that humanity revolts at the idea."

"My God! What can this writer have in view, by recommending such measures? Can he be a friend to the Army? Can he be a friend to this country? Rather, is he not an insidious foe? Some emissary, perhaps, from New York, plotting the ruin of both by sowing the seeds of discord and separation between the civil and military powers of the continent?"

Gen. Washington attacked the advice given by the pamphlets to suspect any man who recommended moderate measures. "If men are to be precluded from offering their sentiments on a matter which may involve the most serious and alarming consequences that can invite the consideration of mankind, reason is of no use to us—the freedom of speech may be taken away, and, dumb and silent, we may be led, like sheep, to the slaughter."

The Commander-in-Chief ended by urging the officers to turn away from any man who wished to overturn the liberties of our country. "By thus determining, and thus acting, you will pursue the plain and direct road to the attainment of your wishes. You will defeat the insidious designs of our enemies, who are compelled to resort from open force to secret artifice.

"You will give one more distinguished proof of unexampled patriotism and patient virtue, rising superior to the pressure of the most complicated sufferings, and you will, by the dignity of your conduct, afford occasion for posterity to say, 'Had this day been wanting, the world had never seen the last stage of perfection to which human nature is capable of attaining.'"

U.S. Now Sixth in Machine-Tool Output

May 9 (EIRNS)—The United States has fallen to sixth in the world in machine tool production, behind even Switzerland. The U.S. now accounts for only 6.7% of total world production of $46.6 billion. Japan was the largest producer in 1990, with 23.2%, followed closely by Germany, with 21.2%. The Soviet Union ranked third with 9.7%, followed by Italy at 8.5%. Switzerland, with only 6.5 million people, edged past the U.S. with 6.8%.

Britain ranked seventh, with 3.7%, followed by France with 2.9% and Taiwan with 2.2%.

Sixteenth Death in Nebraska Child Abuse Case

On Sunday, May 10th, the Omaha Police Department found the body of Alfie Allen, 26 years old, hanging in his apartment in Omaha, Nebraska. Classified by the OPD as an "apparent suicide," this brings to sixteen the number of deaths tied to the case of child abuse and satanism surrounding the collapsed Franklin Credit Union. Victim witness Alisha Owen testified to the state Senate's Franklin committee in 1990 that the sex, drugs, and child abuse parties she attended in Omaha, involving former Franklin boss Larry King, former OPD Chief Robert Wadman, multimillionaire Alan Baer, and former Omaha World-Herald publisher Harold Andersen, were held in Alfie Allen's apartment in the Twin Towers luxury apartment building in Omaha.

U.S. Navy Begins Home Porting Program

May 9 (EIRNS)—The U.S. Navy has begun assigning five naval groups to ports in the United States for defense and training purposes. The first group will be an aircraft carrier battle group stationed in Everett, Washington. The Nimitz carrier is said to be with this group. The four other groups will be based at Staten Island, N.Y., Mobile, Ala., Pascagoula, Miss., and Ingleside, Texas. The first vessels assigned to these ports will arrive this late autumn.

The program was developed in the mid-1980s with the purpose of dispersing the fleet to more home ports for strategic reasons.

People In The News

JAMES LILLY, the U.S. Ambassador to China who defended the 1989 Tiananmen Square massacre, is reportedly at the top of the list to replace retiring CIA director William Webster. Other names mentioned include deputy director Richard Kerr, former deputy director Bobby Ray Inman, Deputy National Security Advisor Robert Gates, and Sen. Warren Rudman.

MOHAMMAD MASHAT, former Iraqi ambassador to Washington, was granted permanent immigrant status in Canada last week, after living there since March 30.

THE WORLD

Egypt Pulling Troops Out of Saudi Arabia

May 12 (EIRNS)—The U.S. effort to build a new "regional security pact" in the Mideast may be failing, according to today's Washington Post. On May 8, Egyptian President Hosni Mubarak announced that Egypt would be pulling its 40,000 troops out of Saudi Arabia and Kuwait. Apparently, the Gulf monarchies fear that Egypt and Syria might use their armies to try to dominate the area.

Meanwhile, Saudi King Fahd declined to meet visiting Defense Secretary Richard Cheney on the final leg of his recently completed Mideast tour, and kept him waiting for 45 minutes for a rescheduled meeting at the end of it. The Saudis are reportedly balking at U.S. demands to station troops and to maintain basing rights in the kingdom.

Brazil Congress May Investigate Kissinger History

May 13 (EIRNS)—Last week we reported that our revelations of U.S. documents by Henry Kissinger, demanding the population of Brazil be kept down, were creating a great deal of anger in that country. Now congressional leaders of several Brazilian political parties have promoted an investigation of Kissinger's behavior. Brazil's Health Minister, Dr. Alceni Guerra, revealed in an interview with EIR that after Kissinger's NSC targetted Brazil and 12 other countries to [illegible] Brazilian women were sterilized by programs the U.S. demanded. In the Brazilian capital now, the daily paper Jornal do Brasilia is running banner headlines reporting which Congressmen are endorsing to have the investigation.

Panama Promises to Pay All Debt Arrears

May 10 (EIRNS)—Panamanian Second Vice President and Planning Minister Billy Ford, during a recent trip to Washington, met with representatives of the International Monetary Fund and World Bank, and promised to pay all their arrears within 45 days. The amount under discussion is $340 million, on top of the $200 million paid since April of 1990.

Panama was recently hit by an earthquake, and the government has now announced that it will not pay the "13th month bonus" which has been paid to workers since the time of Omar Torrijos.

According to an article in the May 8 Estrella de Panama, Panama is hoping to create a group of friendly countries which could extend bridge loans and short-term financing. Panamanian embassy official Federico Boyd said in Washington that once Panama pays its arrears, it can then negotiate an economic "adjustment" agreement with the IMF.

Kroll Assoc. Attacks Peru's Alan Garcia

May 14 (EIRNS)—Kroll Associates, the British intelligence-linked firm which

Bangladesh Deathtoll Is Result of Malthusian Plan

by Linda de Hoyos

May 15 (EIRNS)—The April 29 cyclone in Bangladesh, which killed upwards of 135,000 people, has become the rallying cry for the Malthusians of the West. Bangladeshis, says the anti-human chorus heard everywhere in the Western press, have brought this catastrophe upon themselves by being born.

Nowhere in the major Western press have there appeared any calls for investment in flood control and harnessing of the Ganges-Brahmaputra rivers, as the world's appropriate response to such great loss of human life. Such projects would not only counter the effects of the cyclones and tidal waves that hit the region, but would provide the irrigation that would make Bangladesh, with its enormously rich soil, a breadbasket for all of Asia.

But the press has been rife with Malthusian expositions on the alleged stupidity of "charity" and demands that the Bangladeshis stop "breeding." A May 14 article in the eminent West German daily Die Zeit is a case in point. "Bangladesh, a hopelessly overpopulated and poor nation, dramatically shows the world where the limits of development lie," Die Zeit intoned, and then proceeded to quote Henry Kissinger, who has been determined to crush Bangladesh's economic existence since he sided with Pakistan in the Bangladesh liberation war in 1971. "Bangladesh has become a synonym for human misery—a 'basket case,' in Henry Kissinger's devastating condemnation." The greatest problem is the "population explosion," the article asserts. Development assistance has "flowed" into Bangladesh "as into a bottomless pit." Die Zeit claims. For Bangladesh to "stand on its own feet," the population explosion must be brought under control, which means unpopular politics. Natural catastrophes cannot be stopped, says the newspaper (falsely, since such hurricanes do not carry such death tolls in economically advanced countries) "but the number of people who fall victim to them, can be reduced through reasonable politics."

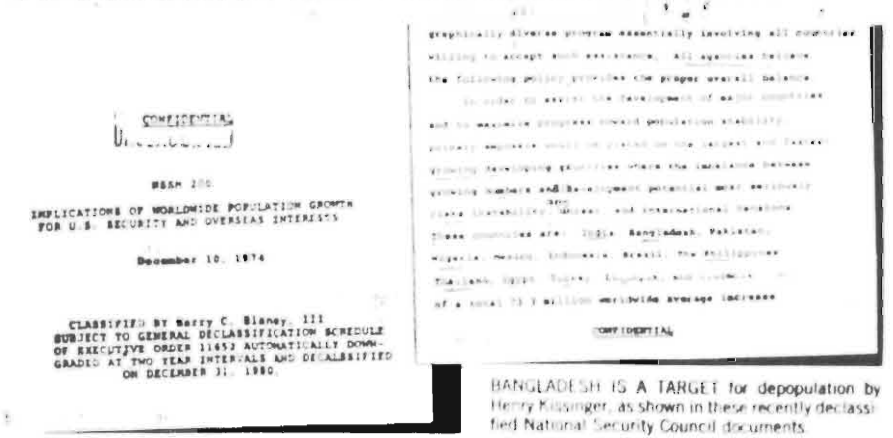
One Track Minds

On this side of the Atlantic, columnist Hobart Rowen wrote in the Washington Post May 10 that "excessive population growth" was the cause of the April 29 catastrophe. Rowen then complained: "Misguided richer nations routinely pump multi billions of loans into the Third World for economic 'development' and then ignore the relative pennies that are needed for family planning."

And from Britain, birthplace of Parson Malthus himself, Sir Nicholas Fairbairn, former Solicitor General for Scotland under Margaret Thatcher, told a Scottish Conservative Conference on May 9: "It is not death which is our problem, but birth. I hope it will not sound unpitiful if I remind you that the population of Bangladesh, reduced by 120,000 ten days ago, has already overtaken that number. . . . It's no good talking about environmental problems and national emergencies for people washed away in floods if the tide of population is not stopped."

The lives of actual human beings are not a factor in Malthusian ruminations. However, some facts have slipped through the press. The Bangladeshi field director for the Save the Children Fund estimated that more than 300,000 people died in the cyclone, and that 80% of the dead were children or babies. Bangladesh former vice president Moudid Ahmed reported that as the water rose, many parents tied their children, whom they could not carry with them in the flood, to the tops of strong trees in a desperate effort to save them. The water rose too high, and most of these babies and children drowned.

Four million more people, most of them children, are threatened with death from thirst, hunger, and disease, the Red Cross/Red Crescent reported from Bangladesh May 5.



CONFIDENTIAL

NSSM 200

IMPLICATIONS OF WORLDWIDE POPULATION GROWTH FOR U.S. SECURITY AND OVERSEAS INTERESTS

December 10, 1974

CLASSIFIED BY Barry C. Blaney, III
SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF EXECUTIVE ORDER 11652 AUTOMATICALLY DOWNGRADED AT TWO YEAR INTERVALS AND DECLASSIFIED ON DECEMBER 31, 1980.

CONFIDENTIAL

BANGLADESH IS A TARGET for depopulation by Henry Kissinger, as shown in these recently declassified National Security Council documents.

ARMENIAN LEADER MECHAK GABRIELIAN addressed the Schiller Institute's

Secret Deal Behind Armenia Pogrom

Special to New Federalist

May 13 (EIRNS)—From about May 1-10, the Soviet Fourth Army, together with the KGB, Soviet Interior Ministry troops, and Azerbaidzhani "Black Beret" police, waged a bloody pogrom against Armenian villages on both sides of the Armenia-Azerbaidzhan border in Soviet Transcaucasia. According to the Armenian Interior Ministry, at least 48 Armenians were killed, a dozen villages were seized, and 90 prisoners were taken, some of whom are feared executed. Armenia has complained to the United Nations of Soviet "military aggression."

The massacres began just one week after Mikhail Gorbachov reached his April 23 agreement with Russian Federation president Boris Yeltsin, and were in fact provided for by secret clauses in that agreement. Again, the analysis of Soviet developments given by U.S. Democratic presidential hopeful Lyndon LaRouche more than a year ago, said that the Gorbachov-Yeltsin deal heralded a strengthening of Russian imperialism, as reported last week in New Federalist.

The villages of Getashen—formerly pop. 300—and Martunashen are said to exist no longer; they have been burned to the ground, at least 37 of their inhabitants killed, and the rest arrested or deported. Now off-limits to reporters, the towns will be resettled by Azerbaidzhanis. The following telegram from Armenpress news agency, broadcast on Radio Vilnius, Lithuania, on May 3, was likely the last communication from Getashen and Martunashen.

"S.O.S! We, the people living in two Armenian villages of Azerbaidzhan, Getashen and Martunashen, implore you to save our lives. The Soviet army is annihilating us, Soviet citizens.

"We are fired at from cannons, machine guns, and submachine guns. They fire at us from the air. [illegible]

culating of their bullet-ridden corpses. "It was an out-and-out bloodbath, a massacre," said Anatoly Shabad, a member of the Russian Federation parliament who visited there.

Armenian Government Endangered

Armenian President Levon Ter-Petrosian characterized the massacres as illegal aggression against Armenia, and said that he has documents which prove them to be part of a plot to overthrow his pro-independence government. The Armenian Patriarchate of Jerusalem said on May 7 that the situation resembles the beginning of the Armenian massacres of April 1915.

Mikhail Gorbachov answered that the troops are only enforcing his July, 1990, presidential decree calling for the disarming of all militias, which he said must be carried out "hamlet by hamlet." Soviet Interior Minister Boris Pugo, speaking in the Congress of People's Dep[illegible]

and which is waging war against any country or individual which ever had dealings with Iraq, has launched an attack on former Peruvian President Alan Garcia, with the obvious intention of putting him away Noriega style. The Anglo-American oligarchy has never forgiven Garcia for daring to challenge them when he stopped paying debt to Peru's creditors in 1985.

Deputy Fernando Olivera Vega, of the Independent Moralizing Front (FIM), reported to the U.S. Congress April 24 that Garcia had $50 million deposited in foreign bank accounts, citing Kroll Associates as his source. According to Olivera, who heads up the committee investigating Garcia's "illicit earnings," Garcia had a bank account in the Dallas Western Federal Savings and Loan Association, whose assets were later transferred to Bushell Savings in Dallas, Texas. Kroll also asserts that Garcia held various personal accounts in the BCCI bank, which is under investigation for drug money laundering.

Another firm, Lare Investigative Services, has been investigating Garcia and reports that its findings coincide with Kroll's. Lare cites that Panamanian Gen. Manuel Noriega introduced Garcia to BCCI, and that Garcia deposited "six figure amounts" in that bank. Lare claims that the funds were subsequently deposited in Societe Generale bank in Brussels, and to other U.S. and Spanish banks.

People in Horn of Africa May Start 'Dying Like Flies'

May 11 (EIRNS)—Without immediate and massive outside help, people in the Horn of Africa will "die like flies," warned Oxfam director Frank Judd in a May 9 statement upon return from the Ogaden region of Ethiopia. He said: "Where in that area were, without exception, all the roads. They have 10-15 days of moderate supply as then God knows what will happen.

Judd, who also visited Mozambique, said he was personally "devastated" by what he had seen there and in Zimbabwe. He said the world now needs a "humanitarian Schwarzkopf" who could mobilize the energies and logistics to get aid where it is needed in Africa in the shortest possible time.

People In The News

JURGEN WARNKE, German Finance Minister, told journalists in Washington May 8 that restrictions and American curbs on technology transfer to both the Third World and the Soviet Union and Eastern Europe were a very bad policy—in the Bush policy.

■ ■

MARGARET THATCHER will visit Moscow later this month, at the personal invitation of President Mikhail Gorbachov, and with Russia the Kremlin has announced.

■ ■

HIROSHI NAKAJIMA, director general of the World Health Organization, warned that the free market must not determine health policies at the WHO annual meeting in Geneva. He said: "Health is a right of man which should be protected, therefore, a good

Cholera Victims Left to Witchdoctors

by Gretchen Small

May 13 (EIRNS)—Crippled, maimed, paralyzed, blind, deaf, dumb, autistic, old and oppressed by the years, cancerous and carriers of all kinds of illnesses, many of them written off by medicine, have taken to the streets, and turned Lima into a Court of Miracles, "the Peruvian correspondent for Mexico's La Jornada reported May 7. Millions are desperately seeking out witch doctors, faith healers, and "miracle workers" to cure them.

The situation in Peru now matches that of fourteenth century Europe. Then, despair drove masses of people into such expressions of psychosis as the cults of self-flagellation, because governing authorities did nothing in the face of epidemics of black plague which killed half the population in a period of fifty years.

Devastated by cholera and a dozen other epidemics, some twelve million poor people in Peru have been thrown to the witch doctors by their government, and the international financial community which holds Peru's foreign debt. Peru's crisis has the same cause as the plagues of the fourteenth century: usury. Since cholera struck Peru in January, Peru's President, Alberto Fujimori, has ordered that foreign banks be paid $50 million dollars a month in debt payments, but has not permitted one penny to be spent on water or sanitation projects needed to stop the epidemic.

Cholera has now spread to at least seven countries in the Western Hemisphere, not including the United States, where 11 cases have been reported thus far.

Insanity in Government

In May, Fujimori offered insanity as his answer to the epidemic. A Peruvian businessman famous for organizing "nightlife spectacles," had brought a Brazilian witch doctor to Lima, and rented a huge sports center in which he could "work miracles" before millions. The television station owned by Wall Street's favorite Peruvian banker, Manuel Ulloa, gave the witch doctor massive publicity.

Fujimori invited the Brazilian witch doctor Texeira to visit him at the presidential palace. "I have seen it," the President told the press afterwards. Texeira "induced me to move a finger" which had been injured a month ago, and which "I had been afraid to move." Since certain illness can be "relieved" by his treatments, and there is so much interest in them, the government will bring Texeira back to Peru on an official visit in a few months, Fujimori announced.

Every Week, a New Country

Every Ibero-American government has so far refused to initiate emergency water and sanitation projects, because to do so would require they stop paying billions in usurious debt service to the foreign banks.

On May 5, the president of the Dominican Medical Association, Dr. Altagracia Guzman, announced that the first three cases had been identified in the Dominican Republic, the first Caribbean country to be affected. Although government authorities still refuse to admit it, the epidemic will worsen rapidly, Dr. Guzman charged.

The spread of the epidemic first to the Caribbean islands, before hitting Central America, demthat cholera does not necessarily spread linearly from one adjoining country to another, but can jump into new areas at great distance, carried by human travelers or infected products.

Debt, Free Trade, Kills

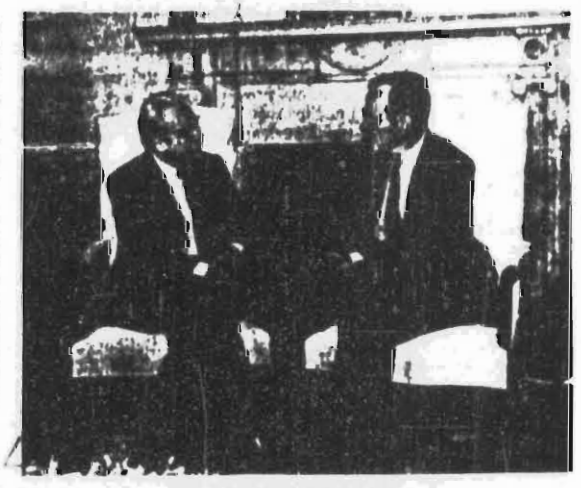
Medical authorities from around the world have warned that economic policies must change, if the epidemic is to be stopped.

"Millions of Latin Americans will die in the next years because of a lack of drinking water and sanitation," and the foreign debt will be partially responsible. Brazil's Health Minister Alceni Guerra told a meeting of the World Health Organization (WHO) in Geneva, Switzerland May 7.

Addressing the same meeting, the head of the WHO, Hiroshi Nakajima, reiterated that health cannot be treated like just another commodity, and left to the whims of "the market." "Health is a right of man that must be protected, therefore, a good sanitation system constitutes an optimal investment of human resources of a country," he stated.

Bush Gives Perez Difficult Marching Orders

May 9 (EIRNS)—United Nations Secretary General Javier Perez de Cuellar met with George Bush at the White House today to discuss setting up "safe havens" for the Kurdish refugees in northern Iraq. De Cuellar told the President that Iraq does "not want a United Nations police presence in the area." The problem of the Kurdish minority in Iraq, exacerbated by the United States and Great Britain as part of efforts to drive Saddam Hussein from power, has become a leading feature of Anglo-American efforts to destroy national sovereignty. On May 15, British Prime Minister John Major called for a new supranational "disaster relief agency," to handle such situations as the plight of the Iraqi Kurds.



dren, women, old people as hostages. Break their arms, legs, ribs, beat their faces against the wall, beat them on the kidneys, force them to walk along the streets naked, stab them with knives. We managed to hold on for three years, but we are helpless against the army.

"But they will not even let us flee. They open fire at us. Our houses are devastated. They are set on fire. We have nowhere to hide. People of the world, save us! Save at least the children! We are perishing, cut off from friends from the outside world. S.O.S! S.O.S! Save us!"

Soviet troops opened fire on a busload of Armenian police in the border village of Voskepar on about May 4, killing 11; a film is circ

for illegal militias.

On May 8, the Berlin newspaper Tageszeitung quoted Soviet Interior Ministry Gen. Yuri Shatalin, who said, according to an Armenian deputy, "My officers are ready to raze Armenia to the ground. Keep in mind, we control the nuclear power plant. Are you aware of this?"

Tageszeitung said that the Armenian pogroms were provided for in the secret clause of the April 23 Gorbachov-Yeltsin agreement, also signed by Azerbaidzhan's president Mutalibov, which provided that, "The relations with the republics who have not signed the Union treaty will be built, in all respects, in the same way as relations with foreign states."

Colombia Nearly Falls To Narco-Communist Soviet

by Andrea Olivieri

May 13 (EIRNS)—A narco-communist people's assembly, or "soviet," is on the verge of seizing total power in Colombia—under the benign eye of both the Cesar Gaviria government and the Bush administration in Washington. Voting itself "sovereign, autonomous, absolute, almighty and omnipotent," the narcoterrorist-dominated National Constituent Assembly—convoked last year under a state of siege decree and whose delegates were chosen by less than one fourth of the electorate—is now preparing to alter the very face of the Colombian republic.

Among the items on its agenda are: banning extradition of drug lords, a full amnesty for narco-terrorists, legalization of cocaine production and consumption, dissolving the National Congress, stripping the powers of the Supreme Court, muzzling the Catholic Church, and dismantling the Armed Forces.

The self-appointed "autonomy" of the Assembly came in response to a challenge from the Supreme Court and Council of State, two magisterial bodies responsible for safeguarding constitutional law in the country, to the Assembly's proposed plan to dissolve the National Congress. In the absence of any presidential intervention, the Assembly quickly moved to emasculate those institutions of law, and can now propose, approve, and enact any constitutional "reform" it so chooses. It claims to be answerable only to "the people."

Two of the Assembly's three co-presidents—chief of the former terrorist" organization M-19, Antonio Navarro Wolff, and Alvaro Gomez Hurtado, son of the late Conservative Party leader Laureano Gomez—have joined in a deadly alliance which, if allowed to reign unchecked, spells probable civil war in the immediate future, according to an El Espectador editorial of May 4.

Presidential Treason

Under the explicit authorization of the Bush administration, Colombian President Gaviria is helping to usher in the reign of terror his experiment in Jacobin "democracy" presages. The evidence continues to pour in that the so-called "repentant" drug traffickers who have accepted his surrender offer are continuing to ply their trade from "five-star" jail accommodations and to murder former ministers of state such as ex-Justice Minister Enrique Low Murtra. But Gaviria publicly insists that an improved justice system makes extradition of drug traffickers unnecessary.

And while the Moscow-controlled National Guerrilla Coordinator (CNG) continues to rampage across the country—ambushing police and soldiers, blowing up electricity pylons and dynamiting oil pipelines—Gaviria has offered to meet with their appointed representatives, to begin "peace negotiations." The chosen site, a Communist Party and drug traffickers' stronghold on the border with Venezuela, will be declared off-limits to the Colombian military—i.e., surrendered to de facto control of the narcoterrorists.

Neighboring Venezuelans can see the writing on the wall. A May 9 editorial in El Diario de Caracas warns that Gaviria has "officially ceded that border zone" to the CNG, an act which the editorial says effectively constitutes a separate

The British Royal Family: It's Not Just Filthy Rich

by Mark Burdman

On May [illegible], the United States of America threatens to roll back over 200 years of history and to undo the reason for its very existence. On that date, Queen Elizabeth II is scheduled to address both houses of the U.S. Congress, the first British monarch in history to do so. This will be the culmination of her four-day state visit to Washington, at invitation from President Bush, which will be followed by a May 17-23 period of visits to various cities in Florida and Texas.

Today, her trip's purpose appears to be to reforge an Anglo-American "special relationship" that had been battered by the growing influence of continental Europe, especially the reunified Germany. According to British press accounts, one theme of the Washington, D.C. Capitol Hill visit will be the Queen's appeal to the American population for the war effort. In Tampa, Florida, she will [illegible] General Norman Schwarzkopf [illegible] Bonnie Blair.

Pictures of Power

[illegible] on the occasion of the Queen's [illegible] Saxe-Coburg and Gotha Dynasty, [illegible] Royal [illegible] made the [illegible] and with the [illegible] toward it, it [illegible] the magic, and [illegible] the latest in [illegible] threats who have [illegible] Great Britain [illegible] the House of Hanover [illegible] Elizabeth II represents [illegible] the same [illegible] against which [illegible] their blood to [illegible]

[illegible] is time to the [illegible] human philosophy and policies against which the Declaration of Independence was declared in 1776 have remained the same. The difference is that now the Anglophilic U.S. establishment has embraced the ideas of the British oligarchy, and joined with it in trying to reestablish a world empire—and the American citizenry doesn't have the guts to object.

The British monarchy is based on the following pillars of power:

- The Queen is the primus inter pares of a global monarchical structure, composed of both present and deposed royal houses. The House of Windsor is related, in one form or another, to the royal houses of Denmark, Norway, Sweden, Greece, the Balkans, and others.
- The Queen is the wealthiest woman, and certainly among the wealthiest individuals, on this planet. Only a small part of her wealth comes from the controversial Civil List allotment, the million-plus dollars annually she is granted by the British government from the taxes of the oppressed British population, for "operational expenses."

Through one mechanism or another, the monarchy has vast property holdings and investments in real estate and other entities worldwide. It also draws upon the wealth passing through the City of London, the monarchy is intrinsically interconnected to the City of London banking/financial center. This vast power subsumes the unregulated "offshore" banking centers of the Commonwealth, **through which vast sums of drug money are laundered.**

The monarchy doesn't like attention being drawn to all this. For years, the obsessive LD. format lie that Lyndon LaRouche is the man who says the Queen of England pushes drugs" has been restated, like the "Hare Krishna" chant, in literally thousands of slander articles worldwide, because LaRouche drew attention to the illicit money transfers through offshore centers.)

LOOK WHAT THE QUEEN DRUG IN. British tabloids go after the Royal Family's involvement in recreational use of illegal drugs.

- Queen Elizabeth II presides over the British Commonwealth, and has devoted much of her life to strengthening that institution. Some of her vast money comes from "tribute" from Commonwealth nations. When the Palace reports that the Queen receives (for example) "jewels from the population of Burma," they are really referring to tribute, not a gift.
- She is the head of the Church of England, and by this, the central figure in the world Anglican communion. It may not be widely known, but Her Majesty's official title is "Elizabeth the Second, by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of Her Other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith." In a literal sense, Britain is a theocracy.

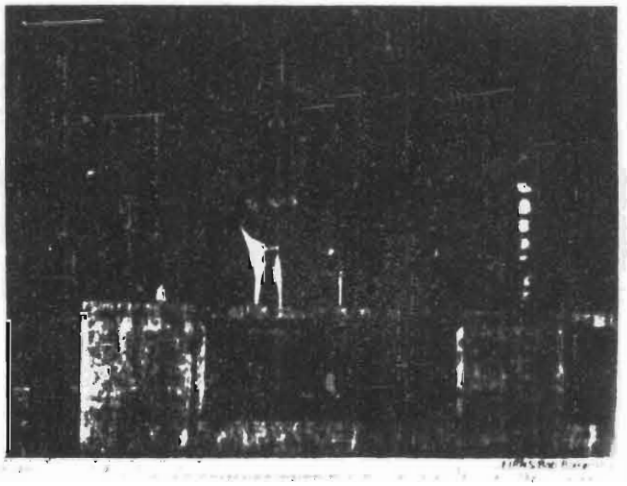
But that wouldn't be quite so bad, if the monarchy supported the Christian creeds to which the Church of England creed holds its believers. Paradoxical as it may seem, the monarchy is also the controller of English freemasonry, the head of which is the Duke of Kent.

It is no exaggeration to say that the monarchy is at the helm of a global pagan/gnostic anti-Christian movement, operating under the overall category of "ecologism" or "environmentalism." Prince Philip, the Queen's husband, has been the international president of the World Wide Fund for Nature (formerly World Wildlife Fund) for most of the WWF's existence since its creation in the early 1960s. In Washington, at a press conference in mid-May 1990, he openly stated his preference for "pagan" religions over the monotheistic "religions of the book," Judaism, Christianity, and Islam. He has also declared his desire to be reincarnated as a "deadly" virus, which could deal with alleged world overpopulation.

His son Prince Charles has followed in his footsteps, devoting himself to ramming ecologism down the throats of Third World nations. (like Brazil. Charles and his wife were just in Brazil to promote saving the Amazon, while millions die for lack of infrastructure and high technology development.

There is an element of pure greed and power hungriness in the support for ecologism, since the promulgation of such schemes as debt-for-nature swaps, pioneered by the WWF, seeks to remove large plots of land in the developing sector from active cultivation or use for industrial projects, and to bring that land under the control of wealthy private oligarchical trusts. Oligarchical interests like the House of Windsor can then, through cut-outs, control increasing parts of the globe for their own displeasure, and for the human race's displeasure.

There is also simply hating human beings.



LaRouche Case: New Human Rights Demand From Africa

Special to New Federalist

[illegible] An international human rights [illegible] from Africa, La Voix des Droits [illegible] has published an article about the case of Lyndon LaRouche, [illegible] that case was presented to the United Nations Human Rights [illegible]. The magazine is published in English and French, by the International Committee for the Respect and Application of the Human Rights Charter (CIRAX), the magazine [illegible]. The issue of those

"The trial is the biggest political scandal in the U.S. in the past years. Mr. LaRouche and his co-thinkers were jailed because of their ideas. Their case proves that any dissident voice which defends justice, the humiliated and the oppressed, as muzzled today by an administration using the Justice Department for political ends."

The article then describes the trials of LaRouche and the trials, raids, and forced bankruptcies against his movements [illegible] civilian populations as in Panama, he denounces the role of American and British banks in the laundering of drug money, he challenges the food, banking, and insurance cartels. His proposals to solve the debt crisis of the countries of the South, presented in a document called Operation Juarez, have been taken up by many Latin American leaders, threatening Wall Street.

"Mr. LaRouche is a man who puts acts behind his convictions. Like Socrates, he faced his judges without trying to [illegible] although he knew what verdict

who have no voice.

The article is "The LaRouche Case: America's Dreyfus Affair."

"On January 27, 1989, M. Lyndon LaRouche, an American politician whose vote usually represents about 20 percent of the Democratic Party, was sentenced to 15 years in prison.... Some of his friends and political co-thinkers were also given sentences ranging from 3 to 48 or even 77 years in prison, in the case of M. Michael Billington.

Former Attorney General Ramsey Clark

"All appeal proceedings have since been rejected, as well as the last one before the Supreme Court, in spite of the efforts of M. LaRouche's lawyer, M. Ramsey Clark, former Justice Minister.

"So why this unending harassment, aided by a slander campaign by the big shots in the American press (New York Times, Washington Post, NBC, etc.)? Because M. LaRouche is the American establishment's enemy # 1, a man who represents the 'power of those without powers.' Notably, he demands justice for the countries of the South, that is to stop American imperial policy of oppression by means of debt and weapons; he calls for a halt to the deployment of American forces against

See although he knew what verdict would be given to him. The International Commission of Inquiry on Human Rights Violations has sent two petitions to the United Nations Commission on Human Rights.... The scandalous attitude of the American government in the Gulf War—which while claiming to defend the right of law tears it apart—is the same, and for the same reasons, as in the LaRouche case. It is now up to the people of the world to decide and act."

FLORIDA AGRICULTURE COMMISSIONER Bob Crawford displays tomatoes pi... by low wage adult and child laborers in Mexico

Battle Still On Over NAFTA

Continued from page 1

camps in Mexico" as the policy of the Anglo-American banking establishment, are coming out into the open.

May 20 Showdown

Associates of LaRouche have released a 72-page white paper published by EIR, documenting the enslavement of the working populations of the U.S. and Mexico which will result from NAFTA. The white paper was release May 7 simultaneously in Washington and Mexico City. Copies have been distributed to every Congressional office and widely among influential labor, farm, and constituency leaders. A day of lobbying is planned on May 20 preceded by an all day conference on the 19th which will include as speakers representatives from the constituency opposition in the U.S., Mexico, and Canada.

Some Congressmen and others are refusing to leave NAFTA to Congressional backroom wheeling and dealing. Senator Wellstone held a press conference with constituency leaders in Minneapolis yesterday and showed a videotape of the conditions in the "maquiladoras" which has been produced by organized labor. Lane Evans, Democratic Congressman from Illinois, held a press conference in Moline, Illinois, with the UAW and farm leaders to denounce the proposed pact. The government of the state of Florida has held hearings featuring evidence that child labor is wid... used in the picking of Mexican fru... and vegetables. The House of the Io... Legislature has passed a resolut... opposing the fast track. A number... other state legislatures are consid... ing the issue.

Canadians Now Know Better

The Canadian population, wh... was victimized by the U.S./Canad... free trade pact two years ago, is ... coming increasingly vocal in their ... position to the current pact and ... upcoming tripartite pact. Polls n... show a majority of the popula... against both agreements. Under ... U.S.-Canadian agreement hundred... companies relocated their plants ... take advantage of the lower paid ... workforce. Approximately 285,... manufacturing and other jobs w... lost. It is expected that, under ... agreement with Mexico, compan... will relocate to take advantage of ... still lower Mexican wage rates, ab... one tenth of those in the U.S.

The entire Canadian Labor C... gress is opposed to the NAFTA agr... ment. Seventeen unions with memb... ships of over 300,000 workers signed ... statement which has been forward... to the U.S. Congress which states, ... part, "we see it to be in the interest... Canada and the U.S. as a whole, no... cut their throats by constructing sla... labor camps on the Mexican border... the name of free enterprise."

Rockefeller, Desperate Bankers Demand 'Fast Track'

Continued from page 1

The immediate result was the pathetic capitulation of Cong. Richard Gephardt (D-Mo) on May 10 previously one of the leading opponents of NAFTA.

On May 13 former secretaries of state Henry Kissinger and Cyrus Vance wrote a[n] op-ed piece in the Washington Post to bring full bipartisan pressure to bear on any remaining congressional holdouts. Entitled "Vote on Fast Track, the article said that "we strongly urge Congress to grant this authority." If any doubt remained as to just how badly the failing Anglo-American bank and financial institutions need this slave labor supply from across the Caribbean and down all of South America, Kissinger and Vance pronounced that "NAFTA is the most constructive measure the United States would have undertaken ... anywhere in this century."

NAFTA in Newsprint

As Kissinger and Co. were thundering from a few blocks away at the National Press Club, another conference was going on. The editors of the Executive Intelligence Review, the magazine associated with U.S. presidential candidate Lyndon H. LaRouche, were launching their final lobbying effort—against the fast track, against NAFTA, and against the genocidal economic policies behind these Bush initiatives.

The EIR representatives presented their new Special Report on NAFTA, entitled "Auschwitz Below the Border: Free Trade Pact is George 'Hitler' Bush's Mexican Holocaust." They told the gathering of journalists, foreign diplomats, and U.S. trade unionists, that the report was being simultaneously issued in English and Spanish, in order to fuel the growing mobilization in the U.S., Mexico, and Canada against the trade agreement.

The same day in Mexico City, EIR bureau chief Carlos Cota Meza held a packed press conference that NAFTA was designed to "guarantee that the Mexicans generate a foreign exchange surplus in order to pay the foreign debt." Prominent articles appearing May 8 in the Mexico City dailies La Jornada and El Universal reported Cota's revelation that Mexico's minimum wage had dropped by more than 50% over the past decade. The wages earned by Mexicans in the "maquiladora" assembly plants are one tenth the level U.S. manufacturing workers get.

LaRouche vs. Rockefeller

This is not the first time that political forces associated with LaRouche have squared off on the issue of economic policy toward the Third World, directly against establishment spokesmen such as Rockefeller and Kissinger. As far back as 1976, then-presidential candidate LaRouche used a nationwide television address to warn the American public that Wall Street's policies would lead to genocide in Mexico and other Third World countries. He cited Rockefeller Foundation agronomist William Paddock as a leading proponent of these policies, who was openly demanding that "the Mexican population must be reduced by half ... by the usual means: famine, war and pestilence."

LaRouche countered with a proposal for U.S. participation in the industrialization of the Third World, through the export of high-technology capital goods to these nations. The repayment of the foreign debt, LaRouche has repeatedly argued, will just have to take back seat to the need for development. If paying the debt means killing people—which it does—the debt must not be paid.

The U.N. organization UNICEF has just issued a new book which documents just how much killing has already gone on in order to pay the debt, and gives a taste of things to come under NAFTA. According to "Lost Generations—A Debate Book About Children and the Debt Crisis," a half-million children die worldwide every year as a direct consequence of debt repayment.

EIRNS/Stuart Lewis

ABOL HASSAN BANI SADR, former president of Iran, releases his book, subtitled "Iran the Revolution, and Secret Deals With the U.S.," at the National Press Club in Washington D.C. May 7.

October Surprise Involved Kissinger and Bush Roles

Continued from page 1

accompanying the hostage taking in Teheran, the arms deals with Khomeini, and the eventual hostage release, is of special importance for any competent investigation of the October Surprise story. Kissinger's role provides a crucial window into the broader forces involved in the American policy debacle in the Middle East over the past two decades.

On May 10, 1982, Kissinger delivered an address before his long time British Intelligence sponsors at Chatham House (headquarters of the Royal Institute for International Affairs) in which he stated unequivocally that he had been an agent of influence of the British Foreign Office while serving two U.S. presidents between 1969-77. In fact, Kissinger's policies toward the Middle East reflected British policy, including efforts to bring radical fundamentalists to power, to destroy the ability of Middle East states to modernize and control their own resources, and to brake population growth in the Middle East as a whole.

The Investigation Per Se

With this background in mind, the essential facts and parameters by which a Congressional investigation should be guided, are as follows:

- After the outbreak of the Iran-Iraq War on Sept. 22, 1980, Iran was desperate for spare parts for its U.S.-supplied military equipment. The Carter administration was equally desperate to obtain the release of the hostages in the closing weeks of the 1980 election campaign.
- In late October, the Iranians broke off negotiations with the Carter administration over the hostages. Ayatollah Beheshti, leader of the hard-line fundamentalist faction in the Iranian Majlis (Parliament), announced on October 28 that parliamentary debate would be postponed, and that the hostages would not be released until after the U.S. elections.
- On Nov. 5, the day after the elections, Henry Kissinger announced that there would be no release of the hostages until the inauguration.
- On Nov. 12, 1980, the leading Italian daily Corriere della Sera reported that the British secret services had conducted mediation efforts between the Fedayeen-e Islam (the Muslim Brotherhood) and the Reagan-Bush camp. EIR learned that these efforts involved Kissinger and his close associates, including Michael Ledeen, David Abshire, and William Hyland, and publicized that fact in early December 1980.
- On Jan. 21, 1981, moments after the inauguration of Ronald Reagan and George Bush, Iran released the hostages. Military parts and supplies were already flowing into Iran from Israel; subsequently, they also came directly from the United States.

These are the essential facts of ... "October Surprise" story. It is undeniable that the fundamentalist majority faction in Teheran believed that they were better off dealing with the incoming Reagan-Bush administration, than with Carter.

The important questions are: ... and why they came to believe that.

Henry Kissinger's widely publicized efforts to insert himself into the middle of the hostage negotiations provide the most obvious clues to the answer.

In calling for a Congressional investigation, EIR has offered to make its unique resources and evidence available to any responsible investigator.

Lyndon LaRouche's 1992 presidential campaign committee has announced it will be recalling attention to the EIR release and the history of EIR's exposures of U.S. support for the Iranian mullahs.

AMERICAN Almanac

United Nations: Policeman For New Imperialist World Order

Dr. Fred Wills, a former foreign minister of Guyana who, in that capacity, twice served as president of the United Nations Security Council. He is vice president of the Schiller Institute's Commission to Investigate Human Rights Violations. Dr. Wills spoke on Friday, March 15, at the Commission's International Conference on Human Rights in Arlington, Virginia. This is an excerpted version of that speech.

I've been given a mandate to speak about the United Nations as the present context, you may well feel that it is one of the most disgusting tasks ever given to a free person. But I will try to cleanse the Augean stables.

No institution in modern times has been more surrounded by irony than the United Nations. The first irony is that, [illegible] of you are too young to know, but the League of Nations, created in 1919, was supposed to prevent World War II from happening. Then the United Nations in 1945 was supposed to prevent World War III from happening. I say to you, that we are already in World War III. That's the meaning of the Persian Gulf. That's the first irony.

Another bit of irony is this. There was a man named Anthony Eden, [illegible] speaking about the U.N. and its possibilities, he resorted to Shakespeare. In Henry IV, where Shakespeare wrote "out of this nettle danger we pluck this flower safety." Eden was saying that the purpose of the U.N. was to produce [illegible] that he failed to say, of course, is who will police the police, who will ensure among the still existing the controllers in a world full of [illegible] power mechanisms. Who will control the properties? That's what he failed to say, and that's the irony.

[illegible] who told to Harry Truman that the function of the U.N. was to save succeeding generations from the scourge of war. Since then, we have had Korea, Vietnam, Arab-Israeli conflicts, Panama, Grenada, the Persian Gulf.

The [illegible] by Winston Churchill with his [illegible] one of war and evil fool at the other—he really [illegible] to promote collective security. Did he you really believe that mankind is outgrowing war? You wouldn't if you were from Eden's school.

The irony is the belief that security is only a military problem and has nothing to do with economic and other factors. So long as we can have Big Brother and his troops there, it doesn't matter if we starve, have AIDS, die of disease—we're secure.

Victors' Club

The U.N. was founded on some very ironic

EIRNS/Philip Ulanowsky

Dr. Fred Wills, who twice chaired the U.N. Security Council, speaks at the Schiller Institute's March 1991 conference.

Venezuelans. That's the kind of pressure that is put on you.

Suddenly, a lot of things start to happen. You're ostracized. Your people are arrested here and there. They use trade rules on you, the politics of trade. You can't sell your goods.

No National Sovereignty

So when those guys voted in the Security Council, don't you believe it was some honest expression of opinion. The difference between you and me is this: *I know* that there's no such thing as sovereignty. You may believe there is. But there is no such thing as sovereignty.

I know that imperialism is not dead. I know that orders are given from above. I know that the State Department is irrelevant, that the important thing is the National Security Council. I've lived through many battles with Kissinger and people like that, on the issue of what is the meaning of sovereignty.

Don't believe, when you hear them congratulating Baker on achieving the resolution in the Security Council. It doesn't happen that way. The fundamental principle of balance-of-power, which the British gave over to the Americans in the Office of Strategic Services, is that there is a necessity to shape events. That's the first rule. You don't sit

Arabia.

The new world order by Bush is apocryphal. The purpose is to secure raw materials. Oil is a raw material. That's the first thing—to control the extended markets. Eighty percent of the people live in the Third World—that's where the extended markets are. That's where you want to go, to control technology...

New Dark Age

In the last decade of the twentieth century, there threatens to come into existence another frightening, new Dark Age, in which the U.N. is to play a key role. There is an increasing abandonment of reliance on that faculty which has made man what he is—that divine spark of reason and creativity that has ennobled the history of human mentation. That is being abandoned. You've seen those interviews given by those military men—Schwartzkopf and those guys—do you see any creativity or reason in it?

I say to George Bush, great men are not created by propaganda. They are not created by TV. They do not rise on the crest of the flowing blood of the innocent and unknowing. No great man can be truly great if those are the pillars of his existence.

Order in the present world is not the ignominious

Wage Givebacks Forced From New York City's Teachers

Matt Moriarty is a citywide delegate for the United Federation of Teachers and chapter executive board member at the New York City high school at which he teaches. He gave this interview to Marianna Wertz of New Federalist *on April 26.*

Q: *What do you teach?*

Moriarty: I teach mathematics at the high school level in Manhattan. I've been a teacher for nine years. I teach at a typical inner city high school. The population is 98% hispanic, mostly Dominican. The rest are black and Oriental.

Q: *What is the status of the budget cuts in New York and how have they affected the schools?*

Moriarty: I wrote a series of position papers beginning last year, when we first negotiated the teachers' contract, which turned out to be a one year contract. I indicated at that time that the contract was not worth the paper it was printed on, because the union had failed to grasp the magnitude of the crisis that the city was facing, and also the state, although all the evidence was there, that this was a depression collapse. The union largely ignored these signals. Therefore, they proceeded to negotiate a contract in which we won a 5.5% pay increase on paper, but only 1.5% of that money actually came out of the city budget. All the rest came out of our pension fund.

Furloughs Demanded

Q: *You mean by cutting the pension fund?*

Moriarty: No, not by cutting it. The pension is invested in a portfolio, which is assumed to earn somewhere between 8.8 and 9.4%. Anything above 8.8% is money which is earned, but which the city had ordinarily claimed for the general budget. So, the union convinced them to divert that money, which would have amounted to about $300 million, into our wage increase.

The rest of the money was to come out of the $70 million Excellence in Education Fund, which is to come from the state budget.

So it was 5.5% and the teachers got a lot of flack for it, but in actuality, it was only a 1.5% increase.

It was clear last summer that this was not a sustainable contract. I had

Q: *What timeframe is this?*

Moriarty: We negotiated the contract in September-October of last year. By February, things had begun to fall apart. The financial situation in the city had deteriorated. Revenue which they had anticipated was not there. The budget deficit had ballooned way out of control, both with respect to the city's budget and the state.

As a result, the city asked the teachers around January to consider taking a furlough, or face the prospect of a good number of layoffs. The union came up with the idea that we would give up some of our pay. We'd hardly gotten a check with the 5.5% increase before we had to give it up. Each of us agreed to give up a certain percentage, up to $600, in order to prevent layoffs.

Now the city is asking us to consider the possibility of another furlough, because the crisis is worse now than it was perceived to be in February and March. We're now facing the prospect of a three-day unpaid furlough over the summer, which means we'll lose another several hundred dollars. And the governor has said we're not going to get the $70 million in the Excellence in Education money that was supposed to come in, which comes out to about another $800 per teacher.

The union is projecting the possibility of 7,500 to 10,000 layoffs, and that's probably underestimating it.

Busting the Union

Q: *How many teachers are there?*

Moriarty: About 60,000 teachers. It's a very severe situation. Very few teachers with ten years' seniority or less are going to be around in September. I'll probably be laid off.

Q: *It sounds like they're trying to break the union.*

Moriarty: This new degenerate Schools chancellor, Joseph A. Fernandez from Florida, has introduced school-based management, and that's just the old corporativist, co-determination scheme again. It's a strategy where the union is subverted by creating, outside of the context of the union, a committee of teachers and parents and administrators which determines what we get to do in the schools. It subverts the process whereby the union represents the membership according to our contractual arrangements. This

Victors' Club

The U.N. then was founded on some very ironic situations. It was a victors' club. Those who won the war formed a club. The idea was, if we all get together, we prevent any new person from messing around.

It was always a victors' club, in which there were six organs, but the most important organ was the Security Council. And on the Security Council you had five prominent members—Britain, France, America, the Soviet Union, and China, the victors of World War II.

What they said was, all matters in the Security Council are either of substance or procedure. If it's a matter of substance, then the majority vote must have all five members, who are permanent. If it's procedure, it need not have the five permanent members. Then here comes the clincher. Whether an issue is a matter of substance or procedure is a matter of substance.

My friends, if you lived as long as I did under the aegis of the Commonwealth, you'd appreciate that kind of bel esprit-ness.

Above all, though, is what you call multilateral [illegible] existing and dangling of Swords of Damocles over your head. You don't just vote. Kissinger in my day would say, look, if you vote against the U.S. position, we cut off aid. He would say that and did on a few occasions.

And in other words, threatened. One of the key things the Americans could do, whenever the British granted you independence, they left a problem. I really like to go back to invade and claim your territory. Look what they did to Mesopotamia. Mesopotamia is now Iraq and Kuwait and all those places. They had oil. In our case, Venezuela granted us—oh. They would say, if you don't vote for us, oh, we no longer protect you against the [illegible] the British gave over to the Americans in the Office of Strategic Services, is that there is a necessity to shape events. That's the first rule. You don't sit down and wait on events. You go out there and shape events.

If you believe that one thing happens after another, that Bush sat down, didn't know what was happening and this stupid idiot went into Kuwait, and Bush said, "Well, this is not right, I'm sanctimonious and a puritan, get out of Kuwait. We shall give life, liberty, and the pursuit of happiness by bayonets and smart bombs." If you think that, then you're singularly naive.

I believe Saddam misunderstood the Soviets. He should have gotten the message when the Soviets voted for the resolution. I think he depended on that break from George Bush. He's stupid. This late attempt by Gorbachov to make peace was just to save face. That's the miscalculation he made. The world had changed. Cold War II had not started. It was about to start, and he got caught in the transition.

So, instead of being a victors' club of the Second World War, the U.N. is now a victors' club of the Cold War, and a new order is to be created.

Global Politics

There are four areas of global politics, which any world order in modern times must address: food, population, oil, money. Those are the four problems. If you don't have a global perspective about them, then you're deficient.

If you think George Bush went into Kuwait because he loves the Kuwaiti people, you're joking. It has to do with oil. It's a strategic fact—the engines of energy. For the first time in the history of mankind, they're outside the advanced areas. They're in the Middle East, in Iraq and Saudi [illegible] the innocent and unknowing. No great deal can be truly great if those are the pillars of his existence.

Order in the present world is not the ignominious donation of some fascist enterprise, nor is it a sort of imperialistic adventurism, a volunteer force, which will take the aims of life, liberty, and the pursuit of happiness at bayonet point and smart bombs all over the world.

The further man removes from bestiality, the more likely is he to eschew war as a military necessity. Do you really believe it was militarily necessary to kill those Iraqi people?

The War Worth Fighting

The only wars that are worth fighting for are wars against ignorance and superstition, wars against hunger and disease, wars against drugs, and wars against the increasing encroachment of a Leviathan state in Washington into the citadels of individual liberty.

We must never abdicate our responsibility to intervene in the cauldrons and cesspits of wrongdoing. We must mobilize the future, in order to slay the reemerging dragons of the past. Our policy is to contend vigorously against the surging tide of domestic and foreign evil. And our aim is victory.

A new world order should be based on generalized technological advance, and the potential that is inherent in man's creativity. It should not be based on the foibles, idiocyncrasies, and lunatic adventurism of satanic minds, like those that now prevail.

Above all, I say finally, we have to learn that each human being on this planet is our neighbor. We should love our neighbor as we love ourselves. And that is the key. You can't love the Iraqis and bomb them. "And if this be error and upon me proved, I never writ, and no man ever loved."

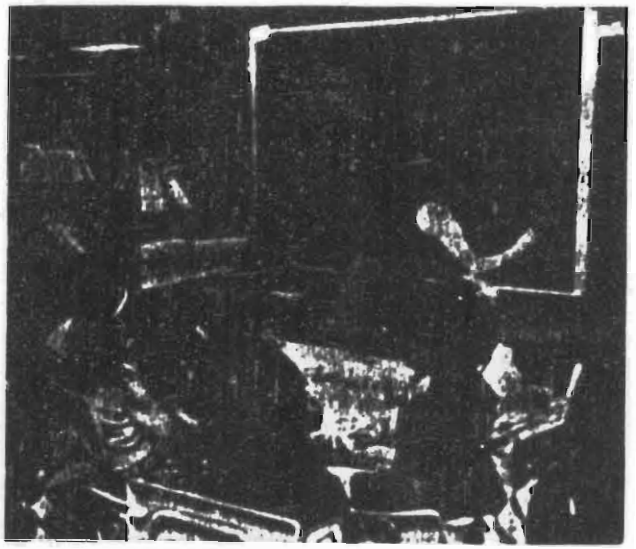
only a 1.5% increase.

It was clear last summer that this was not a sustainable contract. I had warned that there would be moves to reopen the contract almost before it was signed. After we settled with the city, elements in the banking community found it outrageous.

[illegible] represents the membership according to our contractual arrangements. This was set up last year.

Fernandez made his name on school-based management. It's the touchy feely stuff, "we're a family."

To be continued.



A bilingual classroom for hispanic students. New York City's teachers have been forced into two wage givebacks since the beginning of the year.

Federal Health Survey Shows Genocide Occurring in U.S.

by Marianna Wertz

The most recent annual health survey of the United States, published in March by the U.S. Department of Health and Human Services, indicates that the U.S. population—and particularly black Americans—is indeed experiencing a health and welfare collapse. Buried behind the headlines about growing life expectancy are a few of the more egregious facts.

Infant Health:

- over 60% of black mothers in America in 1988 were unmarried, up from 37.4% in 1970. The national average is 25.7%. For white women, the figure is 17.7%. For Puerto Rican women, the figure is 53.3%.
- low birth weight, the leading cause of infant death, has remained static or increased in the past 20 years for virtually all minorities, and, as Figure 1 shows, is more than double for black babies what it is for all but Puerto Ricans.
- while the infant mortality rate has steadily declined overall, the rate of improvement has slowed, and black babies continue to die at twice the rate of whites. The overall fetal death rate (plus fetal deaths) is 7.5 per 1,000 live births. For blacks, the rate is 12.7 (approximately the white rate of 12.3 for 1970). For whites, the 1988 rate is 6.4.

The United States ranks 24th in the world in infant mortality rates, behind every other advanced sector nation, and even behind Singapore, Hong Kong, and the former German Democratic Republic. Japan is number one, with a rate nearly half that of the United States.

Life Expectancy:

- life expectancy for black males is 7.4 years less than for white males. The United States ranks 22nd in the world for males, and 16th for females. For males, the United States is behind such "enlightened democracies" as Cuba and Kuwait and even poverty-torn Costa Rica has higher male life expectancy than the United States.
- the age-adjusted death rate remains nearly twice as high for black males as for white males, and nearly three times as high as for white females. These statistics are shown in Figure 2.
- death from homicide and legal intervention (police action) is nearly eight times higher for black males than for whites. Overall, the rate is 9 per 100,000 residents. For white males, it's 7.7. For black males, the rate is 58.2!

Health Care

- the length of hospital stays has plummeted in the past two decades, and for the 45-64 age bracket, by as much as one third.
- as of 1989, nearly one-quarter of all Americans had no health insurance at all! But more than 60% of black Americans had no health insurance and of the 39.3% black Americans who are insured, for all but 1.4% that insurance is only Medicare.
- childhood vaccinations for all diseases except mumps have declined since 1978. As of 1985, fewer than 50% of minority American children were vaccinated for measles, rubella, DTP, polio, and mumps. For white children, the corresponding figure averages about 60% vaccinated.

Since the government stopped collecting these figures in 1985, one can assume that the rate of vaccination now is even lower.

Figure 2

Age-Adjusted Death Rate per 100,000 Population

	1970	1980	1986	1987	1988
White male	893.4	745.3	679.8	668.2	664.3
Black male	1,318.6	1,112.8	1,026.9	1,023.2	1,037.8
White female	501.7	411.1	387.7	384.1	384.4
Black female	814.4	631.1	588.2	586.2	593.1

AMERICAN *Almanac*

George Bush Guilty of Nuremberg Crimes

by Joseph Brewda

"Washington did not want a deal. They had just succeeded in arranging for the U.S. military occupation of the Gulf, a policy advocated by Henry Kissinger as far back as 1975."

Clockwise, from top left: George Bush gives Margaret Thatcher the U.S. Freedom Medal at the White House in March; Iraqi President Saddam Hussein; UN Security Council votes for sanctions against Iraq in August 1990.

"To conspire to carry out aggressive war, as the evidence shows Bush did, is a violation of Article 2(4) of the U.N. Charter, the Nuremberg Charter, and other international treaties, as well as a violation of the U.S. Constitution."

Between January 16 and February 28, the [illegible] sanctioned allied coalition [illegible] carried out over 120,000 bombing [illegible] Iraq which systematically destroyed their nation's civilian and military infrastructure. Food warehouses and bridges, [illegible] and fleeing defeated soldiers were all targeted. The total deaths resulting from these attacks is unknown, but has been estimated between 200,000-500,000, among soldiers and civilians.

Despite the de facto cease fire of February 28, the U.N. Security Council has continued im-

A transcript of the Glaspie-Hussein discussion released by the Iraqi government and published by the *New York Times* on September 23 reveals that Glaspie said: "We have no opinion on the Arab-Arab conflicts like your border dispute with Kuwait. I was in the American Embassy in Kuwait during the late 1960s. The instruction we had during this period was that we should express no opinion on this issue, and that the issue is not associated with America. James Baker has directed our official spokesmen to emphasize this instruction."

Other U.S. State Department officials communicated the same message to Iraqi diplomatic [illegible] at the same time.

spirit." The UAE release noted the "dangers threatening Arab cohesion and solidarity."

The Saudi kingdom also announced that it would refuse a U.S. request of that day to cut the Iraqi oil pipeline that flows through Saudi Arabia to the Red Sea.

It seemed that a solution could be found.

U.S. Launches Counterattack

How did the U.S. respond to these developments?

• The Pentagon announced at its noon briefing that 60,000 Iraqi troops had massed on [illegible]

• In Moscow, U.S. Secretary of State James Baker and then Soviet Foreign Minister Eduard Shevardnadze issued a joint statement condemning the invasion, indicating that Moscow and Washington, and not just Washington and London, favored outside intervention.

In apparent response to this blackmail pressure, and immediately after receiving Bush's note, Fahd ordered Saudi troops to advance to the Kuwaiti border on August 4. By August 6, it was revealed that the Saudis had deployed their troops into the Neutral Zone where Saudi Arabia, Kuwait, and Iraq meet. The troops were accompanied by U.S. military advisers. Also, on August 3, word began circulating in Arab

Many Saudi and Kuwaiti officials, then and even now, have publicly or privately described this plan as a perfectly acceptable compromise.

On August 5, the following day, the Iraqi government announced on Iraqi radio and elsewhere that it had already begun to pull back some of its invasion forces in an initial stage of a phased withdrawal. It seemed that a negotiated settlement could still occur.

Cheney Threatens Riyadh

However, the United States intervened.

Defense Secretary Richard Cheney arrived in Riyadh that day in order to meet with Saudi officials and King Fahd in two days of talks. The main purpose of the meetings—Arab sources of several nationalities say—was to force the Saudi Kingdom into accepting U.S. ground troops on its territory.

On August 6, the *Washington Post* published remarks made by President Bush the previous day expressing "disappointment" with Arab responses to the Iraqi invasion. "I want to see the Arab states join the rest of the world in condemning this outrage and doing what they can to get Saddam Hussein out," he said, adding that a condemnation of King Hussein, "I am disappointed to find any comment by anyone that apologizes or appears to condone what's taking place." *Ridiculing the attempts* at an Arab solution, he concluded: "I was told by one [Arab] leader that I respect enormously . . . that they needed 48 hours to find what was called an Arab solution. That obviously has not happened."

On August 6, the United States and Britain announced that they were considering organizing a naval blockade of Iraq—an act of war. The U.S.A. announced that it had dispatched three aircraft carrier groups to the Gulf. France announced it would join the blockade. The U.N. Security Council, under U.S. pressure, adopted Resolution 661, imposing an economic embargo on Iraq.

Meanwhile, in Riyadh on August 6, King Fahd agreed to allow the U.S.A. to dispatch ground troops and planes to its territory immediately, following his two days of meetings with Cheney that began August 5.

In Baghdad, Saddam Hussein met with Chargé d'affaires Joseph Wilson for four hours. Reportedly, according to Baghdad radio, Saddam condemned the United States for fraudulently claiming that Iraq was threatening Saudi Arabia "to justify an aggression against Iraq. But Washington hardly wanted a deal. They had just succeeded in arranging for the U.S. military occupation of the Gulf, a policy advocated by Henry Kissinger as far back as 1975."

On August 7, Cheney arrived in Cairo where he met Egyptian President Hosni Mubarak. According to a Radio Monte Carlo Arabic-language broadcast the following day, Egypt "categorically rejected" a U.S. demand to use Egyptian military facilities. Mubarak also reportedly "rejected any foreign intervention." Nonetheless, Mubarak did announce that Egypt would be dispatching troops to Saudi soil. On August 8, Mubarak had met PLO chief Arafat, who had met with Saddam in Baghdad the day before. He later met Saddam envoy and Revolutionary Command Council Vice Chairman Ibrahim on August 7. Ibrahim carried with him a personal communique from Saddam [illegible]

...millions of Iraqis over the ... through epidemics and star...

...ssive aerial bombardment em... specifically against civilians as ... against Iraq is a violation of the ... of 1907 and 1923, the Gene... 1949, the Nuremberg charter, ... convention, and the United Na... Human Rights.

...These genocidal acts was the ... alleged refusal to withdraw ... from Kuwait, which it had ... ust 2, 1990.

...ortant information in the public ... the U.S. government system ... efforts by Arab states to ... olution to the crisis. More... ...shows that, without this sab... ...would have succeeded.

...re to commit an aggressive ... shows the Bush adminis... ...a violation of Article 24 ... ...s Charter, the Nuremberg ... international treaties, as ... the U.S. Constitution.

...he Bush administration's ef... ...ndate other members of ...ncil in order to wage this ... a violation of the U.N. ... U.S. Constitution.

...of the evidence that ... George Bush and the ... guilty of these viola... ...es.

...m the Invasion to ... Conference

...During August 2 ... leadership real... ...ents the Bush administ... ...George Bush and then ... Margaret Thatcher ap... ...ference of the Aspen ... day, denounced the ... ...sion. Bush said that ... ...s view that threats ... unpredictably, and from ... particularly in the Third ... ...ever, Bush required ... ...IAD "carefully ... ...n or delay."

...ed planes ... ...ade been fully com... ...n Iraq in the first few ...wever doubts Bush may ... meeting the previously ... Iraq were removed ... ...ber that day and the fol...

...the U.S. and British gov... ...force Resolution 660 ... ...Council. The resolu... ...invasion, demanded ... unconditionally, and im... ...state action.

...sion was hardly expect... ...days earlier, on July ... Iraq April Glaspie had ... during a meeting in Bagh... ...made Kuwait the Unit... ...intervene. The purpose of ... about the Iraqi-Kuwaiti ... are U.S. views of a pos...

well-placed Arab sources report.

Yet, rather than depicting the invasion as an "inter-Arab affair," the U.S. and British governments rammed through Resolution 660 and threatened Western intervention into the region. Iraq had been duped.

Faced with this fact, the leadership of Iraq, Jordan, the Palestine Liberation Organization, and several other Arab states and organizations began a concerted effort to quickly strike an "Arab solution," to block Anglo-American military action.

While not everything that was attempted then, or in later days or months is on the public record, enough of a picture has emerged to prove beyond a doubt that this Arab effort to find a diplomatic solution could have easily been obtained on several occasions prior to the August 10 Cairo conference. These diplomatic attempts failed because of sabotage of the U.S. and British governments.

Arabs Attempt Diplomatic Solution

What are the publicly known facts?

On August 3, King Hussein of Jordan traveled to Baghdad at the request of King Fahd of Saudi Arabia and President Hosni Mubarak of Egypt, among other Arab leaders. The purpose of the meeting was to find an Arab solution to the Kuwaiti crisis. The King's meeting with Saddam successfully led to an Iraqi decision to withdraw from Kuwait—which was announced by Baghdad Radio. It also led to the agreement to hold an Arab mini-summit in Jeddah, Saudi Arabia on August 5 to settle the dispute.

Even Mubarak, at that point, was deeply worried and opposed to an outside intervention. In a telephone call to President Bush that day, as reported by Beirut radio, Mubarak "asked the U.S. President to halt any military plan for direct intervention, stressing the need for the issue not to be internationalized."

Later on August 3, a spokesman for the Iraqi Revolutionary Command Council reported on Iraqi radio that Iraqi troops would begin withdrawing from Kuwait on August 5 "unless something appears which would threaten the security of Kuwait and Iraq."

Also on August 3:

- An emergency meeting of the Arab League in Cairo attended by foreign ministers from throughout the Arab world, voted 14-7 to condemn the Iraqi invasion and call for an immediate withdrawal. Yet, the same resolution explicitly called "to categorically reject any foreign intervention or attempt to intervene in Arab affairs."
- King Fahd of Saudi Arabia met vice chairman of the Iraqi Revolutionary Command Council Izzat Ibrahim in Saudi Arabia's summer capital of Jeddah. According to Arab sources from several nations, Ibrahim told King Fahd the following: that Iraq honored the Iraqi-Saudi nonaggression pact; that Iraq hoped that the Saudis would not acquiesce to U.S. pressure to engage in hostilities with Iraq; that an Arab solution could be found to the Kuwaiti crisis.
- Following the Fahd-Ibrahim meeting, the Saudi Kingdom announced that Saddam Hussein had agreed to meet with Mubarak, King Hussein, and King Fahd in Jeddah on August 6.

The purpose of the meeting, the government radio of the United Arab Emirates reported, would be to find an Arab solution "to study the new developments between Iraq and Kuwait."

U.S. satellite intelligence was sent to the Saudi capital of Riyadh substantiating this announcement. It was later shown that the report was a fraud, and there never was any danger of an Iraqi invasion of Saudi Arabia.

- The Gulf Cooperation Council, whose members include Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Oman, and Qatar, condemned the Iraqi invasion of Kuwait. Much more important, the council condemned the earlier Arab League rejection of foreign intervention as invalid, and not applicable to "collective international measures at the U.N.," as specified in Resolution 660.
- Senior Bush administration officials met with Saudi Ambassador Prince Bandar. Arab sources report, to harshly condemn King Fahd's acceptance of an Arab solution, as implied by the proposed Jeddah meeting.
- Following the Bandar meeting, Bush dispatched a harsh and threatening note to King Fahd expressing unhappiness with the Saudi decision to negotiate with Baghdad. According to Egyptian sources, Bush asserted that now, at last, Saudi Arabia had international backing, and that if Saudi Arabia did not accept that backing it would be worse for it.

capitals that the Saudis were preparing to accept a massive deployment of U.S. ground troops on their territory.

One day later, on August 4, the Saudis postponed—and subsequently cancelled—the Jeddah summit, apparently under U.S. orders and on behalf of a plot to prevent a peaceful solution to the conflict.

Despite this sabotage, efforts for an Arab diplomatic solution continued on August 4.

King Hussein publicly criticized the Arab condemnation of Iraq as premature. Meanwhile, the President of Yemen, Ali Abdallah Saleh, met with Saddam Hussein in Baghdad, and then embarked on a regional mediation tour.

Also on August 4, Palestine Liberation Organization Chairman Yasser Arafat arrived in Cairo with a PLO-Libyan peace plan. After meetings with Egyptian officials, Arafat flew to Baghdad and Riyadh.

The plan had the following major points: Iraqi withdrawal from Kuwait; free elections in Kuwait; Iraqi retention of Kuwait's Bubiyan and Warba islands, thereby giving a virtually landlocked Iraq a port on the Persian Gulf; economic support of the Iraqi economy.

asked Mubarak "to stop any attempt at foreign intervention," which would only "obstruct the Iraqi withdrawal from Kuwait," according to Radio Monte Carlo. Saddam denied any plan to invade Saudi Arabia.

In a televised address that day, President Bush declared that Saudi Arabia was being threatened by Iraq, and that the independence of Saudi Arabia and other Gulf states was of the "vital interest" of the U.S.A. because the disruption of Saudi oil deliveries would represent a threat to America's "economic independence."

This was the first of several, sequential and contradictory justifications by Bush for the military deployment. The crisis, which the United States had created, had been successfully "internationalized."

Emergency Arab Summit

Despite Saudi and Egyptian capitulation, an emergency Arab summit in Cairo which had been scheduled for August 10 seemed to offer some way out of the impasse—a last chance for an Arab solution. Attendees at the summit included not only Iraqi Foreign Minister Tariq

"The belligerent U.S. reaction was hardly expected by the Iraqis. Just a few days earlier, on July 25, U.S. Ambassador to Iraq April Glaspie had told Saddam Hussein that if Iraq were to invade Kuwait the United States would not intervene."

" 'The U.S. and British governments have proved they are determined to repress any effort to open dialogue between Arab states aimed at settling the region's problems,' Iraqi Foreign Minister Tariq Aziz said October 26."

Clockwise from top left, the State Department's backstabbing April Glaspie, Jordan's King Hussein and PLO chief Yasser Arafat, their peace efforts were rebuffed; Egypt's President Hosni Mubarak—he finally broke with the U.S. line; Sheikh Jaber Ahmed al-Sabah.

Aziz but the Emir of Kuwait, and most Arab heads of state and their foreign ministers.

Well informed Arab sources report that a deal satisfactory to all countries had been agreed to by all Arab parties prior to the summit. The plan seems to have been a variation of the earlier one put forward by the PLO. It had even been arranged that several Arab heads of state apparently including Arafat, King Hussein and Chadli Benjedid of Algeria, would travel to Baghdad following the summit to present to Saddam a comprehensive settlement which he had already been consulted on, and was prepared to accept. If this had occurred, there would have been no excuse for the U.S. troop presence in the region.

To short circuit the peace plan, conference host Hosni Mubarak used the bureaucratic powers he had as the summit's host to block Arafat and others from presenting their agreed upon plan for discussion and for a vote. Instead, Mubarak forced through his own resolution. This was the only resolution to be allowed to be discussed or voted on.

Among the key features of the resolution was its endorsement of the U.S. and European imperial intervention into the region as stated under point 5: "to support the measures of the Kingdom of Saudi Arabia and the other Arab Gulf states taken or implementation of the right of legitimate defense in accordance with the provisions of Article 51 of the joint defense and economic cooperation treaty among the Arab League states, Article 51 of the U.N. Charter, and the U.N. Security Council Resolution [illegible] of 8 August 1990."

The resolution and various personal attacks on Saddam by Mubarak, torpedoed the summit.

The breakup of the summit marked a dramatic shift in the efforts making peace efforts far more difficult.

2. The Sabotage of the Rabat Initiative

The last big effort to secure a peaceful resolution to the Gulf crisis was attempted at the end of September.

King Hassan of Morocco hosted an emergency meeting in Rabat, attended by King Hussein and Algerian President Chadli Benjedid. According to Arab diplomatic sources the talks led to a proposed peace plan with the following components. Iraq would withdraw from Kuwait and release foreign nationals as the first Arab League troops, primarily Algerian, would be deployed into Kuwait to maintain the peace. Iraq would be granted long term leasing of Kuwait's Bubiyan and Warbah Islands and Iraq and Kuwait would jointly explore disputed oil fields.

A key underpinning of the agreement, Arab diplomatic sources say, was to have been regional and international guarantees that the plan not be endangered by military actions by the hundreds of U.S. forces in the area. Reportedly, a regional security pact agreement, guaranteed by the Gulf Cooperation Council, the Arab League, and the United Nations, would also be sought.

ment" over the preceding days. North and South Yemen had been only unified the previous spring after decades of Saudi and U.S.-sponsored civil war.

On September 22, the Saudi government canceled the permits of hundreds of thousands of Yemeni workers in Saudi Arabia, and expelled them from the country. Many of these guest workers had their assets seized and suffered beatings and sometimes death while attempting to return to Yemen from Saudi Arabia. The measure took $1.6 billion a year in remittances from Yemen. Yemen later reported.

Also on September 21, Saudi Arabia froze the salary of thousands of Palestinians employed in the kingdom, and began expelling them, also to punish the PLO. Remittances from these Palestinian workers had been vital to the sustenance of impoverished Palestinian families in Israel's Occupied Territories of the West Bank and Gaza Strip.

3. The October 21 Saudi Initiative

In October, certain factions of the Saudis attempted to find a diplomatic solution to war, and the continuing occupation of their land by colonialist troops.

On October 21, Saudi Defense Minister Prince Sultan stated that a negotiated solution could be found, and embraced aspects of previous Iraqi proposals. Sultan stated that Iraq should withdraw from Kuwait, and that reparations should be paid to Kuwait. However, he also stated that Iraq should be granted access to the Gulf via Bubiyan and Warbah islands, and that Iraq and Kuwait should jointly develop disputed oil fields.

Sultan's statement was immediately denounced by Washington. Within hours, Sultan was forced to retract his statement, claiming that he had been misquoted by the media.

Sultan's statement was the most significant Saudi statement since the August 2 invasion of Kuwait. Sultan's statement was significant because it indicated that the Saudi royal family was willing to negotiate with Iraq, and that it was willing to accept Iraq's demands for access to the Gulf via Bubiyan and Warbah islands, and for joint development of disputed oil fields.

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4. The November War Drive

Throughout November, the Bush administration deployed in force to ensure that war with Iraq would not be prevented, despite the best efforts of several nations. The drive included blackmailing and bribing several nations to vote on behalf of a then-planned resolution to set a deadline on the Iraqi occupation of Kuwait, following which the U.N. would authorize war. The drive was successful, and on November 29, the U.N. Security Council authorized war by January 15.

Bush signaled the more aggressive diplomatic posture on November 8 when he proclaimed, at a surprise press conference in Washington, that he would be sending a vast number of new troops to Saudi Arabia to ensure a U.S. "offensive option" against Iraq. The "nuclear threat."

After a meeting with Egyptian President Hosni Mubarak in Cairo on November 23, Bush completed his tour by meeting Syrian dictator Hafez al Assad in Geneva, Switzerland later that day. The meeting was the first between a U.S. President and Assad since 1977. Syrian is still on the State Department's list of terrorist countries.

Following that meeting, and before his return to the United States, Bush declared: "We are getting tired of the status quo and so is the rest of the world."

Baker on Mideast Tour

Secretary of State Baker's tour of the Middle East and Europe began on November 5, with meetings with the Emir of Kuwait, Saudi King Fahd, and other Gulf puppet potentates.

From there, Baker traveled to Cairo to meet Egyptian President Mubarak on November 6. He traveled to Ankara to meet Turkish President Turgut Ozal the next day.

What did Egypt and Turkey receive for their support? Money, for one thing. Since August 2, the United States and Saudi Arabia have written off $14 billion in Egyptian debt, approximately one-third of its foreign debt. Turkey obtained only an agreement from the the U.S.A. to increase the quota on Turkish textile imports by 50 percent.

Turkey, Egypt, and Syria have also been given cash grants. On February 5, the fourth closed-door meeting of representatives of Saudi Arabia, Kuwait, the UAE, the United States and

U.S. fighter bombers aboard the U.S.S. Kennedy during the war.

U.S. soldiers load Hellfire missiles on an Apache helicopter in Saudi Arabia.

An Iraqi baby injured in a coalition bombing sortie, one of the very few who was lucky enough to be near a still-functioning hospital.

"On November 7, Margaret Thatcher told the opening

"The use of massive aerial bombardment employed in war, specifically against civilians, as was employed

Iraq... Sudan's opposition to the Anglo-American deployment into the region has enraged the Bush administration. Since August 2, the U.S. government has reduced food aid to that impoverished nation to zero. On October 9, the Sudanese government accused Washington of waging a "campaign which aims to use food as a weapon." Then, in late November, the U.S.A. and Israel stepped up their support for the southern Sudanese rebel John Garang, who visited Israel that month to meet the Israeli military leadership. According to reported Anglo-American plans, the new Sudanese regime that they intend to come into existence through this pressure would be run by Egypt.

Buying Off China and Colombia

Baker was involved in organizing other states. On November 6, Baker met Chinese Foreign Minister Qian Qichen in Cairo. In that meeting with Baker, and related meetings, China was induced not to veto the upcoming resolution. On November 7 and 8, Qian Qichen traveled to Saudi Arabia to meet King Fahd and the Emir of Kuwait. Qian then traveled to Baghdad to meet Saddam Hussein on November 12.

These meetings neutralized any resistence from Beijing to war, as subsequent developments showed.

On November 26, three days prior to the U.N. vote, the Chinese government announced that it had been invited by Washington to send a high-level trade mission to meet U.S. Commerce Department officials on December 10. This was to be the first meeting of its kind since the June 1989 Tiananmen Square massacre. The announcement indicated that the U.S. sanctions imposed following the massacre would be easing. The U.S. government also looked the other way, as China began sentencing activist students to long prison terms.

Shortly thereafter, the Emir of Kuwait traveled to Beijing to offer major investments in the People's Republic.

After meeting with the Chinese, Baker traveled to Moscow to meet with Soviet President Mikhail Gorbachov and Foreign Minister Eduard Shevardnadze on November 8. Then he flew to London to consult with Thatcher on November 9. He then traveled to Paris to meet with French President Francois Mitterrand November 10.

After a brief rest in Washington, Baker began another tour, this time simultaneous with Bush's travels.

On November 22, Baker was in Sanna, Yemen where he met President Salih. Yemen, then a non-permanent, rotating member of the U.N. Security Council, was scheduled to assume the presidency of the council for the month of December. The United States was concerned that Yemen, which had fought for an Arab solution, would attempt to block the resolution, if the vote on the resolution was deferred beyond November.

In a *New York Times* interview on November 25, Yemeni President Ali Abdallah Salih left no doubt that his nation was opposed to a vote authorizing force. Such a vote, he said, would be a "very dangerous development... It is still possible to find a peaceful solution," he stressed. "I know Saddam Hussein is ready for

dependent on the financial aid of Saudi Arabia and King Hass[illegible] maintains close relations with the United Sta[illegible] as well as France.

Well placed [illegible]ces report that the Saudis had been briefed on the proposed plan, and that at least a faction of the Saudi leadership approved of it. According to one report, King Hussein waited until he had received a telephone call from King Fahd before departing for Morocco.

But George Bush intervened.

According to reports, the Rabat plan was approved by Saudi Arabia on September 18 or earlier. But by the end of day of September 18, the U.S.A. had forced the Saudis to rescind their agreement. Even before the Moroccan summit, unidentified Bush administration officials widely condemned the already leaked plan as "flare moving" in comments to the U.S. press.

Later, on September 21, a "senior U.S. official" was quoted as describing the plan this way: "Like all the other plans that involve rewarding Saddam Hussein, it can't be accepted.

King Hussein has been speaking from the time this crisis broke for what he calls an Arab solution. I haven't seen one yet that did not have some element of concessions to Saddam Hussein, whether it's King Hussein's, whether it's Arafat's.

The unidentified official also reported that although the King's peace plan appeared to have fallen apart by that day, the Bush administration feared that there was a danger that a similar approach to ending the Persian Gulf could take hold in the future.

South Arabia was ordered to reject the offer, which it did. Thereby canceling an already agreed upon Arab solution in Baghdad planned for September 30. That mini-summit was to have ended with the plan's acceptance.

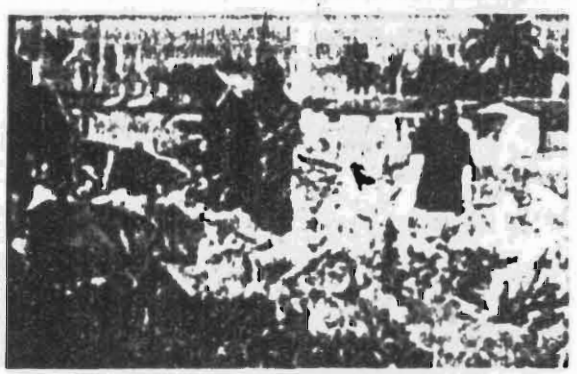
Furthermore, on September 19, Saudi Arabia positively cut off all oil deliveries to Jordan, and expelled the Jordanian ambassador.

Prior to the August embargo, the impoverished Jordanian kingdom, which has no oil of its own, had received all of its oil from Iraq. After the embargo, Jordan was forced to turn to Saudi Arabia for its supplies. After being cut off from Saudi oil, Jordan was then forced to turn back to Iraq. This in turn was used by Bush administration and media outlets to claim that Jordan had become an Iraqi puppet and that Jordanian peace efforts should be ignored or [illegible].

Saudi Arabia also took punitive measures against other Arab nations. On September 19, the Saudi Kingdom also expelled the Iraqi and Yemeni ambassadors. On September 18, Saudi Arabia threatened [illegible] through a leak published in the official Egyptian paper *Al Ahram*. "Yemen's stand in support of Iraq might have a destructive impact on Yemen if war breaks out," an "unidentified diplomat" said, because Yemen might "seize the opportunity to perform military operations over Saudi Arabia in a bid to resolve border disputes with it through the use of force." The diplomat threatened that Saudi Arabia would then unleash "destructive air and missile strikes against Yemen's military, strategic, and oil installations."

The PLO affiliated newspaper *Al Quds* of London quoted an unidentified Yemeni official on September 21 saying that "Saudi troops had approached the borders, occupied Yemeni lands, and set up positions and barricades there," as well as "annexed the [illegible] of South Yemen.

Parliament, 'Time is running out for Saddam Hussein. . . . Either he gets out of Kuwait soon or we and our allies will remove him by force.'"



The rubble of a residential neighborhood in an Iraqi city.

viously proposed peace plans, such as granting Iraqi portions of Kuwaiti territory.

At a press conference in Riyadh, Sultan was asked about Iraq's demands that it be given an outlet to the sea if it were to withdraw from Kuwait, by retaining Kuwait's Bubiyan and Warbah islands. Sultan replied: "Saudi Arabia has said, and says now, that giving rights, including territorial brotherly concessions—given willingly—is a matter of pride. . . . We in Saudi Arabia have given parts of our land and parts of our territorial waters willingly," referring to previous territorial settlements among Saudi Arabia, Iraq, and the United Arab Emirates.

The remarks triggered a decline in the oil price by $5 per barrel the next day—and a rejection of any compromise by President Bush.

Speaking at a campaign rally in New Hampshire on October 22, Bush took aim at Prince Sultan's remarks. "I am more determined than ever to see that this invading dictator gets out of Kuwait with no compromise of any kind whatsoever," Bush exclaimed. "Appeasement" is the great problem, he added. "I'm reading a book, and it's a book of history, a great big thick book about World War II," he reported, "and there is a parallel about what Hitler did to Poland and what Saddam Hussein has done to Kuwait."

White House spokesman Marlin Fitzwater explained that day, "He just wanted to express some pretty strong resolve in light of stories in the last few days out of Saudi Arabia."

On October 25, the U.S. government leaked that Secretary of State James Baker would be making another trip to the Gulf in the first week of November "to stiffen resolve."

On October 26, Iraqi Foreign Minister Tariq Aziz commented on how he viewed Bush's response to Sultan's peace feeler: "Whatever our opinion on what the Saudi official said, the U.S. and British governments have proved they are determined to repress any effort to open dialogue between Arab states aimed at settling the region's problems."

Also on October 22, Baker summoned Saudi Ambassador Prince Bandar for "consultations." Bandar emerged to claim that his father, Prince Sultan, had been misquoted. "My government has not changed its position," he said.

Saudi King Fahd himself issued a statement on October 26 further distancing his government from Defense Minister Sultan. "Iraqi troops must withdraw unconditionally," he said, without any "bargaining." The King added that any statements offering concessions to Iraq (implying those made by Sultan), now or in the

sive capability." Previously, the pretext given for Operation Desert Shield had been to "defend Saudi Arabia" from Iraq.

One day earlier, Bush's mentor, then Prime Minister Margaret Thatcher, in her address to the opening of Parliament, stated that "Time is running out for Saddam Hussein. . . . Either he gets out of Kuwait soon, or we and our allies will remove him by force."

To the end of ramming through a U.N. vote authorizing the use of force, both Bush and Baker separately traveled widely in Europe and the Middle East for several weeks in November. Bush traveled to six countries in seven days, meeting at least eight heads of state and foreign ministers. Baker traveled to 12 countries in 24 days, meeting 18 foreign ministers and heads of state.

Bush began his trip with a November 17 meeting with Czechoslovakia's President Vaclav Havel in Prague, where Bush induced the former playwright to praise the Anglo-American deployment as worthy of Eastern European support. Havel sent a 150 man medical corps to the Gulf.

From Prague, Bush traveled to Paris, to confer with French President Francois Mitterrand. The meeting consolidated French support for the U.N. vote. On December 3, France received part of its reward. The Kuwaiti Ambassador to Algeria, Yusuf al Anayzi, announced that his "government" had agreed to purchase $900 million in French military equipment. On December 4, the Saudis announced that they would be purchasing $680 million of weapons from France. The announcements came just a few days after France had voted in favor with war with Iraq at the United Nations on November 29. Earlier, the Emir of Kuwait had threatened to pull out his multimillion dollar investments from the French-English Channel Tunnel project.

Well placed European sources contend that Mitterrand was close to British intelligence even before his enthusiastic support of the 1956 Anglo-French-Israeli invasion of Egypt. He is representative of those sections of the French establishment which retain an imperialist policy toward North Africa. French imperialists tend to both cooperate with, and compete with, their imperialist cousins in London.

Bush traveled to Jeddah to meet Saudi Arabia's King Fahd and the Emir of Kuwait on November 21. The next day, he munched on Thanksgiving turkey with the troops. There the President reported that "innocent lives are at

against Iraq, is a violation of the Hague Conventions of 1907 and 1923, the Geneva Conventions of 1949, the Nuremberg Charter, the Genocide Convention, and the United Nations Declaration of Human Rights."

United Kingdom since August 2 took place at the Treasury Department. According to Turkish sources, the group pledged $14.6 billion in additional aid to Turkey, Egypt, and Syria, on top of the $6.7 billion already given to the three countries. Additionally, the European Community, which has already given $600 million to the three states, pledged another $2.3 billion in the same period.

Despite the vastness of these sums, Egypt and Turkey are certainly financial losers because of the Gulf embargo and war. The embargo itself cost Egypt an estimated $9 billion, half of its gross domestic product, through cuts in workers' remittances, the collapse of tourism, and the decline in Suez Canal traffic. Turkey lost some $7 billion just from the embargo.

There were other inducements besides cash. Turkey has been offered the oil rich Mosul region of northern Iraq, following the postwar dismemberment of Iraq. The proposal had been first publicly floated as far back as August 26 by the U.S. National Security Council linked advisor Helen Cobham in the *Washington Post*. According to the proposal, Iraq would be divided up among Iran, Turkey, and Syria. The creation of a Kurdish entity is also indicated. While the author distances herself from the plan as leading to a "desert Vietnam," the plan itself indicates the type of thinking going on among the imperialist strategists in Washington and London.

Then the September 7 issue of William F. Buckley's *National Review*, a magazine long tied to the CIA, carried an article entitled "Let's Talk Turkey," by J.B. Kelly. This piece called for the partitioning of Iraq "after Saddam Hussein and his detestable regime have been dealt with.

"Not only would the transfer of ownership [of Mosul] bring about a welcome and well deserved transformation of Turkey's economy, but it would deprive the truncated Iraqi state of the revenues which up to date have been largely devoted to mischief-making," Kelly stated.

Still later, on February 9, former Defense Secretary Caspar Weinberger, wrote in the *Montreal Gazette* that "It's not enough to let Saddam Hussein retire with his army intact." The coalition must ensure that Saddam will not recover, wrote Weinberger. "That involves something more than pushing him out of Kuwait. That means getting rid of the power," in part for giving Turkey part of northern Iraq.

Well placed Arab sources report that Egypt

personal envoy to Baghdad."

President Salih's harsh rebuff of Washington and its war drive proved to be costly. In early December, the U.S. State Department released a statement announcing that it had cut U.S. aid to Yemen "to $2.9 million from [a previously planned] $20.5 million as a signal of U.S. disapproval for Yemen's negative vote on U.N. Security Council Resolution 678."

On November 24, Baker met with Colombian Foreign Minister Luis Fernando Jaramillo and President Cesar Gaviria, in Bogota on a state visit. Colombia was then a rotating member of the Security Council, and the Bush administration wanted to secure their vote. One Colombian Foreign Ministry official who has asked not to be identified described the U.S. pressure at that time. "The United States will seriously threaten a total blockade of the country if we don't vote with them in the U.N. Security Council on the Iraq issue."

What did Colombia receive as its reward other than no blockade? According to the foreign ministry source, Baker promised to support President Gaviria's negotiations with the cocaine cartels which would effectively legalize their activity. This controversial negotiation—which the United States supported in any case—was publicly accepted by Baker immediately upon the conclusion of the November 24 meeting. Such negotiations "fall to the competence of the Colombian government," Baker said approvingly to the press. Within weeks of the meeting the Colombian government cut a deal with the traffickers whereby they could avoid extradition to the U.S.A. for narcotics trafficking.

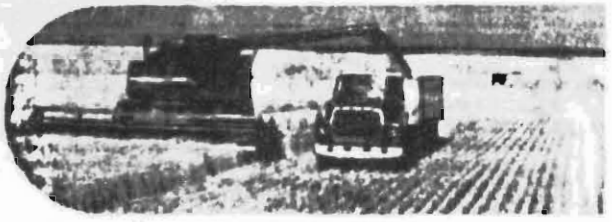
Meanwhile, Soviet Foreign Minister Eduard Shevardnadze flew to Beijing in the days before the vote to ensure that China was lined up to support the U.N. resolution.

Alarmed by these developments, Iraqi Foreign Minister Tariq Aziz flew to Moscow November 26 to confer with Soviet President Gorbachov. The meeting went poorly. "Tariq Aziz was firmly told that if Iraq wants a settlement in the region and wants to avoid the worst, it must now openly declare and show by its actions that it is leaving Kuwait," reported a wire from the Soviet news agency TASS after the meeting. TASS dismissed Aziz's comments as "familiar arguments," with "nothing new."

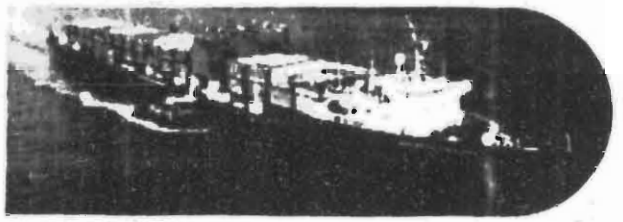
Gorbachov ridiculed Iraq's repeated insistence that all regional problems, notably including the Palestinian issue, be dealt with simultaneously. "An aggression has been committed. It must be stopped," Gorbachov stated to TASS. "Only then is it possible to address other issues of a Middle East settlement."

After visiting six countries in seven days, Bush proclaimed in Washington November 24 that time had run out for a non-military solution to the crisis. "We have shown patience. We have explored all diplomatic options."

As a result of Washington's extensive strong-arming, on November 29, the United Nations Security Council gave the U.S. government the go-ahead to wage a war against Iraq. Resolution 678 set a January 15 deadline for war. Unless Iraq fully complied by that date with previous U.N. resolutions against it beginning August 2, the resolution stated, then U.N. member states may "use all necessary means . . . to restore international peace and security in the area." The resolution passed 12-2, China abstained; only the rotating member states of Cuba and Yemen voted against the resolution.



FOOD FOR PEACE



Family Farms Are Most Efficient Says German Agriculture Expert

Part One of Two

The battle is still raging in Germany over whether and how to characterize the post-war collectivized state farms created by the communist party in what was East Germany. Some of the world food cartel conglomerates are content to further their own monopoly aims by making big contracts with the state farms. Many young Germans, anxious for work, also ask what's wrong with "factory farms" and farm-style labor.

Here Professor Gunther Schmitt, of the Institute for Agricultural Science at Goettingen University, refutes this view. At the same time, he refutes the views supported also backed by many in the United States that private, independently owned family farms are not as important as land "rationally" practiced by farmers, whose ownership of land is secondary.

Schmitt spoke at a panel on agrarian reform at a conference [illegible] in Berlin, sponsored by the Schiller Institute. The theme was on the concept of the "Productive Triangle" for European development centered in the Paris-Vienna-Berlin region, a program first advanced by Lyndon LaRouche. The concluding half of Schmitt's presentation will appear on the next Food for Peace page.

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Beginning from the general and here repeatedly expressed conviction that the size of farms and agricultural units created in the course of land reform after 1945 and the later violently carried out collectivization of agriculture in the German Democratic Republic (DDR), are regarded as hardly competitive, and thus must be reformed, the question arises concerning competitive sizes of farms and their organizational forms that can be developed and are to be promoted by agricultural policy. The decisive question here is, what sizes of farms and in which legal forms, are to be formed or should promoted.

Here it should be recalled that on an agricultural acreage of 5.1 million hectares (1989) there were 1,848 agricultural production society (LPG) "plant producing units" with an average size of 4,521 hectares of land and 70 nationalized (VEG) "plant production units," one of which was 4,962 hectares. In the central production units, which were operated

EIRNS/Lothar James

A German father and son side by side at work on a dairy farm. Inset: Professor Gunther Schmitt, of the Institute for Agricultural Science at Goettingen University.

run? Following that, I will give an economic explanation of these forms and operational sizes, in order to then directly derive an answer to the question originally stated.

The Family Farm Model

Let us then first turn our attention to the agriculture of the Western world, and there especially with regard to the state of agricultural development in several of the industrial countries of Western Europe and abroad that are comparable to the socialistic countries. It is true of these countries that, with a few exceptions, a) agriculture is overwhelmingly dominantly or almost without exception by *family organizations*, and thus by the family form of work as organizational form, large organizations that use hired labor, primarily as corporations, *represent the exception*, and producer cooperatives are (virtually) unknown.

Second, b) it is true for these Western industrial countries that the average size of an agricultural enterprise does vary from country to country, but in every case is far below the sizes that were spoken

For the United States (1969), however, it was true that the average size of farms was 456 acres (184.6 hectares). Of all farms, 86.7% are managed by a single person or single family, and consequently qualify as pure family farms. A further 9.6% are operated as partnerships by several families, whereas, in contrast, only 3.2% of the farms are corporations; of those, 90.7% were family corporations. Producer cooperatives are unknown. The large farms organized as corporations are to be found in the West and the South of the United States where they specialize in fruit and vegetable cultivation as well as wine grape cultivation and milk production. Of all farms, 59.7% are managed on a part-time basis, with more than 50% of the income stemming from non-agricultural sources.

Canada and Australia

For Canada, there is an average operation size of 671 acres. Of all the farms, 82.3% are managed by single persons or families, and 11.6% are run as partnerships; 6.2% are family corporations, 0.4% are other [illegible] corporations. Producer coopera-

Food for Peace Challenges Bush-Bronfman Free Enterprise

Special to New Federalist

PITTSBURGH, April 22—National momentum is building toward a coalition between farmers and the urban poor, in the aftermath of a successful Food for Peace demonstration against the Labatt Beer-Seagrams Whiskey milk cartel.

As *New Federalist* has reported, the Canadian conglomerate John Labatt Ltd. currently maintains an illegal milk monopoly in the northeastern United States, controlling 75.85% of the milk market in the New York City, Philadelphia, Baltimore, and Washington, D.C. metropolitan areas. Labatt, in turn, is part of the multibillion dollar Bronfman family financial empire. The Bronfmans accumulated their fortune through murder and bootlegging in the 1920s, and are sworn enemies of Lyndon LaRouche, who exposed their drug money laundering operations in the best-selling book *Dope, Inc.*, published in December 1978.

'Bust the Milk Monopoly'

On April 2, sixteen Food for Peace supporters, led by Philadelphia civil rights leader O.G. Christian, picketed the Latrobe, Pa. Municipal Building and marched ten blocks through town to the Rolling Rock Beer brewery, a Labatt subsidiary. No sooner had the demonstrators unfurled their signs, reading "Bust Labatt-Seagrams Milk Cartel," "Stop Bush War on Farmers," "Prosecute Bronfman—Free LaRouche," etc., than passing motorists began pulling up, demanding literature, followed by swarms of reporters and television cameramen. Hundreds of Food for Peace press releases and copies of *New Federalist* were distributed along the line of march, including to several dozen brewery workers, one of whom remarked that "these cartels hurt working people, too!"

The demonstration was featured that evening on three Pittsburgh television news programs, on local radio, and in three area newspapers, including page one coverage in the *Latrobe Daily Bulletin*.

EIRNS/Carmela Karnoutsos

Activists of the Food for Peace organization protest the Bronfman milk cartel with a picket line in front of the Latrobe, Pennsylvania municipal building.

"Properly enforced anti-trust laws are essential to a free society. These laws ought to prevent wealthy and powerful private interests from eliminating competition and opportunities for others, and from using a monopoly position to defraud or coerce individual citizens, or the nation as a whole. Nowhere does this principle apply more forcefully than in agriculture and food.

"Over one year ago, in a March 28, 1990 letter, Marc G. Schildkraut, Assistant Director of the Bureau of Competition of the Federal Trade Commission, informed Mr. Valenti: 'Your complaint about Labatt's market share is under consideration by this office.' Today, with thousands of independent dairy farmers threatened with bankruptcy, while surveys show unprecedented levels of malnutrition and hunger among American children, the time is long overdue for investigation and proper law enforcement action

age 1,000 livestock per farm) and 318 nationalized units of similar size as well as nationalized animal husbandry collective combines (75 or 25 industrialized animal production units (36 with an average of 2,030 to 6,610 livestock. As their designations suggests these farms were organizationally set up predominantly as "producer cooperatives" with very little right of co-determination by the comrades within the narrow boundaries of state plan directives otherwise as state-owned enterprises directly subject to national plan directives with those employed having the status of strictly supervised employees.

When the given topic asks about "possible sensible and efficient operational and property forms," the speaker as an agricultural economist understands by that operational sizes and organizational forms that make possible an efficient competitive and managerial profitable agricultural production with freely available rights of property and use (private property) of the land. To be emphasized and yet to be shown is that a close connection exists here between operational size and organizational form in agriculture, which is of course overlooked by many experts or viewed by them as unimportant.

I will initially ask, which operational sizes and organizational forms have been formed in the agriculture of the Western world under the influence of competition and have stood up over the long run?

Typical of the agricultural enterprises, mostly operated by families, that are too small to fully employ the family or to provide a sufficient income for them. They are then operated for the most part as a sideline, while the other operations are full scale businesses because all employable family members are active in the enterprise, working together with a few part-time or temporarily employed wage employees who are not members of the family.

With this last remark, I have expressed myself incidentally on a frequently contested question, what is actually to be understood as a family farm. This is always the case when the management of the enterprise is in the hands of a single manager, but in which the manhours in the enterprise are predominantly provided by him and his family members.

Frequently it is asserted that the small size of family farms and their management on a part time basis is the consequence of the scarcity of land and a specific support by government measures. That is particularly asserted for the Federal Republic of Germany, with an average size of a total of 18.2 hectares (even the so-called full time farms have an average of only 19 hectares, and 42% of the farms are operated on a part time basis. For that reason, it is useful to first look at the United States, Canada, or Australia, where there is neither a scarcity of land nor a comparable support of family farm operations.

non-agricultural employability. In contrast, outside labor is employed on the average for each farm only 19.5 days in the year, and 40.3 days for farms that generally employ outside hands.

For Australia (1979/80 is presently the last available data), the average size is 373 acres (151 hectares); 90.3% of all farms are managed by single persons, families, or family corporations, and a further 7.5% are corporations. Producer cooperatives are unknown.

In summary, it can be stated that in agriculturally far advanced non-European countries with a free enterprize economy and democratic society, which are not characterized either by a scarcity of land comparable to Western Europe nor by a comparable agricultural protectionism, the family form of labor dominates in agriculture, and has proved to be long lasting. The well known statement by Marx, according to which the process of capitalistic development will lead to the destruction of small scale farms in favor of larger agricultural factories managed by salaried workers, has consequently proved to be as false as his prophecy of the self destructive process of "capitalism" per se. By the irony of history, that farmer based agriculture fell victim, not to capitalism, but rather socialism, and to the latter only in an extremely violent way, a socialism that in fact began with the promise to protect farmers from destruction.

To be continued.

Emergency Food Needed for 20 Million Hungry Africans

by Marcia Merry

Washington DC, April 20 (EIRS)—Instead of food aid for Africa, the Anglo-American policy controllers are proffering what they call "humanitarian aid" and expressly forbidding development. And Washington, London and Paris officials there by say this means a death sentence.

Because of years of suppressed economic development under the strictures of the International Monetary Fund, African nations are suffering endemic food shortages and catastrophic crop failures, and general impoverishment. Several millions of tons of food aid are needed this year to avert a food crisis for over 20 million Africans, especially in the Sahelian region.

Because shortages in expediting food deliveries and ending exports for future agriculture output, U.S. officials are looking the other way as international food relief and other aid roll the "Iraq model" the end.

House Hearings

The House of Representatives Select Committee on Hunger held hearings April 16 on food emergencies, with testimony from a special task force sent by the committee to Iraq. The focus of the reports was that dependent populations should receive "effective delivery of humanitarian aid," through United Nations and collaborating agencies, using the Iraq situation as a model.

Committee Chairman Tony Hall (D-Ohio) has called for the creation of a U.N. Undersecretary for Food, and for an international food protocol. He and his cohorts have introduced a bill called the "Horn of Africa Recovery and Food Security Act," that would, in the name of food "relief," undercut any action of sovereign governments in the region to carry out their own food and agriculture policies.

United Nations/John Isaac

A young victim of famine is laid to rest in Ethiopia. Emergency shipments of food to Africa must begin immediately.

Target: Sudan

The bill is targeted particularly at Sudan, which has firm policy goals of food self-sufficiency, and also opposed the Anglo-American Persian Gulf war. Meanwhile, Somalia and Ethiopia are engulfed in strife, abetted by outside intervention.

This month, an extraordinary harvest of winter wheat took place in the Sudan, the result of government initiated measures last fall for an emergency wheat planting in November. Usually wheat is planted only in the summer, and harvested in October. But the April crop is the second harvest in one year.

A just-returned U.N. mission reports that about 620,000 tons of wheat were harvested in the Sudan. This is enough to fill about 50% of the cereals gap facing the country by June.

However, U.S. officials are not reporting this crop, because the news would reflect the positive initiatives of the Khartoum government. Instead, the Bush adminsitration wants authorization to by-pass governments.

The State Department has approved 320,000 tons of food aid for Sudan, the first shipment of which has arrived at Port Sudan on the Red Sea. U.S. officials are pressing to control the terms under which this food is delivered. Khartoum officials want to prevent a repeat of 1988, when the U.S. relief food was dumped on the local markets in a way to undercut farmers.

Even the physical logistics by which food can reach people in need have been sabotaged by the Western powers concerned with "relief." Repeated efforts of the Khartoum government to obtain capital investment to modernize their railway, the Nile cargo channel, and roadways have been thwarted.

a letter demanding that the Federal Trade Commission enforce anti-trust laws against Labatt," said Pennsylvania Food for Peace representative Phil Valenti. "This is part of our campaign to stop the immoral 'free trade' program of the Bush administration."

The letter, addressed to FTC Chairman Janet Steiger, reads in part:

"We, the undersigned, call upon the Federal Trade Commission to enforce U.S. anti-trust and anti-monopoly laws against the Canadian-based corporation John Labatt Ltd.

"We look forward to prompt action by your office on this matter."

Endorsements Needed

Valenti reports endorsements of the letter so far from farmers and civil rights leaders from several states, as well as a State Representative from New England. One national organization is considering drafting its own letter in support of the Food for Peace petition. Interested parties can write Mr. Valenti at P.O. Box 214, Drexel Hill, PA 19026.

AMERICAN SYSTEM FARMER

How American Agriculture Refutes Thomas Malthus

by Pamela Lowry

At the end of the Civil War, American publishers began to issue a series of books designed to show how American System policies had built a flourishing economy, and how that tradition could be continued now that the war was over. In 1867, a volume appeared entitled *Eighty Years' Progress of the United States: A Family Record of American Industry, Energy and Enterprise*. The author of the section on "Progress in Agriculture" was Charles L. Flint, secretary of the Massachusetts Board of Agriculture.

Flint's account of developments in the design of farm machinery included a devastating refutation of the supposed "economic theories" of Parson Thomas Malthus, the so-called economist who was hired by the British East India Company to popularize the idea that population growth is dangerous, and that even the best efforts of mankind's science and technology are unable to solve the problems of starvation and disease.

Triumphs of Technology

After recounting the triumphs of American farm machinery at various international exhibitions, Flint states:

"The reaper, the thresher, and the mower are types of the ever restless and progressive spirit of the age. They point out to us a glorious future, in which they will accomplish for our country triumphs grander than the triumphs of arms, for they will develop the means of supporting the millions of human beings which the implements of war can only destroy.

"Could the learned Malthus—who proclaimed the gloomy theory that war, famine, and pestilence were checks, designed by an all-wise Being to keep down the increase of population to a level with the means of sustenance—now rise up from his sleep of death and see the population of England more than doubled since his day, and that of this country multiplied many times, while the people are better fed, and better clothed, with less labor and less suffering, with the possibility of a famine wholly and forever removed, he might change his shameful doctrine, and adopt a more cheerful and hopeful view of the providence of God. With an immense multiplication of the human species in all civilized countries which have been devoted to the arts of peace and the development of their material resources, a bountiful Father has sent us a superabundance of food, instead of famine, and has taught us to rely on the exhaustless bounty of the fruitful earth, and upon his benefficent promise that seed time and harvest shall never fail to supply the daily wants of his children.

Thomas Malthus

The Purpose of Machinery

"But with all the progress which we have made in improving the implements of the farm, we have not reached perfection. No bound is set to human ingenuity, and further means may yet be devised to shorten labor and increase the products of the soil.

"We cannot hope, nor is it desirable, to avoid labor. This is not the object of improved machinery; but to make labor more attractive, agreeable, and productive; to bring into subjection the rude forces of nature, and make them do our bidding and increase our stores; to redeem thousands of acres now lying waste from wildness and desolation, and to make our country the granary of the world—these are the triumphs we may hope to gain from the introduction and use of improved machinery, and in this view the subject commends itself to the attention of the highest intellect, and opens a field for the labors of the noblest philanthropy."

LaRouche 'European Triangle' Plan To China

Special to New Federalist

HONG KONG, April 27 (EIRNS)—The "European Productive Triangle" proposal of Lyndon LaRouche for a new economic boom in Eastern Europe, centerpiece of LaRouche's 1992 presi[illegible], was presented here to an international conference on "The Thought of Sun Yat-Sen and the Twenty-first Century."

Sun Yat-Sen, founder of the Republic of China after the First World War, drafted great plans for the interior development of China's railroads, new ports etc. which reflect the kind of thinking behind LaRouche's new economic miracle for Eastern Europe today.

Webster Tarpley, U.S. President of the Schiller Institute, was invited to give the presentation by Dr. Sun's alma mater, the University of Hong Kong, and the Taiwan Normal University of the Republic of China.

The conference was attended by scholars from Beijing, Shanghai, Canton, and other universities of the People's Republic of China, as well as from Hong Kong and the ROC. The central theme of the proceedings was the perspective for the future reunification of China based on Dr. Sun's three principles of the people (san min chu i). For the first time, a large delegation from the Republic of China on Taiwan took part.

Defend Sun Yat Sen's Methods

One mainland Chinese scholar reviewed Dr. Sun's railroad building plan of 1921, and concluded that Sun's idea of a northern railway into Sinkiang was too ambitious. Another paper dealt with the seaports prescribed by Sun.

Tarpley reviewed the heavy emphasis on rail, port, communications and water project infrastructure in Dr. Sun's economic planning documents from 1911-12, through the longer studies published in 1920-21. Tarpley defended the method employed as well as many of the specific conclusions, including the need for extensive rail and water development of Sinkiang province in northwest China. Placing Sun in the Leibniz-American System school of economics, Tarpley contrasted real development of China based on in depth continental infrastructure with other approaches stressing coastal development only.

To show the validity of Dr. Sun's economic method today, Tarpley compared the 1921 port and rail program with the LaRouche Paris-Berlin-Vienna Productive Triangle as the centerpiece of a Eurasian infrastructure development. Such European developments, it was pointed out, would be the key to furnishing the capital goods upon which the economic viability of a future reunified China would depend.

Mrs. Leni Rubinstein of the Schiller Institute appeared on Taiwan television broadcasts of the opening ceremony of the conference, and was later interviewed by the Central Daily News and United Daily News, two of the biggest news organizations of the Republic of China, and by China Television Service, one of the three principal networks on Taiwan.

The ideas of Lyndon LaRouche and the policy output of the Schiller Institute have been available to Chinese activists since the student uprising of 1989, through the EIR Global Strategic Bulletin, a bi-weekly newsletter in Mandarin Chinese. A number of conference participants turned out to be regular readers of this EIR Chinese publication.

The Hong Kong conference reflects a changing climate of opinion in China, Hong Kong, the ROC, and East Asia in general. Governments in the region are attempting to identify and enhance areas of agreement. For China, the goal now appears as national reunification accomplished without war, in the form of a democratic multiparty system and in the spirit of Dr. Sun. The mainland Chinese communist government is losing credibility due to the economic breakdown crisis, which has now generated 100 million homeless, jobless, and otherwise redundant persons, a figure that threatens to rise to as many as 200 million by the end of the decade.

LYNDON LAROUCHE AND GEN. TENG CHIEH, in Taiwan in September 1989. Inset: the Global Strategic Bulletin of Executive Intelligence Review magazine, which has circulated LaRouche's economic program in Taiwan and Hong Kong.

Cuba Target for Next War?

Continued from page 1

[illegible] their place, waging a Third World War in the sense of a mass uprising by the Third World [illegible] debt, and U.S. domestic trends [illegible] increasingly dra[illegible]

[illegible] Information

[illegible] some [illegible] offensive that [illegible] leaders [illegible] cut us into [illegible] Stock [illegible] Presidence [illegible] 89 be [illegible] returns that [illegible] Panama. Nine [illegible] Fast Cause [illegible] sciences for [illegible] ending. The [illegible] than 10[illegible] amount of most [illegible] the w[illegible] drug use [illegible] ng. The coun[illegible] trade [illegible] up dissent [illegible]

Cuba's Target

[illegible] that were it not [illegible] war which [illegible] was largely insti[illegible] operation [illegible] the period leading up to [illegible] Cuba would likely have been next after Panama. Stanbrook is again quoted: "Cuba seemed to [illegible] would be a tough opponent, and the losses would be substantial, but the world would be submitted to a [illegible] and crushed [illegible] an all-out U.S. [illegible] the war fever that erupted during the Gulf crisis, it is not to be excluded that "at this point, even an all-out war would be in Bush's political interest, presuming the U.S. could win."

Iraqi President Saddam Hussein gave President Bush an early Christmas present and let Cuba off the hook, at least temporarily," according to Stanbrook.

The "Cuba scenario" is credible, a new propaganda campaign against Cuba has been unleashed. Over the Easter weekend, former U.S. ambassador to the United Nations Jeane Kirkpatrick, a stalwart of the "Project Democracy" crowd in the U.S., wrote a syndicated article, which appeared in both U.S. and European newspapers, that constituted the "signal" for a U.S. move against Castro's Cuba in the short to medium term.

She did this in simple, classic war propaganda style. She depicted a desperate Fidel Castro, faced with growing internal social and economic problems, getting ready to attack the U.S. mainland. The recent flight of a "Cuban defector" flying a Soviet-supplied MiG jet into Florida, may have been, she mused, a Castro deception operation, to show that Cuba was capable of penetrating American airspace. What could be in the offing for the future, according to another senior Cuban official who recently "defected," is a Cuban attack on a nuclear power plant in Florida, setting off a giant Chernobyl disaster in the U.S. To drive her message all the way home, Mrs. Kirkpatrick reported supposedly new U.S. intelligence estimates that Castro is perhaps two years away from having a nuclear weapons capability.

It is now easy to imagine [illegible] type

New FEC Scandal: Won't Have Matching Funds For Dems

Special to New Federalist

May 11 (EIRNS)—In a direct challenge to its authority, the Federal Election Commission (FEC) has been overruled by a recent Treasury Department decision concerning the apportionment of dwindling funds available to finance U.S. presidential elections. The problem addressed by both agencies is that the fund used to finance presidential elections since 1976 is running dry.

Public financing of federal elections was established by the same 1971 act of Congress which created the FEC as an electoral "watchdog" agency. That act was the product of a liberal "reform" movement, whose avowed purpose was to drive the fat cats and "special interests" out of electoral politics by limiting individual contributions to federal candidates ($1,000 maximum) and requiring disclosure of the identities of all contributors. The idea behind federal funding of presidential campaigns was to establish a "level playing field," so that elections could not be "bought."

Taxpayer Funded

The fund comes from taxpayer dollars, through the $1.00 checkoff at the top of the federal income tax return. As the FEC has been warning for years, the fund is now unable to meet the start of the 1992 election cycle, the balance to be made up by the April 1992 infusion of tax dollars.

The critical issue, the FEC argued, was timing. Most primary candidates use most of their matching funds in the crucial first three months of the year, targetting the early primaries. By the Treasury proposal, now the law, these candidates may receive as little as 50% of their entitlement in this period, making up the difference to their ultimate 90% funding too late to be of use to most of them.

Impact of Ruling

The impact of the new ruling is not easy to predict. It may, as the FEC argued, discourage many candidates from running. Certainly, it can only help the presidential incumbent, who is far less dependent on the primary process and, as President, can rely on abundant, free press coverage which other candidates must pay for. By the same token, some presidential candidates may forego the public funds route altogether, and campaign solely with private contributions. While these are restricted to $1,000 per contributor, there is no limit on how much a candidate can contribute to his or her own campaign, publicly funded candidates cannot kick in more than [illegible] of course be a boon to wealthy candidates.

LaRouche Again a Target

At the same time, the most [illegible] establishment of all past and present presidential candidates, Lyndon LaRouche, has again become a target of those who refuse to accept the fact that he has repeatedly demonstrated the level of public support required to qualify for matching funds. On April 25, Bushman Sen. Mitch McConnell (R-Ky.) introduced an amendment which would have abolished matching funds altogether, calling LaRouche's past receipt of these funds a "disgrace."

In general, the former backers of the federal election act have been dismayed by the unanticipated result that the "reform" law succeeded in banishing the more obvious corporate and millionaire "fat cats," only to usher in the rule of special interest political action committee (PAC) money, particularly in the funding of House and Senate races. Now, it appears, the presidential campaign process is following the same pattern, and now it is only such "politically incorrect" candidates as LaRouche whose campaign finances are threatened, but furthermore, the electoral hopes of any challenger to the incumbent President [illegible]

tial, but the island ... be submitted to a total naval blockade and crushed within a few months by an all out U.S. effort."

In the winter of 1990 there had been a "visible orchestration of public opinion against Cuba" coupled with mobilizations among Cuban exile networks with slogans like "Home Before Xmas." Starbird had anticipated a move against Cuba by some time around '92, before the crusade against Iraq preempted that. But given ... perhaps two years away from having a nuclear weapons capability.

It is now easy to imagine the hype that would erupt if some incident were to occur around the U.S. Guantanamo base in Cuba, or if big stories were to be splashed about "biological weapons plants" in Havana. Such provocations and propaganda, the world has learned the hard way, are not difficult to arrange. And should something wild happen, the first question that should be asked is, "Who benefits?"

LaRouche Issues Program for Recovery

Continued from page 1

play with regard to Eastern Europe, as the spoil of the triangular region of Europe with the greatest technological development.

Now he has a proposal which should startle Americans who have been indoctrinated with the axiom that the only solution for the Third World is to disrupt their technological backwardness and sharply reduce their populations through enforced birth control measures and by allowing famine and plagues to decimate their lands unchecked.

LaRouche instead asserts that the only hope for the U.S. economy is to develop the Third World as a high technology market. The primary driver is the application of science to the world economy in order to get the greatest possible increase of productivity globally.

Thus he says that it is necessary to make the whole world economy upgrading in its own self-interest by exporting technology through the multinational and national corporations into the areas where the most amount of technological progress gives you the greatest gain, which is the Third World.

The drawing up of such becomes then the market for the United States high technology exports by the rate of growth of per capita wealth which is the market from a perspective. LaRouche has now sent, providing that we are assisted by Germany and Japan which still have viable economies. These ideas are developed in a May 7 campaign release of Democrats for Economic Recovery, where LaRouche says:

"The United States is already, as a physical economy, in a condition relatively worse than it was early during the 1930s Great Depression. There is nothing left in the U.S. economy nine years after the events of 1982, which would permit a recovery from within the U.S. economy itself, even by aid of large amounts of foreign, i.e., Japanese, or West German investment.

Economy on Foreign Life Support

"The United States economy, from that standpoint, if those are the only assumptions operating, is already an insurable corpse. The failure to follow the warnings, notably, which I made in 1982, to carry out the policy changes which I proposed in 1982, and continued to propose through '84, has brought the U.S. economy to such a point that it is on a life support system supplied by Germany and Japan principally, as well as other developing countries from which it is drawing capital, but an economy which cannot be taken off the life support system and expected to live. Therefore, as the life support resources dwindle, the U.S. economy, as we have known it, will die, if that is the only consideration taken into account ...

"The United States, within the Western Hemisphere, must promote a system of high tariffs, that is, in the sense of the Clay-Carey Whig policy against the Southern cotton slave interests of the early 19th century, as well as against the August Belmont circles around New York City, and, as in Europe, promoted by Friedrich List of Germany, as in the Zollverein arrangement, which caused Germany's rise to economic power.

"Only by providing protection, can we restore a fragile U.S. industrial structure.

"However, obviously, the U.S. internal market does not provide a basis for U.S. economic recovery. That's the point. The U.S. **internal market does not provide a basis for U.S. recovery.** Therefore, merely protecting the U.S. industries with higher tariffs, while necessary to a recovery, will not, by itself, provide the conditions for a recovery. The United States needs a large area of exports in order to get a jump-start going.

"What is needed, is opening up the so-called Third World for high technology investments which make use of, inclusively, not only Japan and Western European capital goods, but U.S.-produced capital goods.

"We're talking about nuclear plants, we're talking about high-speed rail systems, we're talking about all other kinds of infrastructural systems, large-scale water management systems, transport systems, power systems, so forth. All this sort of thing. The development of high technology small industries in these countries.

"Now, I'm in the center of this, obviously. The reason I've been targeted, the reason I was put in jail, was because I represented the policy I've indicated, and those who have the opposite policy, such as these circles around Bush, Kissinger, Scowcroft, and so forth, viewed me as an increasing danger, and my policies as a danger, as an annoyance they would no longer tolerate, for the sake of their policies. Now you see where their policies are taking us: Down toward fascist ruin."

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tion be set aside at the outset, leaving the primary election candidates to scramble for whatever crumbs are left. The FEC proposed that only a portion of those costs would be set aside at ... tributor, there is no limit on how much a candidate can contribute to his or her own campaign; publicly funded candidates cannot kick in more than $50,000 of their own money. That would ... didates as LaRouche whose campaign finances are threatened, but even more, the electoral hopes of any challenger to the incumbent President — especially if he or she is a Democrat.

Little Time to Stop Yugoslav Civil War

Continued from page 1

Orthodox Church issued a joint appeal for peace on May 7. The appeal was issued on television, and apparently found deep resonance in both populations, who had suffered enormously during a horrible civil war from 1941-45.

The church intervention was followed by a fragile compromise by which both Serbs and Croats agreed to disarming paramilitary groups. In addition, the Serbian-run army dropped its demand for a state of emergency, which would have ensured civil war — and, in return, was allowed to stay as the occupying force in the Serbian-inhabited regions of Croatia.

It is impossible for the Serbian occupation to continue very long, however, without the re-eruption of conflict. Over the past few weeks the Serbian military presence was supplemented by the deployment of Serbian-controlled gangs, who have carried out a series of provocations.

The Serbian demand for control over all Serbian-populated regions of all Yugoslav republics, has been the prime mover behind the ethnic conflict. The danger has been exacerbated by the fact that the joint army has also been controlled by the Serbian Jovic. This situation is scheduled to change on May 15, however, when the joint presidency, and thus the military command, will shift to the Croatian Stipe Mesic.

Geopolitics and Debt

While the Serbian chauvinists have been the prime instigators of the conflict, there is no way to understand the crisis from the inside only. The international financial authorities, the British, and the Soviets have all had a hand in fanning the flames of civil war. The Balkans have long been a cockpit of especially British intelligence operations.

Most overt has been the British establishment, which, through the London *Times* and *Financial Times*, expressed their interest in seeing the federal Yugoslav army take control of the country. The *Financial Times* editorial of May 8 put it this way: "Martial law will not win Yugoslavia many friends ... but it could allow the army, Western governments and Yugoslavia's federal government an opportunity to create a political environment aimed at encouraging the country's leadership to establish an agenda for the future."

That agenda, the British have made clear, is to ensure that Yugoslavia is able to meet all its payments on its $25 billion plus foreign debt. At least one newspaper of a creditor nation has already noted that if Yugoslavia were to be transformed into a loose federation of otherwise independent countries, a large portion of the foreign debt would be lost to the Western banks.

Croatian president Franjo Tudjman precipitated the British "advice" when he visited London May 7 to request mediation in the internal crisis. Unfortunately, aid from the likes of Margaret Thatcher is not conducive to calming the situation.

As for the Soviets, their internal problems appear to have kept them distant from the Serbian provocations. However, Serbian opposition leader Vuk Draskovic warned May 7 that some elements in the Soviet military might attempt to exploit the Yugoslav crisis to intervene there, oust Mikhail Gorbachov as Soviet leader, and provoke a new confrontation with the West.

Draskovic argued that the Yugoslav crisis, should it become a full-scale civil war, would expand to Albania, Bulgaria, Italy, and Austria. Already on May 7 Austria's armed forces went on special alert status along its borders with Yugoslavia, in anticipation of possible conflict.

Economic Detonator

Yugoslavia has always been an unstable entity, due to its genesis in superpower post-war deals. But the IMF conditions over years have greatly exacerbated this situation.

President Anton Markovic negotiated a deal with the IMF in December 1989. At that time inflation had reached something like 2,000% per year and unemployment was hovering around 30%. The further collapse of the Soviet economy since then, in addition to the Gulf crisis, has worsened conditions.

Making the situation even worse has been Harvard economist Jeffrey Sachs, who has served as an advisor both to the central government and to the Croatian republic. Sachs is notoriously incompetent, with his promotion of radical free-market measures such as mass firings, indiscriminate privatization, and prioritizing debt payments over decent human living conditions.

THE NEW FEDERALIST

"Whatever would overthrow the liberty of a nation must begin by subduing the freeness of speech."
Benjamin Franklin

Nancy Spannaus, *Editor in Chief*

Alan Yue, Christina N. Huth, *Associate Editors*

THE NEW FEDERALIST *continues the tradition of New Solidarity in its dedication to reviving the American System of economics and politics. The American System of Franklin, Hamilton, and Washington defines the mission of the United States as: to foster economic and scientific progress, the republican form of government, and the inalienable right to life for all peoples, both at home and abroad.*

New World Order: Old Rockefeller

If someone told you that the mass death you see all around the world on your television screen today could have been prevented you would perhaps be shocked. After all, you might ask, who could have predicted such a "natural disaster" as the cyclone in Bangladesh, or civil wars in Africa?

Well, truth to tell, the situation on a global scale was totally predictable, and it was predicted by the movement associated with economist and presidential candidate Lyndon LaRouche as early as 1974. One could forecast then that, if the policies then advocated by the International Monetary Fund and leading international bankers like David Rockefeller were continued, the result would be global depopulation by means ranging from disease, wars, famine, or so-called natural disasters.

Look closely, and you will see that not only were those policies of usury, looting, and depopulation continued, but that the same policymakers are in positions of power. On the one hand, there are Henry Kissinger and Brent Scowcroft, the latter the NSC advisor for Bush, and the former a veritable eminence grise for George Bush. They enunciated a policy of denying credit to the Third World and reducing world population—a policy guaranteed to cause epidemics, starvation, and such disasters, and still in force. On the other, there is the private sector represented by the likes of David Rockefeller, which wants progessively more loot from the U.S. and Third World workforces in order to prop up their balloon of unpayable debt.

As early as January 1974, LaRouche associates identified the global plan of the Rockefeller-Kissinger crowd as an "emerging new world order" which amounted to a "program for world fascism." That new world order had already begun, based on three principal policies, and we quote:

"• the recycling of human beings in the U.S. and Europe,

"• the McNamara slave-labor plan for the underdeveloped sector,

"• the complete integration of the Soviet bloc into the capitalist world economy.

"If we put together this picture . . . we are confronted with a terrifying plan to turn the entire world into one gigantic Auschwitz."

With the current push of David Rockefeller and Kissinger for setting up free trade concentration camps in Mexico (and elsewhere), and slashing wages in the U.S., who can deny that this world order is exactly what has emerged?

But when LaRouche and his movement warned of the consequences of Rockefeller's policies back in 1974, we also proposed the necessary alternative. We told the American population in particular, that there was nothing inevitable about this barbarism, if it was willing to stand up for moral principles on which an economy should be based.

There is no way we can avoid paying for our mistakes then—the unnecessary deaths are already happening. But with this coming presidential campaign we do have one last chance. It's time to stop the Rockefeller-Bush World Order.

Blood Money

Ask many Americans why we are in such bad shape, and they'll tell you we gave all our money away. Why, we gave it to Germany, we gave it to Japan, but most of all, we gave it to the Third World.

Such a response shows either dishonesty, or willful ignorance.

The fact is that no matter how poor we are now, we would have been a lot worse off if we had not been looting the Third World or underdeveloped world over the past 8 years. As every professional economist at international institutions and elsewhere have been saying, the poorest countries in the world have been subsidizing the industrialized countries, especially the United States.

The most recent evidence on this matter comes from a Unesco book based on statistics put together by UNICEF, entitled "Lost Generations - a debate book about children and the debt crisis." The book looks at the cost of Paul Volcker's high interest rates, IMF conditionalities, the debt policy since 1982, the "free market religion" and the Reagan administration's pollution in terms of lives, mostly children's lives.

While UNICEF's view of the solution is not ours, our own studies have turned up precisely the same trend in figures, although a much larger subsidy.

• Since 1983 the rich North has been subsidized by the poor South—i.e., there has been a net transfer of funds from the poor countries to the richer ones.

• 42.8 percent of all the money that flowed into the U.S. to cover the enormous budget deficit throughout the 1980s came from the underdeveloped countries. Ibero-America and the Caribbean supplied more than $100 billion, and Africa and Asia $180 billion.

• The cost of usurious debt payments alone for the Third World can be measured in the death of at least 500,000 children every year. This, however, is just a small portion of the 14 million children who died from diseases which have generally been eliminated in the industrialized countries.

In fact, the subsidy the Third World is providing to us actually is only a short-term masking of our own deadly collapse. To reverse the world depression, we must apply ourselves to industrializing the Third World, not looting it. That will simultaneously increase our wealth, and morality.

"They're the fastest growing units we've got!"

British humor?

One can imagine the following conversation sometime after intensive bombing of London by Nazi aircraft during World War II:

CHURCHILL: Franklin, please send us aid immediately. Our cities are being destroyed. Our air defenses are useless against these Nazis.

ROOSEVELT: Gee, Winst, I thought you fellows didn't believe in aid. You know, old chap, stiff upper lip and all that. Just a few bombs aren't going to hurt anybody—much. Reduce the population a bit—good for us all. Isn't that what you British believe?

• • •

A few observations on current history in Washington.

the funnybone

D.C. from a modern Herodotus.

George Bush has a new program for urban improvements in the nation's capital. As soon as he completes his current program in guitar lessons, the assigned personnel will set fire to the relevant Washington, D.C. slums.

On the crime bill front, the little noticed feature of the crime bill includes the provision of hungry, man-eating hyenas for the Washington, D.C. stadium. George figures that the proceeds from the stadium will help defray the cost of law enforcement and help to put nationwide law enforcement and penal institutions on a self-paying, privatised basis.

LETTERS TO THE EDITOR

On South Africa

To the Editor:

I enjoy reading from your publications and praise your ability to stand out for the truth. I honestly believe that your work is being inspired by God and urge you to continue despite all odds from the Thatcher Bush collusion.

Few questions and comments:

1. Why must U.S. support the obliteration of Iraq and not the liberation of South African blacks or Palestinians from Israel? The United Nations permanent members are nothing but cabal of satans.

2. Why is it that Anglo-Americans and racist Britons cannot desist from attracting hatred from other races of the world especially black people? The retaliation is to be that of iron slings and a fist magnet.

3. Why must Israel and South African oligarchic governments develop nuclear warheads but no other Third World country can?

4. What God is he urge Bush and Henry Kissinger serve when they go to church and pray for conducive genocidal attacks on the dark world?

5. The earth must be right and the child died in the morning, who does not know who killed the child? De Klerk of South Africa has succeeded in using his diabolical apparatus in creating problems amongst black factions so as to have a cogent reason not to liberate them.

6. Where is fairness to mankind? I guess the Bible should be changed from King James version to George Bush version in order to accomplish the New World Order. We all know what is going on, but we leave it to the retributive judgment.

Sincerely,
Iyre Uwankasef
Africa/Texas

The Editor Replies:

I'm not sure De Klerk is playing the role you assign to him, but your condemnations of hypocrisy from Bush and U.N. are fully justified. Now let us change the policy.

Banking Crisis

To the Editor:

There are over 250,000—possibly 300,000—Rhode Islanders who eventually will be driven to living on the edge of poverty—if money they deposited in the closed banks and credit unions is not soon released to them to pay every-day living expenses.

The real reason for the closing of these banks is the voluminous drug trade in Rhode Island with the largest dope manufacture and storage center on the New England coast located many feet underground in two blocks oppoite the Towers in Narragansett, Rhode Island. I-95 leading out of Narragansett is known as the **dope conduit**, but if anyone mentions this fact on talk shows, he or she is immediately cut off. Since 1960, Rhode Island has earned **fame with the dubious title of the the cocaine capitol of America.**

Give some of the congressmen credit. Representative Gingrich of Georgia (Rep.) and Senator Gramm, Texas Republican each introduced bills which would certainly have slowed down the laundering of money by banks which is the backbone of the United States dope trade. These two bills—Gingrich no. 4079 2/22/90 and Gramm S. 2245 3/7/90 have been assigned to 8 committees and are still being studied! There is only one conclusion that the logical everyday working person can arrive at—our government does not want to interfere with the destructive drug trade in our country.

Representative Henry Gonzalez, chairman of the House Banking Committee, went to the heart of the matter in a recent speech on upcoming activity in his committee. Speaking about *the attempts to cure the drug plague*, Gonzalez said: "You can spend all of the wealth, all of the substance of this country, you can appropriate all the monies available, and you are not going to win the war on drugs until you plug the hole of those that are reaping financial benefit from the illicit drug trade. And that is many billions of dollars. And it involves banking institutions; it also involves highly placed members of our society. And until that is addressed, everything will be in vain."

The High Rollers of Rhode Island (the General Assembly and officials and favorite depositors and friends of the closed banks) have destroyed the lives of 300,000 Rhode Islanders (that's a third of the entire population of the state) and now it is the duty of the government officials of the state—or a referendum Citizens' Committee for Justice—if the elected officials refuse to do so—to expose these criminals and see that they pay for their evil deeds. Rhode Island is dying and the federal government has just refused to hold its hand as the death rattle begins.

Jeanne Szydlowski
Falmouth, Mass.

What you can do:

- Support the campaign for economic [illegible]
- Join Operation Talk Back to Your LaRouche and stop George Bush's genocide against the developing world. Call the toll-free talk show and citizen [illegible] hotline [illegible]
- Subscribe to The Executive Intelligence Review and call subscriptions to your local:

- Call one of those offices today for more information about LaRouche's economic recovery policies, and how to get the office on the LaRouche program:

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"The Desacralization of Western Culture: Cowabunga!"

I am a painter in the classical tradition and consider Lyndon LaRouche the only American of "statesman" stature. That he should be in prison tells all you need to know about the present state of politics in America.

I am trying to enter the Amy Awards contest by having a religious piece published in a secular newspaper. I cannot think of another newspaper that might publish the article I enclose. In the hope that you will offer it to your readers, I am

Sincerely,
Margaret E. Stucki
Coupeville, Wa.

The Editor Replies:

I cannot run all of your article, due to space considerations, although I think the subject worthy. Here's about a third of it:

My six-year-old grandson looked up at me and moved his plastic, hybrid, "turtle-man" toy in belligerent gyrations and told me, "This is Leonardo." Since he was visiting me for the first time since he was born, I had not yet made the acquaintance of "Leonardo," the Teenage Mutant Ninja Turtle or his fellow mutant crew: Michelangelo, Raphael, and Donatello! I had however studied exhaustively the painting of the West which I taught in college for over a decade and knew precisely who Leonardo, Michelangelo, Raphael, and Donatello were, and, as a talented artist myself, I revered them as the highest members of the period in the Western tradition of painting and sculpture known as the Renaissance when the sciences of my chosen profession, fine Art, first came into existence: perspective, anatomy, the technique of mural painting and oil painting. Yes, I was surprised and dismayed to see Leonardo had mutated . . . into a turtle-humanoid! "Do you know who Leonardo is?" I asked my first grader in America. He looked momentarily baffled at the question, for he was just showing Leonardo to me, and obviously it was I who did not know who he was and not he. I was so appalled, I could not speak.

In the second definition of sacred in

Nancy Spannaus,
Editor-in-chief of
THE NEW FEDERALIST
welcomes your letters.
Write to:
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Leesburg, Virginia 22075

tion with the divine or consecrated; hence, entitled to reverence and respect; as, a **sacred** memory. As the names of these four greatest of Christian artists, Leonardo, Michelangelo, Raphael, and Donatello are intimately associated with the Church of Jesus Christ, and these artists were employed throughout their lives by the Church to bring the gospel visually to the largely illiterate people who worshipped in the Church and public buildings of the 15th century in Christian Italian city states, where the old Greek artistic marvels put on the vestments and spirit of Christianity . . . I submit that the Teenage Mutant Ninja Turtles are one more group of "artists" performing daily on the fount of iniquity called **television** which is desacralizing our culture . . .

Peace Policy

To the Editor:

Regarding security in the Middle East and an enduring friendliness:

Confidence in our American military forces has been attained. Has confidence in the negotiating process also been attained?

Demanded by the Pentagon are advanced weapon systems. Have worldly negotiators demanded advanced procedures for resolving conflicting interests and conflicting opinions?

Currently there exists a commonly held interest in the plant Earth's oil. Worldlings have imposed upon planet a system of boundary lines and nations. Frequently that system fails to satisfy their existing needs. The nationalistic systems backfire! or boomerang!

The need for water, food, uranium, cash, oil, wood, etc., frequently is hindered by the notion of boundaries, sovereignty, and rivalry. Historically, worldly leaders have created basically needless problematic conditions and often try to resolve these conditions by way of bloody wars.

Planet Earth is probably laughing and weeping as it observes such human worldliness.

Sadly yours,
Louise Jansen
Columbus, Ohio

Drugs

To the Editor:

The destruction of Iraq brings to mind your frequent advocacy of the use of the paramilitary police against drug dealers. While I understand the British drug policy and the need for thinking, undrugged people, to run the government for the people, I profoundly disagree with you.

The raid on Leesburg two years ago illustrates the true uses of the drug police. Dealers are just who they practice on. Sixty years ago they, the revenuers, were hunting both my maternal grandmother and paternal grandfather. The true issue here is taxation and monopoly by the liquor magnates.

The only moral position on drugs, if one opposes the liberty of getting high, which was our right in the common law, is to equally oppose the dealing in alcoholic beverages.

Further, if 10% of the people are resisting a law, you should reconsider it. If 20% of the people are resisting a law, abolish it. You can't have it both ways. Either the government is of the people or it isn't. If it is, then the opinion of the people, expressed through their courts, without the interference of the judiciary, is the organic law.

In summation, while your espoused policy is better than Bush's, it has obvious and fatal flaws in not agreeing to the legal authority of the people to rule.

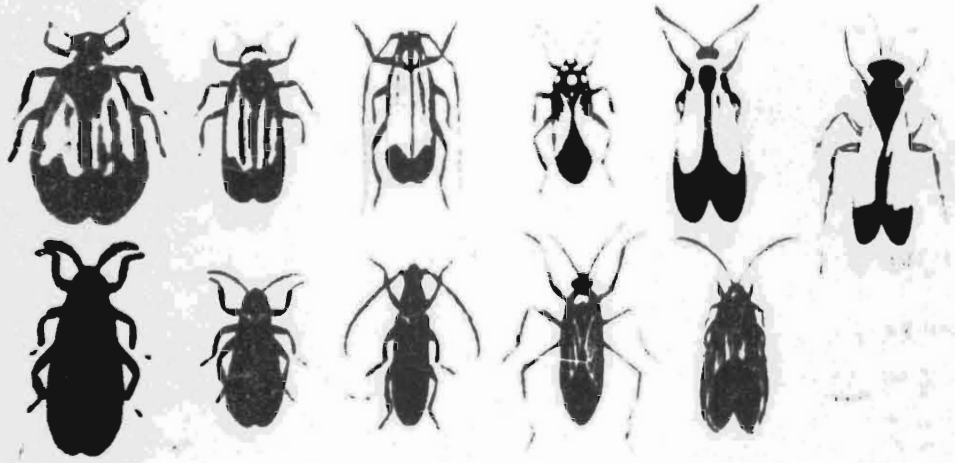
Sincerely,
Don Smith
Phoenix, Az.

The Editor Replies:

Our policy for a war on drugs is: solved sovereign agreements between states, bombing pot fields, and jailing drug bankers and big dealers. It certainly was nothing like our population war against Iraq.

As for your theory of what democratic government should be, we disagree. We are a republic, not a pure democra-

Behind the News



An example of a transfinite ordering among insect species known as Mullerian mimicry rings. Top from left: the male and female of the Lycid beetle (*lycus rostratus*), a Cerambycid beetle (*Amphidesmus analis*), the heteropteran *Lygaeus fureatus*, the lepidopteran *Neurosyphoea ochreipennis*, the hymenopteran *Pompilus capensis*. These insects all live in South Africa. The series at bottom shows a mimicry ring of insects found in Borneo.

Nature's Secrets Shown in Butterfly Taste

SCIENCE & TECHNOLOGY
by Laurence Hecht

The classic example of what biologists call Batesian mimicry has now been challenged. By an experiment that most of us non-insect lovers could find a bit distasteful, two zoologists at the University of Florida, Gainesville, established that the viceroy butterfly, long thought to have survived by mimicking the appearance of the inedible monarch, is itself inedible to its main predators, birds.

The experimenters, the researchers David Ritland and Lincoln P. Brower, found that the viceroys are rather Muellerian co-mimics of the monarch and its relative the queen (both known as danaines).

Mullerian mimicry, named after Johannes Müller (1801-58), the German physiologist and zoologist, is a subtler and more interesting phenomenon than the Batesian type. It also has nothing to do with the misconception with Darwinian ideas of natural selection, or survival of the fittest.

Distinguishing Mimicry

The line of distinction between the two types of defensive mimicry is a bit fine, since they are not mutually exclusive. Another example of the Batesian mimicry would be the *Eristalis* or hoverfly, a harmless insect that closely resembles the bee, and is therefore feared by most other animals. The Mullerian mimicry is more subtle.

An outstanding example occurs in South American insects of the families Heliconidae and Ithomiidae. "Looking at a collection case of these insects," writes the entomologist Adriano Zanetti, "it is easy to group them on the basis of wing pattern, as there are not many variations of coloration. However, a careful examination of specimens which seem the same will show little differences making two, three, or four different species.... At times the imitations are so complex, that the naturalist cannot grasp their logic or give an objective explanation of the phenomenon."

Contrasting the two types of mimicry, Batesian and Muellerian, Zanetti writes that they "are not mutually exclusive but interact in series of similar species even belonging to different orders, which form what are known as mimicry rings" (see illustration).

This transfinite ordering among and between species, families, and even *orders*, is now seen to be the law of the land for the common butterflies that hover in your summer garden.

The Experiment

To overturn the conventional assumption that the viceroys (*Limenitis archippus*) historically considered palatable to their predators, survive mainly by imitating the appearance of the monarch (*Danaus plexippus*) and queen (*Danaus gilippus*) which are thought to be unpalatable, scientists Ritland and Brower employed a technology familiar to supermarket shoppers. They tried out taste tests

"Wild-caught-reared-wronged blackbirds — (supplemented by viceroys

were used as ecologically relevant predators. They are abundant, year-round residents in Florida, include substantial animal matter in their diet, forage in marshy areas where viceroys and danaines occur and attack butterflies in the wild," they wrote in the April 11 article in Nature magazine that described their findings. "We presented only abdomens to the birds, thus compelling them to accept or reject butterflies based primarily on gustatory cues, rather than on wing pattern cues that they might have encountered in the wild. (Additional experiments demonstrate that in this system, the relative palatibility of abdomens reasonably estimates that of entire butterflies.)

"When an abdomen was presented, we assessed the bird's reaction by recording a 'response score' ... and if the bird ate the entire abdomen, the manipulation time (time elapsed between attack and swallowing)."

It turned out that the birds did not like the taste of the viceroys. "Only 41% of viceroys were totally eaten (compared with 98% of controls), and 35% were taste-rejected after a single peck. ... Birds commonly exhibited distress behavior (head shaking, excessive drinking, agitation) after tasting a viceroy abdomen, and abdomens that were eventually eaten were generally accepted very hesitantly by the birds, with a mean manipulation time nearly five times that of controls."

So much for the old idea that the viceroys "taste good." Not only were they just as unpalatable to the birds as the monarchs, but other experiments showed that the monarchs' cousins, the queen, were more palatable than the

Major Insurance Companies Are Caught Cheating Medicaid

CLUB OF LIFE
by Linda Everett

Major insurance companies, including Blue Cross-Blue Shield, have been found once again to be involved in the ongoing theft of millions of dollars from the federal government's medical programs—this time, Medicaid.

Representative John Conyers, Jr. (D-MI), chairman of the House Committee on Government, released a Government Accounting Office report on May 7 showing that 45 states are ignoring a federal law requiring state Medicaid agencies to make private insurers pay for the health care costs of Medicaid recipients for which they are insured. While companies like Blue Cross-Blue Shield skip paying the claims of Medicaid recipients who are covered by their private plans, state Medicaid programs, which are facing mammoth cuts around the country, pick up the tab instead—to the tune of *more* than $900 million.

Conyers explained the most common occurrence of duplicate coverage is the single parent family receiving Medicaid, who is also privately insured through the absent parent's employer.

Nothing New

This is not the first time insurers have been discovered in the criminal theft of government funds. A 1985 investigation revealed that Medicare, the government's medical program for the elderly and handicapped, actually paid out billions of dollars to cover services that the country's major insurers were responsible for. At that time, a Wall Street Journal investigation of six years of government reports showed that the Health Care Financing Administration, HCFA, the agency that runs Medicare and Medicaid, was told repeatedly of the overpayments but did nothing to stop them. Meanwhile, HCFA, blaming hospitals and physicians for "waste," so gutted Medicare reimbursement that thousands of hospitals and doctors went bankrupt.

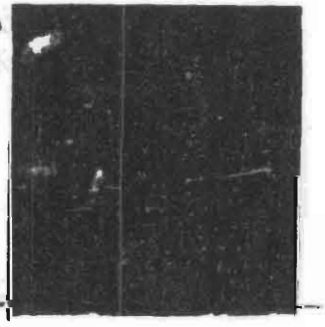
Incredibly, the major insurers who knowingly looted billions of Medicare dollars then, and Medicaid funds now, are the same companies the government contracts with (for hundreds of millions) to run Medicare-Medicaid.

New Rules Ignored

Congress instituted new rules in 1985 that had private insurers pay double on any claim they did not pay on time. However, 45 states made no effort to implement them. For instance, both California and Michigan alone have backlogged claims with potential insurer liability of $175 million. The states paid doctor and hospital bills of Medicaid recipients for which Blue Cross-Blue Shield is liable, but the states never forced the Blues to pay up. The Blues have not reimbursed Michigan for a single Medicaid claim since 1988.

Don't Let Webster's Quitting Let Him Get Off the Hook

INTELLIGENCE
by Jeffrey Steinberg



While the liberal press has been lavishing praise on outgoing Central Intelligence Agency director William Webster as the "Mr. Clean" who brought a rogue CIA back under control, regular readers of this newspaper know better.

As Jimmy Carter's Federal Bureau of Investigations chief (1978-87) and later as CIA director under Presidents Reagan and Bush (1987-91), Judge

Privatization Scam Enriches Only Bankers

POLITICAL ECONOMY

by Steve Parsons

[illegible] after's blue-blood heir George [illegible] the parallel domestic policy for the "new world order" he was about to unleash through the coming Gulf war. It was dubbed the "New Paradigm," the dawning of a new era in America in which "the corrupt bureaucratic welfare state," mired in the failures of the Great Society and New Deal, is to be replaced by a restructured government.

The cornerstone of the New Paradigm is privatization: the shift from publicly to privately produced goods and services. According to Prof. [illegible] of Princeton University, "its advocates have called for privatizing virtually all government functions, from public schools and parks to infrastructure and social services. [illegible] government programs and services do [illegible] unanswerable and worsening problems [illegible] are aggravated by depressed [illegible] in response to lack of capital [illegible] usurious interest rates and so-called [illegible] Under these conditions [illegible] contract services can generate [illegible] only through even more severe [illegible] service, higher fees, and austerity [illegible] against the labor force.

[illegible] sheets crumbling amid [illegible] normal growth through [illegible] corporations are privatizing [illegible] to the public trough [illegible] after highly dubious short- [illegible] one shot cost-cutting gov- [illegible] paying more than ever in cost [illegible] supplements.

[illegible] the biggest benefits from [illegible] reaped by the banks.

Free Market Loot for Banks

[illegible] government is already a [illegible] according to a recent study [illegible] on a radical free enter- [illegible] the last five years privatiza- [illegible] around the world. Since 1980, [illegible] of state-owned enterprises [illegible] sold by the British, who [illegible] ing from their airports and [illegible] ity distribution plants. The [illegible] ing savings ranging from 10- [illegible]

In the United States according to one survey, [illegible] governments, driven primarily [illegible] cities have already privatized [illegible] in order to "cut costs" and "increase efficiency" — from selling off sports stadiums [illegible] ing out garbage collection. And [illegible] have imposed or raised user fees.

[illegible] a survey of the agencies privatized in the U.S. shows that they have resulted in 12% of the workforce being fired, and a full 60% of the workforce being rehired at lower wages.

New Swindle: Asset-Recycling

The way privatization works is that the state "sells" an asset—a prison, a highway, a racetrack, anything it owns—to a state agency whose budget is entirely separate. To "pay" for the asset, the agency floats long-term bonds or debt issues, and then deposits the proceeds into the state's treasury or general fund. The general fund gets an overnight influx of cash, the state's budget deficit miraculously drops, and there is no new debt on the state's books. The state then "leases" back the asset from the agency at the cost of the debt service, and pays the operating costs as usual.

On April 1, reports Business Week, New York Gov. Mario Cuomo announced that for $200 million, the state had sold Attica prison to the Urban Development Corp. (UDC), a state agency, which paid for the purchase by floating bonds taken up by the investment banks. That was only the last deal for FY 1991, which ended on that day. Throughout the year, Cuomo had quietly sold state assets to various agencies for $1.9 billion to partially paper over New York's yawning budget deficit.

These schemes aren't just asset stripping; they are asset recycling, in which assets serve as the basis for monetizing new levels of debt, all guaranteed by government. This pyramiding is to be taken out of the hides of taxpayers, users of state services, and labor.

Over the life of these bonds, the debt service will add up to at least double, triple, and even quadruple the amount the state received from the asset sale—a tidy subsidy for the desperate banks on Wall Street. For the $200 million from the Attica sale, the state will have to pay nearly $500 million to bondholders over 30 years. For the sale of the Cross Westchester Expressway to the New York Thruway Authority for $20 million, the state will have to pay $70 million over 15 years.

Slave Labor Business

Further, after the initial cash fix, the state is immediately saddled with ever-higher debt payments in each year's budget. To try to meet such payments, agencies will almost immediately begin to make the "asset" pay for itself.

That means that highways and bridges will have more and higher tolls, and user fees will dominate all forms of services. Prisons will have to become more "self-supporting"—i.e., prisoners will be worked harder with fewer "amenities" and poorer food to cut costs.

When states and their agencies can't pay for the debt and operation of their institutions and services, the next step is actual privatization—that is, to sell the institutions to private business or to contract out services. The cash would go to the state, which would guarantee the new debt or loan, and use the cash to pay off some of the old debt.

This is Third World "debt-for-equity" looting brought home. Only the banks profit.

EIRNS/Philip Ulanowsky

Privatization—a new bankers' scheme for looting the economy—adds hundreds of millions of dollars to the price tag for operating prisons, other public institutions, and infrastructure assets such as highways. Above, the Cross Westchester Expressway in New York.

Webster was directly implicated in some of the most serious crimes of the past 15 years—including murder, the coverup of drug trafficking, and the obscene political frameup of American statesman Lyndon LaRouche.

While Judge Webster may be formally leaving the government, there is no excuse for allowing him to get away with the crimes he either carried out or condoned during his tenures at FBI and CIA. A thorough probe could land the ex-federal judge behind bars.

Get LaRouche Strike Force

• Readers of New Federalist are probably most familiar with Webster's pivotal role, along with his FBI deputy, Oliver "Buck" Revell, Henry Kissinger and the Anti-Defamation League, in initiating the Get LaRouche Strike Force inside the federal government. At the July 1982 Bohemian Grove secret gathering in California, Henry A. Kissinger met with Webster and solicited his collusion in destroying the LaRouche political movement. Webster was still head of the FBI when an army of federal agents raided the LaRouche movement's headquarters in Virginia in October 1986.

But Webster's activities against LaRouche started much, much earlier; he was named in a federal lawsuit by LaRouche, **LaRouche v. Webster**, which claims civil rights violations and has been ongoing since the mid-1970s.

• Besides targeting LaRouche, Webster, as FBI director in July 1980, gave license to Iranian assassins to murder a leading anti-Khomeini activist near Washington, D.C., Dr. Ali Tabatabai, who was gunned down by a hired Khomeini assassin—after FBI headquarters had been warned of a likely attempt against Dr. Tabatabai's life. The killer escaped to Teheran and has never been brought to justice.

EIRNS/Stuart Lewis

William Webster

• Also in 1982, while head of the FBI, Webster presided over the coverup of extensive evidence from the Miami Police Department that leading figures in the Nicaraguan Contra movement were financing arms purchases through cocaine and marijuana trafficking in the U.S. According to former U.S. intelligence sources, Webster was personally aware of illegal arms shipments to Iran, but covered them up.

His track record did not improve when he transferred to the CIA. For three and a half years, Webster has systematically covered up the role of CIA personnel in facilitating the bombing of Pan Am Flight 103 over Lockerbie, Scotland in December 1988, in which 270 people died.

All these crimes and more occurred on Webster's watch. He should be made to answer for those actions.

Environmentalists Have Killed Millions of People Every Year

CRIMES OF THE ENVIRONMENTALISTS

by Marjorie Hecht

The biggest crime of the environmentalists is murder. While media reports focus your attention on how many parts per trillion of pesticide might be on your vegetables, or how many cute dolphins are caught in tuna nets, the truth is that the policies promoted by the multi-million-dollar environmentalist industry kill people—millions of people—every year.

Seven years ago, one of the top entomologists in the United States, J. Gordon Edwards, stated bluntly: "Directly or indirectly, 100 million people per year are dying as a result of the anti-pesticide campaign by environmentalist groups in the United States."

Millions more, Edwards said, were suffering from diseases, such as malaria, and malnutrition, that could be prevented with [illegible] mosquitoes and produce more food.

Today, that human toll has increased to numbers that were unimaginable even seven years ago, and new hoaxes promise even more killing. The phase-out of CFCs because of an alleged ozone hole is only one example. The refrigeration industry, the most prominent user of CFCs, says that the ban will collapse the worldwide refrigeration chain, causing the death of an additional 20 to 40 million human beings yearly, by starvation and food-borne diseases.

But radical environmentalists like Earth First!'s founder Dave Foreman want more. "We humans have become a disease—the Humanpox," Foreman says. Another Earth Firstler, Robert E. Mueller of Staunton, Virginia, says "The human race is a failed species that isn't going to be around for very long." Mueller told a reporter for Newhouse News Service that he would be among those plotting man's demise if he were a biologist and not a geologist.

In reality, the murder is already go[illegible]

Support Helga Zepp-LaRouche's Call to European Governments With Your Signature

The following call by Helga Zepp-LaRouche was released May 10, 1991 in response to the appearance of Pope John Paul II's new encyclical

For a New Just World Economic Order

We are living at this moment through a catastrophe in the developing sector so dreadful that it staggers our power of comprehension. In Bangladesh, beyond the 300,000 victims of the cyclone a further 5 million Bengalis are threatened by death from starvation and epidemic disease. In Iraq, death daily at least 5 million people as a result of the destruction of infrastructure by "precision bombing." In Africa 27 million people have been stricken by a catastrophic famine. And in Ibero America some $200 billion is not invested in infrastructure and human capital measures, the misery epidemic will not be brought under control, and 120 million people will get the disease and more than 1 million will die.

The boundless suffering which now is afflicting hundreds of millions of individuals is not the result of unavoidable natural catastrophes, but is the consequence of the policies of the International Monetary Fund (IMF), which has prevented urgent investments in sanitation, health care, water management, and protective structures against disasters, as well as in infrastructure, agriculture, and industry, through its genocidal loan conditionalities.

The international relief organizations have nearly come to the end of their resources. The scale of aid requirements has reached dimensions which far surpass the level of catastrophe relief available up to now. Yet, it must be clear to every reasonable person that Europe or Japan cannot be islands of happiness and prosperity, while the rest of the world sinks into a frightful holocaust.

There is only one way out, and that lies in immediately implementing the new encyclical *Centesimus Annus* of Pope John Paul II and building a just new world economic order.

The encyclical says: "But it will be necessary above all to abandon a mentality in which the poor—as individuals and as peoples—are seen as a burden, as irksome intruders trying to consume what others have produced. The poor ask for the right to share in enjoying material goods and to make good use of their capacity to work, thus creating a world that is more just and prosperous for all. The advancement of the poor is a great opportunity for the moral, cultural, and even economic growth of all humanity."

Later, it says, "The Western countries, in turn, run the risk of seeing this collapse [of socialism] as a one-sided victory of their own economic system and therefore failing to make necessary corrections in that system. Meanwhile countries of the Third World are experiencing more than ever the tragedy of underdevelopment, which is becoming more serious with each passing day."

The encyclical points out that today, the situation of people in the developing sector is comparable to the situation of the working class of 100 years ago, when the first social encyclical, *Rerum Novarum*, appeared, and that they must be accorded the same rights which today are normal in developed nations.

To be sure, the Pope adds that the Church "has no model to present" of its own, and that "models that are real and truly effective can only arise with in the framework of different historical situations through the efforts of all those who responsibly confront concrete problems in all their social, economic, political, and cultural aspects as these interact with one another."

Yet, such concrete models are on the table. For the past two decades, the American economic thinker Lyndon LaRouche has elaborated comprehensive development programs which make it possible to begin putting a just new world economic order into practice. Among them are the Europe-wide infrastructure program of the "Productive Triangle" for Eastern Europe and the Soviet Union, the Oasis Plan for the Middle East, an infrastructure program for Africa, a 40-year comprehensive developmental program for India, a 50-year comprehensive development program for the Pacific Ocean Basin, and the Ibero-American continental development plan called "Operation Juarez."

We call on the European governments to begin at once the implementation of the program of the "Productive Triangle" as the locomotive for the world economy. Europe can and will be no island of prosperity; rather, it has a great historical and moral responsibility, and must now contribute its potential to prevent the further ruin of humanity, and to help to develop a world in which all the people on this planet can live according to the inalienable human dignity bestowed upon them by natural law.

HELGA ZEPP-LAROUCHE addresses a meeting of the Patriots for Germany party during a 1988 election campaign in the city of Dortmund.

"PRODUCTIVE TRIANGLE" COMES TO AMERICA: German political leader Hartmut Kramer presents the plan for European land-based economic recovery at a Washington, D.C. press conference May 9, following his national tour.

More Steps toward East European Development

In the last week of May, while the Pope called for East-West European reconstruction and advocates of LaRouche's "European Productive Triangle" plan toured the U.S., further steps in that direction were taken in Germany and Czechoslovakia.

The German government has now signed the full treaty on German unification and advocates of the Productive Triangle are pressing for the next step: a treaty between Germany and the Soviet Union, which would include a large-scale economic development program for the Soviet Union.

In Czechoslovakia, which has proposed a West European $16 billion "Marshall Plan" for East Europe (known as the Dinstbeer Plan), an important change has taken place in the government of Slovakia, one of the two parts of the Czechoslovak nation. A new Prime Minister was elected [illegible] leaders of the Slovakian Christian

Implement the Encyclical "Centesimus Annus"

- [ ] I support this call with my signature.
- [ ] The Schiller Institute may publish my signature in newspaper advertisements with this call.
- [ ] I would like to know what else I can do.

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Send to:
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Church Will Fight for Economic Justice

Germany and Czechoslovakia.

The German government has now passed the full emergency law mandating very rapid construction of 17 major new transportation projects, centered in eastern Germany, and concentrating on high speed rail lines, new inland canals and highways. The law establishes a 5-7 year period for the completion of the new transport infrastructure, proposing to spend nearly $40 billion in federal outlays alone in that time.

Germany is negotiating economic cooperation treaties with Poland and Czechoslovakia on a priority basis.

of the Czechoslovak nation. A new Prime Minister was elected: Jan Carnogursky, leader of the Slovakian Christian Democratic Movement and a former political prisoner before the 1989 overthrow of communism. Carnogursky is a strong opponent of the IMF austerity policy of the International Monetary Fund (IMF), which has been as destructive of the economy as communism was. He supports industrial development and integration with the rest of Europe in economic growth. He strengthens the opposition to Finance Minister Vaclav Klaus, the IMF's "enforcer" in Czechoslovakia.

High-Speed Trains Planned for Midwest

by [illegible]

CHICAGO, April 19 (EIRNS)—In recent weeks, U.S. infrastructure planners have been issuing feasibility studies that show high-speed trains are fast becoming a necessity in our crowded industrial corridors.

In particular, the area around Chicago, Ill. has become a focal point for several of these studies. Unlike a proposal made a few years ago to run a high speed train from Los Angeles to Las Vegas or one of Disney World, in the Chicago area the trains would not be a tourist attraction. Rather they would be used in part, to alleviate pressure on the supercrowded Chicago airports, and also to lessen travel time from Chicago to major Midwest population centers.

Midwest Proposals

The Chicago proposals would link the industrial hub of the Minneapolis through Milwaukee, Illinois and La Crosse, Madison and Milwaukee. Wayne Allen on the Governing Boards is a first train from Rockford, Ill. to downtown Chicago with stops at O'Hare Airport and the Rockford airport. A third proposal would link downtown Chicago and O'Hare Airport with Milwaukee and its airport General Mitchell Field.

All [illegible] on the plans being drawn up by Transportation Management Services, Inc. of Great Neck, N.Y. and Alfred Benesch and Co. of Chicago. Los planners say that Chicago area has the capacity that are heavily [illegible] and a third airport is being planned in the Chicago area.

Building a high-speed rail line from the Rockford and Milwaukee airports to Chicago could put both airports approximately 30 minutes away from downtown Chicago, and could make the proposed new airport on the south side of Chicago unnecessary for the time being. The underutilized capacity of the existing airports could also alleviate congestion at the two existing Chicago airports.

Technology and Feasibility

The studies being carried out also compare [illegible] different kinds of technology and their feasibility. Currently under scrutiny are [illegible] upgrading the [illegible] diesel locomotives to [illegible] stated trains (maglev), which run at 300 mph.

It is the maglev technology that U.S. Democratic presidential candidate Lyndon LaRouche says must be used to pull the United States and the world out of the current depression.

LaRouche is the author of the "Triangle" program for European infrastructure development, that has become a major topic of discussion in Europe. LaRouche's proposal depends heavily on improved transportation infrastructure, including widespread use of high-speed rail transportation for both passengers and freight.

The "Triangle" program, if carried out according to LaRouche's ideas, could become a locomotive of a worldwide economic recovery, and could help "jump start" the U.S. economy with an infusion of capital goods that are no longer produced for even capable in the short term of being produced in the U.S.

'Triangle' Program a Model

According to the Triangle program, the key to an economic recovery is the upgrading of major infrastructure in the triangular area among Paris, Berlin, and Vienna, especially connecting eleven key industrial areas defined by this triangle, using maglev trains. Corridors would branch off from this "triangle" to cities in eastern Europe, Russia, the Middle East, and Africa through Italy and Spain.

LaRouche's program can and should serve as a model for those interested in an economic recovery in the U.S., and most emphatically for those who are seeking to rebuild the Midwest transportation corridor.

Church Will Fight for Economic Justice

by Paul Gallagher

Papal encyclicals about the poor and oppressed of the world should not be mistaken to be merely calls on governments to act, or complaints to governments about injustice. Some believe that when the Pope speaks about economic morality and dignity for the poor of mankind, he is expressing "impractical sentiments" not meant to be carried out. We urge them to get John Paul II's new encyclical (Centesimus Annus, or "100 Years") and read it carefully.

In this encyclical, the Pope makes it clear that the peaceful revolutions which overthrew communism in Eastern Europe in 1989 and 1990, were a conscious objective which the Church has been striving for since at least the formation of Solidarnosc in Poland in 1980. The clear message of "Centesimus Annus," is that this peaceful revolution must lead to economic reconstruction and fulfillment of a moral purpose for those peoples—Poland, Czechoslovakia, Hungary, the Baltics and others still fighting—and that the same peaceful revolution must liberate the Third World nations from debt slavery and genocide.

The Pope, through the encyclical, is seeking to mobilize the church around these objectives and to find allies outside the church to engage in this peaceful revolution, to put the economic solutions on the table and fight for them.

Pope Claims a Victory

In the encyclical's "Chapter 3: The Year 1989," the Pope says of the Eastern European revolutions, "the Church affirmed clearly and forcefully that every individual ... bears the image of God and therefore deserves respect. Often the vast majority of people identified themselves with this, and this led to a search for forms of protest and for political solutions more respectful of the dignity of the person. From this historical process new forms of democracy have emerged. Together with the whole Church, I thank God for the often heroic witness borne in such difficult circumstances by pastors ..."

Thus making clear that the Church intended to make these peaceful revolutions, John Paul II goes back further, to 1980. "It cannot be forgotten that the fundamental crisis of [communist] systems began with the great upheavals which took place in Poland in the name of Solidarity. ... It was they who recovered and rediscovered the content and principles of the Church's social doctrine."

"The events of 1989 are an example of the success of the Gospel spirit in the face of an adversary determined not to be bound by moral principles."

And then, in a clear warning to the "triumphant" Anglo American "free market" ideologues who claim the collapse of communism gives the right to rule the world, the Pope concludes, "These events [the Eastern European revolutions] are a warning to those who, in the name of political realism, wish to banish law and morality from the political arena."

While some pundits at first made the absurd claim that this encyclical was endorsing "free market" ideology, one of those who heard the Pope's "warning" was the free market ideologue and International Monetary Fund hatchetman of Czechoslovakia, Finance Minister Vaclav Klaus. "The Pope," Klaus blustered in an interview, "has made people choose between him and Adam Smith, and they will choose Adam Smith."

Adam Smith, 18th century inventor of the "invisible hand" doctrine defending usury, is well named as the Pope's target now. The Pontiff insists that Eastern Europe, far from being left to its own devices to "learn the ways of the market," must be rebuilt with the combined aid of all the other European countries, and that it is even more important to save the Third World nations. In what will rapidly become the rallying cry of this encyclical, John Paul starts a mobilization to defer and cancel outright the debt of Third World countries, which is leading to genocide: "hunger and despair for entire peoples."

Hampton Students Snub Bush; Bush Attacks LaRouche Again

by Anita Gallagher

May 13 (EIRNS)—President Bush was rebuffed yesterday as Hampton University's commencement speaker by a majority of the 1023 graduates. An unnerved Bush responded to their disapproval of his civil rights policies with his second bizarre attack in less than a week on his critics, an attack which seemed pointed in particular at 1992 presidential candidate Lyndon LaRouche.

Well over half of the Hampton graduates refused to stand when Bush entered to strains of "Hail to the Chief." An estimated half of the students and their parents raised their hands in a clenched fist salute at some point. Applause was faint to none, while gasps and boos were audible throughout. Bush received his honorary law degree and left immediately, without handing out diplomas.

Bush, aware of protests against his selection at least since March, changed his topic at the last minute from civil rights to trade issues, focusing on his North American Free Trade Agreement. Bush spokesmen have stated the United States is finished unless it can sell its products to Mexico.

Bewildering his audience, Bush claimed, "Unfortunately, some of the opponents of free trade have resorted to slurs against our Mexican neighbors." Among opponents of the free trade pact with Mexico, only LaRouche's movement has taken that fight to college campuses, including Hampton University.

Today's **Washington Post** reports, "The President did not explain his assertion that opponents of the U.S.-Mexican free trade agreement were using appeals to prejudice to block the pact. ... White House officials said advertisements placed by opponents used such tactics, but said they could not provide specific examples today."

What did happen, is that Lyndon LaRouche and Executive Intelligence Review documented Bush's own very public support since 1989 for racist population reduction policies directed toward developing nations like Mexico.

Last Week: 'Political Extremists'

Bush made a similar deranged attack on LaRouche in his commencement speech at the University of Michigan at Ann Arbor on May 4, where

A SCHILLER INSTITUTE PICKET LINE participant is interviewed by the local CBS TV affiliate before President Bush's commencement address at Hampton University in Hampton, Va., May 12. The Richmond Times Dispatch reported that the demonstrators called for the release from prison of "political activist LaRouche."

expression of ideas on U.S. campuses, [illegible] imposed the label "political extremist" on Lyndon LaRouche like a first

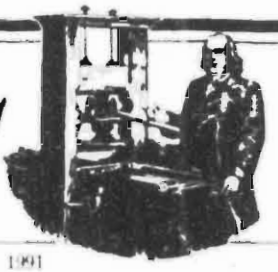
publican Hampton University President William Harvey, shared a theme in their addresses to the graduates: money talks. Harvey first told the students something not to be found in any Martin Luther King speech: "Economic prosperity will take you farther than a political or social agenda." Bush advised, "The world no longer operates on superpower confrontation, but economic competition."

When Bush spoke of "brotherhood in the new world order," including "social programs designed to stop the poor from being dependent on government," the crowd's groans could be heard on television. When Bush advocated a cut in capital gains taxes to the minority audience, the crowd started whispering and chuckling.

The Student Government's flyer attacked Bush's attempt to buy Hampton, and use it as a springboard to minority votes in 1992. "Though the president has given money to black colleges, we feel that we should only honor any person who has benefited the entire Africa American community and not just its wealthy and most fortunate."

Next morning at the White House

THE NEW FEDERALIST



DOUBLE ISSUE

Volume V, No. 37 | National Newspaper of the American System | November 25, 1991 | ONE DOLLAR

LaRouche Opens '92 Presidential Run With 7 Million Leaflets

by Mel Klenetsky

Nov. 19 (EIRNS)—On Monday, Nov. 18, Democrats for Economic Recovery LaRouche in '92, the presidential campaign committee of Lyndon LaRouche, filed for federal matching funds. The campaign met the requirement of raising $5,000, in amounts not exceeding $250, from at least 20 people in each of 20 states.

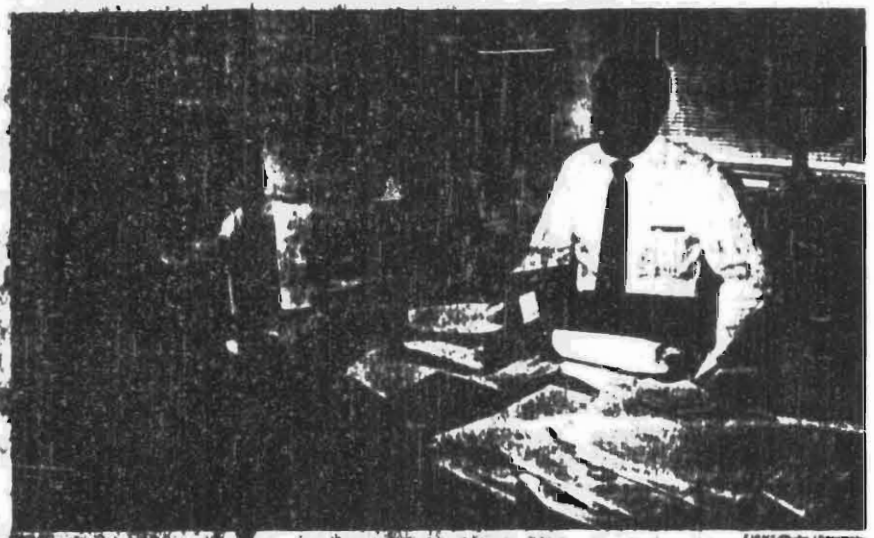
LaRouche in '92 filed submissions for 22 out of the 50 states. The filing consisted of more than 800 contributors demonstrating the broad based support LaRouche has throughout the country.

The submission will be followed by the LaRouche campaign fielding thousands of volunteers over the week beginning Nov. 22 in distribution of 7 million campaign statements. The leaflet, titled "We are going to save the people and the nation!" explains the candidate's measures which must be taken if the United States is not to go deep into the pit.

Political Prisoner

LaRouche is running for President from the Federal Detention Center in Rochester, Minn., where he has been imprisoned since January 1989, serving a 15-year sentence in a case which legal experts around the world have described as the biggest political frame-up in the 20th century. One of LaRouche's campaign posters reads "Lyndon LaRouche for President—the only opponent George Bush feared enough to put in prison."

LaRouche ran for President in 1976, 1980, 1984, and 1988, with a consistently harsh attack against the genocidal neo-colonial policies of the World Bank and International [illegible]



LAROUCHE CAMPAIGN FILES for federal matching funds. LaRouche in '92 representative Debra Hanania Freeman presents matching funds filing to Raymond Lisi of the Federal Election Commission.

Bush's Pals Steal Your Pension

PART 2

by Harley Schlanger

[illegible] was brought against the New York-based takeover firm Kohlberg, Kravis, Roberts & Company (KKR), alleging that they had charged the pension funds of Minnesota and 10 other states millions of dollars in charges from a common fund with the leveraged buyout of RJR Nabisco in 1988.

A similar suit was filed in Washington State naming as a defendant, in addition to KKR, the jailed Drexel Burnham executive Michael Milken.

These suits, which may be the first of many, come 10 years after the third takeover specialists targeted pension funds as a source of new loot. It is unlikely that these charges will regain any of the funds, as the money is locked in with KKR for six years, to be used for takeovers, pocketed in fees, or lost in bankruptcies.

Yet, while the legal process plods forward, slowed down by the [illegible] money can buy, KKR is again pursuing billions [illegible] funds, grabbing money Americans thought was safely invested for their retirements, to build up a new $6 billion takeover fund [illegible]

Panicky Bush Mimics Herbert Hoover More

[illegible], Nov. 18 (EIRNS)—George Bush is sounding more like Herbert Hoover every day. During a telephone press hook-up with Fortune 500 executives yesterday (the day the stock market sank 120 points), he predicted "the best growth [illegible] years," and a "new era of prosperity" for business and, I really do believe, a new era of prosperity for the American people. Yes, we've got some short-term problems here. But we'll be coming out of this.

"If we do our job right and don't burden the economy with old quick fixes that have appeal [illegible] things will come around. I think the economy will be strong in the years ahead."

George is going off the deep end, along with the economy. The "fundamentals" he is speaking about are all dropping off the charts at nearly the same rate as they did in Hoover's day. Everything from manufacturing to retail sales, homebuilding to [illegible], threatens to reel

The Financial Times of London summed up Bush's Shangri-la attitude in its lead editorial today, titled, "The Dead Cat Bounce". "This macabre phrase describes rather accurately what the U.S. and UK economies seem to be doing at the moment. It is not a sight to make the hearts of incumbent politicians

Bush Wants GATT Food Cuts; Hunger Facing Millions

by Suzanne Rose

Nov. 18 (EIRNS)—Even as Russian Federation President Yeltsin travels to Bonn this week to request emergency food assistance for the republics of the former Soviet Union, European Community Commissioners are furiously negotiating to cut agricultural production. In this they are bowing to the demands of Western bankers for "budget austerity," and to the U.S. government's insistence on a GATT (UN General Agreement on Tariffs and Trade) deal before the end of the year.

If they slash food production, more people will starve.

It was after a summit with President Bush Nov. 9-10 at The Hague

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KKR's efforts are backed by a network of key supporters, including Michael Milken-linked raiders, many with ties to organized crime insiders who are

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LYNDON LAROUCHE

1028

Days in prison for political convictions, as of November 20

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with the fundamentals in place for the best growth we've seen in

pression and escalating bank ruptcies.

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EIR SAID IT FIRST. Coverage by this news service of the October Surprise dated back to 1980.

Strange diplomacy in Iran

Pottinger Tapes Could Solve 'October Surprise'

by Edward Spannaus

WASHINGTON, Oct. 16 (EIRNS)—Gary Sick, a former Carter National Security Council aide and author of the controversial new book on the "October Surprise," called for the release of the FBI surveillance tapes of the late Iranian arms dealer Cyrus Hashemi in a Nov. 12 interview on National Public Radio. This news service has for many years emphasized the importance of these tapes—some of which have been "lost" by the FBI—as the key to solving the "October Surprise" mystery.

"If there was one document I would want to get, it would be the documents relating to the surveillance of Cyrus Hashemi," said Sick. "The Carter administration ordered it, and he was under total surveillance from Oct. 14, 1980 until the Reagan administration lifted the surveillance on Feb. 13, 1981. Those tapes and records of the surveillance have never been made public, and they are in the FBI files, and I think they would be absolutely fascinating to listen to and to read and to know what they said."

Hashemi-Pottinger Talks

The Hashemi tapes would document the role of one of the most important—but hidden—actors in the secret arms-for-hostages deal: former Justice Department official J. Stanley Pottinger. According to court papers, Pottinger was overheard on the tapes advising Cyrus Hashemi and others on how to ship military equipment to Iran, in violation of the U.S. arms embargo which was in effect during the Iranian hostage crisis. The tapes cover the weeks leading up to the November 1980 presidential election, as

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Dominican Rights Groups Demand New Trial for LaRouche

Nov. 13 (EIRNS)—A coalition of 13 human rights organizations in the Dominican Republic today delivered to American Ambassador Paul Taylor a letter which noted that a number of people in the United States have been imprisoned after being falsely accused, unjustly condemned, or denied human rights and fundamental freedoms. That leads us to suggest, or recommend"—the letter continues—"that an investigation be undertaken of the case of Lyndon LaRouche, and that it be reviewed and given special attention, as demanded by international public opinion.

"We request a new, impartial trial, before judges with a high sense of duty, without interference for reasons of state or government. That judicial impartiality should be transparent in its implementation, and solely in obedience of the law. The court should recognize the primacy of the essential human rights of each person without regard to their beliefs, race, religion, nationality, etc.

"Our organizations are actively involved in this individual case, because we believe that human rights are an integral part of our responsibilities, which is why we demand an equitable and just treatment for Lyndon LaRouche, based not only on the laws and the Constitution of the United States, but also on the international civil, political, economic and cultural treaties, regional conventions, and the Universal Declaration of Human Rights, all of which have been ratified by the United States government, and which obligate it to respect the dignity and the value of every one of its citizens."

The letter is signed by German Miranda Villalona, General Coordinator, on behalf of the American Association of Jurists, Dominican Chapter; the Latin American Council of Churches; the Dominican Human Rights Committee; the Council for the Defense of Legal Rights; the Dominican Center for Legal Assistance and Investigation; the Institute For Comprehensive Legal Assistance; the Center of Women Legal Services; the Legal Training Groups; the Center for Ecumenical Planning; the Youth Ministry; the Caamano Foundation; the Committee for the Defense of Neighborhood Rights; the Participative Community.

Dr. Villalona also sent a telegram to George Bush calling for "an investigation of the charges of persecution against the American politician and economist" LaRouche.

Sacrifice of Vukovar—Croatians Still Resist

by Umberto Pascali

Nov. 19 (EIRNS)—Today, when the international media announced that the Serbians had taken the Croatian town of Vukovar, most of its defenders were still fighting in the central fortified Mitnicka area, near the banks of the Danube River. Vukovar had been under attack and siege for 86 days, with one-third of the Yugoslav Army concentrated around the town. Yet the Army, once considered one of Europe's most powerful, couldn't break through.

Now the media are talking about a Serbian victory and a "big blow" to Croatian morale. The truth is the contrary. Vukovar has become a household word in many countries—and the Serbian-dominated Yugoslav Army is demoralized. With its sacrifice, the town succeeded in blocking a large part of the Army's power for three months. The Greater Serbians led by Milosevic, with all their weapons, tanks, and soldiers, could not take it.

According to Croatian General Anton Tus, the concentration of Serbian forces in the area was a blunder. "Militarily it was a mistake. They could have gone straight

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FUSION: THE POWER SOURCE OF THE FUTURE

Breakthrough in JET Fusion Machine

by Carol White

Nov. 15 (EIRNS)—For the first time in history, a fusion power machine, the Joint European Torus (JET), located in Culham, England, has produced enough energy to light 20,000 100 Watt bulbs, over a period of two seconds. By using tritium, 2 megawatts of energy were produced, at a cost of the 15 million watts of electricity needed to start the fusion process.

This is not yet what is called scientific breakeven—the point at which a fusion reactor produces more energy than it needs to start the reaction—but it is expected that by 1995, JET will be at 80% of breakeven.

Up until now, tokamak fusion machines like JET used only heavy water (deuterium oxide) and could only accomplish the fusion of the deuterium nucleus in minuscule amounts. The difference now is that JET has added tritium to the fuel. Both deuterium and tritium are isotopes of hydrogen—deuterium is hydrogen with one added neutron in its nucleus, and tritium with two neutrons added.

How Fusion Works

Fusion takes place when two nuclei combine to produce a new nucleus. When a deuterium nucleus combines with another deuteron, then the product will either be tritium plus a proton, or helium-3 plus a neutron. A helium nucleus has two protons and one or two neutrons. When deuterium and tritium fuse, they produce helium-4, with two protons and two neutrons, and they emit an extra neutron. The dynamic energy of the neutrons emitted is converted into heat energy.

JET proved it could be done. Over the past two decades, Lyndon LaRouche has made development of fusion energy a centerpiece of his anti-Malthusian economic development programs. Without such a new energy source, at some point

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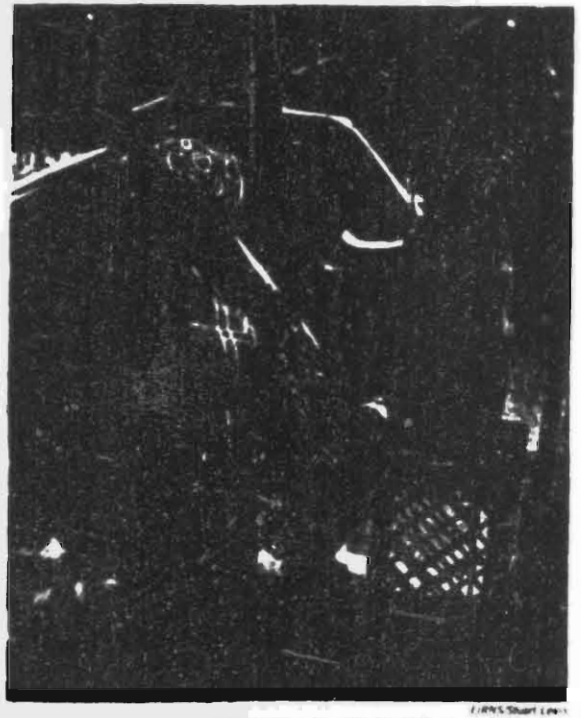

EIRNS/Stuart Lewis

HOPELESS in the New York. An elderly woman rides the IRT subway in Manhattan, because city has nowhere else to go.

'Now's The Time To Buy a House' —Just Ask George Bush

by Joyce Fredman

Nov. 13 (EIRNS)—In reaction to Pennsylvania's resounding electoral defeat of Bush's economic policies, the President has issued one defensive statement after another, the main thrust of which has been to deny that there's any problem with the economy other than the problem of the American people—a serious attitude problem, as the saying goes.

In the face of the massive decay of our nation's infrastructure and the plague-like conditions of our inner cities, such hysterical denial is worse than arrogant—it's criminal insanity. When George Bush gets in front of the national media and says, "Now's the time to buy a house," you can bet there are millions screaming, "With what, pray tell?"

Cardboard Townhouses

The only kind of house many can afford today is a cardboard box. In New York City, leading the country in homeless, more people than ever before are sleeping on the streets. Shantytowns, as these makeshift encampments are called, are a common sight in downtown Manhattan.

Nearly 10,000 homeless men and women stay in the shelters provided by the city. But estimates are that another 10,000 live under the bridges, in the parks, and on vacant lots. As one resident put it, "The city offered me a bed, but I'd rather be on the street looking out for myself than in those hell-holes they call shelters."

City officials, however, disagree. On Oct. 16, the administration of New York Mayor David Dinkins forcibly dismantled two shantytowns called "Dinkinsville," located at East 8th and 9th Streets in Manhattan's East Village. The 200 people who lived there had already been evicted last summer from Tompkins Square Park. As police leveled the shacks, small fires were set ablaze by residents to protest the forced evacuation.

Three days later, New York City Transit Police Chief William J. Bratton announced that his units would act aggressively to evict anyone begging or sleeping in the subways, even in freezing weather. "We take strong exception to those who argue that people should be allowed to live in the subways," said Chief Bratton. "The subways are *not safe*."

Now You See 'Em, Now You Don't

Moving these people out of the public eye does not solve their problem. But it may well help make them disappear. The latest study by the federal Centers for Disease Control in Atlanta, Ga. shows that the AIDS virus has infected the nation's homeless at rates up to 40 times that of the population as a whole. New York's rate was 14%. The national rate of infection is less than 0.5%.

This coincides with the resurgence of tuberculosis, a disease considered practically extinct in this country. In 1985, the disease, once known as the White Plague, was at its lowest infection rates in 60 years. Since then, TB has spread steadily, now growing more rapidly than ever. In New York shelters, it is so rapidly increasing that Bellevue Hospital recently added a batch of beds just for homeless TB patients.

One Health Department director in the Washington, D.C. area said (because of the rate of spread of TB), "If we don't have an epidemic *now*, we are on the verge." Needless to say, city budget cuts preclude testing, medication, and quarantine capability. In other words, those who don't freeze to death, will probably die of TB.

But let the millions of homeless take heart—even if it's not the time to get medicine, food, clothing, or work, just ask George. It's definitely the year to buy a house!

Panic Is in the Air at Banking Giant Citicorp

by John Hoefle

Nov. 11 (EIRNS)—The banking giant Citicorp is operating under de facto government control, as federal regulators desperately try to stop the hemorrhaging of the bank's vast portfolio and unwind its off balance sheet operations. A House Banking Committee staff member told EIRNS:

"While the government has not formally taken over the bank, the staffer said, there is 'a strong federal influence' and regulators are in there trying to get some idea of control of balance sheets."

The situation at Citicorp is similar to the situation that prevailed at the Bank of New England during 1991, when the Office of the Comptroller of the Currency (OCC) and the Federal Reserve effectively seized control of the insolvent bank and began supervising the liquidation of its off-balance sheet foreign exchange contracts, interest rate and currency swaps, and other so-called derivative securities.

The collapse of the Bank of New England nearly set off a chain reaction of defaults in the unregulated, tightly interlocked world of off balance sheet trading, where trillions of dollars of derivative securities are traded. Thanks to the relatively small size of the Bank of New England, the Feds were able to pump enough money into the bank to keep it open long enough to tidy things up.

Meltdown

If we had a real problem with one of the larger banks, a meltdown scenario would be a possibility," a senior OCC official admitted at the time.

That meltdown is now in progress. The Bank of New England had $36 billion in off balance sheet activities, compared to $30 billion in assets on its balance sheet. Citicorp, on the other hand, with $217 billion in assets, was estimated several years ago by Salomon Brothers to have over $700 billion in off balance sheet activities, a figure which by now likely exceeds $1 trillion.

The off-balance sheet crisis is not the regulators' only worry, however. The bank is paralyzed by its real estate losses. It cannot afford to keep the rapidly devaluing properties on its books, and it cannot afford to sell them—even if it could find buyers. As a result, it is doing nothing, while losses mount.

Panic in the Air

What the regulators and bankers fear most of all, however, is that the public will panic. Citicorp, besides being the nation's largest bank, is also its largest credit card issuer, with some 29 million cards outstanding. On top of that, the bank processes credit cards for 97,000 clients, to the tune of $29 billion a year.

When the millions of Citicorp credit card holders, and the millions of businesses that accept those credit cards, realize that the bank is insolvent, it could trigger a run big enough to bring the whole system down.

Is Bush Preparing a Raid on Libya?

by Joseph Brewda

Nov. 18 (EIRNS)—"Syria has taken a bum rap on this," George Bush shamelessly told the press Nov. 14—referring to the bombing of Pan Am Flight 103 over Lockerbie, Scotland in December 1988, in which all [illegible] (of Britain) and other world leaders. White House spokesman Marlin Fitzwater told the press the day the indictments were announced, in order to "fashion together a cooperative response." Among the responses contemplated, U.S. government officials, when asked, as he was yesterday, whether the U.S. would soon be bombing Libya. Bush's Attorney General-designate (and Acting Attorney General) William Barr was the author of the notorious "Thornburgh doctrine" which au-

THE NATION

Richest State Leads Nation in Bad Banks

Nov. 8 (EIRNS)—Connecticut, the state with highest per capita income in the U.S., leads the nation in another category. As of June, its banks had the highest percentage of bad loans of any state.

So far this year, federal regulators have seized 13 commercial banks in Connecticut, with nearly $12 billion in assets. That's one-eighth of all the banks taken over by the FDIC this year, and more than 19% of the total assets seized.

NAFTA Talks Delayed Until 1993

Nov. 9 (EIRNS)—Administration officials have concluded that negotiations on the North American Free Trade Agreement with Mexico will not be completed until after the 1992 presidential elections, the Washington Post reports today. This was decided after an "internal review" which took into account the overwhelming electoral defeat of GOP Senate candidate Richard Thornburgh in Pennsylvania Nov. 5.

Harris Wofford, the victor in that election, had slammed the NAFTA agreement with Mexico as leading to the loss of American jobs to low-wage Mexican workers, and Pennsylvania trade unionists had circulated thousands of pamphlets issued by Lyndon LaRouche's 1992 presidential campaign committee, which warned that NAFTA would lead to creation of "Auschwitz below the border."

First Staff Doctors' Strike in U.S. History

Nov. 13 (EIRNS)—More than 300 senior staff doctors went on strike yesterday at the Woodhull Medical and Mental Health Center in Brooklyn, N.Y. Although strikes by interns and residents have occurred in the past, this is the first strike in U.S. history by attending senior doctors.

The strike is not against the hospital, but against Medical Associates of Woodhull P.C., a private firm that New York City has contracted to hire and administer the medical staff at the hospital. The two major issues are salaries and quality of care, which has been compromised by doctor layoffs. Twelve doctors have been laid off in the last three months, 15 have resigned, and 50 more are slated to be terminated by year's end.

Budget Deal Might Enable Cuomo To Run

Nov. 13 (EIRNS)—An extraordinary deal involving the New York State budget could facilitate Gov. Mario Cuomo's "now you see it, now you don't" presidential bid. New York is now facing a $600 million budget

Fulton Escapes British

Kidnapping Attempt

Special from the Committee of Correspondence

Nov. 9 1816—Mr. Robert Fulton, the steamboat designer and manufacturer, has narrowly escaped a British plot to kidnap him. A boat load of British sailors rowed ashore from a British man of war and raided a house on Long Island where Mr. Fulton was scheduled to spend the night. Fortunately Mr. Fulton was delayed in attending at the house and the sailors had to return to the warship without their prey.

It is thought that the reason for the kidnapping attempt is to be found in Fulton's design of the world's first steam warship now under construction in the Hudson River. The ship is intended to protect New York Harbor from the depredations of the British fleet, which has caused such havoc in Washington, Alexandria, and Baltimore.

Fulton has christened his ship the "Demologos" or "Word of the People." The Navy Department, however, for whom the ship is being built, intends on calling it "Fulton the First." The warship is of a new design, 167 feet long, 56 feet wide, and 12 feet deep, weighing 2,475 tons. It is built catamaran style, with a double hull. Within the twin hulls lies the paddle wheel, protected by five feet of timber on each side. When finished the ship will carry a complement of 7 columbiad cannons designed by Mr. Fulton to hit ships below the waterline. There will also be 20 cannons to shoot red hot shot, and a large steam pump which will spray enemy decks in order to disable their weaponry. The ship will be driven by an engine of 120 horsepower.

The construction of this new warship has attracted much attention in foreign lands, and some of its capabilities have been greatly exaggerated. For example, the Edinburgh Evening Courant has reported that the ship "is mechanism, brandishes 100 cutlasses with the utmost regularity over her gunwales, carries a crew in an equal number of heavy iron plates of great length,

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ROBERT FULTON, from a portrait by Charles Wilson Peale.

darting them from her sides with prodigious force, and withdrawing them every quarter of a minute."

Mr. Fulton's ship has also caused great consternation in the British Parliament, where Lord Napier declared: "When we enter His Majesty's naval service and face the chances of war, we go prepared to be hacked to pieces by cutlasses, to be riddled with bullets, or to be blown to bits by shell and shot, but, Mr. Speaker, we do not go prepared to be boiled alive."

A fit such fear gripping the British, it is perhaps not surprising that their lordships should plot a cowardly kidnapping, rather than considering how best to modernize their now obsolescent navy.

fore Bush spoke, the U.S. government had indicted two Libyan government officials in the bombing.

Before the indictment, all available evidence had indicated that Syria or Iran was responsible, as the international press had frequently noted. There had been no indication of Libyan involvement. But then again, Syria and Iran are two important, if covert, allies of the United States and Israel, notwithstanding the occasional hostile hot air on both sides. Earlier, Bush had forked over most of Lebanon to Syria as a reward for its aid in his genocidal war against Iraq. Now, he is using the Mideast peace conference to consolidate a deeper Israel-Syria deal.

Responding to the indictment, Libya's official news agency, JANA, reported that the "accusations coincide with the American people's increased economic problems" and are aimed at "diverting attention" from these problems. The Libyans have termed the charges a "serious lie."

The day before the U.S. indictment, the French government had issued an arrest warrant for four Libyans, including the brother-in-law of Libyan head of state Muammar Qaddafi, claiming that they had bombed a French jet over Niger in 1989. Simultaneously, all the other scare stories are back on the front pages of the Western press: for example, that Libya is building a poison gas plant. The U.S. put out similar stories before it bombed Libya in 1986—allegedly in revenge for Libyan involvement in a terrorist incident in Germany. That bombing raid was in some respects a dry run for the war on Iraq.

"The President will be consulting closely with Prime Minister Major

oil, UN resolutions aa la Iraq, military action, and kidnaping attempts against the alleged Libyan terrorists.

Bush himself has only smirked

criminals to justice." It looks as if the U.S., which under Bush is well on its way to becoming a top terrorist state itself, is preparing some new dirty tricks.

Wow! Check Out That Ducktail! Carlos Menem Comes to Town

by Stuart Lewis

WASHINGTON, Nov. 18 (EIRNS)—Argentine President Carlos Menem, left, is shown greeting President Bush at the White House Nov. 15. Menem didn't come to D.C. without a traveling companion, even though he is estranged from his wife. He brought his hairdresser, who keeps his ducktail in tip-top shape (see photo for details).

Menem thinks so much of the fellow that he brought him to a state dinner at the White House. While here, Menem also signed a first of a kind treaty which provideds for the settlement of investment disputes by international arbitrators. Menem has received high praise from the Bush crowd for "reviving" the Argentine economy, which he has accomplished by selling off his country's assets to foreigners. It's not clear what he'll do for an encore, when he runs out of assets to sell. Maybe he can rent out his hairdresser, or even his hairdo.

session of the legislature to ram through deep budget cuts—and, with the presidential primaries fast approaching, this could tie Cuomo down in budget wrangling.

But the New York Times and some gurus on Wall Street have come up with a plan to have the legislature combine this year's deficit with next year's, adopt a 15-18 month budget sometime within the next few weeks, and make more "gradual" cuts. This could free Cuomo from debilitating budget battles and enable him to become a candidate.

Homeless Flock to Florida for the Winter

Nov. 14 (EIRNS)—Unemployed homeless Americans from central and northern states are flocking to warm-weather states like Florida to survive the winter, according to regional TV stations in the Miami, Fla. area. Hundreds, possibly thousands, oless individuals from all over the U.S. are setting up makeshift living quarters under bridges.

Miami area newspapers are also carrying photographs of the lines outside the food-stamp dispenser stations. The lines, which start forming at 4 a.m., stretch for blocks. Hungry people wait four to six hours or longer to get the food stamps—the only way they can afford groceries.

Robertson Predicts 'Ferocious' Bush Depression

Nov. 16 (EIRNS)—President Bush will spur a global depression "of unprecedented ferocity" in his attempt to get reelected, says fundamentalist preacher and former Republican presidential candidate Pat Robertson in his 1991 book, "The New World Order." "What I fear is that in order to prepare for the reelection of the President in 1992, the Federal Reserve Board will allow the money supply to grow more vigorously to create the appearance of prosperity and then slam on the money brakes around election time, an action that may well cause a debt collapse, a stock market collapse, and a global depression of unprecedented ferocity," Robertson says.

Midway Airlines Cashes in Its Chips

Nov. 15 (EIRNS)—The Chicago-based Midway Airlines, which had been the 12th largest carrier in the United States, has announced its bankruptcy. Slated to be laid off are about 4,200 employees.

Meanwhile, American Airlines has announced it will not take its option, earlier agreed upon, to purchase $5.2 billion in new aircraft—45 aircraft from Boeing, 11 from McDonnell Douglas, and 37 from the German firm Fokker.

What Texas Recovery? Unemployment Skyrockets

by Terry Snow

HOUSTON, Nov. 9 (EIRNS)—Long before Alan Greenspan declared the recession was over on July 17 of this year, many economists were proclaiming that the "recovery" of the Texas economy was an indicator that the national economy would soon follow. They pointed to the steady growth of employment and the relatively strong real estate market as the indicators of that Texas recovery.

However, figures released in November shattered those illusions.

The recession is damn sure not over, said Jim Kaster, chairman of the Texas Employment Commission. Texas is experiencing its highest level of unemployment in three and a half years. Unemployment in October was 7.9%, up from 6.6% in September 1991 and 5.9% September 1990, according to the U.S. Bureau of Labor Statistics, as more than 100,000 workers lost their jobs.

The 7.9% unemployment rate in Texas represents about 672,000 people out of work. But that only covers the people who are drawing unemployment benefits. According to a Texas Employment Commission study, every seven days, 3,321 Texans exhaust their unemployment benefits. Of those who have lost their benefits, more than half were still unemployed after six months, and more than 30% were still without work after nine months. Between Jan. 1 and Aug. 30 of this year, 116,228 individuals exhausted all their benefits.

These unemployment figures represent an across-the-board decline in employment, with the oil and computer industries leading the way.

The most recent casualty is Compaq Computer Corp., heralded as one of the firms leading the Houston recovery. Compaq, faced with a softening market in personal computers, announced in October that it was laying off 12% of its employees worldwide, amounting to 1,400 workers. One thousand of those laid off were employees at the Houston headquarters.

The oil industry continues its decline, with the rig count (a standard measure of the industry's activity) hitting its lowest level since the mid-1970s.

Houston-based Tenneco, an oil company that diversified into an industrial conglomerate, has had to sell off subsidiaries and said it plans to lay off another 3,000 employees. Since Jan. 1, about 5,000 employees have lost their jobs at its JI Case farm equipment manufacturing subsidiary, based in Racine, Wisc.

Halliburton Co., whose subsidiary, Brown & Root, which also has its headquarters in Houston, cut 1,200 jobs in July from its Energy Services Group. Other oil companies announcing layoffs that affect Texas are Shell and Transco.

People In The News

ROBERT CLARKE, Comptroller of the Currency, was denied renomination for a five-year term by the Senate Banking Committee Nov. 6.

■ ■

DAVID DUKE, the "former" Klansman, swamped at the polls (60% to 40%) by Edwin Edwards in the Nov. 16 Louisiana gubernatorial election, is expected to run for President.

THE WORLD

Germans Boast of Fast Trains in Bid To Attract Investors

Nov 8 (EIRNS)—The city of Cologne, Germany tells foreign investors "seeking swift access to the European market that they should locate business there, because it is in the center of Europe's advanced transportation infrastructure. The city's office of Economic Development ran an advertisement in the Washington Post titled 'High tech connections, excellent prospects.'

The ad says that the cathedral city of Cologne, the central hub of the West European railway network, and boasts "Before the decade is out, traveling time between Cologne, Brussels, and Paris will be slashed by new advanced high-speed trains."

KGB Says It Financed Germany's Der Spiegel

Nov 8 (EIRNS)—The Soviet KGB financed what was one of West Germany's leading weekly news magazines for 30 years, according to the reported statements of a top KGB officer.

During the [illegible] coup attempt in Moscow, the documented interrogations of the leading members of the coup were printed in the German magazine Der Spiegel. The question of how Spiegel came by these documents was then the subject of a meeting of the Russian Procurator General's office and the Ministry of Internal Affairs. Former KGB General Kalugin told them that it was no accident that these documents found their way into the magazine and asserted that for 30 years the KGB has funded Spiegel.

Philippines Eruption Will Affect Global Weather

Nov. 30 (EIRNS)—The eruption of Mount Pinatubo in the Philippines will have a dramatic impact on global climate in the next two to three years, stated renowned volcanologist and physicist Dr. Paul Handler of the University of Illinois in a paper just issued. The June 15, 1991 eruption was the largest ever measured and perhaps the largest since the 1815 eruption of the Tambora volcano.

Pinatubo injected 40 to 50 million tons of sulphur dioxide into the stratosphere. In 20 days this aerosol spread around the world, decreasing the sunlight somewhere between 7% and 15% in the tropics. This decrease in solar energy will have an impact on every crop grown throughout the world, Handler warned. He has correlated the major global droughts and crop failures of recent history with the eruptions of large

'Peru Is Mirror of Your Future,' Vasquez Tells Mexico

by Valerie Rush

Nov. 18 (EIRNS)—Peruvian economist and political leader Luis Vasquez Medina told several hundred Mexican students on a university stop during a week-long tour of Mexico that "Peru is the mirror in which Ibero-America must see itself." Fifteen years of brutal austerity conditionalities dictated by the International Monetary Fund (IMF) and creditor banks have driven Peru to the brink of extinction. Gangs of narco-terrorist murderers rampage across a country nearly two-thirds of whose people are officially classified as living in "extreme poverty," and where killer epidemics now continually sweep through the population of 22 million. Said Vasquez, "The cholera bacillus breeds at IMF headquarters."

EIRNS Stuart Lewis

Luis Vasquez

Vasquez, president of the Peruvian arm of the Ibero-American Solidarity Movement, is on the first leg of a continent-wide tour, warning that continued submission to the policies of the IMF will doom the region to the disintegration already engulfing Peru. While in Mexico, he addressed universities, medical schools, hospitals, churches, business associations, and the media.

At a Mexico City press conference attended by 15 major media, Vasquez reported that the cholera pandemic which began last year in Peru is about to explode again, this time with new and more virulent strains. Last year's was just the first wave, he warned, and it abated with the onset of winter in the Southern Hemisphere. Now summer is beginning there, and nothing has been done by the governments of Peru, Brazil, Colombia, and the other countries of the south to protect against the disease's resurgence.

Debt versus survival

In fact, charged Vasquez, those governments have been more concerned with paying their debts than with the survival of their people. In Peru, for example, a mere $180 million would have paid for an emergency program to bring cholera under control, but the Fujimori government refused to upset its debt payment pact with the IMF. The result? Two thousand six hundred people are dead, and more than $1 billion has been lost in exports, tourism, and other sectors of the economy. Who will import fish from cholera-infected Peru? What tourist will visit a country where a deadly epidemic is claiming the lives of thousands?

According to the coverage of Vasquez's statements in Mexico's El Universal, El Nacional, El Sol, and elsewhere, there could be as many as 5-8 million Latin Americans infected with cholera by next year if these countries do not break with IMF policies and allocate emergency resources to the reconstruction of collapsed national infrastructure and health services, and the revival of their economies overall.

Some of the coverage contrasted Vasquez's warning with the insistence of Mexican Health Secretary Jesus Kumate that cholera in Mexico is "under total control." The daily Unomasuno meanwhile reports that the "isolated outbreaks," as Kumate persists in calling them, have reached 16 Mexican states in 150 days, and that, through late October, cholera had infected 1,900 people and killed 23. Unomasuno quoted health investigators who charge that the collapse of sanitary conditions in Ibero-America which led to the cholera pandemic, is a direct consequence of the IMF policy of "debt strangulation."

In Brazil too, health specialists are warning of a government coverup of the extent of the cholera epidemic. Luciano Toledo, currently public health superintendent of the state of Amazonia, says there are nearly 15,000 infected with cholera in his state, which the federal government is refusing to acknowledge. Toledo also charges that 408 million cruzeiros allocated to fight cholera is being withheld by the state health secretary, stripping the region of protection from a new onslaught of cholera.

The president of the Brazilian Association of Sanitary Engineering, Luiz Otavio Mota Pereira, issued a national alert warning of imminent resurgence of the cholera epidemic, and said that, unless significant measures are taken, Brazil will face a toll of 30 million cholera victims in three years, with as many as 30,000 fatalities. Pereira said that the World Health Organization predictis economic losses of up to $12 billion to Brazil, under such circumstances.

On Nov. 11, Nicaraguan health authorities reported the country's first official case of cholera. Now, the only Central American country not yet afflicted—or at least, not reporting it—is Belize.

CHILDREN MOURN DEAD CHILD in Zaire, victims of the debt [illegible]

EIR's Small, in Prague, Blasts IMF

Special to New Federalist

PRAGUE, Nov. 14 (EIRNS)—At a packed press conference held here today at the Prague Hotel Atrium in the Czechoslovak capital, Dennis Small urged journalists and representatives of numerous Czechoslovak government institutions and political parties to learn some crucial lessons in order to avoid the economic collapse of the Eastern European countries which is associated with International Monetary Fund Jeffrey Sachs "shock therapy" policies.

Referring to the devastating effects of IMF economic policy on Latin American countries such as Brazil, Mexico, Argentina, and Peru, Small—who is the Latin American editor for Executive Intelligence Review magazine—warned that the same policies are now aimed at the Czech and Slovak Federal Republic. "I am not saying that you are a Third World country, but I am saying that the Bush administration wants to convert your nation into exactly that."

Small, who is on a speaking tour of Europe, presented an alternative development strategy for Latin America and Eastern Europe, based on the "Operation Juarez" and "Productive Triangle" proposals developed by American presidential candidate and political [illegible] Lyndon LaRouche. "To

EIR'S DENNIS SMALL, shown here at a Washington press conference on Ibero-American debt, gave a similar report in Prague.

cisions taken at that time by the Lopez Portillo government of Mexico. "In 1982, the forces of Bush and Kissinger in the first Reagan administration won out over LaRouche, and as a result he went to jail, with most of the Third World economies being destroyed."

Today, Small warned, the genocidal policies of Bush's New World Order threaten to turn Eastern European nations into new Mexicos, Perus, or Zaires.

These remarks were more than welcome to an audience which, in [illegible] Small also answered numerous [illegible] questions about the [illegible]

Soviets in 'Worst Crisis Ever,' Says Ligachev

Nov. 15 (EIRNS)—The former Soviet Union is going through the "worst crisis it has ever faced, except during times of war," said former Soviet Communist leader Yegor Ligachev at a public meeting in Washington, D.C. this week. Speaking at the Wilson Center, Ligachev stressed that the crisis is especially serious in the areas of food and energy. The republics will need foodstuffs in order to get through the winter, he said. "We have had losses in agricultural products of up to 15%. Losses of grain have been even greater."

Ligachev was in charge of the agricultural sector of the former Soviet Union. He said the problem is not that there is insufficient food, but that there are too few storage facilities and an insufficient distribution network. If U.S. businessmen were to invest in the republics, he added, "the greatest needs are in the area of food processing." However, the self-proclaimed communist also said that "People should not be rushing off to the funeral" of the Soviet system.

Soviet Production Plunges to 1970s Levels

Nov. 13 (EIRNS)—According to the Nov. 3 edition of the weekly *Moscow News*, the former U.S.S.R.'s labor productivity grew by just one half of 1%, while the annual rate of growth of GNP is at 4%. This means, according to the weekly's "SovEcon" report, that in less than two years production output has dropped to the level of the mid-1970s.

Moscow News explained that "The relatively small fall in production last year by 1.9% in fuel and raw materials and 4% in ores and steel triggered a chain reaction of under-capacity operation in related industries that pour water into the manufacturing industry."

French Health Workers Demonstrate Against Austerity

Nov. 18 (EIRNS)—Two hundred thousand health workers demonstrated yesterday in Paris against health care austerity measures pushed by the Socialist government. What is at stake is the "rationalization" of the health system by suppressing the right of the patient to choose his doctor as well as by slashing medical spending. From the hospitalists to the Communist-led [illegible] unions, except the ruling Socialists.

This demonstration was the latest wave of mass demonstrations by French farmers earlier this month against the Socialist government's austerity policies in agriculture.

People In The News

VYTAUTAS LANDSBERGIS, President of Lithuania, became the first Baltic leader in half a century to meet with the Pontiff during an audience with Pope John Paul II. He invited the Pope to visit Lithuania.

■■

FERDINAND COLLOR, the Brazilian President, has ordered that an area larger than the state of Indiana be allocated to the 10,000 members of the Yanomami

Debt Collectors Demand 'Democracy' in Africa

Special to New Federalist

Nov. 16 (EIRNS)—Recent demands for "democracy" in certain African nations are serving as the flimsiest cover for a new round of looting by the international financial institutions.

Most blatant was the case of Zambia, the southern African nation most associated with copper production. Zambia has been led for many years by Kenneth Kaunda, who has seldom acted as a radical against the International Monetary Fund or any other institution. As a result of declining terms of trade and [illegible] debt service, Zaire has suffered a decline of more than 30% in its GNP, according to the United Nations.

Having come to the end of the line on Sept. 13 President Kaunda declared that his country could not pay a $20 million debt service payment. Immediately, the international financial institutions imposed a credit cutoff, and the forces of "democracy" moved in to organize for an alternative to Kaunda in elections which were already scheduled for Oct. 31.

One of the leading enforcers of "democracy" these days is former U.S. President Jimmy Carter, who co-chairs the so-called Council of Freely Elected Heads of Government, under whose auspices he runs around setting up electoral standards for developing sector nations. This is particularly obscene, since he himself got into office through vote fraud. Yet, with the club of a potential IMF and World Bank credit cutoff behind him and his group, it works.

The chosen "democratic" opponent to President Kaunda was Frederick Chiluba, a trade union leader who was in fact elected. Chiluba's program followed typical IMF guidelines, including promises to privatize 80% of state industry. Such privatization, in the name of efficiency, usually ends up facilitating new looting schemes by international bankers.

Another major focus of the "democracy" crowd over the recent weeks has been Zaire, which has been presided over for 26 years by President Mobutu Sese Seku. Mobutu, like Kaunda, has usually played ball with the IMF and World Bank, and has seen his country's productive output fall by more than 50% over the past 10 years, if United Nations GNP studies are any guide.

But the international financial [illegible] wants "democratic" government that will give them more opportunities to loot. Thus, in October, the French and Belgians pulled the plug on the Mobutu regime. This is literally true, inasmuch as the French refusal to pay one of their military units stationed in the country was what touched off the rioting that led to a mass exodus of foreigners from Zaire.

What has ensued is a period of chaos, in which the U.S., France, and Belgium keep demanding that Mobutu come up with a new combination in the government. In fact, however, what the U.S. wants is for the IMF and World Bank to get direct control of the finances of the country. This was said almost straight out by U.S. Assistant Secretary of State for African Affairs Herman Cohen in Congress on Nov. 6. Speaking before the U.S. Senate Subcommittee on Africa, Cohen demanded the formation of a transitional government, adding: "Such a government will have to act immediately to place Zaire's financial institutions under independent, transparent control acceptable to the World Bank and the International Monetary Fund."

Within moments of the speech's delivery, thousands of copies of Cohen's remarks appeared in leaflets in the streets of the Zairean capital, Kinshasa. The champion of Cohen's demands was none other than the "democratic" opposition leader, Etienne Tshisekedi.

[illegible] the nature of the political confrontation between LaRouche and the U.S. government. Small said, "and to understand why the man who has got the solutions to the crisis is now in jail, you have to go back to 1982." He detailed LaRouche's crucial role in the 1982 Latin American debt crisis, when LaRouche recommended a comprehensive debt reform, contrary to the murderous IMF conditionalities, and briefed the attentive audience on LaRouche's influence in shaping the anti-IMF de-

large part, represented a spectrum of politics which is opposed to the "Bushman" in the Czechoslovak government, Finance Minister and IMF toady Vaclav Klaus. An economist for a Prague-based institute for international relations charged that it is not the IMF, but the national governments that follow its Letters of Intent, which are to blame. "Mr. LaRouche calls for a change in attitude towards the Third World—can you detail his economic system? How can the capital that is required for development be generat-

detailed questions about the activities in the LaRouche legal case. His briefing stunned people in whose minds is still fresh the memory of 40 years of a totalitarian police state system, because most of them have begun to view LaRouche as an alternative to the Sachs-Klaus shock therapy. LaRouche's Productive Triangle proposal for the rapid development of Eastern European infrastructure has been presented to the Czechoslovak political and industrial elites in a variety of seminars and conferences.

Behind the Bid To Reinstate Aristide

by Cynthia Rush

Nov. 18 (EIRNS)—When a delegation from the Organization of American States (OAS) arrived in Port au Prince, Haiti on Nov. 10 to demand that the military surrender power to former President Jean-Bertrand Aristide, they were greeted by angry demonstrators protesting the worldwide economic embargo imposed by the OAS and the United States to starve the impoverished country to death in the name of "democracy."

The OAS delegation was also greeted by a hard-hitting interview with Executive Intelligence Review's analyst Carlos Wesley, televised from the Dominican Republic, attacking the OAS for intervening in Haiti on behalf of the racist and genocidalist policies of George Bush's "New World Order."

The half-hour special report, filmed in Washington, was broadcast prime time Nov. 10 on "Hora Cero," a highly rated weekly round-up of news and analysis hosted and produced by Julio Hazim on the Tele-Antillas network in the Dominican Republic. The show reaches certain areas of Haiti.

Despite evidence showing Aristide to be a brutal dictator, the OAS and the U.S. are insisting he be returned to power. The former ruler is demanding that the embargo be applied with full force to the island nation, regardless of how many people die as a result. It is estimated that 35,000 jobs could disappear as a result of the embargo. The Nov. 5 *Christian Science Monitor* quoted one economist saying that if this occurs, "In a country with more than 50% unemployment, [this] means several hundred thousand people will quickly lose their means of survival. People will starve. There will be something like civil war."

In his interview, Wesley cut through the international campaign which has portrayed the Pol Pot-like Aristide as a "democrat." Wesley harshly attacked the International Monetary Fund and explained that the international banking community and the Anglo-American establishment want Aristide back in power to guarantee implementation of the debt-collection policy they have devised for the entire developing sector. He reported on recent statements by Ghana's ambassador to the United Nations, who said that if the industrialized countries "are so concerned with helping Haiti, why don't they forgive the country's $3 billion debt?" Shortly before his overthrow, the "leftist" Aristide, a proponent of liberation theology, had agreed to sign a deal with the IMF.

TV viewers were also fascinated by the depth of the historical background Wesley provided. Most did not know that voodoo was imposed on Haiti primarily during the American occupation which followed the U.S. invasion of 1915. To make clear that any military intervention into Haiti today would represent only a bald attempt to collect the debt, Wesley pointed out that the U.S. took over the custom houses in both the Dominican Republic and Haiti during the 1915 occupation.

Another bombshell was Wesley's attack on the Socialist International for promoting an embargo and military intervention. Wesley pointed out that Socialist International bigwig (and Venezuelan President) Carlos Andres Perez, who is demanding "democracy" in Haiti, has allowed the book "Narcotrafico, S.A." the Spanish-language edition of the bestseller "Dope, Inc.," to be undemocratically banned in his own country.

Wesley also revealed that the U.S. State Department funds the Dominican Republic's neoliberals, who have called for a military intervention into Haiti, for the abolition of Haiti's army, and for the transformation of the country into "the Hong Kong of the Caribbean."

Committee To Save Iraqi Kids Delivers More Relief Supplies

Nov. 17 (EIRNS)—Reuters wire service reported Nov. 16, on the most recent trip to Iraq by the Committee to Save the Children in Iraq, which was founded last spring by Helga Zepp-LaRouche, among others. Shown in this photo is Dr. Muriel Mirak, one of the Committee's leaders, in Baghdad as an earlier relief shipment is unloaded.

Reuters wrote that "A Swedish relief organization said on Saturday it had used an Iraqi Airways plane to fly supplies from Sweden in the first humanitarian flight allowed the grounded airline since the invasion of Kuwait. The Committee to Save the Children in Iraq said the Boeing 707 flew to Amman [Jordan] from Stockholm on Friday carrying 16.5 tons of food, medical equipment, and medicine. The supplies left by truck for Iraq on Saturday. The relief agency, a coalition of Swedish aid organizations, said the United Nations sanctions committee had approved the use of the Iraqi plane."

Lessons of the Art of 1492—The Columbus Quincentenary

by Nora Hamerman

A once in a lifetime opportunity to grasp the positive roots of our history as Americans is currently available in Washington D.C. and this is the exhibit, "Circa 1492: Art in the Age of Exploration," on view Oct. 12 Jan. 12 at the National Gallery of Art.

The idea is to celebrate the 500th anniversary of Christopher Columbus's landing in the Bahamanian archipelago in 1492, by taking a horizontal slice of the best art produced in the half century around 1492 in three areas: Europe and the Mediterranean, where the voyages of discovery began; Cathay or Japan, Korea, China, and India, where Columbus believed he was heading; and the Americas, the new continent he had not expected to find. More than 600 objects make up the three part show.

It's a good idea, because two of the greatest artists ever, Leonardo da Vinci from Florence, the capital of the Italian Renaissance, and Albrecht Duerer, the genius of the German Renaissance center of Nuremberg, were both active in 1492 and long thereafter. The crowning point of "Circa 1492" is the large gallery in which almost 50 works by these two artists, between paintings, drawings, and books, are confronted—an exhibit in its own right, which includes one of the three authentic da Vinci portraits in the world, Cracow's "Cecilia Gallerani."

But also alive in 1492, and in the show, are Piero della Francesca, Botticelli, Michelangelo, and we meet their immediate predecessors Pollaiuolo, Donatello, Brunelleschi. Here is Luca Pacioli, Leonardo da Vinci's mathematics teacher. Here are wonderful maps that trace the progress of navigation and astronomical instruments, including those that taught the young Copernicus.

This show, to which you must be admitted by passes (free at the gallery or obtainable for a small service charge at various retail outlets), takes at least two hours to get through, if you're serious. I have not even mentioned the incredible tapestries, nor the rooms which feature art from Ferdinand and Isabella's Spain, the Portugal of Henry the Navigator, the Islamic empires of the day, and western Africa's famous Benin culture.

A Strongly Different Viewpoint

But I have a strongly different point of view from that of the people who organized this exhibit, at least at the top. No less a pundit than Librarian of Congress Emeritus Daniel Boorstin in the preface to the "Circa 1492" exhibition catalogue (otherwise a beautiful and informative book), decrees an idea which would make Leonardo and Duerer recoil in anger: that the Culture of Discovery (i.e., science) and the Culture of Creation (meaning art) are opposites. He even claims that this art show will be an "antidote to the contagion of science."

The show has few objects which underscore the unity of religion and science in the Renaissance—except, of course, for the glorious "St. Augustine" of Botticelli, in which Augustine is depicted as an astronomer and geometer of the day—*note bene*, on commission by the family of the later explorer, Amerigo Vespucci.

It is "politically correct" to charge that the Spanish slaughtered and abused the American Indians. Judging from the objects of Aztec, Inca, Taino, and "gold kingdom" cultures which form the last part of this show, it is likely that the indigenous peoples of the Americas survived at all only because of the Christian evangelization after 1492. Theirs were societies of menticide and genocide, every one practiced human sacrifice, slavery, and polygamy, and based religious revelation on ingestion of narcotic drugs. This led to an art which is brutally ugly, in which the boundaries between man and beast become blurred. Go take a look at *the vomiting* spatulas (ritual purification before sniffing hallucinogens) of the Tainos, the Inca silver statuettes of sacrificed children, the Aztec dismembered goddesses and death's heads, and the intricate gold figurines of shamans from Costa Rica and Colombia, showing men turning into animals.

The "Temptation of St. Anthony" by Bosch which opens the whole show, depicts such images as works of Satan, which the grace of a loving Creator God enables man to defeat. Bosch understood the matter a lot better than Daniel Boorstin. The European Renaissance came about as a triumph over the Black Death of 1348, which nearly brought on a new dark age. Faced with an epidemic (probably yellow fever) around A.D. 1000, the human sacrificing Mayan Empire collapsed. Progress is necessary, and the celebration of man's ability to win that fight, is what makes beauty.

International Support Is Given to Croatia Call

[illegible] political and [illegible] signed Helga Zepp [illegible] emergency in [illegible] Croatia [illegible] atrocities are given [illegible] United States and Canada

[illegible] William [illegible] American Ukrainian [illegible] the Rev. Robert [illegible] president, Richmond [illegible] Southern Christian [illegible] Dr. Anoor P. [illegible] Executive Board, Rainbow [illegible] Daughter Movement [illegible] the Rev. William H. Hargrave, [illegible] Baptist Church, N.J.; Harold Wilson, [illegible] steward; Teamsters Local [illegible] Buda Kunova, president, American Azerbaijan Culture Center; the Rev. Wesley Volney Brooks, N.Y.; James Lancashire, Conservative Caucus, N.J.; The Rev. Dr. Elden Woodcock, Middletown, N.Y.; the Rev. Fr. Nicanor [illegible] Church, N.Y.; the Rev. James Cokley, pastor, Thompson AME Church, N.Y.

Ibero-America

Julio C. Gonzalez, former Secretary of State of the Argentine Republic from 1973 to 1976; **Raul Lastidi**, head of the natural resources division of the Argentine equivalent of the U.S. Congressional Research office; **Father Eugenio Manuel Acosta**, a former chaplain of the Argentinian Armed Forces; **Norberto Chindemi**, head of the Labor Union Political School of Argentina; **Carlos Perez Galindo**, lawyer and president of the Andes Foundation of Argentina; **Ricardo B. Molina Figueroa**, founder and leader of the Argentinian Sol de Mayo Movement for National Unity; **Maria Teresa Gomez Vergara**, a leader of the Sol de Mayo Movement; **Luis Gaspar ("Toty") Suarez Sierra**, president of the Revolutionary Panamenista Party of Panama exiled in Argentina; **Ricaute Arosemena Dominguez**, secretary general of the Revolutionary Panamenista Party.

Also, **Congressman Jorge Leon Diaz**, independent member of the Chamber of Deputies of the Congress of Venezuela; **Congressman Gerardo Lopez Quiroz**, independent member of the Peruvian Congress; **Congressman Lino Cerna** [illegible] Congress to buy a [illegible]

A Panicky President Bush

Continued from page 1

As the Wall Street Journal warned Nov. 7, "Mr. Bush can't stand above this debate without becoming another Dick Thornburgh."

About all George can come up with are the "quick fixes" he claims to condemn. The biggest "quick fix"—and really the only one—that Bush has, is interest rate cuts, which is exactly what Hoover also tried.

Since last December, Bush and the Federal Reserve have cut the discount rate five times. The latest cut came Nov. 6, the day after Richard Thornburgh's crushing defeat in the Pennsylvania Senate race.

The discount rate is now down to 4.5%, the lowest level since 1973, and the prime is at 7.5%, its lowest level since 1970. This parallels Hoover's discount rate reductions from 6% to 2% over a 14-month period in 1929-30. And these cuts will help George about as much as Hoover's helped him.

Lower Rates Won't Help

The latest rate cut was an act of sheer desperation, precipitated especially by the prospect of the worst Christmas sales season since World War II, the growing insolvency of major banks, and now the electoral debacle.

As in 1929-30, interest rate cuts will do nothing to stem the collapse. Despite Bush's wild statements that low interest rates make "this a good time [illegible] to buy a [illegible] dropping like a brick.

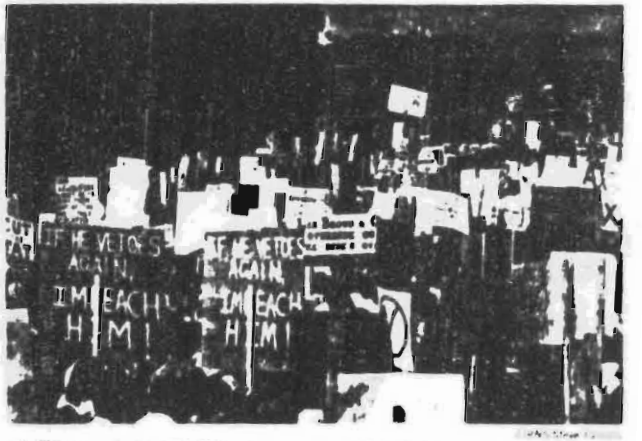
Also, prices (especially for big ticket items like homes and cars) are still far too high, way beyond the reach of an increasing number of people, at any interest rate. Until these inflated "values" tumble down, the depression will continue to deepen. Of course, when these prices do collapse, the chain reaction will blow out the financial sector and the rest of the economy, too.

Going from Bad to Worse

In fact, with interest rates so low and headed lower, foreign investors will not only boycott sales of U.S. government debt more than they have; they could start to dump U.S. securities and the dollar itself. In recent weeks, the dollar has been dropping against the German deutschemark and other major currencies—including even the British pound—and is now at its lowest point in months against these currencies.

About the only thing preventing the collapse of the U.S. securities market and the dollar is the dearth of investment opportunities for domestic capital in the collapsing economy, and the relative perceived "safety" of U.S. government debt—a perception that could quickly turn into panic.

The first sign of that panic occurred Nov. 5, Election Day. This was the first day of a three-day quarterly auction of government debt, and it was a mess, primarily because of the low interest rates that would accrue to investors.



ENRAGED VOTERS THRONG the Connecticut State House in Hartford Oct. 5, to protest budget collapse. "Quick fixes" won't help.

from Pennsylvania, the Fed's discount rate cut was likely aimed to salvage the rest of the auction, by making the Nov. 6 offering of 10-year notes relatively attractive.

It backfired. That sale, too, was very weak; the notes sold at prices lower than expected, resulting in an extra $250 million in borrowing costs for the government. At best, the drop in the discount rate prevented a disaster, but could not compensate for the unattractive rates. What it did do, was to unsettle the market enormously, because no dealer knew what price to bid to ensure he could cover costs.

About all Bush has left is threats and [illegible]. In its lead editorial Nov. 7, [illegible] try to stage a replay of the Iraq war. "Unless the U.S. embarks again on some great international venture comparable to the Gulf war and brooking no domestic opposition, the overwhelming issues in the presidential campaign will be at home."

Short of a shooting war, Bush, along with his Democratic friends in Congress, is signaling his intention to start a trade war, so as to blame the U.S. depression on the "protectionism" and "unfair trade practices" of Europe and Japan.

That might plunge the world into war all right—and deeper depression. But it probably won't prevent Bush [illegible]

Viorel Dumitrescu, Ridgewood, N.Y.

Also, William V. Helm, Hungarian-American journalist, N.J.; the Rev. Fr. Vytautas A. Palubinskas, Brooklyn, N.Y.; Rehis Rahsoglu, "White Beard" past president, Azerbaijan Society of America; Frederick R. Wills, Esq., U.S.A.; the Rev. O.B.J. Burson, president, New England Baptist Convention, N.Y.

Bladen Stanisic, former Croatian deputy minister of Tourism, vice president of OMNICO International, N.Y.; Julia Simon, New York correspondent of Privedni Vjesnik Economic Herald from Zagreb; Marion S. Dillard, president, Bakery, Confectionery and Tobacco Workers Local 348-T; Doctor Vs. Gorka Felix Korpar, president of the Croatian Cultural Club in Olympia, Wash., executive member of the Croatian-American Alliance for Democracy and a member of the Croatian Movement for Statehood.

Also, Gorka Glad, Croatians Mothers for Relief Fund, Vancouver, B.C.; Tony Glad, businessman, Vancouver, B.C.; Lt. Frank E. Thornton, U.S. Navy, ret., Great Borough, Illinois; the Right Rev. Hieromarte Archpriest Prof. Dr. Peter B.T. Bilanych, president of Coalition for Religious Freedom and Justice in Canada, professor of Theology and Religious Studies, University of Toronto.

Monsignor David Dorsch, Towson, Md.; Frank Crummerk, secretary, United Croats of Canada Croatian Liberation Movement, Vancouver, B.C.; John Kolasky, Toronto Canadian author, Partners in Tyranny: The Nazi-Soviet War Aggression Pact August 23, 1939; Lieutenant R.A. Kenneth M. Gorsh, two-star chairman, Seattle Baltic Action Committee, Seattle, Wash.; Lam Ngoc Bich, foreign general of the Socialist Democratic Movement of Vietnam, Seattle, Wash.

Also, the Rev. Lordi Dodson, Pastor, Mt. Pleasant Baptist Church, Seattle, Wash.; Jack LaPoint, Democratic Party, [illegible] Everett, Wash.; Bobbi Thorn, Democratic Party, [illegible] Bothell, Wash.; Bonnie Cobb, Democratic Party, [illegible] Seattle, Wash.; Bob Stephenson, Democratic Party, [illegible] Seattle, Wash.

Professor Stefan Antonescu, Ph.D., Brooklyn, N.Y.; the Rev. John Mungin, Brooklyn, N.Y.; the Rev. Fr. Dumitru Manila, Rector, St. John the Baptist Romanian Orthodox Church, R.I.; the Rev. Fathers B. Nardo, Brooklyn, N.Y.; Peter Kolisky, journalist, Queens, N.Y.; James Kolisnik, chairperson, African Council, Perth; Hamid, member, Pakistan Association of Greater Boston, Boston, Mass.

Also, Robert Patton, USAF, Major, ret., N.H.; the Rev. Dr. Dilce Lebron, pastor, First United Methodist Church, N.J.; the Rev. Thomas Pollard, associate pastor, First Hopewell Baptist [illegible]

tion; and Guadalupe Elizalde, journalist and member of the Mexican Human Rights League.

The Sacrifice of Vukovar

Continued from page 1

past it, around in the countryside."

And now, according to the latest news from the field received by New Federalist, the Croatians have started a counterattack in the countryside. It is dawning on the Serbian Chetniks and Army that they will encounter more resistance, not less.

The Schiller Call

But it is from a strategic standpoint that the Greater Serbians find themselves really in trouble. The Bosnian city of Mostar has been bombed by the Yugoslav Army—an action which will probably open a new flank against the Serbians. And in the Albanian province of Kosovo (annexed without formalities by the Greater Serbians) a reaction is starting—another flank.

In Germany, Chancellor Helmut Kohl and a majority of the political leaders have made clear that Germany is going to recognize Slovenia and Croatia, even if some countries of the European Community refuse to go along. On Nov. 14, Austrian Foreign Minister Alois Mock called for recognition. This war, he said, "is putting Europe to a test. ... Europe's politicians will have to demonstrate what significance they attach to the principle of self-determination, democracy, and human rights. Europe will have to show whether it can take care of its own security."

In Italy, people are expressing pro-Croatian sentiments against the Foreign Minister, Gianni De Michelis, a top Freemason who not long ago was accusing Croatia of provocation.

And on Nov. 14 was made available to the media the Schiller Institute call for the formation of an international committee to save Croatia, issued by Institute founder Helga Zepp-LaRouche (see p. 4). Among the signers, Prof. Hans Klecatski, former Justice Minister of Austria; Gen. Paul Albert Scherer, former head of the German Military Intelligence Service; and Zlatko Kramaric, Mayor of the Croatian City of Osiek.

Ratifying the Conquest

The last protection the bloody generals of Milosevic are relying on is "Western mediators." The scheme they want to implement is an intervention of United Nations peacekeeping forces—not to stop the war, but to guarantee the brutal conquest of the more than one third of the Croatian territory the Serbs now occupy. Milosevic is asking that the peacekeeping troops be installed in the fighting areas, a demand the Croatians cannot accept. Incredibly, on Nov. 13, Lord Peter Carrington, responsible for the European negotiations, met with Veljko Kadijevic, the Defense Minister of Yugoslavia, to send troops to the "crisis areas".

On Nov. 18, UN special envoy Cyrus Vance told the press in Belgrade, "We had very useful talks. Not only was it a useful meeting, but we also made progress." The meeting was with Milosevic, who thought the talks "very successful. ... [The] deploying of peacekeeping forces, which would have to ensure the separation of the sides in conflict, is a good idea."

What Kind of Peace?

The kind of peace Milosevic wants was made clear by Franjo Cardinal Kuharic, Archbishop of Zagreb, addressing U.S. Catholic Bishops in Washington. "This war is attempting to destroy all freedom and democracy and is striking at the culture as well as history of the Croatian people. ... This is a war of aggression being waged by the federal army under the leadership of Serbian generals, who are in league with the extremist movement which seeks to create a Greater Serbia. This war is further fueled by the communist ideology. ...

"Many of our Croatian cities and countless more villages are under constant attack by heavy artillery, tanks, missiles, and planes. Many villages have been totally wiped away. ... A large number of towns and cities are threatened with total annihilation, among them Dubrovnik and Sluni. ... Vukovar is entirely demolished. ... There are known incidents where older persons refused to leave their homes and were massacred and set on fire in their own dwellings. ...

"The greatest step towards bringing this war to an end would be the recognition of a free Croatia and Slovenia where the people voted by a 95% majority in favor of freedom and independence."

The Cardinal also sent a letter to George Bush urging him to recognize Croatia and put an end to the war.

But Bush had given his answer three days before in Rome, at the NATO summit. There he lectured the Europeans on the war, borrowing freely from the lies of the Anti-Defamation League, he accused Croatia of ... nationalism!

"We see in Yugoslavia how the proud name of nationalism can splinter a country into bloody civil war. ... [this nationalism] feeds on old, stale prejudices, teaches intolerance and suspicion and even racism and anti-Semitism." Not only that, Bush said, but democracy's a danger. "Some fear that democracy's new freedoms will be used to settle old scores." His target

they don't have and can't borrow—and banks can't lend when their cash flow, deposit base, and loan receipts are

So, in addition to the political panic ... nancial Times wrote that Bush could ... year from now.

Call to Found an International Committee to Save Croatia

by Helga Zepp-LaRouche

President, Schiller Institute. *This statement, issued Oct. 31, is being circulated internationally for signatures. Add your signature, clip it out, and send it to the Schiller Institute, P.O. Box 66082, Washington, D.C. 20035-6082.*

Helga Zepp-LaRouche

It is heart-rending to have to watch how boundless grief has been imposed on the almost defenseless nation of Croatia by the Serbian aggressors. At least 5,000 people, but probably many more—among them many old people, sick and children—have already found death. Three hundred fifty thousand people have lost everything and are in flight, with a more bitter winter in front of them. One hundred fifty thousand people have been blockaded for weeks, without food and medicine, exposed to merciless bombardment. Many priests and nuns have been tortured and killed.

But it is no less heart-rending, to have to observe how corrupt or indifferent the politicians of the West are, and how emotionally dead and uninterested the majority of the population is. If genocide of such proportions can occur in the middle of Europe, without people reacting, then we are morally bankrupt.

Imagine that the German revolution had proceeded a little bit differently, and the peaceful revolution had not led to the opening of the borders, but only to the declaration of independence of Thuringia and Sachsen-Anhalt. Imagine that the East German Peoples Army had then set up the most modern weapons, in order to reconquer Thuringia militarily: Eisenach and Erfurt were, after a week-long bombardment, almost leveled to the ground; classical Weimar was blockaded and threatened with immediate destruction; and Mainz continued suffering under air raids. If it were your own parents whose ancestral home was bombarded, would you still be so indifferent?

Or imagine that a fascist movement had seized power in France and proceeded in a similar manner against the resistance. Or that this were the case in the country and the city which is home for you. If something is criminal and genocidal here, why is it then suddenly okay there? This double standard is the surest measure of moral bankruptcy.

Bush and Gorbachov, without whose quiet support Belgrade would never have dared wage this aggressive war, bear responsibility for the genocide, but also Lord Carrington, who has conducted the negotiations at the so-called European Community peace conference in supposed British interests, so that the maximum advantage for the Serbs arose out of it. The Undersecretary in the American State Department, Lawrence Eagleburger, whose motivation is shaped by strong economic interests in Serbia, also bears blame. The mistake of those who have not participated themselves in the murderous plot, is to have trusted the policy of the Anglo-Americans for one second.

Since the official policy of the West up until now has failed so thoroughly, we the undersigned are constituting an international coalition to save Croatia.

We stand for the immediate recognition of the independence of Croatia and Slovenia in conformity with the right to self-determination agreed upon in the Helsinki Accords.

We stand for Croatia being due the same rights as are due any other sovereign state, among which is the right to the defense of the life of its citizens and its territory.

We appeal to the international community of peoples, to make reparations for the injustice inflicted on Croatia, and to help it through a comprehensive reconstruction program.

We support the immediate realization of the all-European infrastructure program of the "Productive Triangle" proposed by the American economist Lyndon LaRouche as the only possibility for restoring peace to the Balkans.

The Croatian people have a right to peace, as all other people do.

Name Address City, State

[illegible]

University Student Strikes Lead Protest Against Maryland Budget Cuts

by Mark Sullinger

BALTIMORE, Nov 18 (EIRNS)—In the past week, students, faculty, staff and workers of the University of Maryland at the College Park campus have intensified [illegible] protests against budget cuts.

Beginning Nov. 11 at 9 a.m., 11 English Department tenured professors marched on the Main Administration Building, kicking off a two-day class walk-out. Next, they joined a 300-person rally at the English Department for all-day picketing.

The action canceled classes for about 10,000 students, who were told to attend the protest or participate in budget education teach-ins.

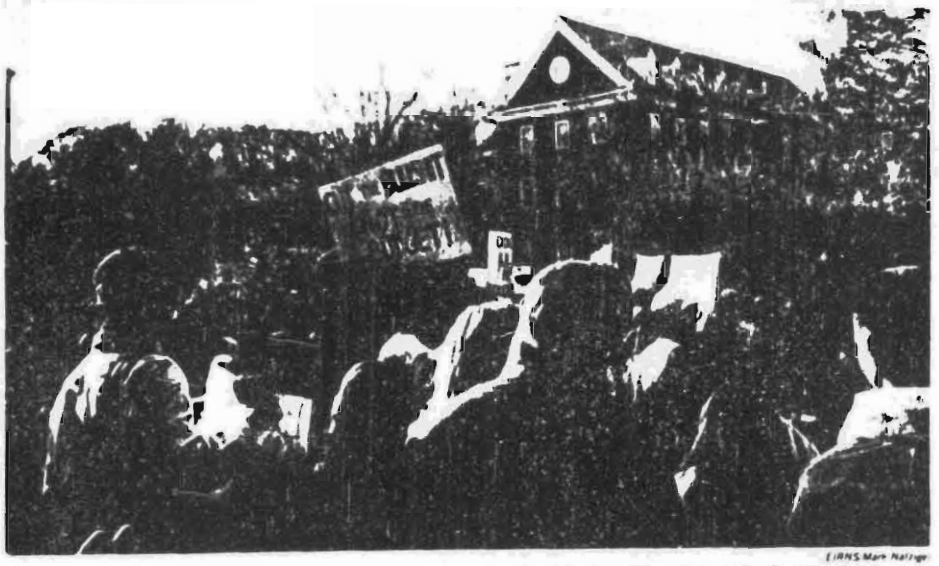
As a result of the cuts of $40 million in state funds over the last two years, the latest round of Maryland's meat-cleaver budget cuts has hit the English Department especially hard. Fifteen English instructors have been fired and additional instructors have been reduced to part-time status. Also, due to the elimination of 19 sections of required Junior English, more than 1,500 student slots will be dropped next semester. "Half of majors won't be able to graduate in four years," says English professor Joyce Kornbluth.

'No More Cuts'

By 12 noon Nov. 11, another rally had been organized by the Anthropology Department on the Mall, when protesters from the English Department joined them. The crowd swelled to over 3,000. University President William Kirwan told the students, "The future of this state depends on the quality of your education," to a student leader grabbed his mic and lifted it in the air. Kirwan encompassed protesters in chanting, "No more cuts!"

Next, the crowd, by now motivated by campus police of 1,000, marched down U.S. Route 1, blocking traffic for hours, when a group of 200 sat down in the roadway. The marchers dispersed only after arrests were made.

All the while, the teach-ins continued. For two days, a broad range of topics related to economics and the value of education were debated. The students were encouraged by the faculty to take the protest to the state capital in Annapolis.



EIRNS/Mark Metzger

MARYLAND UNIVERSITY STUDENTS demonstrate in Annapolis Nov. 14, protesting cuts in state education funding.

Representatives of the LaRouche in '92 presidential campaign spoke about the national economic depression and warned the students "not to become so self-centered in demanding a stop to educaton cuts at the expense of cutting someone else's budget, but rather to get behind the economic recovery plan of Lyndon LaRouche to ensure economic growth and recovery based on infrastructure rebuilding and production."

On the Capital Steps

By Nov. 14, the student strike had gained enough momentum to pull together a 3.5-mile-long caravan of eight buses and 106 cars, to travel to Annapolis. There, on the steps of the capital building, a very loud rally was addressed by student leaders from four different campuses. Thor Jackson, president of the Schiller Club at Howard University in Washington, D.C., urged the students "to think bigger now that you are off campus and take a leadership role in actions across the country to defeat the Bush depression.

"We need to launch a great infrastructure reconstruction project on a global scale," he continued.

Many in the crowd challenged him to "define infrastructure for us." "What can infrastructure do for education?" This was the only discussion of concrete solutions to the budget crisis the entire afternoon.

Leaders from the local AFSCME union also spoke of bringing in other forces affected by cuts to broaden the fight. A large banner reading "Stop Budget Butchery—Adopt LaRouche Recovery Plan" dominated the scene.

Of the State Delegates, Paul Carlson, president of the Student Government Association of University of Maryland, said, "If they're not with us, we're going to vote them out." The university students are not alone. Public school teachers and members of the state and county teachers' union—which represents more than 21,000 in Prince George's and Montgomery Counties and Baltimore City in Maryland, and in Fairfax County in Virginia—plan to begin a "work to rule" protest. Working no more than the 6 hours 50 minutes described in their contracts means no hall or cafeteria duty, no outside activities planned, nor any work not stipulated in their contract. Over 5,000 teachers were planning to march on City Hall in Baltimore Nov. 18.

High school students in the same counties have begun sit-ins, rallies, and class boycotts. At Friendly High School in Prince George's County, about two thirds of the 1,400 students refused to enter the building when their classes began. Joined by teachers, the students ended their protest when school administrators convened an assembly and spent over an hour discussing the proposed cuts.

Baltimore Bludgeoned

Meanwhile, in Baltimore City, Mayor Kurt Schmoke has carried through his threats in his post-election "downsizing" of the city budget by ending 571 jobs, including 252 firefighters. Calling it a "civil disaster," Schmoke cut $27.5 million from the city budget in mid-fiscal year. The result? City schools will be closed one full week this winter, with teachers furloughed; five firehouses have been closed and seven library branches shut down. Thousands of the city's poor children will have trouble getting immunized shots, because one-third of the city grants which underwrite five health clinics have been cut.

Frustration is showing itself all across the state. One political leader after another is at a loss for alternatives to budget cutting and tax increases. Said Gov. William Donald Schaefer, "No matter what I choose, I'm going to be wrong."

But, as the LaRouche campaign gears up, more people seem to be realizing that their only option is to support Lyndon LaRouche's candidacy and his plan to reverse this depression.

Who's Stalling Food Irradiation Plant? And Why?

by Marjorie Mazel Hecht

Nov. 18 (EIRNS)—The first U.S. commercial food irradiation plant is ready to open for business in Mulberry, Fla.—except that the state of Florida is stalling on issuing the plant an operating license.

The state licensing rests with the Office of Environmental Health in the Department of Health and Rehabilitation Services, where it is tied up in yellow tape. (That's the kind of tape used by bureaucrats to cover themselves politically when they are afraid to do what's right because of attacks from a small but rowdy gang of ecological terrorists.)

The scientific and technical evaluations of the plant are positive; the food irradiation plant passed its safety inspection. Privately, many state officials have said that they think food irradiation is a beneficial and safe technology and that the lies of the eco-terrorist group Food & Water, Inc. are outrageous. Publicly, however, these same political figures are silent—in fearful deference to the very Food & Water group they admit is crazy. And so the licensing process is going slowly.

EIRNS

EXPOSING SCARE STORIES about food irradiation. This flyer was put out by 21st Century Science and Technology magazine.

processed, and then shipped out with longer shelf-life, either at the supermarket or in your refrigerator. The ...ported "Greene," brought in by the Food & Water group.

(Three groups, including 21st Centu... for the most part has ignored the fact that the full weight of the scientific community supports the safety and benefits of food irradiation for disinfesting produce, prolonging shelf life, and getting rid of disease-causing microbes like salmonella. Instead, they play up Food & Water's unsubstantiated scare stories.

The New Jersey-based group Food & Water knowingly lies in its propaganda. When asked why they use such misinformation, Food & Water's executive director, Michael Colby, told one reporter that the Food & Water method of lies is "successful," and that they have "shut down four plants" this way, so they're sticking with it.

One of Food & Water's tactics has been to pressure local supermarkets by bombarding them with form letters telling them not to sell irradiated produce. This tactic works both ways. If you'd like your supermarket to sell delicious strawberries, picked ripe and irradiation processed to stay fresh, tell your supermarket management. If you live in Florida, write to Publix Supermarkets Inc., Mr. Mark Hollis, President, P.O. Box 407, Lakeland, Fla. 33802.

The 'October Surprise'

Continued from page 1

well as the entire transition period thereafter, up to the day of the inauguration of Ronald Reagan and George Bush—the day the hostages were re-

ger, a spacey former Reagan administration aide who wrote the first book on the "October Surprise," published in 1989.

In the talk shows that accompanied the release of his book, Sick himself

leased.

Pottinger was known as a close personal friend of George Bush from the days when Bush was CIA director and Pottinger was a high Justice Department official. State Department documents released to this news service under the Freedom of Information Act show that Pottinger shopped Cyrus Hashemi into the State Department in late 1979, at which time Hashemi proposed an arms for hostages deal which was adopted by the Carter administration into its official position during the hostage negotiations. However by the summer of 1980 Pottinger and Hashemi were operating as double agents—covertly working for the Reagan-Bush campaign while appearing to be brokering negotiations [illegible] after administration.

One of the biggest unanswered questions of the "October Surprise" affair is why Pottinger was never indicted. He was named as an unindicted co-conspirator in the Hashemi indictment, but escaped indictment when the FBI lost the tapes which contained incriminating evidence against him from the 1980-81 period.

According to records released CIA documents Pottinger was still under investigation as late as September 1985. Yet he was never indicted, even though everyone else involved in the same conduct was and some went to jail.

Shrewdest Counterstroke

[illegible] but as Bush's new team was about to hit the streets and congress was about to vote to authorize funds for its "October Surprise" investigation, top national [illegible] launched a counteroffensive attempting to debunk the whole story a kind of November counteroffensive. Newsweek led with the cover story "Making of a Myth" on the Iran-Hostage issue and the formerly liberal New Republic followed up with "The Conspiracy That Wasn't" in the Nov. 10 issue.

Both publications followed the script invented by this news service which has claimed that a number of the principal [illegible] have been retailing versions of the "October Surprise" story in order to [illegible] spreading false leads and disinformation designed to cast doubt on the veracity of any and all accounts of the [illegible] being the release of the hostages.

Two of the leading sources who have already been severely discredited are Richard Brenneke and Art Ben Menashe. They are among the handful of sources who claim that George Bush personally went to Paris in October 1980 and participated in meetings concluding the Reagan-Bush campaign's arms for hostages deal.

Both Newsweek and New Republic devote much space to knocking down the allegations set up by Brenneke and Ben Menashe and by Barbara Honegrightly downplayed the importance of the alleged Paris meetings, and emphasized that he was relying much more on eyewitness accounts of meetings held in Madrid in July-August 1980 and attended by William Casey and Iranian representatives. Sick said that the most compelling evidence he has heard has been Jamshid Hashemi's account of the Madrid meetings.

"The thing that has struck me most recently is the description of the Madrid meetings, which I hadn't known about before," stated the former Carter National Security Council aide. "Everybody had always focused on Paris. ... I've always thought that was sort of secondary; it just doesn't make any difference as far as I'm concerned. The question is whether a deal was done."

Commentators who try to discuss the debate over "October Surprise" in Democrat versus Republican terms are having a hard time explaining the current lineup. The entry of Newsweek and the New Republic into the lists does make sense, however, once the critical role of the Israelis is grasped. The Israeli government and Israeli arms dealers were up to their eyeballs in the entire affair. Not only did many Israeli officials distrust Carter, believing him to be too "even-handed" with respect to the Middle East, but they wanted to be in on the ground floor of the incoming Reagan-Bush administration. Many Israeli officials and operatives believed that their objectives were best served by facilitating the election of the Reagan-Bush ticket and ensuring their own role in the Middle East policy of the new administration.

Take, for example, the role of Henry Kissinger. Executive Intelligence Review was the first to publish an account of the "October Surprise" conspiracy to delay the release of the hostages. EIR's 1980 scoop was acknowledged in the recent Newsweek coverage. Kissinger, EIR reported, was dealing directly with fundamentalist Iranian mullahs to sabotage Carter's hostage negotiations so that the hostages were not released until after the elections.

Gary Sick reported another aspect to this in his NPR interview. He says that the Reagan-Bush hostage deal was concluded during the second Madrid meeting, in which Casey met with Iranian cleric Mehdi Karrubi.

"The next day Jamshid Hashemi, the man who told me this story in great detail, says that he met with his brother with an Israeli official and that they began a shipment of military equipment from Israel to Iran that amounted to at least four shiploads of equipment, that started from probably in about September 1980 and continued on through the end of the year. And that was the genesis of the deal."

The plant has been ready for about a month, and every day that goes by means a loss for the area's strawberry growers and other producers who were counting on the irradiation process to disinfest their crop or lengthen its shelf life. The real loser is the consumer; irradiation-processed produce can be picked ripe, instead of green. process does not affect the safety and wholesomeness of the product.

As a result of the anti-nuclear noise, the state scheduled hearings on the plant's safety on Nov. 4 in the Mulberry Civic Center. Of the 200 or so people there, only three Mulberry residents spoke against the plant, according to Mulberry's Mayor. The rest were im-

turned out to support the plant, along with two dozen or so local residents and many others from the area. But the nine radio stations, five television stations, and score of Florida reporters present neglected to note this fact in their coverage of the hearings.

The sensationalist press coverage

Florida's Governor, Lawton Chiles, and tell him to cut through that yellow tape. His address is PL05, The Capitol, Tallahassee, Fla. 32399-0810.

Marjorie Mazel Hecht is the managing editor of 21st Century Science & Technology, whose Fall 1991 issue features a special report on food irradiation.

Stealing Your Pension . . .

EIRNS/Philip Ulanowsky

THE VICTIM. This elderly man, and millions like him, are the victims of the great pension funds heist.

Continued from page 1

trustees of the funds, ideologues in universities and the press (such as the editors of the Wall Street Journal), who praise them as paragons of "free enterprise", and officials of the Bush administration, who have kept the regulators at bay.

In this second part of our series, we will see how the takeover bandits, with the aid of corrupted public officials, initiated the looting of state pension funds.

The LBO Scam

When KKR opened its doors in 1976 with $120,000 in seed capital, most investment banking firms had no Merger and Acquisition (M&A) department, and Milken's junk bond operation at Drexel was just getting off the ground. However, economic conditions were ripe for both to take off.

The inflation of the 1970s swelled the value of corporate assets while stock prices remained low. To Milken, and to the raiders who thrived off him, this meant it was much cheaper to buy a company than to build one, especially if you could use "other people's money" to do so.

The tax laws also favored this scenario. Interest payments on debt were made tax deductible, thus encouraging borrowing. From this mix emerged the leveraged buyout, or LBO. Raiders and takeover firms would take on huge amounts of debt to purchase a company, pledging the assets of that company as collateral for the debt. If interest payments could not be met from the cash flow of the newly acquired company, it would either be "restructured" (which meant layoffs of workers, closing down "unprofitable" divisions, and cuts in R&D), or dismantled completely to pay the debt.

In the worst case, the firm would be put into bankruptcy, with the investors taking the losses. The raider, his bankers, and his lawyers would make a killing in fees, even if the deal went sour.

The 'Decade of Greed'

With the inauguration of Ronald Reagan in 1981, the remaining impediments to mergers were lifted. Regulations were relaxed, virtually eliminating anti-trust restrictions against mergers. Banking deregulation, especially by way of the Garn-St Germain Act of 1982, freed banks and S&Ls to invest directly in junk bonds and LBOs.

By 1982, Milken joined in the "merger mania," selling junk bonds to cover the "subordinated" debt level of LBOs—i.e., that portion of the financing which would be repaid last, thus demanding the highest interest rates (because the risk was higher).

When Milken was unleashed by Drexel's CEO Fred Joseph to enter the M&A game, he brought with him his team of organized crime-linked speculators—raiders like Carl Lindner and his protege Charles Keating of Lincoln Savings, Meshulam Riklis, Victor Posner, Fred Carr of the now bankrupt First Executive Life, and others, who used funds from the insurance companies they had taken over with Milken's aid as their base of operations—as well as his network of S&L and mutual fund investors.

Yet, even with this vastly increased pool of liquidity available for M&A, it wasn't until KKR opened up the pension funds of corporations, as well as states and cities, that the billion dollar takeover deals of the 1980s became possible. These funds were flush with more than a trillion dollars in them. While efforts to get investments from corporate funds were underway (the first pension fund to invest in junk bonds was that of the World Bank), it was generally conceded that state and city pension funds would be inaccessible by reason of cautious trustees and the likelihood of political fallout.

This didn't stop KKR partner George Roberts (a cousin of Henry Kravis), from keying in on them. "The big state funds, that's where the money in this country is," he said in an unwitting parody of the explanation offered by famous bank robber Willie Sutton for his activities. "And it's certainly where the money in this country in the future is going to be," Roberts added.

Roberts made his first score with a state pension fund when he convinced Roger Meier, an investor in charge of his family's private funds who served as chairman of the Oregon Investment Council (OIC), to place $178 million from that state pension fund with KKR in 1981.

Next, Meier teamed up with Roberts to open up other states to KKR, beginning with Washington State. The chairman of the Washington Investment Board (WIB), John Hitchman, soon became a KKR backer. Washington placed $10 million in a KKR fund in 1982, and followed that with $150 million in 1984, making it the largest investor in that year's $1 billion fund.

The WIB continued to back KKR generously. When KKR took over Beatrice Foods in a $6.7 billion LBO deal (plus assumption of $1.5 billion in debt) in 1986, Washington State pensioners were the single largest owner of the company.

The Beatrice deal is a good example of how risky LBOs can be for investors. Despite implementing "cost-cutting measures," which included spinning off several companies, Beatrice was forced to borrow an additional $1 billion in 1989 to service its debt and avoid bankruptcy. In spite of the shaky nature of the deal, KKR received an advisory fee of $45 million, while Drexel received $86 million in fees.

Both Meier and Hitchman continued to help KKR. Hitchman, as chairman of the National Association of State Investment Officers (NASIO) in 1983, invited Kravis and Roberts to make their pitch to the NASIO national convention. When Meier was chairman of NASIO several years later, KKR was again featured at the convention.

New York Times reporter Sarah Bartlett, in her study of KKR, "The Money Machine," points out that Meier's interest in KKR went beyond his concern with the retirement funds of retired teachers and state workers. By befriending Roberts and working his way into KKR's inner circle, Meier was able to greatly enhance his family fortune, gaining access to what might be considered "insider information."

Both Washington and Oregon continue to place funds with KKR. Although Meier is no longer a trustee, the OIC still has 7.5% of its $8.5 billion pension fund, almost $640 million, in LBOs.

With the state pension funds opening their coffers to KKR and other takeover firms, overall M&A activity during the 1980s totaled a whopping $1.5 trillion. From only $2 billion in completed LBOs in 1980, the totals skyrocketed. In 1984, there were 76 LBOs for $11.8 billion. In 1986, 212 LBOs were completed for $37.6 billion. By 1988, there were 239 completed, for $81.2 billion.

This activity has added hundreds of billions of dollars to total corporate debt, boosted unemployment, disrupted communities affected by plant closings, added billions to the federal deficit by forcing the bailout of insolvent, federally insured S&Ls and commercial banks—and will gobble up billions of dollars more in bankrupted pension funds, insurance companies, and S&Ls when the speculative bubble inevitably pops.

Meanwhile, the dealmakers and their lawyers pocketed an estimated $60 billion in fees during the 1980s, while avoiding billions of dollars in federal taxes through elaborate schemes linked to junk bonds and LBOs.

Next, we examine Skip Humphrey's role in looting Minnesota pension funds.

3 4 0 4 3 5 6 9 2 2 5

Celebrating Friedrich Schiller's Birthday

[illegible] Schiller Institute choreographer Debra Freeman, left, as the Marquis de Posa and the Institute's choreographer as King Philip of Spain perform the climactic scene [illegible]

Special to New Federalist

Nov. 10 (EIRNS)—Maintaining the annual tradition launched in 1984, the Schiller Institute celebrated the birthday of its namesake, Friedrich Schiller, in cities across America this weekend. Born Nov. 10, 1759 in Marbach, Germany, Schiller is best known in this country as the Poet of Freedom, the author of such republican dramas as "Wilhelm Tell" and "Don Carlos."

Opening one of the larger celebrations yesterday in Wheaton, Md., Debra Freeman, the Institute's Southeast coordinator, elaborated Schiller's concept of the beautiful, reading from his version of the parable of the Good Samaritan from "Kallias, or, On the Beautiful." In this piece, she told the audience of over 200 people, Schiller locates freedom as an essential aspect of beauty. "In the Good Samaritan duty has become his nature. His action is beautiful, because it is taken freely out of love."

She contrasted this concept of beauty to the ugliness of life in America's cities, prisons, schools, and so forth. People must approach the campaign to put Lyndon LaRouche in the White House, to end this ugliness, she said, not out of Kantian "duty," but "freely out of love," as Schiller expresses it.

Amelia Robinson's Remarks

Amelia Boynton Robinson, Schiller Institute board member and author of an autobiographical account of the civil rights movement, "Bridge Across Jordan," spoke next. "Remember what Franklin Delano Roosevelt said," she told the audience. "He said there was nothing to fear but fear itself," and that's as true today as it was in World War II. When she started working with Dr. Martin Luther King in 1965, she was warned that he was "dangerous," and to stay away from him. The same thing is said today about Lyndon LaRouche, "but I found out for myself, rather than listen to what others say," Mrs. Robinson said.

Following a potluck supper, a three-hour program of music, drama, and recitation began, presenting highlights of some of Schiller's greatest works, as set by a variety of composers.

The evening's master of ceremonies, Michael Minnicino, cautioned that, while the performances were amateur, that doesn't necessarily mean they are poor. "Amateur actually means 'done out of love,'" he said. Indeed, while not of "professional" quality, the evening's performances conveyed quite powerfully the love which the performers had for the content of what they were performing.

'Our Own Fight for Freedom'

A short statement of greetings by Will Wertz, editor of the Institute's new cultural journal Fidelio, was read before the performances began. Currently in a work release program, Wertz recounted his experience translating Schiller's works for the Institute, while a political prisoner with Lyndon LaRouche. "I want you to realize how deeply connected the works of Schiller are with our own fight for freedom in this nation," he said. "May this celebration equip each of us with the strength and wisdom we will need in order to achieve freedom on the only path upon which it can be found—the path of beauty—which, according to Schiller, is synonymous with love."

The evening's program focused on three of Schiller's major dramas: "Wilhelm Tell," "The Virgin of Orleans," and "Don Carlos," all of which are available in recent English translations through the Institute.

"Wilhelm Tell" is the story of the Swiss patriot who defeated the Hapsburg tyranny to help found the modern nation of Switzerland. The program included several vocal and instrumental arrangements of the music from Gioacchino Rossini's 1829 opera based on Schiller's play, from "The Herdsman's Farewell," by Robert Schuman, and from the "Monks' Chorus," by Ludwig van Beethoven, performed by adult and children ensembles. Rossini's duet between Tell and his son, "Kneel down in silence," was a gripping rendition of Tell's most famous act—shooting the apple off the head of his son, played by Kari Meier, boy soprano, with Tell played by Cal Smith, baritone. The scene from Schiller's play, in which the oath to act against tyranny is sworn at the Rueti meadow, was also performed.

A Program of 'Cross Voices'

The portion of the program from "The Virgin of Orleans," the story of Joan of Arc, opened with a dramatic reading from the Prologue of Schiller's play. This was followed by a lovely soprano solo setting (1804) of two of the lines from that prologue by a contemporary of Mozart's, Joh. Rud. Zumsteeg, and a concert version of the Finale of Act I of Verdi's "Giovanna d'Arco," his loose setting of Schiller's play performed by the Schiller Institute Chorus of Virginia, singing the demons, and the Ben Franklin Youth Chorus, singing the angels.

Finally, from Schiller's "Don Carlos," the most famous scene in the play (Act 3, Scene 10), in which the republican Marquis of Posa engages in a prolonged colloquy on freedom with King Philip II of Spain, was masterfully performed by Philip Ulanowsky (Posa) and Mel Klenetsky (Philip), under the direction of Ken Kronberg.

By presenting a program of "cross voices"—musical and dramatic settings by various composers on the same theme—the Schiller Institute conveyed in a rather unique way the power of Schiller's ideas. In addition to performing them, members of the Schiller Institute had arranged the pieces and translated the words. The evening was, indeed, a demonstration of the kind of renaissance of classical culture which the Institute is striving to bring about in America.

JET Fusion Breakthrough

Continued from page 1

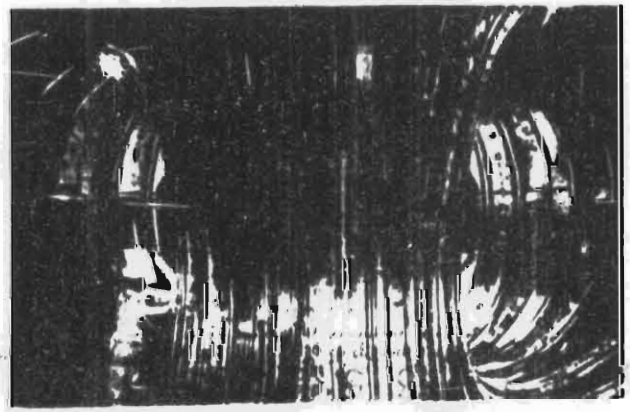
[illegible] day could be placed upon [illegible] development and the ability of society to support a growing population. Soon we have the potential to use nuclear as the fuel of the future.

The use of tritium fuel by JET was a big question. The decision to move to an experiment with tritium by 1990 [illegible] was scheduled for the Princeton TFTR tokamak—reflected the same kind of budget-cutting mentality which is endangering the U.S. space program as well. Indeed, had this mentality fund the tokamaks.

Even the Princeton Burning Power Experiment (BPX) has been dropped for budgetary reasons, although the BPX was a necessary step in ensuring a continuous burn, rather than a burn which lasted only for seconds.

Other problems which must be solved before ITER comes on line concern embrittlement of the containment vessel surrounding the plasma. Thus, the ambitious ITER is not expected to come on line for 50 years.

There is a tendency in the fusion community to put thermonuclear and



Nebraska Pedophiles Try To Destroy a Witness

by Alan R. Ogden

LINCOLN, Neb., Nov. 15 (EIRNS)—The Nebraska Parole Board this week turned down a formal request for a rehearing of its Halloween Day decision not to parole ritual child abuse victim Paul Bonacci. John DeCamp, Bonacci's attorney, has charged that the Parole Board bowed to the pressure of a "cauldron of coverup skillfully executed by powerful and wealthy pedophiles," abetted by the Omaha World Herald newspaper.

In his formal request for the rehearing, DeCamp had argued that Bonacci is being denied his fundamental constitutional rights, including the right to due process of law. The Parole Board will not parole Bonacci unless he submits to being committed to a mental institution' DeCamp warned that this is a blatant attempt to destroy Bonacci, who is considered by nationally recognized experts on ritual child abuse to be an extremely valuable resource in combatting organized child prostitution rings on both the U.S. and Europe.

DeCamp's request for a rehearing on the Parole Board's denial of parole argued that the Board had no legal authority to commit anyone to a mental institution. Incredibly, the Board

the men who abused him have escaped indictment. One of the men whom Bonacci charges with having molested him repeatedly is Omaha World Herald publisher Harold Andersen.

Billionaire Warren Buffett

The continuing attempt to silence Paul Bonacci has national dimensions. The same day Bonacci's parole was denied, the Washington Post ran an astonishing front page article about child abuse victims, the article claimed there is no such thing as organized Satanic child abuse. The Washington Post article exactly paralleled language used in a recent editorial in the World Herald, which demanded that Bonacci not be released into the "clutches" of people who promote the "fantasy" of "a network of Satanic cults and child abusers."

A major stockholder and highly influential figure at the Post is Omaha multi-billionaire investor Warren Buffett, whose name has been in the middle of the Omaha pedophile scandal. During the 1980s, Buffett was a social companion and financial sponsor of Omaha's most notorious homosexual wheeler dealer, former Franklin Credit Union chairman Larry King, whom Bonacci names as the key figure

which is destroying the U.S. space program as well. Indeed had this mentality not prevailed Princeton would have been the first laboratory to use deuterium and tritium as a fuel, and the world would have been applauding Princeton's results this past spring, when a test similar to that at JET was planned.

The ITER

The next step being planned in the ... program as a technologically viable energy source is the construction of the International Test Fusion Material Reactor, which is currently in the design phase. This scaled up tokamak is planned to produce 1 GW megawatts of energy.

The ITER is a very exciting project, ... there are many problems which ... will become a viable prospect. Therefore some scientists propose that it would be more sensible first to build a scaled down pilot project ... a 5 to 10 megawatts power ... connected with ITER ... other fusion experiments, including very ... concept ma...

There is a tendency in the fusion community to pit thermonuclear and cold fusion against each other. On the one hand, "hot" fusion scientists call cold fusion a fraud, while the cold fusion scientists say that fusion at room temperature will make thermonuclear fusion unnecessary.

This unfortunate mentality is created by the budget-starved environment in which all scientists are working today. It would seem obvious that every aspect of the fusion process should be intensively studied, before any decisions are made which would rule out a whole area of science and associated technology.

New Chapters in Science

Simply from the point of view of basic science, we certainly wish to study fusion plasmas in vacuum conditions thermonuclear fusion and fusion processes which take place within metals (cold fusion)—and, as history has shown, by studying both simultaneously, our understanding of each process will be immeasurably increased. Undoubtedly, as it opens up new areas of basic science, such an effort will lead to new dimensions in our understanding of astrophysical processes and life processes as well.

It is difficult to predict what the spectrum of uses of fusion will be in the future, from thermonuclear to cold fusion, but even today both programs can be productively integrated. Cold fusion cells produce tritium. The amount of this production will grow as we gain control of the whole process. Tritium from cold fusion should cost as little as 1% of the cost of tritium produced by present methods.

By relieving the power generating tokamak from the burden of breeding its own fuel, or the cost of purchasing it, we will make possible not only significant savings in the capital and operating costs of such a plant, but, undoubtedly, also simplifications in its design, since one aspect of the problem of developing adequate materials for containment of the plasma in face of embrittlement is treatment of the neutrons.

It is also not to be ruled out that research in cold fusion and other areas which may be opened up as a result of scientific and engineering discoveries associated with this research, might lead to new ways of dealing with the difficult materials problems associated with bombardment by neutrons.

Just as was man's first step upon the Moon, so the JET results are another great step forward for mankind. We are justly proud of our own continuing role in this process.

INTERIOR OF the inconel vacuum vessel in which the hot gases are confined, at the Culham Laboratory in England.

institution. Incredibly, the Board turned down DeCamp's request on the grounds that the Board had painted Bonacci (never mind that he's still in jail)—that he has only to agree to go directly from jail to a mental institution, and that there's nothing left to discuss.

Bonacci, now 23, was homosexually abused, starting at the age of 6, by a large number of pedophiles who, he says, included prominent Omaha businessmen and government officials including U.S. Congressmen. He has courageously told his story to two grand juries and a state legislative committee, naming the key figures and providing detailed testimony on drug running, child pornography, Satanic cults, and child prostitution, and on child kidnapings and homicides to which he was an eyewitness.

The key witness in the long running scandal known as the "Franklin case," Bonacci has come under intense pressure and intimidation by the FBI and local police to recant his testimony, which he has consistently refused to do. He has been in jail since 1989, charged with a morals violation, while in a far flung child exploitation ring.

Buffett himself, now interim chairman of the Wall Street firm of Salomon Brothers, was the subject of a two page feature article last week in the Wall Street Journal, which discussed Buffett's "killer instinct" and his leadership of a "circle of 13" (a term which happens to be used among the cognoscenti to describe witches' covens).

Johnny Gosch Kidnaping Case

In Des Moines, Iowa, the parents of child kidnaping victim Johnny Gosch, who was abducted there 9 years ago on his paper route and has never been found, have given interviews to local television and newspapers describing their visits to Bonacci in jail, and endorsing his truthfulness. Bonacci, himself held captive as a child prostitute at that time, was taken along by the kidnaper the day young Gosch was abducted, and has provided Johnny's parents with valuable evidence about the subsequent whereabouts of their missing son. The conclusion is inescapable. Those who wish to destroy Paul Bonacci wish to destroy the evidence along with him.

Bush Demands GATT Food Cuts; Millions Face Hunger

continued from page

... reached an ... the Soviet ... attacks ... have ... the ... Soviet ... GATT ... reduction ... and ... market ... exports can be ... the ... the ... If an ... contribu... ... the ... from ... Europe and ... waiting for the ... prices ... cartels to ... markets with ... free ... governments an... to the U.S. on ... GATT they will further destroy the livelihood of independent farmers to the benefit of the cartels, which want to penetrate protected markets with cheaply produced food. And the EC governments will undoubtedly meet with further protests.

Reforming CAP

Today, EC Commissioners began negotiations efforts to reform the European Community's CAP, the system which protects European farmers by maintaining prices and productivity. The "reform" will reduce market price supports and turn to a U.S. system of compensation. The farmers are to be paid a subsidy to compensate for low-ering market prices, and must agree to take land out of production to qualify for the subsidy. The cartels reap the benefits by paying lower than cost on the market for a farmer's produce.

Nov. 12 10,000 German farmers demonstrated on the streets of Stuttgart, carrying banners saying, "Parity Prices—Not Alms," and "If the farmer dies in the West, we will have food rationing in the East." At a meeting of 600 angry farmers in Bessen two days later, the head of the German Farmers Federation was challenged for his inaction on the crisis. Across the world in South Korea on Nov. 21, the National Agricultural Cooperative, a major farmers' organization, launched a drive for 1 million signatures against rice imports.

The most positive initiative has come from France, where farmers, mainly livestock producers, have been demonstrating—up to 200,000 strong—against low prices and cheap imports of meat from Eastern Europe. These farmers pressured the government to sign an agreement to deliver 400 metric tons of meat to Moscow and the Russian Federation, in exchange for oil. This takes care of whatever meat surplus the French had, belying the claims of the cartels that to cut surpluses, it is necessary to cut production.

Dairy farmers in the United States, who will be destroyed if import restrictions are eliminated under a GATT agreement, have taken a similar course, dramatizing the need for more production and higher prices by sending milk powder to starving children in Iraq.

The Effect: Starvation

The effects of years of looting of agriculture around the world can be seen in the terrible increase in hunger and starvation. In the U.S., one in 10 people must rely on food stamps to survive, the majority of recipients run out of stamps by the third week of the month, and go hungry. Mass starvation is engulfing Bangladesh, Iraq, and sub-Saharan Africa. Moscow has started food rationing. World grain reserve stocks are below the 17 days' minimum supply recommended by the UN, and world grain production fell 2.5% in the last year. An agreement between the world's largest food producers, the U.S. and the EC, to cut production further, is an agreement for genocide.

Bush made plain he intends to crush European farmers in order to achieve a mythical "export driven" recovery for the U.S., in his speech Nov. 13 to the Future Farmers of America in Kansas City. There he called on young Americans to become the Arnold Schwarzeneggers of a "Tough Global Marketplace," a bizarre reference to the actor's image of wreaking mayhem on his enemies. In truth, the only beneficiaries of the GATT process are the multinational bankers and grain cartels, which will profit from cuts in the incomes of European producers, and from gaining access to European markets for more cheaply produced U.S. and Third World products. The cartels will then control all world food production—determining who eats and who dies.

The reality driving the Bush administration's haste to conclude a GATT agreement was evident at the October meeting of the International Monetary Fund Bankers in Bangkok, Thailand. There, Fund head Michel Camdessus demanded that agricultural subsidies, particularly in Europe, be cut $100-400 billion, in order to sustain the usurious debt bubble whose bursting could collapse the international banks.

What is the science mafia trying to suppress?

Find out in the Fall 1991 issue of 21st Century Science & Technology

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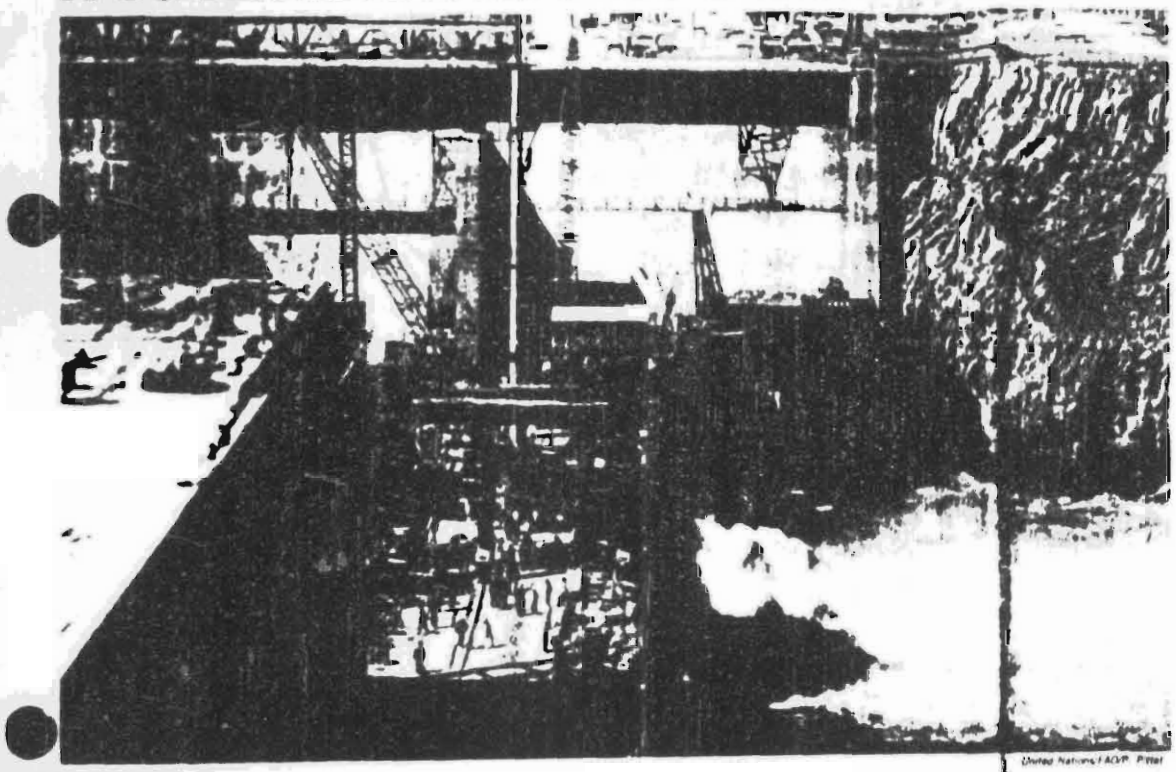
AMERICAN *Almanac*

A SCHILLER INSTITUTE POLICY PROPOSAL



United Nations/FAO/P. Pittet

Egypt's Aswan Dam under construction in 1965

For a True Fourth U.N. Development Decade

This proposal was prepared under the direction of Lyndon H. LaRouche, Jr. and his wife Helga Zepp-LaRouche. Lyndon LaRouche is a physical economist who has devoted his life to development economics. He is currently a political prisoner in the United States, and a leading Democratic candidate for U.S. President. Helga Zepp-LaRouche is the founder and chairman of the Schiller Institute, as well as the founder of the Club of Life. The

> "The time has come to replace the dictates of the New World Order imposed upon the peoples of the earth by the ruling elites in Washington and London

of man collapse, the most AIDS and cholera take victims at alarming rates. The health breakdown of mankind is closely linked to poverty, as indicated by the spread of two "marker diseases" for acute poverty—AIDS and cholera. As can now be charted, the epidemiology of the HIV virus conforms to the deep pockets of world poverty—from central Africa to New York City. Incidence of cholera cases and deaths are directly associated with the breakdown in public health such as basic sanitation

fied economic sanctions still being imposed against innocent Iraqi children, and the unfolding genocide being encouraged against Croatian freedom fighters, fear that were they to exert their sovereign rights to self-development, they would be risking economic warfare or even military invasions.

II. The Alternative: A True Fourth Development Decade

Therefore, the time has come to replace the dictates of a New World Order imposed upon the peoples of the earth by the ruling elites in Washington, London, and a handful of other nations with a *new, just, world economic development order*, by adding "justice" and "economic development" back into the plan for the world community of nations.

The political form of this proposal must take its guidelines from the tendency of our age—as events have been heading in the former Soviet Union—to reject "Empire" and instead promote a "*community of principle among sovereign nation states*."

We propose as the principal theme for this *community of principle among sovereign nation states* the following: **A True Fourth Development Decade.**

Since the remnants of the Versailles and Bretton Woods system are shattered, it is necessary to start with a new monetary system.

The new monetary system should be based upon a combination of proven methods on which the nations of the world can agree—a combination of the original Bretton Woods gold reserve (not gold standard) arrangement with the American System of national banking which the George Washington administration under Alexander Hamilton adopted in the form of the First National Bank of the United States.

In this arrangement, new credit is generated for productive investment in industry, agriculture, and transport when other sources of public credit have broken down. The new credit is prioritized through long-term, low interest investments into such productive infrastructure and research and development in order to create ever new technological improvements. By achieving advances in productivity through technology, the power of man's labor is increased.

So as not to repeat the mistake of the Soviet economic system, by infrastructure we do not only mean large-scale enterprises. Infrastructure associated with small-scale entrepreneurs and family farms plays a vital role in promoting development, together with Great Projects. Among the nation-states of the former Soviet Union, means for coordinating economic development are still required.

upon a desire to end the spread of chaos through the world monetary system by returning to a twofold policy of:

1. long-term low interest rates for investment in large-scale development projects, and
2. stable parities among currencies.

These aims can only be achieved through once and for all discarding the International Monetary Fund and related institutions, and replacing them with a new institution based upon the historic ideas of development and economic justice developed by the opponents of radical free market approaches—Leibniz, Colbert, List, Hamilton, Carey, Stolypin, Witte, and Sun Yat Sen—and carried into the modern era by the school of physical economy associated with Lyndon H. LaRouche, Jr.

The coming into being of the new institution ought to be the natural outcome of an immediate Preparatory Meeting with the mandate to:

1) establish a coordinating committee for large-scale regional development projects throughout the world;

2) launch an emergency global effort to halt the spread of deadly pandemics and famine by producing the means to raise the standard of living of all people;

3) establish the basis for issuing long-term low-interest loans for development and currency stability based upon such a new hard-credit system.

The mandate for this Preparatory Meeting shall be strictly controlled by three limiting principles:

1) protection of national sovereignty;
2) a definitive end to usury and slavery;
3) a recognition that health and physical well-being is an inalienable right of man.

III. Why the First Three Development Decades Failed

In advancing the proposal for a True Fourth Development Decade, we should briefly identify the twofold reasons why the first three Development Decades failed.

Reason Number 1. The aims of development were aborted because the world financial monitoring institutions left over from the World War II era—namely, the International Monetary Fund (IMF), World Bank, GATT, Bank for International Settlements—did not establish their policies with democratic policy representation among the vast majority of nations. Furthermore, these institutions were established before the breakup of empires and therefore reflected *neo-colonial* biases in their structures and policies. Now that many of these institutions and the handful of global banking institutions whose interests they serve, have proven themselves unprepared and incapable of ad-

True Fourth U.N. Development Decade: A Concrete Solution to the World Economic Breakdown Crisis. A Discussion Paper for the 46th Regular Session of the U.N. General Assembly," by Warren A.J. Hamerman on September 12, 1991

I. Introduction: The Current World Crisis

The Fourth U.N. Development Decade officially began this year, 1991, at a moment of unparalleled importance in all human history.

The current world economic crisis is unbearable for mankind.

At the same time the breathtaking events which have unfolded in the former Soviet Union and Eastern Europe over the past few months have given hope to all mankind and truly made this a unique historic moment—a time when freedom is in the air.

Yet, the vast majority of the peoples on earth, from Africa to the Middle East, Ibero-America, Eastern Europe, and the poor, especially the minorities in the United States, live in total misery, starving and diseased, without adequate shelter and medical care.

The current situation of world collapse has been caused by the complete breakdown of the international monetary system founded in the Bretton Woods agreements which established the basis for the International Monetary Fund (IMF), World Bank, and related institutions. The ongoing and continued breakdown of the Anglo-American monetary system broke these Bretton Woods agreements as a functioning world financial system.

economic development order."

This actual breakdown of the functioning Bretton Woods system occurred back in the period 1968-1972, and was caused by the collapse of the Anglo-American financial system. The breakdown began with the collapse of the British pound in 1967, the removal of the U.S. dollar from the gold standard in 1971, and the failure of the Azores Conference in 1972. Thus, for a period of over two decades, the world has not had a coherent monetary system. Under the influence of policies such as deregulation of banking, pure speculative bubbles, of the sort depicted by French Nobel Laureate Maurice Allais, have proliferated.

To hold up these gross speculative bubbles, the economies of the world have been sucked dry. The remnants of the Versailles and Bretton Woods financial systems are shattered.

The more the fundamental living conditions of mankind have deteriorated, the more the speculative bubbles have grown. Now, the bubbles have burst, and the world economy is in a state of depression collapse. For instance, studies show that approximately 20 percent of the inner city black and hispanic populations in New York City are already HIV-positive. Similar rates of HIV positives were measured by scientists in the inner city of Baltimore, Maryland.

The proliferation of pandemics is caused by the fact that the world economic crisis has reached catastrophic proportions. No one can doubt that neither the Marxist economic system nor liberal Adam Smith free market economics has proven able to deliver food, shelter, education, and medical care for the majority of the people suffering under these collapsing economic systems. For instance, in Eastern European experiments, both the Marxist system and radical free market approaches have proven to be equal failures.

The greatest part of mankind today lives in fear of repression without the inalienable rights, dignity, and securities appropriate to the sacred children of God. Many in the Third World who have witnessed the invasion of Panama, Washington, D.C.'s support given the Tiananmen Square massacre in China, the unjustified war in the Persian Gulf, and the continuing genocide in Bosnia, have come to the conclusion that the "new world order" is a new form of colonialism.

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Credit mechanisms have to be in accord with national sovereignty, since credit is created and regulated at the level of sovereign nations. National credit systems, organized through a national bank along the design of that of the new American republic during the late eighteenth and early nineteenth centuries, not over-reliance on borrowing from abroad, is the foundation of productive economic investment and output.

A True Fourth Development Decade is based *quid non* for all development. The "one world" conception is hostile to the idea of national sovereignty. In contrast, the community of principle is based on the notion of national sovereignty.

National sovereignty itself rests upon a common spoken and written language and is expressed through poetry and music. A common spoken and written language is necessary to communicate policy. Populations cannot function as informed citizens unless there is a common basis for cooperation on the same set of principles. To tamper with the idea of national sovereignty, condemns mankind to the tragic fate of the Tower of Babel.

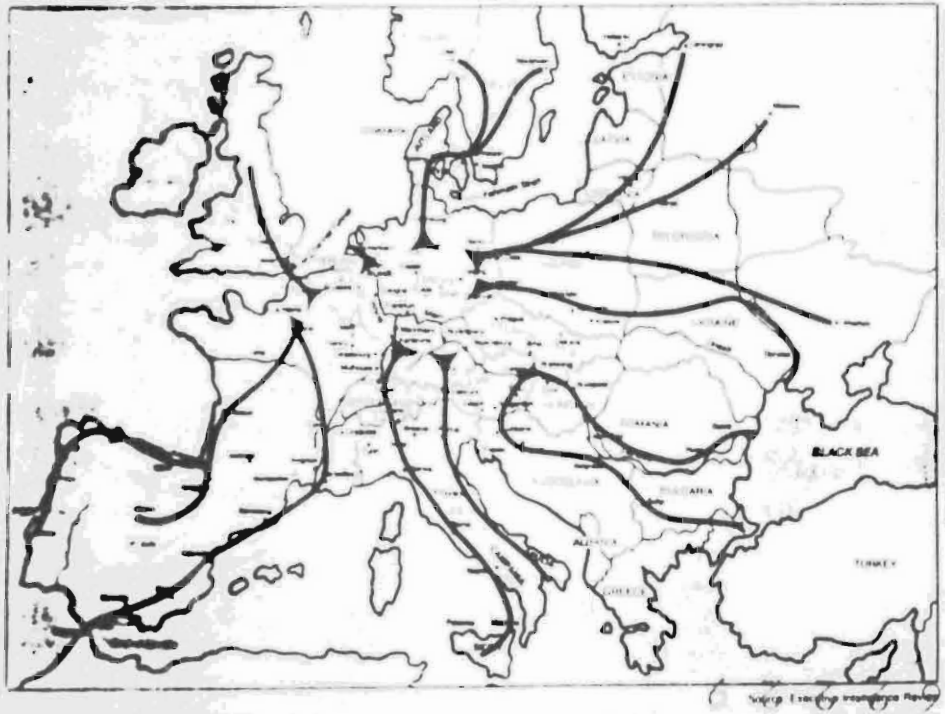
A True Fourth Development Decade is based on the principle of national sovereignty, and is therefore hostile to the idea of a new, more brushed aside for the creation of new, more freedom-ordered post-colonial institutions.

Reason Number 2: Certain ruling elites were determined to re-impose the old order even at the cost of brutally conducting large-scale racial Malthusian genocide on a scale 100 times worse than Hitler. For instance, a series of formerly classified documents authored by U.S. National Security Directors Henry Kissinger and Brent Scowcroft in the period 1974-1977, argued that conceptions such as "the new world economic development order" created "excessive optimism" among the peoples of the Third World, would encourage their increase in population, and were therefore a national security threat to the United States. The most explicit of these documents was National Security Study Memorandum 200, or NSSM 200, titled "Implications of Worldwide Population Growth for U.S. Security and Overseas Interests." It targetted 13 Third World nations for radical depopulation programs and disparaged the efforts of the movement for a New World Economic Order, and the Vatican for encouraging economic optimism and resistance to depopulation plans.

Please turn to page 11, col. 1

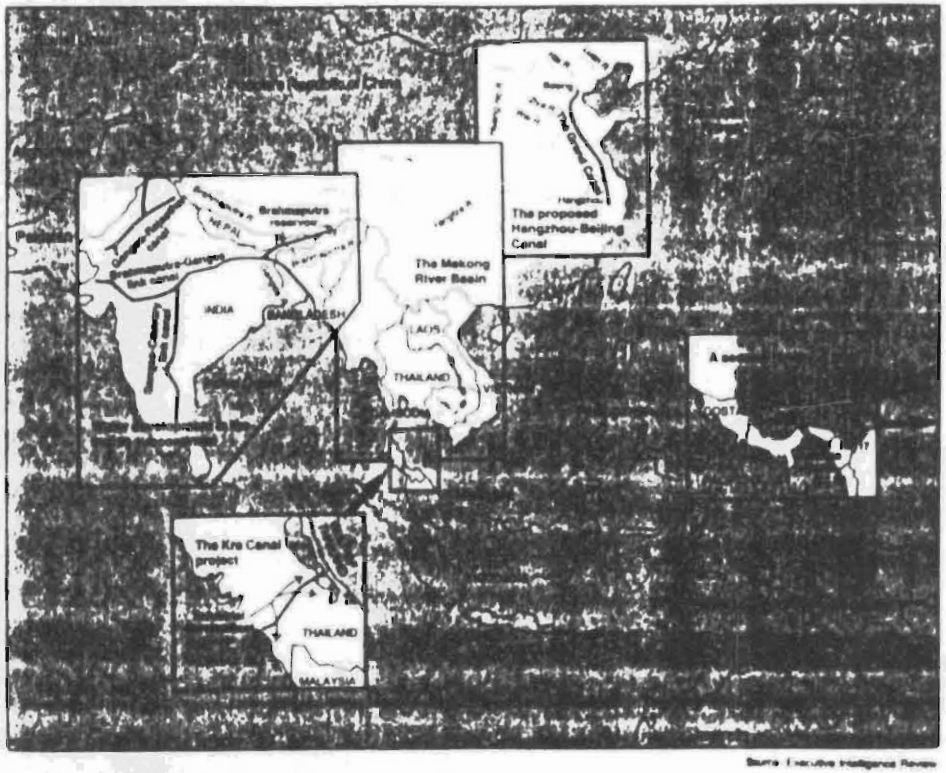
"LaRouche has proposed the Productive Triangle Program for Western and Eastern Europe, to unleash the economic development potential in the triangle between Berlin, Vienna, and Paris as a productive engine for the world economy."

LaRouche's Proposal for a European Productive Triangle



Source: Executive Intelligence Review

Development Projects for the Indian Ocean-Pacific Basin



Source: Executive Intelligence Review

"The Fourth Development Decade will feature a series of Great Projects for Asia, including: the Ganges-Brahmaputra project for water management; the Mekong development project; and the construction of the Kra Canal in Thailand."

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AMERICAN *Almanac*

The Establishment Media Doesn't Dare Report

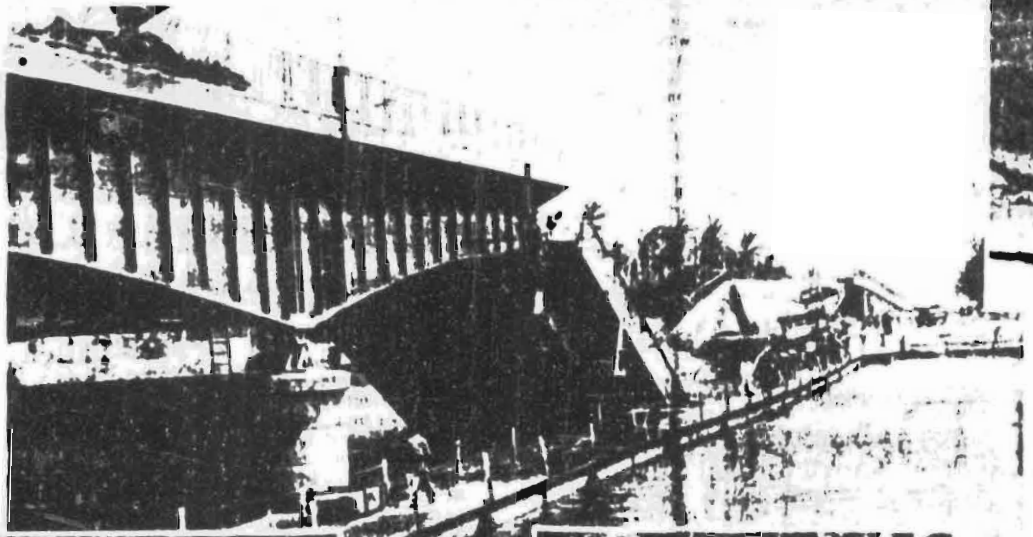
WHAT BUSH'S SANCTIONS ARE DOING TO IRAQ

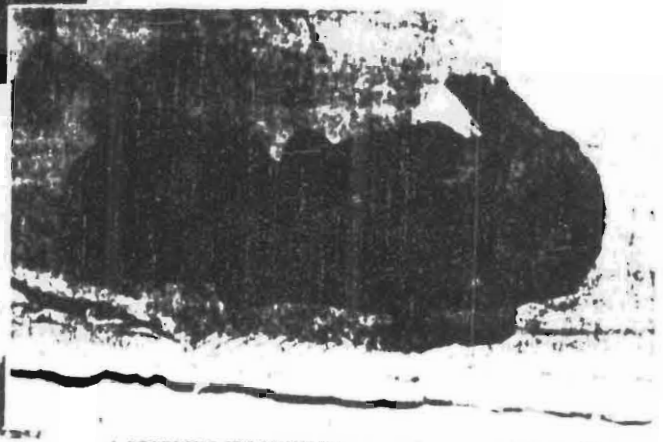
The pictures on this page were provided to *New Federalist* by individuals who have personally witnessed the genocidal results of George Bush's sanctions against Iraq.

A SEVERELY MALNOURISHED IRAQI BABY: In February of this year, a joint WHO-UNICEF team found that 440,000 children below one year of age were receiving no more than between 750 and 1,000 calories a day.

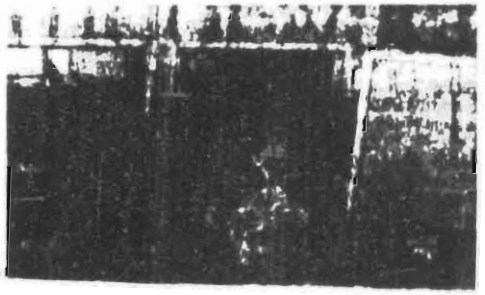
A BOMBED-OUT MILK PROCESSING PLANT: [illegible]

THE REMAINS OF A BRIDGE: [illegible]

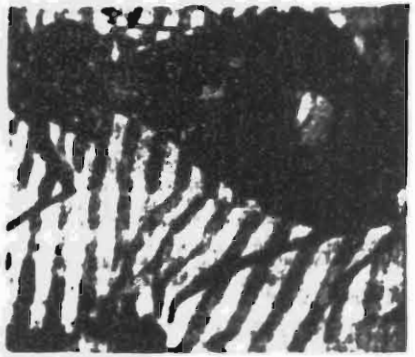




A STARVING IRAQI INFANT: The U.S. government has repeatedly rejected Iraqi requests to use its own frozen assets abroad to purchase urgently needed milk, food, and medicine for its population.

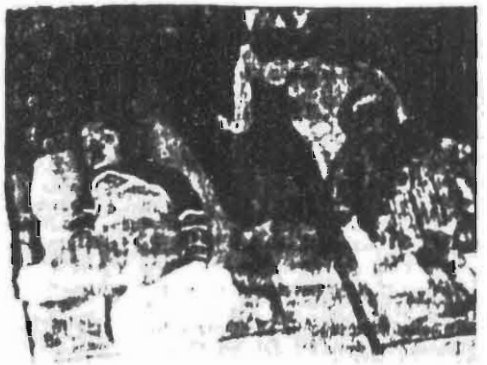


A JUVENILE VICTIM OF THE FEBRUARY 13 AMARIYAH SHELTER BOMBING: This was a most heinous crime in which 333 civilians, mostly women, children and elderly were killed. Iraqi Foreign Minister Ahmed Hussein said in an October 18 letter to the United Nations



AN ADULT VICTIM OF THE AMARIYAH SHELTER BOMBING IN BAGHDAD: This deliberate bombing of a civilian shelter in Iraq's capital told the world that the war had nothing to do with freeing Kuwait, but was a campaign of genocide against the Iraqi people

MORE CIVILIAN VICTIMS IN A MORGUE: "It wasn't a war, it was genocide," Raphael Bidawid, the Roman Catholic Patriarch of Iraq (Chaldean Rite) charged on March 4



A GRIEVING MOTHER IS HELD BACK BY OTHERS AT THE SITE OF THE AMARIYAH BOMBING: Was it [illegible] the U.S. government and the United Nations that an entire [illegible] for the pretext of implementing inter[illegible] Foreign Minister Ahmed Hussein asked in an October 18 letter to the United Nations

IRAQ'S CHILDREN APPEAL FOR THEIR LIVES AND THEIR COUNTRY: Three emergency shipments of food and medicine have been organized by the Schiller Institute's Committee to Save the Children in Iraq, and other organizations are sending aid. But no amount of humanitarian aid can save a population of 18 million—the sanctions must be lifted

THE SANCTIONS AGAINST IRAQ MUST BE LIFTED!

Bush's Genocide Continues in Iraq

"Most of Iraq's population of 18 million is directly exposed to water-borne disease in their potable water supply."

An international study team organized by the Harvard University School of Public Health, Oxford University and the London School of Economics has provided new evidence on the genocide being imposed on Iraq by continuing U.S.-imposed sanctions. The team, which was composed of 31 physicians, engineers, and other researchers, visited Iraq from August 31 to September 8 in order to study the health and welfare of the country's children. On October 31 the team released a several-hundred-page report on their visit, titled "Health and Welfare in Iraq after the Gulf Crisis." The report has predictably received little coverage in the U.S. establishment press. What follows are excerpts from their study.

A young victim of George Bush's genocidal sanctions against Iraq.

Health Facility Survey

The study team included five health professionals (three medical doctors and two public health specialists) who visited 30 hospitals and 17 community health centers located in nearly all governorates of Iraq. At each hospital, they conducted ward prevalence studies of admitted patients, interviewed hospital directors, department heads, and physicians, and analyzed medical and hospital records of malnutrition and disease. The ward-based analysis concentrated on patients under the age of five.

Mortality for patients under five years of age varied dramatically throughout the country. For example, at Saddam Pediatric Hospital, it has increased 2.9 times for the first seven months of 1991, while at Basrayah, an increase of 1.2 fold was documented. The incidence of diseases was similarly uneven. With the improvement of Baghdad's water supply, the rate of communicable diseases in Baghdad has substantially diminished in recent months, while in southern Iraq the morbidity pattern is substantially more acute and persisting at epidemic or near-epidemic levels.

Due to lack of water and detergent, sanitation was poor in nearly every hospital visited. The supply of water to most hospitals and health centers is sporadic. In a bacteriological survey conducted in southern Iraq, 30 percent of hospital water sources were grossly polluted with coliform, indicating fecal contamination. In Kurdish areas, tested water supplies of hospitals found heavy coliform pollution. Moreover, the water that is supplied is often contaminated with fecal matter. Lavatories are clogged. At several hospitals, raw sewage had backed up into the wards.

Electrical Facility Survey

The project surveyed the conditions of most major electrical facilities in Iraq. The sites were selected by team members to gain a com-

"Government food distribution covers at best one half of the nutritional needs of the population. Many households have to sell their assets to complement food rations with market purchases."

water treatment plants inspected operated at 100 percent capacity. Water distribution and purification suffer from minimal flow and lack of chlorine, which is being rationed at all plants. The primary factors impairing water treatment and purification do not result from damage caused by the war and civil uprisings, but from a lack of spare parts and chlorine. Wastewater treatment, water delivery, and purification are also substantially limited by the lack of electrical power.

Reduced water flows and insufficient levels of chlorine in the distribution system promote the incidence of water-borne diseases. The lack of electrical power has eliminated wastewater treatment in Baghdad and southern Iraq, and raw sewage is being discharged into waterways. Sewage treatment is also dramatically reduced because of a lack of chlorine, spare parts, and reliable electrical power. The study team estimates that if current trends continue, the entire water treatment and delivery system will deteriorate to the point of collapse. Within a matter of months, those critical public services are expected to be operating at only 5-10 percent capacity.

Environment and Agricultural Survey

Environmental and chemical engineers investigated and interviewed public health officials, environmental regulators, and local residents concerning the environmental and public health consequences of the Gulf crisis.

Team members collected drinking water samples at 158 randomly selected households in all 18 governorates in Iraq. The sampling framework of the public health survey team was used to collect drinking water samples.

Most of Iraq's population of 18 million is directly exposed to water-borne disease in their

ty, private incomes, public distribution and household consumption.

More than a year of war and internal conflicts have had a disastrous impact on the economy. The destruction of the economic infrastructure and an acute shortage of imported inputs have caused a considerable decline of ouput and wage employment (especially in the private sector). The reduction of formal employment opportunities, and the general impoverishment of the population, have led to a large-scale expansion of "informal" self-employment (e.g. street vending).

Overall, money earnings have remained more or less unchanged for the majority of the population since August 1990. Over the same period, consumer prices have sharply increased due to trade restriction, exchange rate depreciation and reductions in subsidies. The food price index has risen by 1,500 to 2,000 percent.

Correspondingly, real earnings have fallen to less than 7 percent of their pre-crisis level, in terms of purchasing power over food. In terms of private incomes, the incidence of poverty is now greater in Iraq than in, say, India: the collapse of private incomes has been further aggravated by the deterioration of many basic public services.

These adverse developments have been partly compensated by the expansion of public food distribution. Iraq's public distribution system, which covers all residents (except in areas not currently administered by the government, particularly the north), is equitable and efficient. However, food distribution covers at best one half of the nutritional needs of the population. Many households have to sell their assets to complement food rations with market purchases.

Overview and Discussion

6.1. Selective overview of findings. The following are selected conclusions that have a particularly important bearing on the current debate about sanctions.

It is not our brief to defend a particular position in the current debate on economic sanctions against Iraq. However, our enquiry would be incomplete if we failed to take note of the implications of our findings for some important aspects of this debate.

Before entering this discussion, one general point deserves emphasis. The "effects of the sanctions" have often been analyzed in terms of what these sanctions do to aggregate commodity supplies—how far food supplies, or medical supplies, or the supply of cement fall short of ordinary levels. What really matters, however, is how the sanctions affect the ability of consumers (or producers, in the case of raw materials and intermediate inputs) to acquire the commodities in question. "Effective sanctions" in that sense can be quite different from what sanctions look like on the basis of supply-centered analysis.

For instance, now that the embargo on food imports has been lifted, it is tempting to assume

tered by the United Nations or other international bodies, as has been suggested from time to time in public debates. Rather, the crucial need is to ensure that the government of Iraq has the financial means to sustain (or, even better, expand) the existing system of public distribution.

Second, it is rather hard to understand why a narrow limit should be imposed on Iraq's exports of oil, if—as specified in Resolution 706—the proceeds from oil sales are ear-marked for the provision of essential "humanitarian" needs under close U.N. supervision. The government of Iraq has a proven ability, and strong political incentives, to expand public provisioning on a large scale in the domain of food rationing but also in those of health care, education, water supply, sewage, sanitation, and power supply, among others. Allowing this process to take place would not conflict with the current directives and stated aims of the embargo.

Indeed, paragraph 23 of Resolution 687 clearly empowers the Sanctions Committee (alias Security Council) to authorize "exceptions to the prohibition against the import of commodities and products originating in Iraq" when these are "required to assure adequate financial resources on the part of Iraq to carry out the activities under paragraph 20"; these activities refer not only to unrestricted purchases of food and medicines, but also to imports (under the "accelerated no objection procedure") of "materials and supplies for essential civilian needs as identified in the [Ahtisaari report] and in any further findings of humanitarian need by the committee." It may be recalled that both the Ahtisaari report of March 1991 and the Aga Khan report of July 1991 (which can surely be included under what Resolution 687 calls "further finding of humanitarian needs by the [Sanctions] committee") provided lists of materials and supplies for essential civilian needs covering a wide range of commodities. These included food, drugs, vaccines, medical equipment, fertilizers, pesticides, agricultural machinery and spare parts, generators, water treatment equipment, sewage disposal equipment, means of alternative communication, and the inputs required to regenerate essential domestic power supply, fuel production and telecommunications.

It is, therefore, hard to reconcile the stringent limit of U.S. $1.6 billion on oil exports imposed by Resolution 706 (of which less than U.S. $1 billion will be actually available for humanitarian purposes) with the stated principles of the embargo. As was discussed in Section 2.2, this limit falls far short of even the most conservative of all the estimates of Iraq's humanitarian needs contained in recent reports submitted to the Secretary General at the request of the Security Council.

Third, while public provisioning in Iraq can avert famine, epidemics and other confined catastrophes, it cannot—on its own—usher the economic transformation that is required to eliminate hunger and achieve a significant reduction in poverty. As we saw earlier, the value of food rations at their current levels represents only about 20 percent of the current value of the pre-crisis food basket of the average Iraqi household. Even an expansion of public distri-

Within hospitals, infant and child malnutrition is clearly the most significant problem documented by the health facility team. Among inpatients at Erbil Pediatric Hospital, the prevalence of malnutrition as an admitting diagnosis was 71 percent, at Sulaymaniyah, 66 percent, at Mosul, 66 percent and at Ramadi Pediatric Hospital, 61 percent. Food shortages and frequent gastroenteritis appear to have contributed to a very high level of malnutrition. This is reflected in the large increase in low birth-weight babies. As an example in Kut, low birth-weight babies represent 30-50 percent of all live births compared to 13-14 percent in 1990. The cost of infant formula on the open market has increased 1,300-1,800 percent since August 1990.

In addition, water borne diseases including typhoid, gastroenteritis, and cholera are epidemic. Hepatitis has increased throughout Iraq and by as much as 100-fold in some areas. Meningitis is now widespread in southern Iraq. With the damage to child vaccination programs, such preventable illnesses as measles and polio are resurgent.

Strained health facilities operate at only a fraction of pre-crisis levels. Most lack even basic medical supplies such as vaccines, antibiotics, anesthetics, and syringes. Medicines are in extremely short supply. As a result, infectious diseases go untreated. There is little or no chloramphenicol for typhoid, fluids for rehydration of those suffering from cholera or gastroenteritis, or antibiotics for meningitis. Lack of vaccines and poor sanitary conditions have resulted in outbreaks of previously uncommon and preventable childhood diseases such as polio, measles, and tetanus.

Drugs for chronic diseases are also unavailable. The rate of recurrent stroke has increased substantially because patients with heart disease are unable to obtain and ongoing medication. Teenage diabetics are dying because they cannot obtain insulin. Children with treatable leukemia are dying for want of cancer drugs are largely non-existent. Laboratories, X-ray units, neonatal units, and operation theaters either do not function or provide only limited services.

prehensive picture of conditions throughout the country. The study was comprised of site inspections and interviews at 24 facilities over a ten-day period.

During the Gulf crisis, enormous damage was inflicted upon the electrical generation infrastructure of Iraq. Since the ceasefire, electrical generation has been restored to about 68 percent of the 1990 peak load (5,162 megawatts MW) but, to only 37 percent of the installed capacity (35 MW). The study estimates 75 percent of electrical transmission lines are operable. All repairs have been done using salvaged parts and improvised methods.

Much of this repair, especially on the switchyards and first span connections to transmission, does not meet normal standards of construction, poses increased safety risks, and is likely to break down. Without spare parts, replacement and further repair will not be possible. The store of salvageable parts is depleted. Iraq does not have the capability to manufacture the necessary items. Many are specific to foreign companies from Europe, Japan, and North America that built or supplied all the power stations.

Finally, the study team documented the profoundly negative impact that the damaged and ill-repaired power generation system has had on, and will continue to have on, water purification and wastewater treatment and public health infrastructure generally.

Water and Wastewater Systems Survey

Civil and chemical engineers, inspected water and wastewater treatment plants, distribution systems, and collection systems in all parts of Iraq. Twenty-eight facilities including eighteen water treatment plants, eight wastewater treatment plants, one water supply and one aluminum sulfate plant were visited in thirteen cities.

Much of Iraq's water and water purification facilites function at only a fraction of pre-Gulf crisis levels or not at all. Only one of eighteen potable water supply Each sample was tested for coliform or fecal contamination. The results were 106 positive for gross coliform contamination, 25 confirmed negative, and 27 unconfirmed negative. Roughly half the areas tested, weighted according to population density, showed positive evidence of gross fecal contamination. Only in Baghdad, where coliform media sampling was used, did over half the samples test negative. Team members documented unsanitary water source and waste disposal conditions in all cities surveyed. Common conditions observed included: 1) solid waste accumulation in the streets due to the lack of collection and landfilling equipment, 2) raw sewage overflows in the streets and around homes, 3) raw sewage being dumped directly into the rivers due to impaired or inoperable wastewater treatment plants, 4) children bathing and playing in these rivers, 5) people with little to no tap water supply because impaired or inoperable water treatment and distribution plants cannot generate adequate line pressure, 6) people drawing drinking water directly from the rivers, and 7) people drinking water from holes dug in watermains, which are often contaminated by cross connections from adjacent sewage pipes.

The team found that direct sewage contamination of water supplies results from two primary causes: inadequate chlorination of discharges or bypassing treatment entirely; and contamination through breaks in the watermains.

Over 60 percent of the population in five of the seven governorates surveyed no longer have tap water available in their homes because of low water supply system pressure. The low pressure is caused by lack of spare parts to maintain pumps, power outages, and breaks in the water mains.

Income and Economic Survey

Two economist members of the team studied the impact of the Gulf crisis on economic activi-

that there is no need to worry about the food situation in Iraq. Indeed, food seems to be readily available from neighboring countries, and in that sense "food supply" is no longer a problem in Iraq. However, as we saw again and again in this report, nutritional deprivation remains endemic, and may even be increasing. Effective sanctions on food remain due to the crippling effects of general sanctions on economic activity and employment, despite the formal exemption spelt out in Resolutions 687 and the ready availability of food from neighboring countries.

First, sustaining the public distribution system in Iraq is clearly the key to famine prevention in the short run. If the public distribution system runs out of supplies or breaks down for some other reason, widespread starvation is almost certain to result. The system works well, and it would be senseless to attempt to supplant it with a parallel distribution system adminis-

expected in the near future would fail to restore normal food intakes, let alone bring real wages and incomes back to their pre crisis levels (about 15 to 20 times as high as current ones). The elimination of hunger and poverty in Iraq crucially depends on the regeneration of private incomes through economic activity and employment.

In the absence of international trade, the economy comes to a grinding halt—especially when the effects of sanctions are compounded by war related destruction.

War and prolonged sanctions have caused such comprehensive damage to the Iraqi economy that it is now impossible to maintain these sanctions in their present form without perpetuating, and perhaps even accentuating, the state of acute poverty in which a large part of the population is now plunged. The debate about sanctions cannot ignore this simple truth.

Food Price Increases in Iraq Since Sanctions

Food item per kg*	Price per unit (Iraqi dinars) Aug. 90	Aug. 91	Increase over 1 year
Wheat flour	0.05	2.42	4,531%
Milk (powdered)	0.75	27.33	3,681%
Bread (per piece)	0.01	0.33	2,857%
Baby milk (tin of 450g)	0.45	10.00	2,222%
Sugar	0.20	4.42	2,208%
Cooking oil	0.48	10.33	2,138%
Rice	0.23	4.08	1,801%
Tea	1.70	23.67	1,392%
Tomatoes	0.27	1.25	463%
Chickpeas	0.65	2.92	449%
Potatos	0.45	1.92	426%
Eggs (carton of 30)	3.83	12.50	326%
Onions	0.32	1.25	391%
Dates	0.52	1.75	337%
Meat (lamb)	7.00	16.33	233%
Meat (beef)	6.83	16.90	247%
All items (high case)			2,004%
All items (low case)			1,546%
Cost (at current prices) of the average 1990 basket for a family of six ("low case" assumptions)	66.00	1,010.00	1,546%

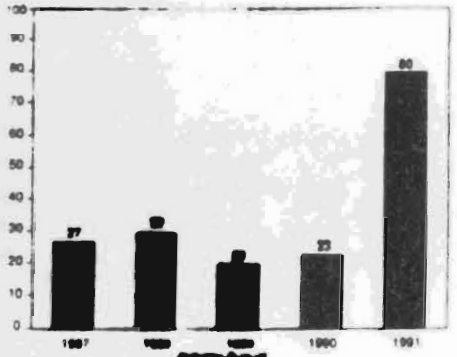
*unless otherwise stated

"War and prolonged sanctions have caused such comprehensive damage to the Iraqi economy that it is now impossible to maintain these sanctions without perpetuating, and perhaps even accentuating, the state of acute poverty in which a large part of the population is now plunged. The debate about sanctions cannot ignore this simple truth."

FIGURE 1

National Infant Mortality Rate

(Children under 1 year of age deaths per 1,000 live births)



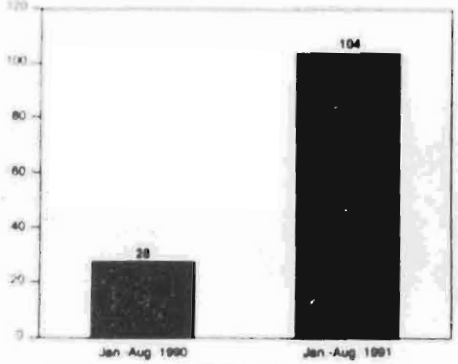
Infant mortality rate has more than tripled (3.3 times) during January-August 19

Source: ...ad Ministry of Health, Ba...

FIGURE 2

National Mortality Rate

(Children under 5 years of age deaths per 1,000 live births)



Under five mortality rate has nearly quadrupled (3.8 times) during January-August 1991

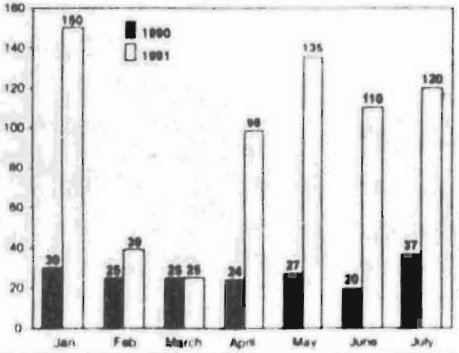
Source: Iraq Household Survey, 1991

FIGURE 3

Reported In-Hospital Incidence of Malnutrition in Children Under Five

Babel Pediatric Hospital (Jan.-Jul. 1990-91)

(number of cases)



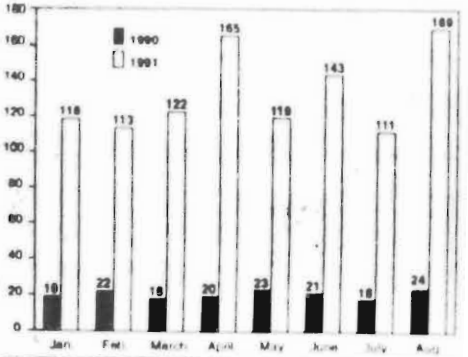
Source: Babel Pediatric Hospital

FIGURE 4

Reported In-Hospital Deaths Due to Chronic Illnesses (All ages)

Babel Governorate (Jan.-Aug. 1990-91)

(number of deaths)



Source: Ministry of Health, Baba...

Dr. Kofi Nyidevu Awoonor Is Interviewed by *Executive Intelligence Review*

Chairman of Group of 77: 'By a Stroke of the Pen, Cancel All Debts'

Dr. Awoonor

Dr. Kofi Nyidevu Awoonor is the Ambassador and Permanent Representative of Ghana to the United Nations. He is the chairman of the Group of 77, which represents the more than 100 developing nation nations. The interview was conducted in New York on Oct. 31 by Warren A.J. Hamerman and Dana Sanders. The interview was first published in Executive Intelligence Review magazine Vol. 8 No. 47, Nov. 1, 1991.

EIR: You have spoken many times about the conditionalities imposed on the developing sector for loans. During the period of preparations for UNCED (United Nations Conference on the Environment and Development in Brazil, the Prime Minister of Malaysia, Dr. Mahathir Mohamad, has denounced what he called "green" conditionalities which are being imposed on the developing sector. In Geneva at the Preparatory Commission for UNCED you have also raised a protest against the action that is in the name of protecting the environment, but in which environmentalists are being asked to destroy themselves.

Dr. Awoonor: Yes, indeed. When the question of the environment was put on the international agenda a few years ago, we were enthusiastic supporters of the idea because we share a common planet and we must be concerned as to its fate. For decades, when we the developing countries started upon the question of development being an important aspect of any effort to deal with environmental degradation on a global scale, we were being told that we were introducing an irrelevant issue. And we said: it is not only a question of keeping the world green or protecting the flora or the fauna of this planet, but the human beings which are the makers or members of this planet. A great percentage of that human population lives in a state of abject poverty. In our parts of the world, poverty is the cause of environmental degradation. If it is not in the developed parts of the world, where overconsumption is....

EIR: *Our magazine has long since taken the view that there are in fact no limits to resources, if advantage is taken of the technological potential of mankind. But we have also emphasized that the way in which the world economy is organized, the way in which the international monetary system is organized, is a key factor in the ability of nations to develop their resources. Isn't it the case that the debt crisis, the way in which the debt is being used as a means of looting the developing sector, is a key factor in the environmental crisis?*

Dr. Awoonor: Yes, it is. The debt is unpayable. We cannot pay that debt, because it is a cycle of dependence, a cycle of poverty that has been constructed, within which we are whirling and whirling. The center cannot hold. The relationship that many of us is largely predatory in many, many instances—that free market concept was constructed over a long history of exploitation of other people. The British Empire was not set up because the trees and the coconut groves of the west coast of Africa were greener than any other trees anywhere else. It was predicated on exploitation. But if that is the principle with which we are entering into the so-called new world order, then we are going to be having problems.

EIR: *In the last few years, a series of documents written in the United States in 1974, by Dr. Henry Kissinger at the National Security Council, and when George Bush was head of the CIA, has been declassified. And in these documents, the National Security Council of the United States said that it was in the strategic interest of the United States to drastically reduce the population of the developing sector, and to prevent any organizing for a new, just world economic order. These documents target 13 key nations in the developing sector, for what has been called genocide or Malthusian depopulation. Have you seen these documents?*

Dr. Awoonor: I have seen these documents, and I think they are authentic documents. And I'm not surprised that this was the thinking which was coming out of a certain kind of political mentality. Having said that, of course, one has to resist this oversimplification of the problems of the world. We talk in the United Nations—at least we talk—about an interdependent world, where each nation is linked with the other. And of course, we are all part of the same species, *Homo sapiens*. Now we say, on the question of population alone, for example, there is no reason why population control by itself will answer the question of poverty and underdevelopment. It is the other way around. If you are able to provide the developing countries the tools for development, afford them the opportunity to be able to earn their way in an equitable market place of the world—and I'm stressing the word equitable—they will, given education, given environmental work, they will reduce their population.

EIR: *Isn't that the case in Ghana specifically?*

Dr. Awoonor: We are being told that even though our growth rate over the past eight years has averaged about 5 percent, we have a population growth of about 3 percent, and therefore our growth rate was computed as 2 percent. And so we should do something about it. We are getting all the lectures and the sermons. We are listening very carefully, we are trying to. But we have come to the conclusion, the irrefutable conclusion, that poverty is part and parcel of population growth. Where economic development occurs, populations naturally level off. You can't have it the other way around.

EIR: *I would like to ask you a question about the relationship between peace and development, or war and poverty. In his speech to the United Nations General Assembly (see EIR, Oct. 11, 1991, p. 49), the Foreign Minister of Ghana quoted Pope John Paul II's encyclical Centesimus Annus, which was issued earlier this year. Your Foreign Minister said that the encyclical raised the obvious necessary solution, that development is the new name for peace, quoting the Pope. I would like to ask you to comment on this.*

Dr. Awoonor: Yes, indeed. Our Foreign Minister underscored that point. And I think it's a point that we are also insisting upon within the framework of the United Nations. We are saying: If you talk about population, we must deal with development; if you talk about environment, we must deal with development; if you talk about any element—

EIR: *Human rights?*

Dr. Awoonor: Human rights, about democracy, we must talk about development. All these elemental features which are suddenly becoming so looming in the eyes of those who have mandated the world for all these years, must come along with the recognition that development, as also. And I gave as an example, which coincides with what the Schiller document and the LaRouche document ["The Oasis Plan for the Middle East"] also gives, the example of the cyclical drought in the Sahel, or in the Horn of Africa. The question is, the problem is of water. We wait every year, and when the drought comes, we rush airplanes are coming, dropping food around, and quickly they go back. Next year, the same drought will occur. Why don't we sit down and say: Let us develop a water system for this area, which once and for all gives the people the capacity to grow their own food.

I gave another example of Bangladesh, which almost every year is a victim of one of the most destructive typhoons in the history of modern times. The world waits, every year. The typhoons come along. Two hundred thousand people die in Bangladesh. We rush airplanes in there, we drop food. We go back to our nice little homes in Bellevue, or wherever it is that we are coming from to do this good work. The LaRouche program says, let us go in and solve that problem once and for all. It is a problem of low-lying areas, it is a problem of controlling draining from the Himalayas. It is a problem of constructing an engineering system that would prevent the recurrence of this problem, and at the same time enable the people in the whole of that vast area, vastly populated area, to have the capacity to produce food, to develop schools, and to find their own way

A housing project under construction in Achimota, Ghana during the 1960s.

Dr. Awoonor: It is a very important issue insofar as our work in the United Nations is concerned. I'm talking about the United Nations because this is the arena we have defined as the global marketplace of democracy, where every nation, small or big, has a right of say. And we think that anything that would be done by any power, in its self perception as a big power, which abrogates, or seeks to abrogate the sovereignty of any nation, is a basic violation of international agreements, of international norms, and the entire international system on which peace can be constructed. So to move into a country on some pretext or the other, without recourse to the various mechanisms that are set up both within the U.N. the International Court of Justice, and such institutions that we have agreed upon since the Second World War, [which] would provide us with the basic infrastructure for constructing peace, is a recipe for disaster. And that is why we were not very happy when the move was made into Grenada; we, as a country, Ghana, we were not happy about that. We were not happy when that dismal little war was launched in Panama, ostensibly just to capture a drug trafficker. We don't think this is the way to do things. If you are preaching morality to the rest of the world, you must be a moral person yourself.

EIR: *Turning to the issue of development, which underlies all of your remarks, January began the United Nations' Fourth Development Decade. The*

not be one of treating so-called pollution in one area or another, but of finding an economic development program which can increase the world's economic output as a whole to maintain its population. This would imply a need to have technology transfer to the developing sector. How do you view that issue?

Dr. Awoonor: You're absolutely right. In the discussions in the Prep Coms [Preparatory Commissions for U.N.E.D.] one of the questions where we got stuck, as it were, is the vital question of technology transfer. We are being lectured, we the developing countries, are being lectured about the virtues of free enterprise. In this area also, we should go to the marketplace and buy technology, when anybody in his right mind in the advanced countries knows that we cannot afford the price tag on the kind of technology that is available in the advanced countries. We are saying that governments, through the United Nations, must establish a mechanism which will enable the transfer of these technologies at concessionary rates, to nations that deserve them, so that we can do our own part in the preservation of the environment.

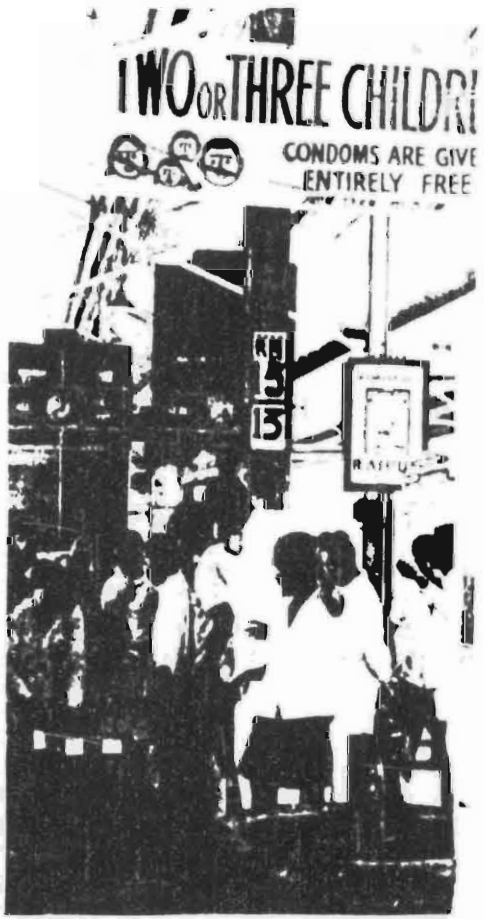
EIR: *Dr. Mahathir of Malaysia has publicly raised the issue that the developing sector should consider not going to the U.N.E.D. conference in Brazil next year. In your capacity as chairman of the Group of 77, do you have any thoughts on that proposal?*

Dr. Awoonor: I think Dr. Mahathir's frustration with some of the issues that are being used preparatory to the meeting in Rio is very understandable to many of us, many of our countries in the Group of 77. At the same time, we don't think that thinking at this point that it would be a move in the right direction, because we have not completed the preparatory process. The Fourth Preparatory meeting will take place next year, and it is at that point that such critical issues can then be raised under Agenda 21, the cross-cutting issues of technology transfer, and so on, will be on the table. And when we are not able to reach any agreement, at that final Prep Com, then we may decide what will be the fate of the meeting in Rio.

Bush's 'Pax Universalis'

EIR: *George Bush came to the United Nations General Assembly and gave a very imposing speech of the version of a Pax Universalis, which would take the form of the hegemony of America and its allies over the entire world economy. Yet, the U.S. economy itself is in great danger of collapse. It has been said that even the Thatcherite economic system has happily collapsed, the economic system of the United States and Britain is left far behind. How do you see that overall strategic situation?*

Dr. Awoonor: I want to return to the concept of the Pax Universalis first. I think there is something rather simple-minded about it. And the simple-mindedness derives from the self-perceptions of big powers in the arsenals of power, and of course that is a post-Gulf war syndrome. It is also helped along by the fact that the Soviet Union and its empire had collapsed. But a uniform, or a coherent world, which is based on a single perception of reality—which has got ingredients such as the free market, which to



"A Malthusian effort to control population will be seen by us, as an attempt to reduce the populations of our countries in order to have greater access to the resources on which we sit. . . ."

Left, a family planning clinic in rural India, which specializes in male sterilization. Above, an impoverished Haitian family.

"Why doesn't somebody begin by simply saying to Haiti: 'The $3 billion that you owe to the rest of the world, we cancel it off. And we will provide you with more money now to build schools, to build hospitals, and things that will enable you to stand up on your feet.'"

9 4 0 4 3 5 6 2 2 3 5

EIR: *We have concluded in addition that the world is vastly underpopulated, and especially Africa being underpopulated, and point as evidence to what we ought to do, to the injunction in the Book of Genesis: God says to be fruitful and multiply and for man to subdue the earth and have dominion over it. And areas like Africa are vastly underpopulated at this time.*

Dr. Awoonor: I agree absolutely with you. But I want you to tell that to those who are purveying this idea of family planning!

EIR: *Isn't population control also increasingly a*

world that we must deal with if we want peace.

Recently I made a speech in the UN after the coup d'etat in Haiti. And everybody is sort of jumping around, screaming blue murder because Haitian democracy is under assault, and there was talk of landing troops, and so on. And I said: What nonsense. Haiti has this problem because it is one of the chronically most poor countries on planet Earth. It's a miserable country which is ground in the dust by poverty. And that poverty is exacerbated by a debt, a foreign debt. Why doesn't somebody begin by simply saying to Haiti: "The $3 billion that you owe to the rest of the world, we cancel it off. And we will provide you with more money now to build schools, to build hospitals, and things that will enable you to stand up on your feet." Until you do that, no democracy in Haiti is going to be sustainable. It will not work.

EIR: *We agree very much with the need to defend national sovereignty in the developing sector, which Mr. Bush seems not to wish to respect. National sovereignty is the basis for ending poverty in the developing sector. Could you give us your thoughts on this issue of the protection of national sovereignty?*

possible for a true fourth development decade, which was prepared under the direction of the American economist Lyndon LaRouche. This proposal calls for going outside the collapsed Bretton Woods system, to create a true fourth development decade. I would like your comments on this proposal.

Dr. Awoonor: I think it is a brilliant document of immense originality. It takes a lot of courage for anybody from the developed part of the world, the advanced part of the world, to see the problem in that global perspective. The document spells out the technical possibilities of providing the infrastructure with which many, many parts of the world, which are now racked with hunger and poverty, can lift themselves up. When they say you must lift yourself up by your bootstraps, it's like providing the boots first. This system of doing that technical work, the development of water, and such elements that are part of the program, sounds to me like one of the most innovative and original ideas that I've seen.

I have talked in that direction when we were dealing with the question of humanitarian relief. When we talked about humanitarian relief, I have said, we must think about development

Role of the Non-Aligned Movement

EIR: *The proposal suggests that there be some form of discussion, formal preparatory discussion around that positive solution, as opposed to allowing debt or Malthusian policies to crush the developing sector. Do you see the possibility for such discussions over the next period?*

Dr. Awoonor: The possibility will occur only when those who own the technology, those who have the money, are able to sit down in partnership with us and say: We understand what it is that you are talking about, let us now move one step forward and talk about the feasibility of this new alternative. Now, until we do that—and I find it very difficult to believe that we can do that just by the drop of a hat—we are going nowhere. In the United Nations system, the function of the G-77 is to continue to keep on hammering away at the resistance that we meet to suggestions of this kind of cooperative enterprise. That is why we still have the Non-Aligned Movement, which we have called the conscience of the majority, of 103 nations, many, many of them, post-Imperial, post-colonial nations, that have been exploited for hundreds of years by the now great prophets of democracy. And we say, even when we see it as a kind of a reparation for the predation that you people visited upon us, let us sit down and talk about the possibility of doing it another way. Somehow, they find us irritating, they find us nagging, but we are saying, we're not going to be wished away. We will be here, we will continue to be insistent when we will talk, we will raise our voices, and we will raise them in every forum. And it is good to believe, to feel that, on the other side of the divide, that's in the developed, the advanced countries, there are people who are listening, there are organizations who are listening.

EIR: *Mr. LaRouche was found to be an irritant also, and, as I think you know, he has been in jail now for almost three years. Have you had a chance to look at how his trial was conducted? Do you find it shocking that in the land of liberty, of America, this kind of procedure would have been carried out?*

Dr. Awoonor: I have not yet gone into the details of that trial. I am in receipt of some documents, and I would like to find time to look at it. But I could see how a man who is promoting the kind of program that he is promoting would be seen as a thorn in the flesh. He would be a very uncomfortable person to the powers that be, and this is not the first time in the history of the world that those who really are coming with new messages, new prophets, are regularly crucified! Aren't they?

EIR: *Actually, he became a political prisoner in the same week that George Bush was inaugurated President of the United States.*

Dr. Awoonor: I tell you, someone once said, if Christ walked into this country or any of these great advanced democracies of the world, they would lock him up! Because he would be a troublemaker.

EIR: *You have used the phrase "advanced sector" which is associated with the United States. However, the state of the economy is far from advanced*

AMERICAN *Almanac*

Scenes from the United Nations First Development Decade: the Volta Dam at Akosombo, Ghana, above, under construction in 1963 and right, the completed dam.

The environmentalists want to "keep the whole of Africa as a zoo of the world, a botanical garden of the world. Of course, this is nonsense. You cannot keep Africa as a zoo of the world, with us, the Africans, in there as the zookeepers. Africa needs development."

egy for development, we are getting lectures from some of these groups. Lectures that are reflective of a Garden of Eden mentality. We keep the whole of Africa as a zoo of the world, a botanical garden of the world. Of course, this is nonsense. You cannot keep Africa as a zoo of the world, with us, the Africans, in there as the zookeepers. Africa needs development, so the Non Governmental Organizations (NGOs) that are involved in environmental work must move away from the thinking of some of the institutions that we have already talked about, which thinking is refusing to link up the question of development with that of the environment.

Effects of Usury

EIR: *You referred earlier to the crushing debt problem in Haiti. Overall, worldwide, we're looking at foreign debt in the trillions of dollars. Much of this debt, according to an analysis conducted by EIR, is illegitimate; it is the result of ... of high interest* special case. Finally, what one wants to say is that the debt is *unpayable*. We cannot pay that debt, because it is a cycle of dependence, a cycle of poverty that has been constructed, within which we are whirling and whirling. The center cannot hold. We are saying that interest payment alone is a burden for many, many countries. In 1988 the IMF took out of Africa $1 billion more than it put in. Tell me, what is that? You use the term usury. What else is that? It is usury of the most horrendous type. But we are saying that the world, beginning with those who claim that they control it, must sit down and analyze the collective burden of debt on each country, and by a stroke of the pen, cancel all debts.

I don't think Britain has paid all its debts to the United States since the Second World War. I don't think the Canadians have paid the amount of money that America poured in to build the various railway systems. Debt cancellation is not a new thing in the history of the world. We must sit down and address this once and for all, because we're going nowhere.

which they didn't build. We have to make provisions of water for our villages and towns. How do we do that, if all we work for goes back to the same people who had exploited us over the centuries?

EIR: *The biggest debt collectors, the IMF and the Anglo American banking system, are also the biggest purveyors of the idea that the developing sector economies should be export-oriented, to pay the debt. They are also big proponents of trade liberalization and so forth. But isn't this basically all just to collect the debt?*

Dr. Awoonor: You have said it, it is basically to collect the debt. It is a form of slavery, a new form of slavery. I give you money, you stay on my plantation and you work for a plantation, and I give you clothes, and I give you food. That's it. You are only a beast of burden. You have nothing of your own to do, you have no mind of your own, you have no capacity to dream, and to build. We say this is what you are going to do, you are going to produce cocoa, [illegible] coffee. Well, if you don't get cocoa. Maybe

EIR: *Do you have any thoughts that you would like conveyed to the readership of EIR that we've not covered up until this point?*

Dr. Awoonor: I would like to say, addressing what I consider the post-Gulf war and the post-Cold War period, what Mr. Bush and many others have described as a coming new world order. We are seeing some ingredients of that so-called new world order, as being no different from the old world order. In fact, we are seeing other things coming up—when we had the Soviet empire, at least there was what one commentator called a balance of terror, and so therefore, arrogance of power was slightly more muted. We are seeing, one person used the word, a unipolar world, in which one power and its way of doing things, and its way of perceiving reality, and its ideology—they talk as if communism is the only ideology that we have. Capitalism is also an ideology, and that capitalist ideology is based on concepts of democracy, liberal democracy which is individualism, and its attendant [illegible]

been played pendulum for hundreds of years.

EIR: *Probably the only way to defeat a divide and conquer strategy is to unify the opposition to the empire. This is the lesson from how to defeat the British world empire. And today that would mean unifying eastern Europe and the developing sector, elements in the advanced sector for a True Fourth Development Decade. That would seem like the approach that would most terrify Mr. Bush and the Bretton Woods institutions.*

Dr. Awoonor: What you have said is so correct. At the same time we are very much worried about some of the organizations in the developed countries whose agenda sometimes seems to coincide with that of the big powers, the big owners of authority and so on. We are talking about the conflict of some of the environmental groups, for example. When we are talking about environmental work, and we are insisting that this should be part and parcel of an entire strategy

so [illegible], making it impossible to repay the debt. What would the Group of 77 like to see happen in this respect, both in terms of the debt stock and the debt service?

Dr. Awoonor: We had made a statement in Geneva on behalf of the Group of 77, where we were considering the question of the collapse of eastern Europe, of the Soviet empire, and its impact upon the global system. And I made a point, on behalf of the Group, that the kind of concessionary arrangement that was made by the United States, and a number of other countries, with Poland, must be a model with which we can begin, which is a generous forgiveness of debt. Almost 70 percent of Poland's debt had been written off. And when we raised this point, we are told: Poland is a special case. We don't know why Poland is a special case. Why Haiti is not a special case. Why Argentina is not a special case. Why Brazil is not a special case. Why Nigeria is not a special case. Why Ghana is not a

EIR: *What do you think about the Brady Plan and various other of these schemes?*

Dr. Awoonor: Those are what I call tinkering on the edge of disaster. They are patch and paste plans. They are not deep enough. They are not comprehensive enough. And they have no compassion.

EIR: *A worldwide debt moratorium could be part and parcel of creating a new post Bretton Woods economic system. This is an aspect of the True Fourth Development Decade proposal.*

Dr. Awoonor: Absolutely. I agree with you entirely, that we have got to begin with debt, because that is already on the table. A year ago, we in Ghana used 60 percent of all our foreign exchange earnings, just to service our debt. Sixty percent. So we have 40 percent left, with which we have got to build schools, which the British never built when they were there for over a hundred years. We have to build clinics,

hard luck, because it's a free market."

EIR: *It's not free if people are put in slavery, and there are no credits available because the markets have now collapsed.*

Dr. Awoonor: That's right. Coffee growers in the world are seeing the lowest price that they've received for coffee in 50 years. Fifty years! And take the case of Colombia. It's a coffee producing country. Now, there's a big hue and cry about drugs. How else do you expect Colombian peasants not to grow coca leaves when you can not even pay them the smallest pittance for their labor in the coffee fields, and when they know that with a little bag of coca, they can make tons and tons of money. Somebody just organize *the arithmetic* and the logic of this, and therefore enable Colombia to grow coffee instead of coca. But, no, that is not going to *happen*. Maybe somebody is benefiting from the

best of your friend, sharp dealing, cut on the corners," which also reveals a lack of compassion for our common humankind, and we are saying, if that is the world that we are going to be constructing, then we are in for trouble. And I want to say, that we, in the developing countries, who form the majority of the human population of this planet, we who are the ones who are poor, malnourished, without education, without adequate shelter, we are the ones who are ill with diseases both old and new. We lack clinics and hospitals, we are the ones who are supposed to earn our way in this marketplace, which even though it is called free, we know it is not free. Then we are going to be insisting—we are going to be here and we are going to be making as much noise as we can make. And we will make it. Nobody can lecture us. We will put our needs on the agenda and to insist upon the world looking at these needs.

For a True Fourth U.N. Development Decade

Continued from page 7

These declarations were only recently declassified by the U.S. government. Can it be doubted that [illegible] a member of the firm Kissinger Associates, Inc., for instance, is growing [illegible] a cynical perpetuation of blood-shed in the case that he handled the mediation of the Yugoslav crisis at the Hague?

IV. What is a True Fourth Development Decade?

The absolute features of a True Fourth Development Decade are fourfold:

1) Absolute respect for the sovereignty of nation states, their people, institutions, and natural resources for their own self-development. Thus, the Fourth Development Decade emphatically rejects the conception of "limited sovereignty" that certain ruling elites in the North would impose upon the nations of the South.

2) Absolute moral concern to provide the material requirements for life to all mankind. Through the [illegible] investment in economic development and science and technological transfer to all nations so as to modernize agriculture, infrastructure, and industry. Thus, the Fourth Development Decade aims, in its first phase, at waging a global war against AIDS, cancer, and other diseases which are afflicting the real physical economy from the deserts and poverty-stricken rural Africa to the blacks and Hispanic ghettoes of New York City.

3) Absolute commitment to the idea that each and every man, woman, and child on the face of the earth is a sovereign individual, made in the image of God, with the divine right to economic development. Thus, the Fourth Development Decade will reject all forms of direct and indirect forms of genocide, or Neo-Malthusian racial demographic warfare waged against the non-Anglo-Saxon populations of the world.

4) Absolute commitment to establishing new institutions to inspire and invest in the primacy of economic development, productive economic progress, and technological development. Thus, the Fourth Development Decade rejects the arrogance of bankrupt financial institutions to maintain usury, debt service strangulation, and resource looting over the right to life of billions. Already in the August Preparatory Meeting of U.N. Council on Economic Development for the Brazil '92 Summit in Geneva, voices from the South raised the fact, that means for debt relief, technological transfer, and economic development must be established before environmental burdens and "green conditionalities" are imposed on nations already overburdened with oppressive financial "conditionalities" imposed from the outside.

The absurdity of the debt and usury oppression of the world economy is demonstrated by the case of Ibero-America. In 1980, the debt of all Ibero-American nations was $243 billion. Over the course of the 1980s, these nations paid out $321 billion in interest payments alone. Yet, at the end of the decade they owed $429 billion. Furthermore, they lost a minimum of $158 billion through capital flight, which means that their capital exports through the decade was $479 billion or nearly one-half trillion dollars in pay outs, at the end of which they owed nearly double what they did in the beginning.

In terms of the net export of physical capital, the picture is even more dramatic. The trade surplus of Ibero-America through the decade of the 1980s was $218 billion. When the terms of trade ($180 billion) is added, the total net export of physical capacity becomes $399 billion. When the net capital flight is added, the figure becomes $535 billion in physical loot taken out of Ibero-America between 1980-1990, or 13 percent of the productive GNP of the entire continent.

V. How to Initiate the Fourth Development Decade

Third World voices have already been raised in August in Geneva in protest to the planned Earth Day Summit—Eco '92—in Brazil. Voices have pointed to the urgent necessity of addressing the issues of Third World debt and technology transfer as the pre-condition for any workable effort to preserve the environment.

Therefore, we propose to postpone indefinitely the *Rio Summit*.

In its stead, we propose a Preparatory Meeting for a Fourth Development Decade Conference with the mandate and limiting principles described above. The establishment of a Coordinating Committee for Regional Development Projects is encouraged to begin its deliberations with consideration of the following development proposals which were developed by Lyndon LaRouche and his collaborators over the past two decades:

1) **The Productive Triangle Proposal for Western and Eastern Europe**: the unleashing of the economic development potential in the "triangle" between Berlin, Vienna, and Paris as a productive "engine" for the world economy. Through the construction of high-speed rail lines, the economic output from this area will be transferred via radiating arms from the triangle into eastern, southern, and northern Europe, as well as the Middle East and Maghreb.

2) **An Oasis Plan for the Middle East** designed to "green the deserts" through large scale water purification and irrigation projects. The plan includes the creation of artificial rivers and peaceful nuclear energy driven desalination projects for revitalizing the entire economy of the region.

3) A series of **Great Projects for Africa** including: the construction of a trans-African East West Railway from Dakar to Djibouti; transforming the Qattar Depression into a man-made lake; connecting Lake Chad with a man-made Lake on the Zaire River for the purpose of greening the Sahara; completion of the Jonglei Canal in Sudan to make it into a breadbasket.

4) **The Ibero-American Integration Plan** which includes the following projects: a second Panama Canal, a northern Mexican Water Development Project, the "polygon of development" to construct a canal system to connect the Amazon Basin with the Rio de la Plata across Brazil, Argentina, Bolivia, and Uruguay and build an East-West railway across the continent through Brazil, Bolivia, and Peru.

5) A series of **Great Projects for Asia** including: the Pacific and Indian Ocean Basin Project, the Ganges-Brahmaputra development Project for water management, the Mekong development project, the construction of the Kra Canal in Thailand.

6. **A vast program of urban, agricultural, and industrial infrastructure revitalization for the U.S.A.**, which has as its aim the realization of Martin Luther King's dream of Economic Justice for *all* its citizens. Specific programs for the U.S. would include the NAWAPA plan for water and power development, building a rapid transport system of high-speed rail lines and Maglev systems, rebuilding cities, basic industries and the capital goods export capability.

The development project orientation outlined above includes generalized debt moratoria and the construction of new cities founded around *nuplexes* (nuclear energy powered agro-industrial complexes) in each area, and is vectored toward a commitment to encourage a space program with the aim of colonizing Mars and incorporating the Moon into man's economy in the first third of the twenty-first century.

The moment is propitious to realize such ambitions because of recent promising scientific breakthroughs in the energy field.

The world has long dreamed of having a safe, vast, and inexpensive energy supply, and has long looked to the promise of *fusion energy*, the same energy means which powers the Sun. In March of 1989 scientists first announced breakthroughs in a process known as cold fusion, which added to systematic breakthroughs in hot fusion energy research.

The desirability of providing large amounts of safe and cheap energy to empower world economic development on the scale envisioned above establishes the necessity for a worldwide crash fusion energy research program. Scientists from many nations should be encouraged to embark on this enduring scientific renaissance.

Each of the programs referenced above is the subject of detailed feasibility studies among teams of scientists and economists.

VI. U.N. Authority

In contradistinction to the consequences of the New World Order which certain ruling elites would impose, perpetuating genocide, war, famine, disease, and global depression, the proposal for a True Fourth Development Decade described above is consistent with the principles enshrined in the following international instruments:

1) the Universal Declaration of Human Rights (adopted and proclaimed by General Assembly resolution 217 A III of 10 December 1948.)

2) the International Covenant on Economic, Social and Cultural Rights (adopted and opened for signature, ratification and accession by General Assembly resolution 2200 A XXI of 16 December 1966)

3) the International Covenant on Civil and Political Rights (adopted and opened for signature, ratification and accession by General Assembly resolution 2200 A XXI of 16 December 1966)

4) the General Assembly resolution 1803 XVII of 14 December 1962, "Permanent Sovereignty over Natural Resources."

5) the Convention on the Prevention and Punishment of the Crime of Genocide (approved and proposed for signature and ratification or accession by General Assembly resolution 260 A III of 9 December 1948) and related instruments.

6) the Slavery Convention signed at Geneva on September 25, 1926 and related instruments and protocols condemning servitude and forced labor.

7) the Universal Declaration on the Eradication of Hunger and Malnutrition (adopted on November 16, 1974 by the World Food Conference and endorsed by General Assembly Resolution 3348 XXIX of 17 December 1974)

8) the Declaration on the Use of Scientific and Technological Progress in the Interests of Peace and for the Benefit of Mankind (proclaimed by General Assembly resolution 3384 XXX of 10 November 1975).

9) the Declaration on the Right to Development (Adopted by General Assembly resolution 41/128 of 4 1986)

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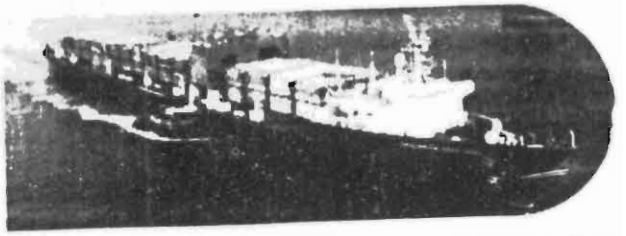
FOOD FOR PEACE



Food for Peace Wants Action to End Huge World Milk Shortage

2 Trillion Pounds More Are Needed Each Year

by Phil Valenti

"If a brother or a sister be naked," says Saint James, if they lack their daily nourishment, and one of you says to them "Go in peace, be warmed and be filled," without giving them what is necessary for the body, what good does it do? Today no one can be ignorant any longer of the fact that in whole continents countless men and women are stricken by hunger, countless numbers of children are undernourished so that many of them die in infancy, while the physical growth and mental development of many others are retarded and as a result whole regions are condemned to the most depressing of situations."

Those words of Pope Paul VI addressed "to all men of good will" in the 1967 Encyclical Letter "On the Development of Peoples" *Populorum Progressio* were meant to mobilize the world especially the advanced nations, for a War against Hunger. Today the genocidal conditions condemned by the Pope so long ago have worsened, while the so-called advanced sector itself is collapsing into dangerous economic depression and misery.

Let us first look at these undeniable facts, and despite the repeated anguished appeals of leaders of the developing nations representing billions of people, the United States government continues to insist that the American farmer is producing too much food. Accordingly, the U.S. Department of Agriculture's greatest concern is to reduce production and to eliminate surplus.

Too Many Farmers?

An USDA dairy section official Charles Shaw put it: "There are just too many dairy farmers and they've too damned efficient. The only thing to do is keep lowering the price support until you kick the dairy farmer out of business."

Word of all these many farmers had come to believe that better prices could only be obtained from the Bush administration, in exchange for some sort of scheme to limit production. "supply management." Now that even this illusion has been shattered, with Agriculture Secretary Madigan's Oct. 28 threat to recommend a veto of any legislation to "directly or indirectly raise the support price level" of milk, the time has come to launch that

G.G. Christian (second from right), a leader of the Food for Peace producer-consumer alliance in Pennsylvania, testifying before the state's Milk Marketing Board on the need for parity prices for dairy farmers.

TABLE 1
World Food supply
average 1986-88 (pop. 4,995,654,000)

	"Developed Countries" Calories/day	"Developed Countries" Protein/day	"Developing Countries" Calories/day	"Developing Countries" Protein/day
Vegetable products	2366	43.4g	2216	46.6g
Animal products	1034	59.4g	226	13.2g
Grand Total	3400	102.8g	2442	59.8g

TABLE 2
Milk Production (excluding butter)
average 1986-88

	Production (lbs)	Per capita/year	Calories/day	Protein/day
World	1.144 trillion	166.32	114	6.8g
"Developed countries"	842 billion	438.12	279	17.3g
"Developing countries"	302.1 billion	77.44	60	3.4g

TABLE 3
1990 Milk Production, Supply vs. 1950 USDA Recommended Consumption
(602.5 lbs. capita/year milk equivalent)

	Population	Total milk prod.	Lbs./cap	Deficit(-)surplus(+)
World	5,295,000,000	1,171,768,400,000	221.3	-2,018,454,000,000
N. Amer.	276,000,000	165,622,600,000	600.1	662,400,000
Europe	498,000,000	388,027,200,000	779.2	+87,996,600,000
Oceania	27,000,000	31,363,200,000	1161.6	+15,095,700,000
Africa	647,000,000	26,017,200,000	40.2	-363,808,100,000
Ibero Am.	448,000,000	89,898,600,000	200.7	-180,006,400,000
Asia	3,111,000,000	210,029,600,000	67.5	-1,664,385,000,000
USSR	288,000,000	234,748,600,000	815.1	+61,228,800,000

Sources: FAO Quarterly Bulletin of Statistics, 1991:2; 15 April 1991; 1987 Statistical Yearbook, United Nations

developing" countries, the first class mostly north of person per year;

Lyndon LaRouche at the December 1988 international conference of the Food for Peace organization in Chicago.

LaRouche: Without Food Democracy Means Nothing

During his third campaign for the White House in 1984, Lyndon LaRouche drafted a full agriculture policy platform, which was published in the book length Independent Democrats' 1984 Platform. *Excerpts follow.*

Proposed Food Policy For the United States

Unless a nation can feed its people, that nation is more or less certainly doomed to endure the worst political evils of civil strife and emergence of the most vicious sorts of tyrannical governments. In regions of the world so affected, bloody civil commotions and regional wars are endemic. Under famine conditions, the Four Horsemen of the Apocalypse rule and ruin. Without adequate food, the very words "peace," "human rights," and "democracy," become disgusting noises in the mouths of men and women who must be classed either as simply fools or much worse. Food lies at the center of the self-interest of each and

subject to the condition that the importing nation may not export this, or product of the same agricultural type. Under those conditions of export sales, the price paid by the importing nation may be less than the standard parity-determined, commercial price.

4. The government of the United States shall seek to establish agreements with others among the principal food-exporting nations, including agreement with bodies such as the European Community (EC). The purpose of these agreements shall be to establish a uniform policy of practice consistent with indicated U.S. food policy.

Food for the Hungry

5. Although the U.S. government should not prevent itself from subsidizing grants of reduced prices to nations receiving Food Assistance, it were desirable that the United States establish a "Food Assistance Grant Fund," preferably in concert with cooperating food-exporting nations, or with importing nations, and the grants made under Food Assistance

plus. In the case of milk, they complain that annual production exceeds consumption by over 5 billion pounds in the United States, which has to be purchased and stored by the U.S. government Commodity Credit Corporation (CCC). And at taxpayers expense, they remind us. In other words, they explain the "supply" exceeds the "demand."

Supply and Demand

Consider the two alternative definitions of "demand" for milk:

1) The quantity of dairy products which people can afford to buy; or

2) The quantity of dairy products required for decent nutrition.

According to definition number one, there is a "surplus" of milk in every starving country, since the people are always too poor to buy it. (As we shall see, the economic depression gripping the United States means the American people cannot afford adequate nutrition either). This ruthless, mercenary "free market" mentality, so pervasive in Washington, D.C. today, has been eloquently refuted and condemned by another Pope, John Paul II:

"It would appear that on the level of individual nations and of international relations, the free market is the most efficient instrument for utilizing resources and effectively responding to needs. But this is true only for those needs which are solvent, insofar as they are endowed with purchasing power and for those resources which are marketable, insofar as they are capable of obtaining a satisfactory price. But there are many human needs which find no place on the market. It is a strict duty of justice and truth not to allow fundamental human needs to remain unsatisfied, and not to allow those burdened by such needs to perish. ... If one goes to the logic of a fair exchange of goods and the forms of justice appropriate to it, there exists something which is due to the person because he is a person, by reason of his lofty dignity. Inseparable from that required something is the possibility to survive and, at the same time, to make an active contribution to the common good of humanity." (Centesimus Annus, May 1, 1991)

Where does Europe's stand today, in supplying the "fundamental human need" of food? The United Nations Food and Agricultural Organization (FAO) declares the developed countries, and especially Europe, to be the only "food-surplus" areas in the world.

North and South Compared

Table 1 shows that the daily calories and protein consumed per person, of vegetable products, are almost the same in the two sectors. Therefore, the drastic differences in health and general physical development are due almost exclusively to a huge deficit of calories and protein from animal products, for the vast majority of mankind.

Table 2 looks at average annual world milk production (excluding butter) in the years 1986-88. The average individual in the "South" consumed only 18% of the milk consumed by an average individual in the "North." The 60 calories consumed by the average person in the "South" is equivalent to a miserable one-half cup of 2% milk per day!

Table 1 and **Table 2** prove that humanity needs a lot more milk. How much more milk is needed?

In 1950, the USDA published the results of an extensive analysis of nutritional requirements for a healthy, balanced diet. The study recommended an average per-capita consumption of dairy products of 602.5 pounds (milk equivalent) per year. This is equivalent to only about a pint and a half of whole milk per day.

Table 3 shows that in 1990 the world produced a little over 1 trillion pounds of milk (from cows, buffalo, sheep, and goats). This amounts to about 221.3 pounds per person. If we apply the 1950 USDA standard of good nutrition, this means that *the world shortage of milk amounts to over 2 trillion pounds per year.*

(The figure of 2 trillion pounds per year is certainly a low estimate, since the figures for milk production in **Table 3** are not adjusted for waste, or other uses, such as animal feed. In fact, FAO statistics for 1986-88 show that 27% of the milk produced in the world was used for purposes other than food for humans, which would increase our deficit figure by 861 billion pounds!)

Attack on Europe

The human species is desperately short of milk, even in North America (U.S.A. and Canada). The North American *deficit* of over 800 million pounds does not even include production required to maintain necessary reserves. In Africa, the average production of milk amounts to less than four gallons per year, per capita. Widespread in the South ...

Europe is the only region of the world currently producing significant real surpluses of milk, discounting the inflated statistics of the U.S.S.R. This European capability is obviously essential to the survival of humanity, a fact certainly known to those committed to massive population reduction policies.

Let's Increase Production

In this light, the real job of American farmers and their allies, is to figure out how to best massively increase production in order to meet agreed upon urgent objectives.

For example, we may decide to mobilize and expand our capabilities, with the objective of cutting the milk deficit of Africa in half, and thereby help save that continent from genocide. This means we would have to *more than double milk production in the U.S.A.*, to over 300 billion pounds a year! To do this, means restoring parity prices paid to farmers, forgiving and reorganizing debt, making cheap credit available to recapitalize farms, etc., with a solid, long-term government commitment to the effort.

It also means forgiving the debt of poor African nations, providing long-term, low-interest credit for large-scale fresh water management and other vital infrastructure projects, with the objective of eventually achieving food self-sufficiency of the continent. All of this will create tremendous demand for export of U.S. capital goods once again.

This kind of project would become a driving force behind recovery of the whole economy, by creating millions of good-paying productive jobs in industry, which in turn would enable American families to afford good nutrition without underpaying producers.

This kind of project proposal could mobilize national and global support behind the American farmer, including from over 30 million African-Americans, and help create the political alliances needed to defeat the food cartel genocide policies once and for all.

The author is Pennsylvania representative of the Food for Peace movement, and has been active on organizing dairy farmers to ship milk powder to the starving children of Iraq, as an alternative to "dumping" milk.

increase in the supply of food, as this defines the vital self-interests of nations, also defines the basis for self-interested relations among nations. A foreign policy not settled upon the solid cornerstone of a sound food policy is a contradiction in terms.

1. The expanded export of food by the United States, especially cereals and dense protein, must be the cornerstone of U.S. foreign policy.

Parity Price Needed

2. U.S. food produced for export (as well as domestic consumption) must be purchased from farmers at not less than 90 percent of a well-determined parity price, and shall be exported through ordinary commercial channels at a price not less than a price based on 90 percent of parity paid to farmers.

3. In the case that U.S. export is delivered as "Food Assistance" to relatively poorer, hungry nations, the seller shall be the U.S. Department of Agriculture, and the buyer shall be the government of the importing nation.

United States should sponsor food-technology programs for needy nations, such as those of Africa. As part of this, the U.S. Corps of Engineers should include, under its expanded functions, a foreign agriculture development task force program. This task force should include teams of skilled farmers. The assignment is to assist other nations a) In developing the essential logistical and related infrastructure for improved production and distribution of food, b) To create as teaching stations, model farms developed with the assistance of U.S. agronomists and farmers, applying American experience to the conditions of the locality, and c) To assist institutions of that government in developing the same kinds of civil engineering and other task force capabilities represented by U.S. assistance units.

We should welcome and seek participation of similar task force elements from other food exporting nations in such programs.

Cargill Free Trade Stunt: U.S. Port Ships Canada Grain

Special to New Federalist

Nov. 15 (EIRNS)—The Canadian Wheat Board will begin shipping grain through a U.S. port next month for the first time in 56 years. This is the latest in a series of moves since the U.S.-Canada Free Trade Treaty, in which the world cartel food companies are positioning themselves to totally monopolize North American food output and wield it as a global weapon.

The Board has announced that 55,000 metric tons of barley will be shipped through the port of Seattle as an experiment this December. The shipment will go through the Seattle grain terminal owned by Cargill, Inc., the cartel company which dominates U.S. grain, and also soybeans, through its cohort cartel company, ADM (Archer Daniels Midland).

The Canadian Wheat Board has cited reasons for the "experiment," including difficulties from the strike by government customs and port workers (Public Service Alliance). However, the shipment coheres with the consolidation of grain movements under Cargill control—a consolidation which is taking place in Australia, within the United States itself, and in general throughout the Anglo-American sector.

Farmers Hit

The Canadian Wheat Board—originally set up to buffer farmers from market price swings, is itself next to insolvent, and now just a pawn in the cartels' repositioning. Farmers have been hit by drastically low wheat prices—under $2.00 a bushel, enforced by the cartel grain companies worldwide (Cargill, Continental, Louis Dreyfus, Bunge, Andre/Garnac, and a few others). The Canadian Wheat Board, the Australian Wheat Board, and similar national entities are being smashed trying to compensate for this.

On Oct. 24, over 8,000 farmers and supporters rallied in Saskatchewan against the low wheat prices. In Manitoba and other parts of the prairie grainbelt, there have been other, smaller actions. One of the coordinating groups is Concerned Citizens Against Free Trade.

The cartel-imposed low farm prices, and cartel control of marketing is part and parcel of the "free trade" demands George Bush is threatening that the world must obey. Because the European Community has balked, in the past six weeks Bush, U.S. Agriculture Secretary Edward Madigan, Trade Representative Carla Hills, and others have personally trekked through Europe to demand EC compliance with a U.N. GATT-enforced "free trade" regime in which nations give up the right to set farm prices.

Canadian officials are kowtowing to this very same line. The Canadian Wheat Board has taken out ads and issued press statements in the prairie provinces calling for support for the new GATT proposal of a 30% cut in EC farm price supports, arguing that this will result in an immediate rise in Canadian wheat prices through "market forces."

Kennedy: 'Food Is Peace'

"I don't regard the ... agricultural surplus as a problem. I regard it as an opportunity. ... I think the farmers can bring more credit, more lasting good will, more chance for peace, than almost any group of Americans in the next ten years, if we recognize that food is strength, and food is peace, and food is freedom, and food is a helping hand to people around the world whose good will and friendship we want."

—John F. Kennedy, speech in Mitchell, South Dakota, 1960

King: 'Feed God's Children'

"As I beheld these conditions, something within me cried out: 'Can we in America stand idly by and not be concerned?' And an answer came: 'Oh, no!' And I started thinking about the fact that right here in our country we spend millions of dollars every day to store surplus food, and I said to myself: 'I know where we can store that food free of charge—in the wrinkled stomachs of the millions of God's children in Asia, Africa, Latin America, and even in our own nation, who go to bed hungry at night.'"

—Martin Luther King, Jr., speaking on his trip to India

Derek Humphry's Handbook on 'How To Kill'

by Linda Everett
U.S. Club of Life

Final Exit: The practicalities of self deliverance and assisted suicide for the dying, by Derek Humphry. Published by The Hemlock Society. Distributed by Carol Publishing Co., New York, New York 1991. 192 pp. hardcover. $16.95.

"Final Exit" was written by an individual who admits to having killed his first wife, his father-in-law, and his mother. Author Derek Humphry says this book, which has topped the bestseller lists, tells all he learned from those murders and his dozen years in the international euthanasia movement. He dispassionately describes scores of methods people have used to kill their spouses, relatives, friends, and themselves. Medical experts are quoted giving the pros and cons of snuffing out one's life by putting a plastic bag over one's head or injecting air into a vein.

Death Experts

Leaders of [illegible] death movement, Hans [illegible] and cyanide Doctor James Barbeth[illegible] give specifics on ingesting cyanide for "peaceful" death. Humphry consults anesthesiologists, physicians, and pharmacists from five countries who have had years of experience [illegible] methods to advise [illegible] drugs and [illegible].

[illegible] Humphry, founder of the National Hemlock Society and instigator of the Washington State death on demand [illegible] defeated at the polls Nov. [illegible] have you believe that [illegible] page after page of [illegible] compassion[illegible].

[illegible] the book has [illegible] Times bestseller [illegible] 18 weeks, it appears Americans are [illegible] themselves to be deceived by this garbage. Or maybe the book's popularity can be accounted for by prurient interest and a yen for obscenity.

Besides creating a popular outcry for suicide on demand, Humphry wants to make a bundle in royalties on this book. So he's added plenty of gore (death by freezing or electrocution), and illicit info (where to get "magic drugs") to capture the voyeurist attention of millions of Americans who are steeped in soap opera. For good measure, he recounts the suicide deaths of hundreds of despondent people as a testimony for his "cause."

Humphry's World

His cause is a world in which medical treatment means a lethal syringe, in which "success" means death, and in which compassion means tying a plastic bag tight over your spouse's head. The underlying premise in such a world is that of Nietzsche: Death is as "good" as life, and life is reduced to a choice between enhancing personal pleasures and eliminating burdens.

On a government level, that means that, when medical care for people with disabilities becomes a burden to a nation's leaders, it's eliminated, just as George Bush is doing today with Medicaid. On a personal level, when your spouse's illness becomes a burden to your "lifestyle," you either walk out—as Derek Humphry did when his second wife was fighting cancer—or you kill the patient—as Derek Humphry did to his first wife, also fighting cancer.

It is important to recognize how Humphry manipulates irrational beliefs and reinforces the fears of vulnerable patients. He says what they want to hear. Thus, Humphry dedicates the book to, among other victims, Valerie Harper. She and her family traveled to Michigan so she could die at the hands of Jack the Ripper Kevorkian, the unemployed pathologist with the homemade "death machine" who was allowed to get away with murder in 1990.

Valerie's husband, Bertram Harper, told the Phil Donahue Show that his wife had cancer and she wanted to die because she remembered the horrible pain of a relative who had died of cancer 22 years before.

Who in their right mind really believes cancer treatment and pain management have not changed in this country in 22 years? No doubt, Mrs. Harper was scared. But why, if her husband was willing to travel clear across the country to help kill her in a motel room, couldn't he have done as much work to find medical help to dispel her fears? And, why, reader, didn't Humphry tell you, when recounting her story, that studies show again and again that about 95% of the sick elderly who try suicide (as Mrs. Harper had earlier) are clinically depressed—and **clinically treatable**?

Are the Americans who snap up Humphry's book, swallowing this evil propaganda and eager to make killing legal?

Humphry's book is full of lies, and it also exposes the lies Humphry used to sell his suicide-on-demand initiative in Washington State, in which, supposedly, he guarantees that only the terminally ill will be "allowed" euthanasia.

Yet, in this book, he tells doctors there are **no** standards for who gets the lethal injections. Humphry supplies defense funds for the criminal trials of hospice workers who boast of an underground of renegades across the country—renegades who kill AIDS patients. So it's not surprising that in his book he exhorts nurses to feel free to ignore the law "if there is an overriding moral imperative." Not very comforting if you're heading to a hospital any time soon.

Finally, forget Humphry's hollow words about "dignity." Anyone who ever depended on someone else's help can tell you that it is not the infirmity that denies one dignity, as Humphry would have us believe. Your dignity rises and falls with the efforts and commitment a society and its people invest in overcoming the limits with which we are saddled at any point in life. And your own sense of your dignity derives in some degree from the extent to which society values you—or doesn't.

Humphry's "commitment," as demonstrated by this book, is a loaded gun aimed at your head, aimed at all our country's people, and at the laws that protect us. Wake up, America.

EIRNS/Stuart Lewis

DEREK HUMPHRY, author, euthanasia ideologue, and 'suicide assister,' shown here at a National Hemlock Society conference.

Cisneros in Venezuelan Political Defeat

by Cynthia Rush

Nov. 18 (EIRNS)—Venezuela's powerful Cisneros family, which has desperately tried to suppress information regarding its ties to the underworld of drug money laundering, suffered a major political defeat Nov. 15 when it lost its bid for CANTV, the state-owned telecommunications monopoly undergoing privatization. Although it had been assumed that the Cisneros would get the bid, it turned out that their consortium—which included Bell Atlantic and its Canadian subsidiary—fell far short of the offer made by the only other bidder, a consortium made up of the Spanish telephone company, ATT-GTE, and Banco Mercantil, owned by the wealthy Volmer family interests.

The loss of the bid reportedly shocked the family, which has often been referred to as "the Bronfmans of Venezuela." Their dirty financial and organized crime ties, including their current collaboration with the Anti-Defamation League of B'nai B'rith (ADL) against U.S. political prisoner Lyndon LaRouche and the Venezuelan Labor Party (PLV), are as unsavory as those of their Canadian counterparts.

President Carlos Andres Perez had met recently with Bell officials and Cisneros, which local observers saw as a sign that the family had clinched the takeover deal. Local media and political groups had fiercely opposed the Cisneros bid, warning that if the family won, they would create a private monopoly in all areas of the strategically important national telecommunications sector that could threaten national sovereignty. However, last minute changes in the language of the concession agreement were thought to have mollified the opposition.

The Cisneros also put tremendous effort into a high-profile campaign against the PLV, not only because it opposed their CANTV bid, but because it is demanding the lifting of the ban on the book "Narcotrafico, SA," the Spanish-language version of the bestseller "Dope, Inc." which the Cisneros ordered banned in Venezuela in 1985. Information has recently sur[illegible] circulated pamphlets and put out newspaper ads and other "anonymous" material slandering the PLV and LaRouche. This has gone to such an extreme that, in his latest ad, Guisandes has made the libelous charge that LaRouche is a drug trafficker.

With the loss of the CANTV bid, it would appear that not only has the Cisneros family's slander campaign failed, but the family is now on the defensive. They were unquestionably hurt by a PLV ad exposing the ADL's filthy history which appeared in two Caracas dailies on Nov. 14, and in the English-language Daily Journal the next day. Headlined "The Authentic Connection to Narco-Laundering," the ad referred to the anti-LaRouche pamphlet put out jointly by Guisandes and the ADL's Jerkow Institute for Latin America, and explained that since its founding during Prohibition, the ADL has been tied to bootleggers and, later, drug runners. Under the false pretext of defending Jewish concerns, the ad continued, the ADL attacks as "anti-Semites" anyone who opposes its shady interests. The ad detailed the ADL's links to gangster Meyer Lansky, fugitive financier Robert Vesco, and his buddy, Colombian drug kingpin Carlos Lehder.

The PLV ad asserted that "the ADL serves all intelligence services equally. It is implicated in the scandal of the Israeli spy Jonathan Pollard in the United States, whose information also reached the Soviet KGB. At the same

Virginia Slate Gets Up to 20% of Vote

Special to New Federalist

NORFOLK, Nov. [illegible] (EIRNS)—Candidates supporting the LaRouche economic recovery program garnered up to 20% of the vote in elections for the state legislature in the Tidewater area of Virginia. The candidates had a tremendous impact on political discussion in the area, appearing on TV debates and broadcasts 20 times, airing almost 50 radio commercials, speaking at numerous candidate debates, being featured on radio talk shows, and distributing tens of thousands of leaflets and issues of New Federalist [illegible] and get people back to work.

Campaigning for these policies, candidate Earline Boone, a supervisor at Ford Motor Company, took 20% of the vote in her 89th District House of Delegates race: of 17 precincts, she won one precinct with 65% of the vote, took 30-40% in five others, and 20-30% in three more. Alain Lareau, spending $53 to the $70,000 raised by his opponent, took 17% of the vote—over 2,000 votes, evenly distributed throughout his district. Lisa Haigood, a candidate for the 95th District in Newport News and Hampton, won 16% of the vote. In the [illegible] fiercely contested between Dem[illegible] way beyond this politics as usual.

Candidate Lisa Haigood followed up the election with a call to the Commonwealth Attorney and the State Election Board to look into potential fraud in her district. In the Hampton precincts which had been added to the district just this year, Haigood registered a solid 30% of the vote; in the Newport News precincts, which are the patronage stronghold of her opponent Henry Maxwell, the vote was absurdly different.

Haigood Seeks Fraud Probe

Haigood noted in her statement, "In a sound judgment it is statistically im[illegible]

LaRouche Opens Presidential Campaign

[illegible] The political leadership of the past 28 years to lead the country into a [illegible] that has made [illegible] extremely [illegible]

[illegible] Democrats feel [illegible] assault on the [illegible] expression to [illegible] the AIDS [illegible] depression [illegible] Democratic [illegible] and the [illegible] campaign [illegible] Republican [illegible] calling.

[illegible] Accounts

[illegible] statement, the so-called re[illegible] Democratic candidates [illegible] Kerrey, Clinton, [illegible] medicine [illegible] writes. They are [illegible] from another [illegible] a kind of [illegible] to put [illegible] but which is [illegible] austerity to save a bankrupt [illegible] system. None of them has so far agreed what must be done.

What has to be done, LaRouche says, is to declare the U.S. banking system as bankrupt as it is. In contrast to the liberal programs of the other Democrats, he elaborates: "You can't say that banking systems are sacrosanct and human lives are not. You cannot force somebody to starve to death on non-existent welfare because you say the banking system has to be saved first. No. Human lives are more important than banks. The U.S. economy, the U.S. as a nation, is more important than any bank or collection of banks. Banks are only businesses, which can go bankrupt like any other business. We are going to save the people and the nation. We'll do the honorable thing, but we are not going to support a bankrupt banking system, which did a great deal to create the mess in the first place."

LaRouche then outlines the American System economic measures that must be taken to stop the depression, especially the nationalization of the Federal Reserve, and the issuance of credit for massive infrastructure projects which are necessary to get the country out of the depression.

Recent Elections

The recent elections in Pennsylvania and elsewhere sent a clear message that people are ready for a challenge to George Bush. Particularly sharp was the sting of defeat for former Governor and Bush Attorney General Richard Thornburgh, who lost in the Pennsylvania Senate race to the less well-known Democrat Harris Wofford.

The Wofford vote was a vote against Bush's economic policies. Taken together with the New Jersey vote, the economic policies of the Democrats and Republicans alike did not receive very high marks. In Pennsylvania, the issues were Bush's North American Free Trade Agreement (NAFTA) and the resulting job loss for Pennsylvania—past, present, and future—because of these free trade policies.

The NAFTA issue was so heated that Thornburgh found himself accosted on the streets by angry citizens, and found himself backing off the issue. The Wofford campaign found support for its efforts, however, in a pamphlet issued by the LaRouche campaign, which attacked the "Auschwitz slave labor camps south of the border."

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All these voter patterns show that the *economic* situation is the key issue before the electorate. Responding to the Nov. 15 New York Stock Exchange drop of more than 100 points, LaRouche had this to say: "The U.S. is now entering a new phase of an ongoing economic depression. . . . As long as the present policies, including Gramm-Rudman and budget-balancing policies generally, are continued in Washington under the influence of free trade and deregulation policies of the past dozen years, this economy will continue to go deeper and deeper and deeper into this depression."

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Recent developments in the Soviet Union, as Soviet Republics declare their independence, one year after the removal of the Berlin Wall and two years after Chinese students and workers faced down communist tanks at Tiananmen Square, bring us to an historical crossroads unparalleled in the 20th century.

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In the summer of 1988, one year before Tiananmen Square, at the Democratic Convention in Atlanta, Ga., Lyndon LaRouche warned of imminent economic breakdown and a world food crisis, and forecast the collapse of the communist empires. In the fall of 1988, one year before the Berlin Wall came down, LaRouche spoke of the reunification of the two Germanies and announced the formation of an International Anti-Bolshevik Resistance Movement. For more than 20 years, LaRouche has warned of these dangers and offered anti-International Monetary Fund, anti-colonial alternatives.

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Name City State

Paid for by Democrats for Economic Recovery LaRouche in 92

LISA HAIGOOD RAISED the question of vote fraud against her in her recent Virginia campaign.

corruption to continue—or death and destruction to us all." She concluded with a sentiment expressed by the entire candidates' slate: "The fight for economic equality and political justice has only just begun."

[illegible] Administration has recently surfaced confirming allegations made by "Narcotrafico S.A." regarding the family's drug ties. The PLV is asking that the illegal and unconstitutional ban on the book, unprecedented in "democratic" Venezuela, be lifted.

In Bed with the ADL

The character of the forces the Cisneros family has mobilized to attack the PLV and LaRouche, who commissioned the publication of "Dope, Inc.," virtually confirms the charges made against the family by "Narcotrafico" and others. Through hireling Congressman Gaston Guisandes, they have joined with the ADL, whose own ties to organized crime are notorious, and [illegible] reached the Soviet KGB. At the same time, Mrs. Mira Lansky Boland, an ADL official (and author of the pamphlet against the PLV) recently admitted that she was employed by the United States CIA.

The PLV has called on Venezuela's Attorney General to investigate the links between the ADL and the Cisneros group. It has also called for a freeze in the privatization of CANTV, "a company with strategic and national security implications." While the privatization of CANTV went forward, somebody in Venezuela apparently thought it better to keep it out of the Cisneros group's hands.

Paces Record [illegible] Between [illegible]

[illegible] ocratic and Republican candidates, the Independent candidates took between 3% and 4% of the vote, as follows: Joe Escriche, 83rd District, 3%; Linda Robinson, 85th District, 4%; Loretta Chandler, 5th Senate District, 4%; and Lorenzo Marable Safavinia, 1st Senate District, 3%.

Switching Turkeys

In these hotly contested areas, Tidewater voters followed the national pattern of registering their disgust with incumbents. The State Democratic Party was stunned by its loss of eight Senate seats, as old party stalwarts fell to Republican newcomers. However, by voting out Democratic incumbents in favor of their Republican opponents, disgruntled Virginia voters merely traded one brand of turkey for another. The message that the LaRouche-connected slate will continue to spread is that it is time to go

[illegible] a sound judgment it is still [illegible]

[illegible] possible to have gotten about 31% (triple-digit figures) in some geographical areas—specifically the Hampton Precincts (Kraft 539 to 259, Northampton 561 to 224, and Tucker-Capps 437 to 215), while getting a landslide slaughter—less than 8% (single and double-digit counts in the other area—specifically all but one of the Newport News Districts (Jefferson 400 to 6, Dunbar 244 to 8, Reed 551 to 33, Marshall 395 to 30, and Huntington 300 to 11). Since I know that a very large portion of Haigood supporters reside in the city of Newport News, of course I surely know that it is impossible for such an outrageous voting count to have occurred."

Haigood continued by noting: "The names Haigood and LaRouche did not win the battle of this election of the 95th District, but the war is not over yet—and we shall return. We, the people of America, must not allow such

[illegible] Political Advertisement

[illegible] Accounts

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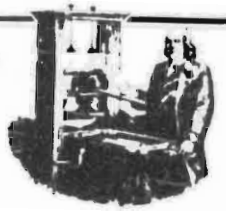
3 4 0 4 3 5 6 9 2 3

THE NEW FEDERALIST

If banker would overthrow the liberty of a nation must begin by subduing the freeness of speech.
Benjamin Franklin



Nancy Spannaus, *Editor-in-Chief*

Alan Yue, Christina N. Huth, *Associate Editors*

THE NEW FEDERALIST *continues the tradition of New Solidarity in its dedication to restoring the American System of economics and politics. The American System of Franklin, Hamilton, and Washington defines the mission of the United States as: to foster economic and scientific progress, the republican form of government, and the inalienable right to life for all peoples, both at home and abroad.*

New Spotlight on AIDS

One would hope that the widespread publicity over the fact that basketball star "Magic" Johnson is infected with the AIDS virus would lead to a more serious approach to this global pandemic. So far, unfortunately, this is not the case.

Johnson himself could do a lot of good, if he were to carry out his crusade not on behalf of the virus, as he perhaps inadvertently said, but on behalf of the emergency program for mass mandatory testing, for expanded hospital care, and for basic antiviral research. Another campaign for safe sex and an excuse for putting condom ads on television, is not what we need to defeat this scourge.

Leaving aside the issue of the libertine lifestyle which, if not ultimately to be reversed in any case, we should focus on the policy toward AIDS. And the truth must be faced. If the U.S. government had not consistently refused to spend the money required to test and treat AIDS victims, to research ways to conquer the virus, and to upgrade public health conditions generally, people like Johnson would probably not have the virus today.

It was in 1983 that the LaRouche movement first put a spotlight on AIDS. We noted that it was spreading particularly dangerously in impoverished African countries, where health care for even simple diseases is very scarce, and where malnutrition, insects, and lack of sanitation are rampant. Regardless of how the disease got there, we said, the IMF conditionalities which enforce this poverty must be dumped, or they will ensure that it spreads. A people weakened by malnutrition and other diseases, is a prime target for AIDS.

Unfortunately, nothing was done to change that IMF policy. The result is that no region of the world is more devastated by the AIDS virus than sub-Saharan Africa. At the present rate, the population of Uganda will actually decrease by 17 million people by the year 2010, according to the nation's President.

A similar point can be made around the United States AIDS epidemic, which is at least 10 times worse than the official figures show. In 1985 and 1986, the LaRouche movement put forward concrete proposals, including a proposition on the California state ballot, for mass testing and a research program of over $3 billion on the frontiers of biological science. The answer that came back was: "You're anti-gay and Nazis."

What that answer really meant, is that the Democratic and Republican leadership were unwilling to spend the money necessary to stop this deadly pandemic. They knew that if people were not tested, they would continue to spread the virus. They knew that if people found out they had the virus, they would want to be treated. And they didn't want to spend the money! So they tried to make pariahs out of those who proposed a solution to the problem.

The same motivation lay behind the ruling parties' handling of the research program. Researchers who had initial results pointing to the fact that AIDS was not a venereal disease, and to the fact that it was intimately connected with conditions of poverty, were cut off. Monies to develop palliatives like AZT were hived off other medical programs. And today doctors are more pessimistic about finding a cure than they were a year ago.

Of course, the longer we wait to deal with the AIDS pandemic, the more expensive and gargantuan the task is going to be. But testing is cheap, and must start now. Then the task is to mobilize around the medical program that's required. It will take science, not magic, to cure AIDS. [illegible]

Saving the World's Nations

We [illegible] our readers' attention to the bill for the Committee to have Croatia, which appears to [illegible] some of its support [illegible] It seems that the U.S. and British governments have [illegible] maintain the very policies which led to the horror in Croatia and [illegible] take the extraordinary efforts of private citizens and organizations to the contrary. We hope you will sign and circulate this resolution.

This is the second committee to save which Schiller Institute founder Helga Zepp-LaRouche has inspired within this current year. The first was the Committee to Save the Children in Iraq, which has registered significant success in getting medical aid into that blockaded nation, and in stirring the conscience of those who would forget that a U.S.-enforced action is starving a nation of 18 million to death.

[illegible] could think of other such emergency committees that should be set up—committees to save Africa, to save Russia from famine, to prevent tens of thousands of Americans from being thrown out on the streets this winter. The emergencies are real and the causes worthy.

But the success of any such committee should be measured not only by its particular cause, but also by its success in pulling together broader forces who will change the policies and governments which have created the disasters. In the cases of the two we mentioned, it means bucking the Bush administration, and dumping the austerity regime of the International Monetary Fund. It means fighting for a just new world economic order that will provide a framework and credit for prosperous development for all sovereign nations.

Our cause is to fight for life and liberty for all. Won't you join us?

"Bush reminds us of a chicken with his head cut off."
—Neue Zuercher Zeitung

The Making of the President

Item: Nov. 12 poll finds President Bush's ratings have collapsed, and he would run in a dead heat with any unnamed Democrat, if the elections were held today.

* * *

• Thanksgiving Day, 1991: U.S. jobless rate hits 15%. New poll shows President Bush would run in a dead heat with Aaron Burr, if the election were held today.

• Christmas Eve, 1991: American jobless rate hits 25%. Three biggest banks in country go belly-up. New poll shows President Bush would run in a dead heat with Freddy Kruger if the election were held today.

• New Year's Week, 1992: U.S. dollar collapses to $400 to the British pound. [illegible] shows President Bush would lose to Alf Landon if the Republican convention were held today.

• Ground Hog Day, 1992: U.S. government sells Guam for a billion dollars to meet the federal payroll. New poll shows President Bush would lose to Geraldine Ferraro if the election were held today.

• St. Patrick's Day, 1992: President Bush calls in Roger Ailes and James Baker for skull session.

• April Fool's Day, 1992: President Bush tells press "I [illegible]

the funnybone

• April 15, 1992: President Bush invades Cuba.

• May Day, 1992: President Bush invades North Korea.

• May 30, 1992: President Bush invades Haiti, Brazil, and Guam.

• June 15, 1992: President Bush orders troops into Broccoli Growers' National Conference, U.S. Congress, and Pennsylvania State House in Harrisburg.

• July 1992: President Bush sends special forces into Democratic convention, Times Mirror polling service.

• Election Day, 1992: President Bush invades voting booths in 55,000 major U.S. precincts, makes world safe for democracy.

LETTERS TO THE EDITOR

The Question of Usury

To The Editor

Re: Carlos Mendez "The Ideology of Usury," *New Federalist*, Oct. 14, 1991:

While Carlos Mendez's article represents a useful compilation of sources on the subject, the author unfortunately tends to [illegible] the Aristotelian fallacy of equating [illegible] with all **lending of money at interest**. Many [illegible] the Church condemned all lending at interest, including the lending of money. Similarly, St. Thomas Aquinas polemicizing Aristotle [illegible] receive interest for the very [illegible] which is called usury.

I think it would be a mistake to mix up the healthy principle of credit with the utterly destructive principle of usury, that admittedly today dominates the financial world and economic practice in general. There is, however, a pretty much forgotten principle of credit—credit that is used for investments into industrial or infrastructural projects—and it has been practiced during the time of industrialization. Such credit can be issued by the state (Hamilton, LaRouche), but also by private banks or in the form of bonds. People bought certain railway bonds, for example, in order to contribute to financing this project which they liked **and** in order to receive a certain interest. This interest must be defined as a portion of the surplus coming out of the bond-financed project, and it can certainly not exceed that surplus. This is the first principle of healthy credit. The interest can certainly not be higher than the productive surplus coming out of the undertaking financed by the credit. The second principle is, that the credit institutions must always be the "servants" of the productive process, and not vice versa, as things are today.

In contrast to this, usury is correctly defined as a practice in which a person or an institution exploits a situation of shortage or hardship of a person, company, or even a country, to impose on them usurious interest rates, prices or rents. A person in desperate need of money is forced to accept astronomical interest or other conditionalities to get new credit. The same happens to indebted developing countries, when they are dependent to get their debts rescheduled. In times of water shortage, usurious water sellers demand exorbitant prices for a bottle of water. Food shortages lead to usurious black market prices for food. Or landowners feel entitled by the ground rent system to exploit the farmers working on their land like serfs. These are all forms of usury, which must lead ultimately to the destruction of the society in which they are widely applied.

Another quote by St. Thomas Aquinas: "On the fraud committed by buying and selling" seems to indicate that the author tends also to put merchant activity in the category of usury, probably thinking of Adam Smith's slogan "buy cheap, sell dear." This is, of course, just as wrong as mixing up credit and usury. Trade is as such unproductive, but is absolutely necessary in order to **distribute** the goods, once they are produced. Also, as the various retail sellers, down to the small shop owners, have to make a living, it is legitimate that they sell the goods for a higher price than they buy them for. Of course, this must be in such limits so as not to damage either the producer or the consumer. But there is apparently no better distribution system than trade.

Also, the condemnation of the ground rent system must not go overboard to the point of regarding it as immoral, if someone rents out flats to *other people*. It is *utopian* to demand that every person should live in his or her own house. Today people move around very often; how can they have a house of their own wherever they go? Where should people live, if not in rented flats or houses? Also, it is much more efficient, if more families live in one bigger house than in so many small houses. In other words, to invest in the building of flats in order to rent them out to other people is not a criminal or immoral activity, but a very useful and laudable one, if the rents are not too high, compared to the costs and to the income of the people who have to pay the rent.

Didn't the author stumble over the fact—which he quotes himself—that notably two figures formulate the equation, "lending at interest = usury" namely, according to St. Thomas, Aristotle, and Adam Smith in "The Wealth of Nations"? The complete prohibition of usury, or mercantile interest on money, is not a way to obviate [social inequity]. . . "? I have the suspicion that Aristotle and Smith set up that paradox purposely. They mix up credit and usury, because then they can use the arguments in favor of credit also as apology for usury. I am sure, Jeremy Bentham does exactly that extensively in his "In Defense of Usury." This is the reductionist method of syllogism: 1. Credit is usury, 2. usury is immoral, 3. credit is immoral. But on the other hand: 1. Credit is usury, 2. credit is necessary and useful, 3. usury is useful and should therefore not be done away with.

I think it is the job of your newspaper to clear that purposeful confusion up, as Lyndon LaRouche has done many times, and to clearly distinguish between productive credit—at a legitimate low interest, and subsumed to the primary, productive side of the economy—and destructive usury. While credit is based, or should be based, on the harmony of interests, so that everybody gains something by the process, usury is based on misuse of power in order to exploit others.

Gabriele Liebig
Editor-in-Chief
Neue Solidaritaet
Germany

A reader sent us this cartoon, which appeared in the Pittsburgh Post-Gazette on Nov. 7—just after Thornburgh's defeat in the Pennsylvania elections.

What you can do:

1. [illegible]
2. [illegible]
3. [illegible]
4. Call any of these offices today to [illegible]

The Federalist
[illegible] VA 703 777 3451

Executive Intelligence Review
[illegible] VA 703 777 3661

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Southeast Literature Sales, Inc.
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[illegible] VA 804 323 7462

Southeast Literature Distributors, Inc.
[illegible] VA 703 369 6900

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Indianapolis, IN 219 375 2728
Detroit, MI 313 842 3606
St. Louis, MO 314 361 6302
Minneapolis, MN 612 874 1860

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Seattle, WA 206 362 9091

Hamilton Systems Distributors, Inc.
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Boston, Mass 617 380 4000

American Century Distributors, Inc.
Pittsburgh, PA 412 885 7270

Nancy Spannaus,
Editor-in-chief of
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welcomes your letters.
Write to:
The New Federalist
P.O. Box 889
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To The Editor

Re: "The Ideology of Usury"

It is unclear to me exactly what Mr. Mendez, the author of this article, advocates. While the traditional anti-usury doctrine of the Roman Catholic Church prohibited **any** lending of money for interest, this would seemingly require abolition of private banking and credit altogether. I hardly understand this to be the policy of the "American System," as propounded by Hamilton, Carey, List, or LaRouche. LaRouche's proposals explicitly include private banking as the medium for making government-created cheap credit available to manufacturing industry, hard-commodity production, etc.

Is it not important to distinguish between extortionate lending, and the passing demand for the "pound of flesh," versus the rational use of credit which is necessary to facilitate production and trade?

An absolute prohibition on lending at interest would leave us with only state banking, as far as I can see. Does not such "socialized" banking run contrary to the letter and the spirit of *Centesimus Annus*? But if a reasonable interest—including a profit, not just administrative costs—is to be allowed, then how does this differ, say, from Melanchthon or Grotius?

Secondly, the issue of usury and the Reformation is a bit more complicated than presented in this article. Usury was an issue in the initial split between Luther and Rome, but rather differently than our author suggests. The campaign to ban Luther and his teachings was led by the Augsburg theologian Johann Eck, who publicly debated Luther, then went to Rome and drafted, published, and implemented the papal bull *Exsurge Domine* which led to Luther's excommunication. Eck, it is well known, was employed by the House of Fugger—the bankers to the Hapsburgs. Eck was commissioned by the Fuggers to take part in a disputation in Bologna defending usury, at which he declared that it was permissible to lend money at up to 5%. Eck was defending usury while Luther was attacking it. This created a public scandal. Luther's supporters violently attacked Eck for his approval of usury.

It is not irrelevant that Luther's first public set of 97 theses, the "Disputation Against Scholastic Theology," an attack on the Aristotelian *nominalism* prevalent at the time, drew little attention, but his 95 theses attacking indulgences drew a vigorous response a few weeks later. There was nothing un-Catholic in either set of theses. As one might suspect, the reaction was primarily financial and political, not theological. Erasmus was only partially right when he said in 1520 that Luther's crime was that he attacked the Pope's crown and the monks' bellies; he probably did not realize that half of the monies collected from believers during the jubilee indulgence was being paid directly to the Fuggers.

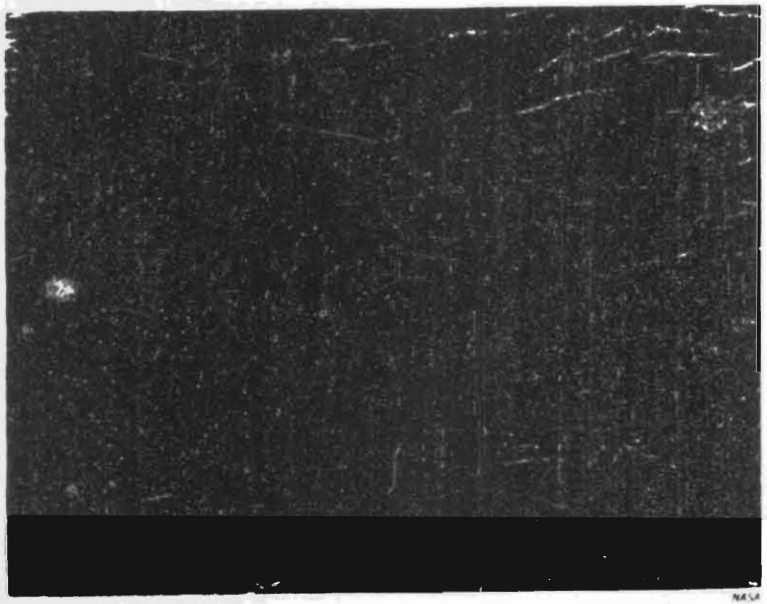
The fight over usury obviously predates the Reformation, and cuts across *religious* and *denominational* lines. An effective and ecumenical approach to the issue requires clarity as to what constitutes usury, both *historically* and at the present time, so that we can find a common ground for battling the murderous policies of the bankers and the IMF today.

Edward Spannaus
Leesburg, Virginia

The Editor Replies:

Mr. Mendez is pleased to have provoked such a discussion on usury, and plans to write more on the subject at a later time. New Federalist welcomes further comment and debate on this crucial issue.

Behind the News



NASA

This full-resolution radar mosaic at 49 degrees south latitude on Venus shows a 124-mile segment of a channel. The channel is approximately 1.2 miles wide and appears to have been formed by lava flows.

Magellan Spacecraft Shows Changing Geology of Venus

SCIENCE & TECHNOLOGY

by [illegible]

[illegible] United States Magellan spacecraft [illegible] ground's return in August 1990, it has revealed a planet from which we may learn much about our Earth as scientists struggle to [illegible] changing geology. Magellan bounces narrow-[illegible] radar signals off the surface of Venus to "see" through its thick clouds. The varying lengths of time these signals take to return to Magellan's antennae are used to put together pictures of the surface. While previous attempts have been made to look at Venus with radar, the 400-foot resolution of Magellan is 10 times better than that of earlier spacecraft.

The surface of Venus is relatively young and shows signs of constant renewal. It is cratered, like our Moon, but the cratering is much more recent, as is shown by the existence of plains of lava flows with no craters at all. Craters are caused by impact of meteors on Venus; the smallest craters are about 4.6 miles in diameter. [illegible] is not all that different from cratering on Earth, the Moon, or Mars.

The relative youth of the impact craters is indicated by the plains, created when widespread volcanism occurs and destroys all the craters, as ocean-sized floods of lava inundate the surface. Most of the lowland areas were created by vast lava flows either from one catastrophic phase of volcanism 400 million years ago, or from a series of different eruptions. Such a scale of volcanic activity is unknown on Earth.

Another unusual feature is the pancake-shaped domes, about half a mile high and 15-20 miles across. In one region, seven of these domes stretch out in a remarkably straight line, and scientists speculate they were formed by extremely viscous lava pouring out of volcanic vents. Dr. Saunders says the pattern "is telling us something about the eruption mechanism, the viscosity, and the eruption rate."

Similar lava domes are seen on Earth, but only inside the caldera of active volcanoes. The wide variety of volcanic formations on Venus suggests variations in the thickness of molten rock flowing there. Its consistency ranges from that of toothpaste, seen in the pancake domes, to [illegible] that forms channels hundreds of miles long.

due to volcanic activity is a slower process on Venus than on Earth. Geologist Roger Phillips from Southern Methodist University speculates that Venus produces about one-tenth of a cubic mile of lava per year, compared to 7.7 cubic miles of lava on Earth. It is believed that plate tectonics plays a longer-term role in renewing the surface of Venus. Other parts of the surface are plains that show much evidence of tortuous tectonic activity.

'Venus-Quakes'

Our planet's earthquake activity usually occurs where two tectonic plates meet, such as the San Andreas fault in California. "Venus-quake" activity appears to occur over wide regions. There are linear mountain ranges, such as are common on Earth, rift zones, fractured plains, and wrinkled plateaux. Scientists speculate that Maxwell Montes was formed by the same type of compression forces that created the Himalayas.

One striking characteristic of all the surface features found on Venus is lack of erosion. On Earth, geological formations begin to be eroded by water and wind as soon as they form. On Venus, there's no water and the wind is very slow, about 2-4 miles per hour. Thus, newer formations are superimposed over older ones, such as fault lines running through impact craters, leaving a full record of geologic events.

Magellan completed its first mapping cycle of Venus last April and, because the quality and quantity of data exceeded expectations, project scientists immediately got approval to begin a second mapping. One goal of the second mapping cycle is to determine whether Venus is still geologically active; this will be done by comparing images from the first cycle with images of the same areas from the second cycle, taken nine months later.

Landslides and Channels

Since April, a landslide not present in the first mapping cycle has been observed in the area known as Aphrodite Terra, an equatorial highland. The landslide was probably caused by a quake, and could not have occurred unless active processes were taking place inside the planet, according to Dr. Saunders. On the second cycle, Magellan has also discovered the longest known channel in the Solar System, longer than the Nile, at 4,200 miles. The very existence of this channel is a puzzle. "If the channel were carved by something flowing," Dr. Saunders said, "the liquid would have to have very unusual properties. There are no likely candidates for a liquid. Lava, even very high temperature types, would need to have a very high extrusion rate to flow so far. The [illegible]

Pull the Plug on Your Electric Piano! They Don't Make Music

VIEWPOINT ON MUSIC

by Alan R. Ogden

It's bad enough that so many small "spinet" pianos with poor musical qualities are foisted on music students. But the new, "even cheaper" alternative flooding the musical instrument market is much worse. The "electronic piano," or "electronic keyboard," even in its 88-key "professional" version, is really an insult to a generation of young aspiring music students.

Electric pianos exist only because the brain-deadening mass culture of rock "music" exists. In their design and conception, they are really instruments of anti-music, easily plugged in to earsplitting amplifiers and combinable with every other type of earsplitting electronic rock noisemaker. The keyboard can be transformed to play any of a large variety of strange inhuman electronic sounds, by pushing buttons absurdly labeled with the names of real instruments, such as "harpsichord," "clavichord," "organ," "reeds," or even "chorus." Some have a feature called "transpose," which invites the player to replay a passage of music a chromatic step or two higher, by merely turning a dial and playing the music again in the original key. While transposition has its place in classical music, this dial on the electronic piano is helpful only to the "modernist" campaign to unleash arbitrariness and anarchy in music.

The worst abomination, though, is the addition by manufacturers of drum pulses, rock background sounds, wild tremolos and even entire canned "piano pieces," all available to the impressionable novice at the push of a button. Parents beware!

What To Look for in a Piano

The piano, originally known as fortepiano (meaning "loud-soft"), or pianoforte, has existed for about 250 years. It was invented as part of the effort to develop musical instruments which would imitate features of the human singing voice. On the earlier keyboard instruments, such as the harpsichord and organ, a musician could play a line of music louder or softer, by use of stops and double or [illegible] enclosing the ranks of pipes and reeds. But only a piano can respond differently to each touch of the musician's finger, not only in volume, but also in tone quality. In the best designed and most carefully made pianos, this variability is available over a very wide and finely differentiated range of selection, making the instrument expressive of all the subtle transformations needed to understand and perform beautiful classical music.

The electronic piano manufacturers imitate the piano in their "Cadillac" models. They add a sustaining pedal, a damper pedal, and even a primitive loud-soft response to different touches of the finger. But, aside from the offensive sound produced, these technical pretensions are a failure. For example, as the player of an electric piano tries to play more than one or two tones simultaneously, he will find that the total volume of sound may be the same, but the individual volume of each tone is reduced, even though he may maintain the same force on the key. This makes it impossible to play real music, since piano music is written to be played with the different voices, or horizontal lines of music, contrasted to each other and shaped differently. A student playing an electric piano can never learn these fundamental aspects of real music.

Society has as fundamental an interest in a renaissance in musical education, as in the nurturing of souls. But from this standpoint, there is no way the further compromise in quality implied in the idea of "cheap electric pianos for the masses" can be considered acceptable. There simply is no way to advance musical culture without the necessary productivity in the economy to sustain the production, distribution, and maintainance of large numbers of high-quality, real pianos.

Tuning all pianos to the lower scientific pitch of C = 256 is a big problem, but it cannot be solved by the shortcut of using electric pianos which are easily tuned down with a screwdriver, the loss in musical beauty is too severe. Want a choir practice? No piano available to establish the right pitch? Don't bring your electric piano for that either, unless it's a real emergency. From my experience, the pitch they produce is too murky and wavering to be easily distinguished by the singer

sphere. Some smaller craters have multiple impact points indicating that the meteors which created them broke up before hitting the surface.

One of the first craters surveyed by Magellan is 20-mile wide Golubkina, discovered by a Soviet radar survey in the early 1980s. It has many of the same characteristics as craters on the Moon. The inner walls are terraced, a central peak rises from the center, and boulders and other debris extend in all directions from the rim. NASA project scientist Dr. Steven Saunders says this indicates that cratering on Venus

the chemical composition of the hot rock flowing from inside the planet.

Before there can be volcanic explosions, however, the hot lava must have concentrations of volatile gases high enough to overcome an atmospheric pressure 90 times that of Earth. There are also, apparently, unusual materials coming to the surface in these eruptions. The tops of the mountain range containing the tallest mountain on Venus, the 38,000-foot Maxwell Montes, are covered with a material that reflects the way ice would.

The evidence suggests that surface renewal

phology.

The challenge the new data provide is in the understanding of planetary geological process and related fields such as material properties and fluid dynamics, particularly under extreme temperatures and pressures, since geologic materials undoubtedly act differently under the surface temperatures and pressures of Venus, from the way they act on Earth.

Magellan is showing us a third body beside Earth which is geologically active. Voyager showed us such activity on Jupiter's moon, Io, and similar activity on Neptune's moon, Triton.

Bushnomics: Not Incompetence, but Fraud

PHYSICAL ECONOMY

by Anthony K. Wikrent

The posturing Bushmen and the financial cartel which owns the U.S. Federal Reserve System have been frantically trying to stimulate the U.S. economy by cutting interest rates. But who is going to take advantage of 7% or 8% interest loans if he or she doesn't have a job? Or worse, if he doesn't have a job, and his unemployment benefits have run out?

At the end of August, the Center on Budget and Policy Priorities reported that 332,000 Americans had exhausted their unemployment benefits in July, the highest one-month total since unemployment benefits programs were [illegible] in the 1930s. In August, 304,000 persons exhausted their unemployment benefits, the second highest number on record, after July. [illegible], a senior research analyst at the Center on Budget and Policy Priorities, expects the number to reach at around 300,000 a month for the next several months. That's twice the level of one to two years ago.

Ignoring Unemployment

John Liscio, a reporter for Barron's magazine, dropped a political bombshell on George Bush on Oct. 28, when Liscio revealed that a staff [illegible] Bureau of Labor Statistics (BLS) had told Representative Major R. Owens (D-N.Y.) and Congressman Pete Stark (D-Calif.) that the new unemployment data, which would be kept out of the hands of government statistics. Why? Because Liscio wrote, the slightest appearance of a weakening labor market would be too much of a political embarrassment to the President, who vetoed the unemployment benefits extension bill just before the statistics. Stone warned of worse rumored.

The statistics in question are the State Personal Income figures which the BLS calculates from two surveys. The first, preliminary survey includes employment information gleaned from about 8% of all employers in each state. Six months later, these preliminary numbers are revised based on information from a survey of 98% of all employers.

These final, very comprehensive figures are called the ES202 series, and they are used by the Bureau of Economic Analysis at the Commerce Department to calculate national income and personal expenditures—which, in turn, determine Gross National Product.

Liscio reported that the final ES202 figures for California showed that there were 373,000 less jobs than orginally estimated from the preliminary survey of six months before. ES202 figures for New York showed 138,000 less jobs than originally believed. This would have meant a downward revision—and loss—of $15 billion in income for those two states, a fact confirmed by massive revenue shortfalls for the two state treasuries. But, having found that there were 511,000 fewer jobs than estimated, the BEA at the Commerce Department did not subtract that number from its totals!

The head of the BLS section working on this told Liscio that the "BLS is still reviewing" the data because they are "worried" about the awful numbers, and that "there is disbelief" at the size of the job losses. "It's two times larger than what's ever been seen. Were there really that many employers out there that turned out the lights?"

The economists and analysts at the Federal Reserve Bank of San Francisco were also horrified by the numbers, and have also refused to believe them.

Maybe they're feigning their disbelief in order to make the feds appear only incompetent, rather than the frauds they really are. As this newspaper has documented, the U.S. government figures for unemployment are consciously constructed to minimize real unemployment by at least 50%, and perhaps by as much as 75%. Certain staff members at the Bureau of Labor Statistics—perhaps in opposition to the adduction of the Bush regime to the Goebbels style Big Lie—have provided information to EIR/NS for a series of expose articles (see "Government Can't Hide Soaring Unemployment," by Laurence Hecht, New Federalist, June 17, 1991, and, by the same author, "Did Unemployment Top 32 Million in U.S. in 1990?" in Executive Intelligence Review, July 5, 1991).

Another indication that the Bush regime is resorting to fraud to try to hide the extent of the Second Great Depression was reported by Liscio. A Treasury Department tax analyst named Joel Platt recently conducted meetings with New York, California, and other state officials, on the fact that both federal and state tax collections are coming in far below expectations—reflecting the depression collapse in employment. These state officials told Liscio that Platt said that "collections fell behind schedule in June, and with an even greater vengeance in September and October." Liscio reported that Platt had refused to comment when Liscio contacted him.

EIRNS/Stuart Lewis

The line goes on—and on. Unemployed New Yorkers queue up at a Brooklyn unemployment center.

Was The Late Robert Maxwell An Israeli Nuclear Spy?

COUNTERINTELLIGENCE

by Jeffrey Steinberg

Robert Maxwell, the British press baron who died under mysterious circumstances on Nov. 4, may have been one of Israel's most important nuclear bomb spies. And the recent expose of his role in the top secret Israeli nuclear program may provide the key to the mystery surrounding his death.

Maxwell's nude body was discovered in the coastal waters off the Canary Islands, 12 hours after he supposedly fell from the deck of his private yacht, having suffered a heart attack. Family members and at least one participant in the Spanish coroner's inquest have claimed that his death was due to foul play, and have dismissed the official verdict that he died of "natural causes."

Maxwell's death came within weeks of the publication of investigative reporter Seymour Hersh's book "The Samson Option," which documented how Israel obtained the nuclear bomb. In the book, Hersh accused Maxwell of personally working with the Mossad in the autumn of 1986 to suppress evidence of the Israeli nuclear program which had been surfaced by Mordechai Vanunu, an employee at the top-secret Dimona nuclear weapons complex in the Negev Desert. Vanunu had turned up in London with photos and other details of the Dimona nuclear reactor reprocessing facility, trying to sell the data to the British press. Maxwell's Mirror newspaper published a photo of Vanunu and tipped off the Mossad to his whereabouts, enabling the Israelis to kidnap the nuclear engineer and bring him back to Israel, where he was tried for treason. As a result of the Mossad kidnaping, the Vanunu revelations never made big headlines.

In his book, Hersh identified Mirror foreign editor Nicholas Davies as a Mossad recruit and described Maxwell as a collaborator of top-level Mossad officials.

Maxwell and Davies both sued Hersh and his British publisher for libel. Hersh countersued.

Within a week of the onset of the legal back and forth on Nov. 1, Davies was suddenly fired by the Mirror Group and his name was withdrawn from the suit, after evidence surfaced proving his Mossad links. Three days later, Maxwell was found dead.

Mystery Man

This news service has been told by a well-placed ex-official of the U.S. government that Maxwell's involvement in the Israeli nuclear bomb program went back decades, to the beginning of the effort in the early 1950s, under the supervision of then-Prime Minister David Ben Gurion.

A Czech-born Jew, Maxwell, according to his biographies, had been an assassin for the Irgun before World War II, and had continued that work on behalf of British Intelligence in the war. As a reward, Maxwell got British support (from the Rothschild family among others) to set up Pergamon Press in the late 1940s. Pergamon became one of the world's biggest publishers of scientific books, giving Maxwell extraordinary access to the international nuclear scientific community. It was apparently in that capacity that Maxwell was part of Ben Gurion's "secret team," working on the bomb project.

In a fascinating note that may be relevant to the strange circumstances of Maxwell's death, the London Financial Times reported on Nov. 15 that the British government is now investigating evidence that the Soviet government financed Pergamon Press. Years ago, another leading aide to Ben Gurion, Israel Beer, was exposed as a Soviet spy.

The FT had reported earlier that the Maxwell corporate empire was over $4 billion in debt and on the verge of bankruptcy.

EIRNS/Stuart Lewis

The late Robert Maxwell. Was he a Mossad agent? Was he murdered?

Mary Sue Terry and Democrats Dictate Va. Supreme Court Rulings

Mary Sue TERRY, seen here in an intimate moment.

Special to New Federalist

Nov. 18 (EIRNS)—In a naked display of corruption, the Supreme Court of Virginia has thumbed its nose at an order of the U.S. Supreme Court to issue a tax refund to state military and federal retirees. In a second case that resembles the BCCI machinations, the Court—all seven of its members appointees of the Democrat controlled State Legislature, compliant with the Democratic State Executive—reversed its own 6-1 decision of six months ago and allowed local politicans to float tax guaranteed bonds **rejected 4-1 by the voters**.

The Virginia Supreme Court decisions were the result of vigorous pressure by Virginia Attorney General Mary Sue Terry on a corrupt court which is trying to "make straight the path" for Terry to be Governor in 1993.

These high-stakes, blatantly political actions by the judges of Virginia's highest court have set the state on its ear. Newspapers, pensioners, and taxpayers affected by the cases are charging that Virginia's politically appointed judges are, in effect, just Democratic Party hacks in black robes.

Today, Rochelle Ascher, an associate of Lyndon LaRouche, appealed Terry's political prosecution of her to this same Virginia Supreme Court, which is Ascher's only remaining legal redress in the state. The Supreme Court judges are aware that the prosecution of LaRouche associates has been the bragging piece of Terry's long campaign for Governor, in flagrant violation of the U.S. Constitution's requirement of a fair and impartial prosecutor. With the incredible willingness of the Court to make political decisions at Terry's demand, the fate of Ascher's appeal may have been "decided" before she filed.

The people of Pennsylvania finally got fed up with this kind of corruption, and struck down Richard Thornburgh for U.S. Senate Nov. 5. Thornburgh had been a Pennsylvania "fixer" for Wall Street, and then George Bush's hatchetman as Attorney General, and had even tried to get his opponent prosecuted during the race!

It is to be hoped that the people of Virginia will rise up against such corruption before an innocent woman has to spend time in jail.

In 1989, the U.S. Supreme Court ruled in Michigan v. Davis that states could not tax federal pensions while exempting state pensions. In March 1991, 200,000 retired federal employees and military in Virginia brought suit to the Virginia Supreme Court for a $453 million refund, covering only four years out of decades of unfair taxation. No refund, said the Court—even though the state at that time had a $500 million surplus, accumulated in part through the illegal taxation of the retirees.

In June 1991, the U.S. Supreme Court vacated the Virginia Supreme Court's decision and sent the case back with a "warning" to read the U.S. Supreme Court's decision in Beam v. Georgia: an unconstitutional tax must be remedied retroactively.

On Nov. 8, the Virginia Court decided 7-0 to ignore the U.S. Supreme Court, and refused to refund the illegal taxes it had been charging the old soldiers, Social Security recipients, and federal workers.

The Virginia Supreme Court's decision was based on politics, not law. Virginia is now broke, and repaying the half-billion to which retired soldiers and federal employees are entitled would destroy Terry's campaign for Governor, and Gov. Doug Wilder's campaign for President.

Kept Court

Virginia is virtually unique in the United States in not allowing the citizenry to elect its judges. Instead appointing them through the state legislature. The appointment of judges by politicians is compounded by the fact that in Virginia, there is one-party rule. The Democrats have been in power for 100 years, and have approved every judge appointed.

Two of the current seven Supreme Court judges got their appointments immediately after helping Mary Sue Terry's malicious, political vendetta against the LaRouche movement. Barbara Keenan was appointed while heading the Appeals Court panel which denied Rochelle Ascher's appeal. And Elizabeth Lacy got her appointment after declaring, as State Corporation Commissioner, that loans raised by the LaRouche political movement were "unregistered securities"—which was never true of the loans raised by Terry's political friends and sponsors.

Recently released federal government documents, reported in this newspaper Oct. 28, show how much the "get LaRouche" vendetta shapes Terry's demands. FBI and Justice Department officials frankly stated that in 1988, when LaRouche-related publishing offices in Leesburg, Va. were raided in a massive show of federal state force, Terry was so obsessed with leading and taking credit for the raids, that the FBI tried to restrain her from placing her political advantage above and at the expense of all "law enforcement" considerations.

In the Social Security tax case, one plaintiff, retired Army Col. John Chapman of Richmond, told the Washington Post: "The Virginia justices are appointed by the legislature here and they're not going to take any position that creates a problem. ... This isn't a legal opinion, it's a political decision [by the Court] that says the state is broke, and 'we don't want to place a burden on them.'"

Tax Bond Fraud

Another recent decision by the Court has the following origins. In 1990, Virginia voters rejected by a 4-1 margin a ballot initiative that would have allowed localities to float bonds to be repaid with future tax revenue. In April 1991, the Virginia Supreme Court in a 6-1 decision called the attempt by a so called "Northern Virginia Transportation District" to float bonds to be repaid by the taxpayers of Fairfax County, a mere "subterfuge" to get around the voters' disapproval.

But on Nov. 8, "after coming under heavy pressure from Attorney General Mary Sue Terry, Gov. L. Douglas Wilder, the Democratic leaders of the General Assembly, investment bankers, bond lawyers, and other assorted political hacks and money changers," according to the Richmond Times-Dispatch, "the Court reversed itself, 4-3."

"The Court heard not a scrap of new evidence," the Times-Dispatch said. Judge Lacy, Terry's old friend from the LaRouche "securities" case, wrote that no legal debt was created because the localities could just default! Terry announced that she was "very pleased" with the decision.

The corruption of the State Supreme Court had already been demonstrated in the LaRouche prosecutions. The Virginia Supreme Court refused to remove Judge Clifford Weckstein as the trial judge for LaRouche associates in 1990. The decision was made although Weckstein had been forced to release letters by him, including a correspondence with the Anti-Defamation League of B'nai B'rith about the LaRouche prosecutions, even while

MSI Leaders Find Opposition to NAFTA in U.S., Mexico

Special to New Federalist

[illegible] Nov. 16 (EIRNS)—[illegible], leader of the Ibero-American Solidarity Movement in Mexico, [illegible] concluded here a very successful international tour, during which she visited several Mexican [illegible] cities to mobilize opposition [illegible] Free Trade Agreement. [illegible] Alberto Viscarra, a deputy member of the State Legislature from the state of Sonora, [illegible] the Chihuahua leg of the tour, where she spoke at a series of [illegible] and met with labor and [illegible] was interviewed by the San Francisco Bay Area, Los Angeles, and elsewhere. [illegible] defeat of Richard [illegible] in Pennsylvania on [illegible] growing opposition to [illegible] position the political forces of George Bush and Mexican President Carlos Salinas de Gortari [illegible] have enlisted the success

the case and everyone in the border area realizes that, given its economic condition, the U.S. cannot offer Mexico anything, that NAFTA is a cruel hoax," said Carrasco.

In her speeches to Mexican businessmen, Carrasco told the following story. Joining NAFTA is like the Christian who was thrown to the lion. He went down on his knees and prayed: "Lord, my only hope of getting out of this alive, is for that lion to become a Christian. Please Lord, convert the lion to Christianity." The beast entered the cage roaring, opened its maw and—miracle!—became a Christian! The lion bowed its head, and said: "Bless, O Lord, this meal, which we are about to eat."

In Mexico, 70,000 manufacjobs have disappeared in the past five years. A $17 billion trade deficit is expected by the end of this year. According to a study just released today in Mexico, if agriculture is included in the accords,

rasco, who noted that the American unionists were not concerned only with their own unions, but with the conditions of all working people on both sides of the border.

At a meeting with local leaders of a major national union in Los Angeles, the two visitors were shown a report on NAFTA and workers' rights, prepared by one of the unionists, which quoted extensively from a special report on NAFTA released by Executive Intelligence Review, and from LaRouche himself.

Carrasco also proposed to the labor leaders that they ally with Mexican "entrepreneurs," particularly the small and medium sized businessmen and industrialists, whom she found to be very much against NAFTA.

One local leader expressed her gratitude to Carrasco and Viscarra for what they are doing to stop NAFTA. The unionist said they don't expect much from AFL-CIO boss Lane Kirk-

of his Administration on Bush and the passage of NAFTA. Mexican and U.S. media are reporting that the White House may be moving to jettison NAFTA —and Salinas with it—if NAFTA is seen as hurting Bush's re-election chances.

Earlier, Carrasco spoke with scores of business leaders at conferences in the Mexican border states of Baja California Norte and Sonora. "Everyone on the Mexican side of the border recognizes that there is a depression in the United States. Retail and other sales have dropped 50%. People told me, 'We are being hit by the U.S. depression. There are depression conditions in the south and center of Mexico, but people there believed that things were prosperous in the north, on the border with the U.S. That's not

20 million Mexican peasants will be forced off the land and will move to the cities, or emigrate to the United States.

Meanwhile, Brown, the last shoe manufacturer in the U.S., has announced it is shutting down all its remaining stateside factories. The U.S. Big Three automakers will be moving much of their manufacturing operations to Mexico, reports the Mexican press.

Carrasco and Vizcarra found remarkable openness among California trade union and farm leaders, whom they told to collaborate with the forces of U.S. presidential candidate Lyndon LaRouche, to fight NAFTA. There was also a tremendous hunger for discussion of economic policy and the overall political situation, reported Carrasco. "because he is a member of the Trilateral Commission."

The two visitors spoke at several colleges and universities, including the University of Southern California, the Long Beach and Los Angeles campuses of Cal State, and East Los Angeles College. These meetings set the basis for a worker-student alliance against NAFTA.

A debate at East Los Angeles college on Nov. 13 pitted Carrasco and Vizcarra against two pro-NAFTA speakers. While their opponents mouthed platitudes about how "protectionism is becoming outdated in the new global economy," Carrasco and Vizcarra described for 70 very attentive students and faculty the depth of the devastation caused in Mexico over the last 10 years by "free trade."

POVERTY IN MEXICO. This photograph, taken in Mexicali in May 1991, shows the misery 'free trade' has brought to Mexico.

At one point in the debate, Vizcarra turned to his opponents. "Are you asking Mexico to negotiate a treaty of confidence with the Bush administration, after the genocide in Panama? Are you asking us to trust Bush after the genocide in Iraq? Bush's solution to the debt problem is exactly the same as Adolf Hitler's solution to the debt of Nazi Germany!"

One of the pro-NAFTA speakers, a Los Angeles businessman, said at one point, "There's really not much disagreement here; in fact, I agree with 80% of what the other side is saying, maybe even 90%."

LaRouche prosecutions—even while he was hearing those cases! Weckstein, who wrote more than 11 letters to the ADL without the knowledge of the defendants, was appointed by the chief judge of the Virginia Supreme Court to preside over all the LaRouche cases save one.

Terry herself, and her employees, have worked directly and openly with the Washington, D.C. office of the ADL in planning and carrying out the prosecutions of LaRouche's associates.

New York Hit by a Strain of Killer TB

by Dr. Debra Hanania-Freeman

Nov. 20 (EIRNS)—New York's tuberculosis epidemic took a dramatic turn for the worse when, on Saturday, Nov. 16, what appears to be an extremely virulent, drug-resistant strain of the tuberculosis bacterium claimed its 14th victim in as many days.

The latest victim was that of an inmate from the Auburn Correctional Center in Syracuse, N.Y., where, over the last 10 days, four other inmates and one of the guards responsible for guarding them, also succumbed to the new strain of tuberculosis.

Over the same period, eight inmates who had been housed in the short-term Queensboro Jail Facility, and who were undergoing treatment in a Manhattan hospital, also died. None of the 14 victims responded to conventional drug therapy, and all 14 were dead within three weeks of initial diagnosis.

New York State Prisons Commissioner Thomas A. Coughlin III said that all of the victims "had immune systems that had been compromised." Apparently, the 14 inmates had tested positive for the HIV virus, although they showed no overt signs of having AIDS. The guard had been successfully treated for cancer of the prostate gland last year.

'Worst-Case Scenario'

Coughlin said that the current level of known tuberculosis cases among the state's 60,000 prison inmates has increased sevenfold over the last five years. Describing the current outbreak (which the federal Centers for Disease Control in Atlanta, Ga. has confirmed as being caused by "one drug-resistant strain that is being carried from place to place") as being the "worst-case scenario," Coughlin said that the apparently new strain poses "an immediate deadly threat to New York's 60,000 inmates, 28,000 prison employees, and their families."

The situation in the Queensboro Jail, located in Long Island City, has been identified as a cause of particular concern to local health officials. According to a spokesman for the New York City Department of Health, Queensboro is a short-term facility housing inmates who are awaiting trial or serving sentences of less than one year. The average stay is approximately 60 days. "This jail is a virtual revolving door," he said. "Our immediate concern is in preventing a widespread epidemic inside the facility. But, because of the turnover in population, any spread among these inmates is going to be very quickly reflected in a similar spread in the poorer, crowded neighborhoods that they come from. We could move very quickly to an uncontrollable situation."

With the total number of tuberculosis cases increasing by over 20% in the last year alone, the United States is already suffering what experts describe as a "low level" nationwide epidemic. The situation in urban centers like New York, Detroit, Baltimore, and Washington, D.C. is significantly worse. The Centers for Disease Control attributes the increase in tuberculosis to "more and more people infected with the AIDS virus ... living in shelters, prisons, or other overcrowded settings where tuberculosis spreads easily." (Tuberculosis infection is caused by an airborne bacterium commonly spread by coughing.)

But the appearance of this apparently new, drug-resistant strain of the disease is an acceleration that could usher in a full-scale killer epidemic, especially under the current conditions of economic collapse.

New York Governor Mario Cuomo has announced that, in an effort to avert just such an outbreak, despite the worst fiscal crisis in the state's history, New York will today begin universal screening intended to test all 60,000 inmates and 28,000 prison employees for tuberculosis within the next 30 days. However, in the midst of a policy of hospital shutdowns and health care cutbacks, Cuomo has not indicated what he intends to do with those individuals who test positive.

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Bush and Baker Threaten a War in Asia

by Michael Billington

Nov. 19 (EIRNS)—Although George Bush was forced to cancel his long-overdue trip to Asia because of the collapse of the U.S. economy, he used the opportunity of a speech to the Asia Society in New York, plus the trip by Secretary of State James Baker to Japan, Korea, and China, to attempt to strong-arm the Asian nations into accepting his "New World Order." As the U.S. depression deepens, Bush's message to Asia was: Commit economic suicide in order to bail out the U.S., or face the Iraq treatment.

The method proved only partly successful, and it sparked mounting anger and resistance among the Asian nations, as well as the danger of a new Asian war.

In his Asia Society speech, Bush demanded that Japan "create a better climate for U.S. businessmen," in particular, that Japan (and Korea) open up their agriculture to the speculative machinations of the grain cartels—just as Bush is also demanding of Europe (see article, p. 1). Baker, meeting with Japanese Foreign Minister Watanabe the day before Bush's speech, threatened him with responsibility for a "serious political problem" if the Japanese continues to resist U.S. agricultural demands. However, both Japan and Korea refused to give up their policy of defending the food supply from foreign manipulation.

Another Korean War?

Both nations also refused to capitulate to U.S. demands to create a military confrontation with North Korea over the North's nuclear development program, in keeping with the Bush New World Order policy that nuclear power development is forbidden to Third World nations. Baker called the North Korean nuclear program "the greatest threat to nuclear peace," and the head of the U.S. Pacific Command, Adm. Charles Larson, publicly compared the North Korean situation to the Iraq crisis, calling for a repeat of the "collective" policy used to justify the genocidal destruction of Iraq. But South Korean President Ro Tae Woo rejected Baker's attempt to impose a superpower settlement on the Korean peninsula, insisting that the question

Secretary of State James Baker

an entities was a "Korean responsibility," not subject to the desires of the "New Order" ideologues.

But Bush and Baker were more successful—and more openly thuggish—on the issue of preventing the formation of an independent trade association among Asian nations. The proposal by Malaysia's President Dr. Mahathir for an East Asian Economic Group combining all the Asian nations but excluding the non-Asian nations (specifically the U.S., Canada, and Australia), has been increasingly supported throughout Asia, with strong hints from Japan that it might go along. Baker made public a letter to the new Japanese government demanding that it help prevent the formation of the new alliance. When he arrived in Japan, he denounced the Japanese "checkbook diplomacy" (that is, the support of actual development projects in the Third World), and demanded that the Japanese work with the U.S. to "shape a new era in world affairs" based on the "promotion of democracy and human rights," the buzzwords for the New World Order.

With the South Koreans, Baker was even more crass. According to the Washington Post, Baker at one point "stared sternly across the conference table at his South Korean counterpart and reminded him, 'Malaysia didn't spill blood for this country—but we

led under to the pressure and promised that they would not support the Malaysian proposal.

Naming the Targets

In keeping with his policy that military intervention is justified whenever he feels like it, Bush directly named the targets of a potential Asian military adventure. "While we must adjust our force structure to reflect post-Cold War realities, we also must protect our interests and allies."

"In this light," he went on, "we cannot afford to ignore the important sources of instability in North Korea, Burma, where socialist despotism holds sway ... in China and other states that resist the worldwide movement toward political pluralism and that contribute to the proliferation of dangerous weapons."

Bush's attack on China echoed language from Baker, whose trip to China was intended to "drag China—kicking and screaming—into the New World Order," in the words of David Scheffer of the Carnegie Endowment for International Peace. Bush wants to preserve the lucrative cheap labor concessions along the Chinese coast, but cannot tolerate Chinese military and technological support for other Third World nations, especially in the Arab world. He is also aware that his continuing support for the murderous Chinese regime is hurting his already iffy chances for re-election.

But the Baker trip failed to win any concessions that could have preserved the unhealthy relationship. A last minute Chinese agreement to curtail missile shipments to Pakistan and the Arabs, and a few minor concessions on trade and human rights issues, gave Baker a fig leaf at a final press conference. But, as soon as he left, the Chinese press reported that Beijing had only agreed to "consider" the suspension of missile sales. Then it was announced that two leading dissidents who had been approached by the U.S. embassy for potential meetings with Baker had been forcibly detained during his visit.

The world press is ridiculing the Baker trip as a failure. The danger remains that Bush, rather than reversing his thug methods, may react by launch-

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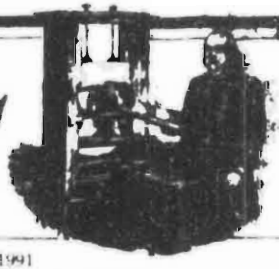

DOUBLE ISSUE

Volume V, No. 48 | National Newspaper of the American System | December 9, 1991 | ONE DOLLAR

Bush in Bed With Medellín Cartel

by William Jones

[illegible] secret alliance with Colombia's [illegible] Medellín cartel [illegible] in the clandestine operations of the Iran-contra affair [illegible] for years, has been the subject of the most heated discussion [illegible] elements of the Republican Party [illegible] Bush administration [illegible] has offered [illegible] former Drug Enforcement Administration [illegible] serving a life sentence [illegible] as yet unresolved [illegible] intended to help [illegible] Panamanian general [illegible]

[illegible] discovered include [illegible] Lehder's early release [illegible] Bush and the U.S. with [illegible] at the end of the affair.

The man who [illegible], former U.S. District Attorney [illegible] told the press [illegible]

[illegible] page 6 col. 1

NEW WORLDWIDE COALITION, FOUNDED IN BERLIN, SAYS:

Build World Economy To Stop War

by Gabriele Liebig

BERLIN, Nov. 27 (EIRNS)—More than 300 people from 31 nations came together on Nov. 22-23 in the Koepenick section of Berlin, Germany, at the invitation of the Schiller Institute, for a meeting out of the ordinary conference [illegible] to address the issue of world economic recovery.

From all over the globe they came: legislators from Hungary, Peru, Jordan, and the state of South Carolina; farmers from Germany, Sweden, Denmark; representatives of human rights organizations, economists, businessmen, and union councils, along with representatives of the Ukrainian government and Ukraine's Rukh independence movement; delegates of Croatia, Slovenia, and Kosovo from the former Yugoslavia.

Berlin, until two years ago divided by the Wall which had been a symbol of despair and enslavement for nearly three decades, became the gathering place for an international movement, conscious of the urgency of its own decisive intervention at this critical point in history.

"We are already living through the second war in this year—after the Gulf war, now the slaughter in Croatia—said the president of the Schiller Institute, Helga Zepp-LaRouche, in her opening speech. "It is clearer than before, that a change in policy is needed on a global scale, if the explosion of regional conflicts is not to expand and lead sooner or later into a world conflagration." The goal of the conference is "to discuss the concepts and unify the forces, upon whose intervention a change in policy will depend. This means concretely, to

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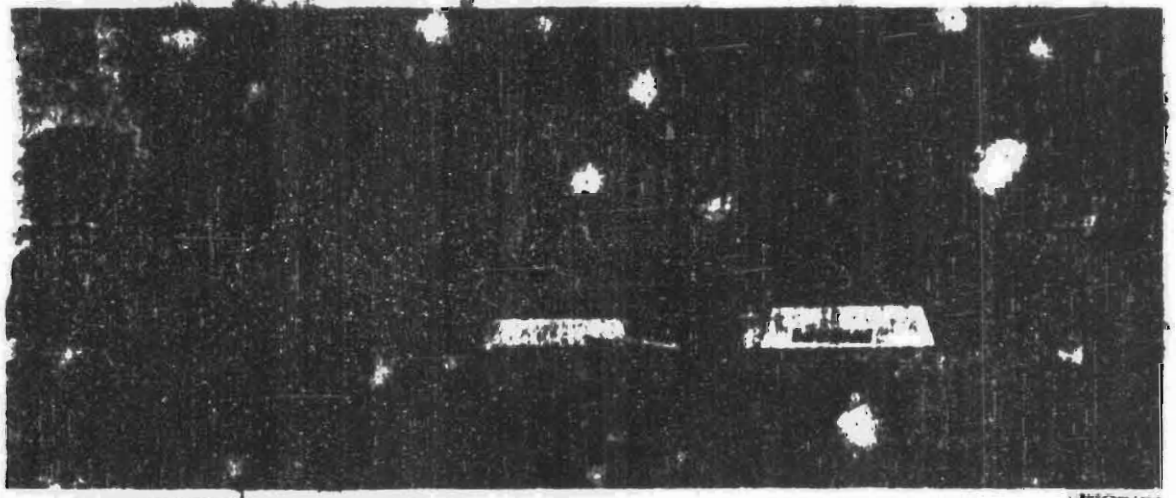


AT THE BERLIN CONFERENCE: Schiller Institute founder Helga Zepp-LaRouche and others laid out how the 'Productive Triangle' represents the way out of economic disaster for eastern Europe—and the world.

Banks Bailed Out as America's Poor Die

by H. Graham Lowry

Dec. 3 (EIRNS)—While America's poor are evicted from their dwellings, cut off from health care and left to starve in the streets, the nation's bankrupt financial institutions have just been handed another $130 billion of the taxpayers' money.

The two latest bailout bills approved by Congress Nov. 27, perpetuate the insanity of Bush administration economic policy. A doomed financial system is to be saved [illegible] is done to save Americans from being crushed by the worst depression of this century. And no matter how much bailout money is poured into the collapsing system, the banks will still go under.

The FDIC Hoax

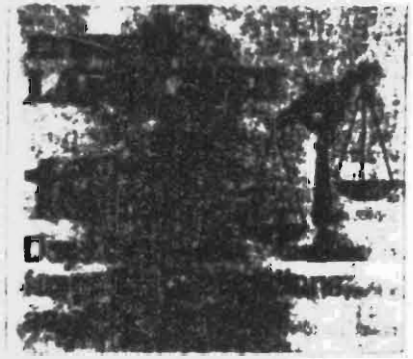
The already bankrupt Federal Deposit Insurance Corp. (FDIC), which stopped closing failed banks because it did not have enough money even to shut them down, will now be authorized to borrow another $25 billion from the [illegible] legislation is that the brain-dead banks will repay the loan! The FDIC will also borrow another $45 billion in "working capital" from the Treasury—to be repaid by selling off the assets of failed banks! Total cost of the FDIC bailout hoax to the taxpayer: a cool $70 billion.

The second bill creates a similar hoax in the case of savings and loans banks. Congress handed the Resolution Trust Corporation (RTC) $25 billion to blow on S&Ls which go under in the next four [illegible] working capital, borrowing authority by $30 billion.

[illegible]

The Bush administration—all claims of "recovery" aside—had asked for an additional line of credit for S&Ls, bailout, [illegible] With this latest bill, the Bush administration has [illegible] billion other than to bail out the S&Ls—which today are in worse shape than ever.

The RTC's new loans are also to be made good by selling off the



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COMMITTEE TO SAVE CHILDREN IN IRAQ ORGANIZES EFFORT

U.S. Farmers Send Milk to Iraqi Kids

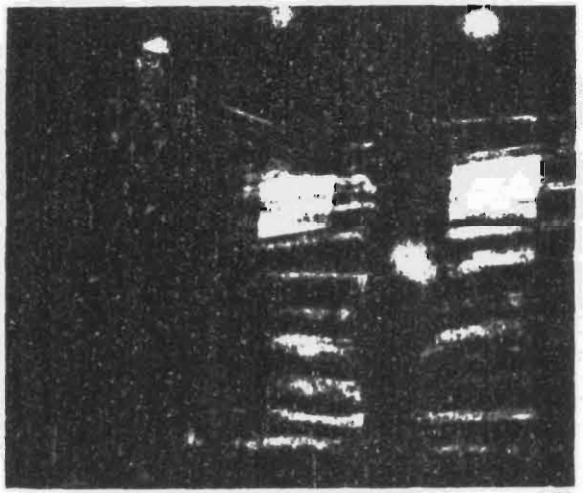
Special to New Federalist

MADISON, Wisc., Nov. 25 (EIRNS)—The following statement was released here today by Philip Valenti of the Committee to Save the Children in Iraq, at a press conference in the state capital. (Also speaking at the press conference were Wisconsin dairy farmers Gregory Blaska of Marshall, and Dennis Jelle of Horeb.)

"I have the honor to announce that the first relief shipment of 5,000 pounds of milk powder from American dairy farmers, has been successfully delivered in Iraq. This means that about 6,250 gallons of U.S. produced milk will be available to starving Iraqi children, whose mothers have been forcing them mostly sugar water, because of the total embargo imposed by the United Nations Security Council.

"We hope that this is only the beginning of a great humanitarian effort by the American people, an effort which will not only save the lives of innocent, suffering children in Iraq, and help build support to reverse the horribly unjust sanctions policy of the U.N., but which will also help mobilize the world behind the independent farmer, whose existence is also threatened by the free trade policies of our government.

"Twenty dairy farmers from eight states began this movement on Oct. 1. They decided that sending milk powder to Iraqi children was the best, most dramatic alternative to dumping milk, as some advocates of a milk strike were proposing. The Committee to Save the Children in Iraq put the farmers in touch with Bishop Ibrahim N. Ibrahim of the Chaldean Catholic Church in the USA, who established a special Chaldean Catholic Church Milk Relief Fund just to purchase U.S. produced milk powder for shipment to Iraq.



SCHILLER INSTITUTE Food for Peace organizer Phil Valenti (above) organized 20 U.S. farmers to send milk powder to Iraqi children, rather than dumping stocks in a vain attempt to lower the price, following the U.S.-led Gulf war. The milk was shipped with assistance from the Chaldean Church.

"The Fund purchased the milk powder through regular commercial channels in early November. I personally picked up the 100 bags of non-fat dry milk, each 50-pound bag labeled 'Grade A,' and 'Made in USA,' in a rented truck from a southern New Jersey warehouse on Wednesday, Nov. 13. The milk was loaded onto two pallets, each carrying 50 bags, with each pallet sealed in plastic and clearly labeled: GIFT TO IRAQI CHILDREN FROM U.S. DAIRY FARMERS.

"I delivered the two pallets that afternoon to Lufthansa Air Cargo in Philadelphia, which had generously offered to transport them free of charge to Cologne, Germany. The milk was then transferred onto a German military cargo plane, *under the auspices of the Office of the*

Please turn to page 4, col. 3

Atrocities by Serbians Exposed in EC Report

by Umberto Pascali

Dec. 3 (EIRNS)—The sickening brutality of the Serbian-dominated Yugoslav Army and the Serbian Chetnik terrorist gangs against Croatia has been fully confirmed in a recent report by European Community (EC) observers. The report, which was not supposed to be published, demonstrates—if demonstration be needed—that Britain's Lord Peter Carrington, the United States' Cyrus Vance, and the other "mediators" who remained "neutral" between butcher and victim, knew the truth in detail. Nevertheless, they chose to protract the massacre for months, and even to recommend that governments not recognize independent Croatia and Slovenia.

As the EC report was coming out, the German daily Bild Zeitung revealed that the Greater Serbians had sent terrorist hit squads to assassinate German, Austrian, Italian, and Vatican leaders who wouldn't support the Serbians' objectives and operations.

Crimes Against Humanity

The EC report was sent on Nov. 28 by a monitoring mission in Zagreb, the capital of Croatia, to EC headquarters in Brussels. The Yugoslav Federal Army, the report said, has "not hesitated to shoot either indiscriminately, with Iran-style fire, or, in certain cases, to deliberately select civilian targets of important symbolic value, including schools, museums, churches, radio and TV stations, and—particularly—hospi-

Please turn to page 13, col. 4

The Great Mudslide Is On, Candidate LaRouche Says

by Lyndon H. LaRouche, Jr.

Democratic presidential candidate Lyndon LaRouche released the following statement Nov. 23 on the subject of the crisis on Wall Street.

Many people have been looking for a definitive one-day, two-day, three-day financial crash, perhaps on the markets, with the Dow Jones, sometimes called Baby Jones, Index crashing 500 or 1,000 points or more. What they are seeing is something a bit different. What they are seeing is the great mudslide of 1991.

By mudslide, I refer by comparison to the eruption of, say, a Hawaiian-style volcano. The mud comes sliding down inch by inch, hour by hour, approaching the villages and the sea. As the mud reaches the sea, a bit flakes off today, a bit flakes off tomorrow, a bit flakes off the next day. But we know what's happening. The mud is going down to the sea. It's going under water with a great deal of steam and pain.

What has happened is this. It is not so much that the stock market has collapsed, as that the underlying financial system as a whole—the Anglo-American London-New York-Washington financial system—has collapsed. The banks are bankrupt, the life insurance and other insurance companies are in deep trouble, the pension funds have been looted by the junk bond dealers such as Michael Milken and Kohlberg Kravis Roberts with their crazy junk bonds. State governments are bankrupt, municipal governments are bankrupt, the federal government is bankrupt, and the federal government and state governments and corporations are stuck with something on the order of $24-$25 trillion of unpayable combined public and private, on-balance-sheet and off-balance-sheet liabilities. As a result of this

Please turn to page 5, col. 3

Amid Vaccine Shortages, Virulent Flu Sweeps U.S.

by Joyce Fredman

Dec. 3 (EIRNS)—The flu season began early this year, catching not only the general population but the public health facilities off guard. In a country where whole subsections of the population are suffering from preventable, poverty-related chronic illnesses like TB, and where medical aid is vanishing as budget crises worsen, an influenza epidemic this year looms as a deadly threat.

The coming disaster was heralded by a shortage of vaccine, occurring well before the expected flu season. The four major manufacturers of vaccines produced extra quantities this year, but not nearly enough.

Too Little, Too Late

A Baltimore Sun report gave a hint: The federal Centers for Disease Control in Atlanta estimates that production [of vaccine] was sufficient for 30 million people this season, although manufacturers refused to say how much vaccine they had made; one company said it had raised its production by 40%. But the companies say they have sold all of this year's supply . . . even if the companies resumed production, it might be too late in the winter flu season to do much good."

It's already too late for many. General Injectibles and Vaccines Inc. of Bastian, Va., describes itself as the largest distributor of flu vaccine in the country. A spokesman there said they had run out.

Bob Hessie of Hessie Medical in Cincinnati, the second-largest distributor, said, "Everyone is wiped out. Dealers I have never heard of are calling me."

This couldn't come at a worse time. An outbreak of virulent Type A Beijing flu in Nashville, Tenn., was so bad that the entire school system was shut down for the first time in history. Nearly 25% of the school system's 87,000

Please turn to page 5, col. 1

'92 Race Takes Shape: Bad Year To Be 'Mainstream'

by [redacted]

Dec. 2 (EIRNS)—[redacted] presidential election of [redacted] taking on something [redacted] of a political [redacted] message from the [redacted] political insiders is [redacted] very good year to be a [redacted] candidate [redacted] a sitting [redacted] likelihood of two [redacted] the right, one [redacted] conservative [redacted] and the other [redacted] pre-ferred [redacted] David Duke.

[redacted] main-stream [redacted] with the [redacted] re-[redacted] the [redacted] al-[redacted] the [redacted] to [redacted] race [redacted] to [redacted] in [redacted] his [redacted] as [redacted] to his [redacted] the [redacted] who haven't followed this closely yet—we mean Mario Cuomo.)

What has changed everything and has opened the door for reality to burst in, is the state of the economy. Just how bad that is becomes clear when you realize that it is front-page news when President Bush spends $28 at a mall in Maryland (he bought four pairs of socks) to open the holiday shopping season. It appears that the administration plan for a consumer-led recovery is for each American household to spend a like amount on socks, providing that the Congress approves the President's demand for a reduction in the capital gains tax to make this investment in hosiery worthwhile.

But as Hobart Rowan, the well-known economics writer for the Washington Post, recently wrote, the awful truth is the Democrats' mainstreamers don't have a plan either. In fact, if you took the programs of those six candidates, plus the unannounced one from New York, and boiled them down, you would have left a very small hard-boiled egg.

In 1992, the word "mainstream" will come to mean those candidates so positioned as to be buried in the great financial mudslide. Indeed, the strongest presence of any Democratic candidate in this election is that of Lyndon LaRouche, the opponent George Bush so feared that he had him put in prison. LaRouche's campaign committee has already qualified and is applying for federal matching funds. And LaRouche's view that the only way to an economic recovery is to restore the American System's policy of national banking, is already being echoed in statements of government officials at the state and local levels, such as state legislators and county supervisors.

The latest twist in the '92 campaign is the announcement by David Duke's handlers (almost certainly the Westminster Kennel Club), that he will participate in several Southern GOP presidential primaries. That this is no normal candidate is proven by the fact that no normal candidate would announce for President after absorbing a 21-percentage-point pasting in his home state. Duke did in the Nov. 16 Louisiana gubernatorial race. Duke's role in this climate of political upheaval is to take advantage of the indiscriminate nature of the protest which is spreading in this country, in order to lead it into a dead end.

The actual target of the media exposure of Duke is the voters, in an oblique effort to convince enraged voters to identify their effort at protest with racism. Although Duke's role as an FBI agent may not yet have been demonstrated, if he isn't being reimbursed for his services, he's missing a paycheck.

The first victim of Duke's con game will be Buchanan, should he choose to run. The media will try to ensure that Buchanan's message is tarred with the Duke brush. More important, Duke's campaign can be used as a kind of lightning rod to attract protest votes—black and white—and frighten away support from LaRouche, as an editorial in the Richmond Times-Dispatch already demonstrated.

Still, these fun and games by the FBI, by the media, and by the party honchos won't withstand the force of reality. No voter will be interested in who told what off-color joke, or whether somebody looks good with a blow-dry hair-do, when that voter is doubting that he has a job. Then it will be LaRouche's program for a revived economy, against the rest of the field.

EIRNS/Stuart Lewis

THE DEMOCRATIC STABLE: Here's who you can spot, left to right: Jay Rockefeller, Tom Harkin, Ron Brown, George Mitchell, Bill Clinton, Pam Harriman, Lloyd Bentsen, Richard Gephardt.

'[redacted]' Is Ravaging [redacted] Agriculture

by [redacted]

[redacted] the [redacted] is [redacted] agriculture [redacted] approx-[redacted] winter [redacted] The [redacted] and [redacted] their [redacted] a [redacted] of a [redacted]

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The [redacted] of the [redacted] to Flor-[redacted] of the sweet [redacted] in [redacted] Phoen-[redacted] north-[redacted] dra-[redacted] In a classic [redacted] entomolo-[redacted] of the Univer-[redacted] re-characteristics change so quickly through rapid breeding." Already there is talk of letting the Imperial Valley lie fallow for years, to deny "the bug a livelihood. Horsefeathers.

According to respected entomologists with decades of field experience, the poinsettia whitefly can most likely be eradicated or controlled. Under the circumstances that prevailed 20 years ago, a broad arsenal of pesticides were available as part of the quasi-traditional "integrated pest management approach."

Twenty years ago, systemic organo-phosphate materials were available. With the whitefly and pests such as scale, the best basic approach to control is to use a systemic pesticide, carried in the sap of the plant. The poinsettia whitefly kills plants by sucking their sap, and sap carrying a pesticide will kill it. (At the earlier, larval stage, the coat of the whitefly larva makes it difficult to kill.)

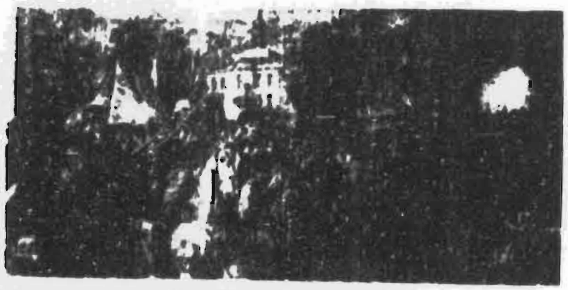
But today, systemic organo-phosphates are no longer in our farmers' arsenal. So-called environmental-

Genl. Washington Bids Farewell to Officers

Special From the Committee of Correspondence

Dec. 4, 1783—After seven years of British occupation, New York City is once again under American control. General George Washington has entered the city in triumph, and today he will bid a fond farewell to the officers of the Continental Army before he journeys to Annapolis to resign his commission as Commander in Chief.

General Washington's choice of Fraunces Tavern as the site of his



THE NATION

New York Port Police Ordered To Ignore Drug Dealers

Nov. 27 (EIRNS)—Port Authority of New York officials have instructed police to ignore drug dealers infesting the busy Manhattan bus terminal. A memo released to the New York Post reads: "Effective immediately any form of drug interdiction being conducted by detectives assigned to this office will cease.

"We will concentrate instead on robberies which have been on the increase."

Frustrated detectives released records of their drug busts between Sept. 9 and Nov. 7, 1991, which showed 23 arrests yielding 27 pounds of cocaine and 496 glassine envelopes and one four-ounce stash of heroin. Robbery complaints show no increase over the level recorded this time last year.

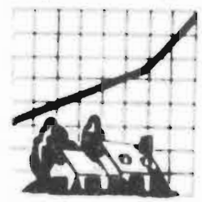
Said one detective: "The Port Authority is into interstate commerce. I guess narcotics is another thing they don't want to inhibit crossing state lines. ... There's no good reason for this."

Galbraith Says U.S. in a Depression, Needs a 'New Deal'

Nov. 21 (EIRNS)—John Kenneth Galbraith, the Harvard economist who was the chief economic adviser to John Kennedy, told the National Press Club in Washington this week, "The present recession is not an autonomous, self-correcting economic drama. It is the wholly predictable response to the speculative extravagances and insanities (and the government policies) of the '80s."

Galbraith said that the current recession is actually a depression, and what is required is a "New Deal" focused on creating jobs by rebuilding America's broken-down infrastructure.

Mortgage Delinquencies Are Skyrocketing



Nov. 27 (EIRNS)—Mortgage payments that are 90 days or more delinquent are increasing at the fastest rate in over five years, according to a survey by the Mortgage Bankers Association. These bad loans rose 9%—from 0.78% in the second quarter to 0.85% in the third quarter, the largest increase since the first quarter of 1986. Loans in foreclosure rose to 0.98% in the quarter, and the increased rate of delinquencies portend even greater foreclosures in the future.

The Northeast was particularly hard hit. Home foreclosures rose a whopping 43.7% in the quarter.

Cardinal O'Connor Calls on Politicians To Repent

Dec. 2 (EIRNS)—John Cardinal O'Connor of New York pleaded with pro-"choice" Catholic politicians to confess their sins and change their lives, reports the New York Post today. Besides pro-abortion politicos, O'Connor blasted those "engaged in any sexual activity outside of marriage," including "man with man, woman with woman," and "those engaged in sexual activities by themselves." He also singled

something has gone badly out of balance.

Unlike most agricultural pests, this bug has a wide host range, chomping on crops ranging from alfalfa to citrus to sugar beets and grapes. The fly consumes four to five times as much of the sap of the plant as the [illegible] that hit the California Imperial Valley in 1981.

The [illegible] has now made its way to the San Joaquin Valley, spreading from central to northern California. There over 60% of the [illegible] are grown. $12 billion of the state's $18 billion agricultural [illegible] endure.

"Spotting"

The national media were pressing the possibility silently as a spotting, approved to pesticide and banned pesticides. For example, the Los Angeles Chronicle [illegible] that pesticides do [illegible] because the industry's [illegible] ists and environmental laws banned their use or drove them out of the market. The laws that created the Mediterranean Fruitfly fiasco during Jerry Brown's tenure as Governor of California are in place—or worse.

After decades of the looting of the American family farmer and his land, there may now be something far more fundamentally out of balance with the biosphere as a whole, expressing itself through new strains of pests and disease. All the more reason to hit this whitefly "with everything we've got." The whitefly must be seen as a marker of things to come, if the lunacy prevailing in Washington and in state capitals such as Sacramento is not quickly ended. Example: Denied the use of Parathion and even restricted use of DDT, California's own specialists are warning that the citizens of California face the risk of an epidemic of Western Encephalitis.

GEORGE WASHINGTON enters New York City to bid farewell to his troops.

eral Washington's bodyguards. From New York City, the Tory networks extended up the Hudson to West Point, which was supposed to fall to the British at the same time that General Washington was killed or kidnapped, and fires and explosions were set off in New York City.

At first word of the plot, Samuel Fraunces sent his 13-year-old daughter Phoebe into Washington's headquarters to serve as his cook and ward off any attempt at poisoning. Phoebe also served as her father's eyes and ears to detect further ramifications of the plot, which was successfully defeated. It is said that Phoebe stopped General Washington from eating a plate of peas poisoned by his bodyguard Thomas Hickey. Hickey was later hanged for treason.

After the Continental Army was forced to withdraw from New York, the occupying British Army also discovered the culinary delights of Fraunces Tavern. Apparently unaware of the owner's political sympathies, the British officer corps flocked there every evening. So for seven long years, Samuel Fraunces served as an agent of the American intelligence service, regularly sending information gleaned from the tavern goers along the "secret road" which carried intelligence to Washington's headquarters. This road, traveled by experienced runners, led east across Long Island, then north by whaleboat across Long Island Sound, and then northwest across Connecticut to Major Benjamin Tallmadge, Washington's Chief of Intelligence.

Mr. Fraunces was also instrumental in easing the lot of American prisoners of war held in New York, especially those who suffered in the deathship "Jersey" in New York Harbor. For these services it is expected that Samuel Fraunces will soon be commended by the United States Congress and the New York Legislature.

Jack Kevorkian Loses Medical License, Finally

[illegible] suicide, regardless of the modality employed.

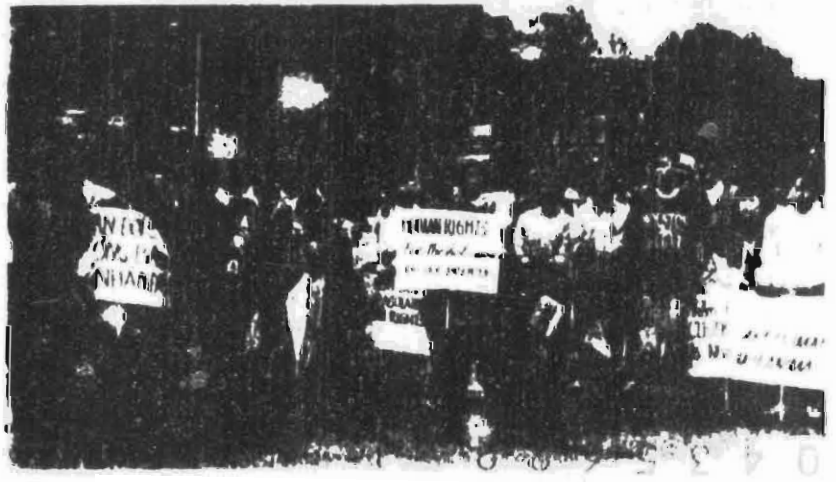
Kevorkian ignored the injunction and, on Oct. 23 of this year, killed two more women, Marjorie Wantz and Sherry Miller, with his home-made devices.

State AG Kelly accused Kevorkian of violating the state's public health code, saying: "Regardless of his motives, Dr. Kevorkian's actions appear to be beyond the law. ... Under our system, people are not allowed to take the law in their own hands."

Last year, the Club of Life had reminded the State Medical Society and the Michigan Board of Medicine that Michigan's Public Health Code provides that the Board of Medicine has the authority to revoke a physician's license if it finds that "the physician has acted in a flagrant or incompetent manner, or has administered drugs for uses other than lawful diagnostic or therapeutic purposes."

Kevorkian's slavish ambition to find more victims for his suicide machine was well known to the Department of Medical Licensing and Investigations last year—even before he killed his first victim. Now Kevorkian, who says it's the doctors who gave medical care based on Judeo-Christian principles who are the "Nazis," will appeal the suspension of his medical license. But, as his lawyer Geoffrey Feiger tells us, Kevorkian doesn't need a medical license to help people kill themselves.

Vietnamese Students Protest Expulsion of Boat People



Special to New Federalist

ARLINGTON, Nov. 16 (FIRNS)—Over 400 Vietnamese students at the University of Texas at Arlington are shown holding a protest against Hong Kong's forced repatriation of Vietnamese people to Vietnam. The Nov. 16 rally, part of a seven-day "round the clock vigil," helped collect 1,000 signatures that were sent to President Bush to protest his "New World Order," which abounds in such atrocities as the repatriation.

Hong Kong, with the permission of the British government, is forcing the boat people back to Vietnam because they are classified as "economic refugees," not political prisoners. "Economic refugees" have fled Vietnam by the thousands because the economy of the country is a state of utter collapse. A crisis brought about in large part by the United States' policy for the last 15

Penna. Senator Wofford Castigates Bush

WASHINGTON, Dec. 2 (FIRNS)—In remarks at the National Press Club here today, Pennsylvania Senator Harris Wofford focused mostly on health care issues, and why he defeated Richard Thornburgh in Pennsylvania's recent U.S. Senate race. Wofford also said that it was wrong to characterize his campaign as "America First." Retreat in isolationism, he said, was not the point of his campaign, but, "Pennsylvanians don't understand why we seemed to have the resources to defend Kuwait, but not the resources to defend the health and welfare of working families in the United States."

Wofford said that he learned while working in the Peace Corps that—and he quoted John F. Kennedy—"We can't be strong abroad if we're not strong at home." He said President Bush had misread the trouncing of Thornburgh as meaning "come home, America, stay home," and had therefore missed a great opportunity in Eastern Europe.

Death Lobby Invades Hospitals Courtesy of Federal Govt.

Nov. 30 (FIRNS)—As of Dec. 1, the federal government is insisting that all "health" institutions who rely on federal funding for Medicare and Medicaid must offer incoming patients the "right" to decide not to be treated. The main instruments to be offered will be so-called living wills and durable powers of attorney. Both of these are oriented to getting the person to decide when he or she wants to die.

Although some ethicists have cautioned that it is difficult to confront someone being hospitalized with a piece of paper specifying when he or she wants to die, the process is proceeding apace all over the country. The media are full of personal stories of those who have decided they "don't want to suffer" and are signing living wills. According to the law, you don't have to agree to sign, but doctors will be available to discuss this sensitive matter—otherwise known as manipulating people when they are at the most vulnerable, into agreeing to be killed.

Billington Verdict Upheld by Va. Court of Appeals

RICHMOND, Dec. 3 (FIRNS)—Without a dissent, the Virginia Court of Appeals today affirmed Michael Billington's conviction and 77-year sentence for securities fraud, involving political loans totaling $250,000. Billington, an associate of Lyndon LaRouche, had been railroaded into prison with LaRouche in the federal trial in Alexandria, Va. in 1988, and then retried in Virginia in 1989 on the same charges.

Billington had argued that, under double jeopardy, after his federal conviction, he could not be retried for the same alleged conspiracy in Virginia.

People In The News

BOB DOLE, the Senate Minority leader, warned President Bush Nov. 29 that he is in rough shape politically.

■■

THE WORLD

Israel Opens Military Relations With China

Forecast Landslide Increase in UDS Gains by Year 2000

Ramos Lara Speaks on Allied Anti War Crimes in Stuttgart

Argentine Supreme Court Nixes Legalized Homosexuality

Ukrainian Vote for Independence Buries Fiction of the U.S.S.R.

LEFT, LEONID KRAVCHUK, President of independent Ukraine. And, on the right, we have ... Mikhail Gorbachov. What's he President of now?

Special to New Federalist

Dec. 2 (EIRNS)—The fact that 90% of the voters in the Dec. 1 Ukrainian election cast their ballots for independence should have buried once and for all the fiction that the U.S.S.R. still exists. Moan as he might, George Bush cannot breathe new life into his irrelevant buddy, U.S.S.R. President Mikhail Gorbachov.

The Ukrainian vote superseded even the most optimistic projections of the independence movement there. Even the Russian ethnic population of Ukraine voted overwhelmingly for establishing a state separate from the former Soviet Union. The victory for Leonid Kravchuk, the parliamentary president, in the race for Ukraine's presidency is widely attributed to his solidification of the independence movement.

While the Russian Federation has reportedly moved immediately to recognize Ukraine, as have Canada and Poland, all eyes are on the United States, to see what Bush will do. Despite rhetorical gestures in support of recognizing the will of the Ukrainian people, the Bush administration has privately threatened Ukraine that it must not desert Gorbachov, and cannot be trusted to act honorably.

Sovereign Rights

Ukraine is a nation of over 50 million people, with an industrial and scientific capacity rivaling that of Germany. It is also the breadbasket of the former Soviet Union, and an indispensable collaborator of the Russians, if a hunger winter and its political consequences are to be avoided.

The Ukrainian independence movement has been centered in Rukh, which had fielded its own candidate for President. As recently as a year ago, Rukh representatives were being persecuted by the Ukrainian communist government. Today, the former communists who were persecuting Rukh have taken over the bulk of the nationalist program.

On the agenda for Ukraine is the development of its own national bank, its own currency, and its own armed forces. Plans for land reform have been put together. The government there has already indicated its desire to get rid of the nuclear capability on its soil, and its willingness to pay a portion of the debt of the former Soviet Union.

Over recent months Ukraine has already signed bilateral agreements with the Russian Republic in an effort to resolve potential problems over borders and trade. Although unwilling to join the "new" U.S.S.R. union treaty, Ukrainians have been more than willing to make barter arrangements and other deals that would prevent economic disaster in the rest of the former U.S.S.R. It is primarily oriented toward economic integration with the West.

Mikhail Gorbachov, who is already a head of state without a state, has greeted the Ukrainian moves toward independence with apoplexy. He has ruled that such independence would be "a catastrophe for the Union. Ukraine itself, Russia, Europe, and the world." The only question he raised was the spectre of territorial conflicts between Ukraine and Russia.

It is not to be excluded that friends of Gorbachov, including the West, will try to create such conflicts, despite current agreements to resolve them. Such interference is helping to keep alive the conflict between Armenia and Azerbaijan, for example.

As for Bush, Great Britain, and the West, they are hysterically holding on to Gorbachov. After all, where do the great diplomatic achievements of disarmament end up, if Gorby disappears? Thus Bush is sending James Baker to Moscow, and then to Ukraine. Given that Bush used his own visit to Ukraine last summer to spit on independence, it's an open question as to how Baker will be received.

RUSSIAN PRESIDENT Boris Yeltsin went to Germany for economic talks

Yeltsin Visit to Germany Yields Economic Pacts

Cisneros Steps Up Attack Against PLV

Special to New Federalist

Dec. 2 (EIRNS)—Venezuela's Cisneros family, which was undermined in the 1985 banning of the Spanish language edition of the book "Dope, Inc." in Venezuela, has escalated its witchhunt against the Venezuelan Labor Party (PLV) and against other political forces which oppose its policies for the country.

Alejandro Peña Esclusa, the secretary general of the PLV, was interrogated for questioning Nov. 25 by the Sixth Circuit Criminal Court of Caracas. Forbidden to have a lawyer at the closed door interrogation, Peña was cited as a witness in a criminal libel complaint brought by José Rafael Revenga, head of Venevision television network, against various publications and entities. Venevision is owned by Gustavo Cisneros, magnate of the Cisneros family business empire, who, together with Revenga, had specifically ordered the banning of the book "Narcotráfico, S.A." in 1985.

Judicial Witchhunt

The complaint and subsequent court proceedings are intended as a judicial threat against the PLV [illegible] press revelations regarding the [illegible] Cisneros family [illegible] Anti-Drug Leader. The Cisneros family has teamed with the ADL to publicly attack the PLV and American political personnel and presidential candidate [illegible] LaRouche, who is credited with rendering LaRouche's efforts to the ADL's Jackson Institute for Latin American Studies an object of ridicule. The Cisneros family, which owns close ties to Rockefeller financial interests, as to Venezuelan government advisor Henry Kissinger, is extremely sensitive to recent public revelations regarding its ties to Cuban exile groups accused of involvement in drug trafficking and money laundering. They are hoping their attacks on LaRouche and the PLV, using the ADL's [illegible] services, will deflect attention away from the real issues raised by "Dope, Inc." and the PLV. Following press revelations regarding the [illegible] Cisneros family's role [illegible] recent unexpected political defeat in which it lost the bid for 80% of the stock in the state-owned regional communications company, CVTV.

In [illegible] Peña had testified in numbers of recent paid newspaper ads that in 1985 the Constitution of Venezuela was flagrantly violated when at the request of Mr. Gustavo Cisneros and of Mr. José Rafael Revenga, the book "Narcotráfico, S.A." was prohibited from circulating in Venezuela. Those ads also documented the ADL's dirty history of ties to organized crime and drug trafficking.

While Peña discharged his obligations as a Venezuelan citizen by answering the court's questions when he was subpoenaed Nov. 25, there remains the threat that his testimony at that [illegible] can be used against him—a practice permissible under Venezuelan law.

Eight of the Court's 9 judges ruled that "the defense of homosexual sodomy ... is ... the nature and dignity of the human ... the ... national right to free ... the need and duty to ... the common good."

Amnesty International Defends Narcoterrorists

EIRNS—The Lon... Amnesty Inter... escalating its ... Peru's ... and in de... the ... Sendero ... Peru's ... and ... Amnesty's ... armed forces are ... Victoria Fujimori ... acquitted the mil... of peasants ... impressed Sendero ... supporting that be de... appreciated by the ...

... Eastern Europe in ...

... compared to most ... on an average ... Eastern ... to be ... number of ... at minimum ... inflation ... in Yugo...

People in The News

... arrested in North Ko... with Communist ...

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G-15 Meet Split on Direction To Take

by Lydia Cherry

Dec. 4 (EIRNS)—The Group of 15 developing countries, envisioned at its founding meeting a year ago as the steering committee for the Non-Aligned Movement, has just completed its second summit, in Caracas, Venezuela. According to observers, there was a sharp split, with the nations of Africa and Asia—led by the bloc formed by Malaysia, India, and Indonesia—against the nations of Latin America.

The G-15 is now made up of Algeria, Argentina, Brazil, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, Yugoslavia, and Zimbabwe.

The opening speeches, with Venezuelan President Carlos Andres Perez representing Latin America, and Malaysia's Dr. Mahathir Mohamad representing Asia, concretized this split. Perez claimed that the present situation is "the most favorable since World War II for building a New World Order," but Mahathir said that "the inequities of the international ... system have never been ... and "the new imbalance will ... fraught with dangers of a return to the old dominance of the powerful over the weak."

Mahathir addressed the issues on which there is much agreement among Third World leaders, though few speak as loudly as he. An Indian representative noted that the small country of Malaysia spoke for Asia because India—with its difficult economic situation—could not have afforded to be quite as outspoken.

Slams 'New World Order'

Mahathir described a New World Order "propounded seemingly to legitimize interference in the affairs of independent countries ... and the forceful spread of the religion of Democracy and the Free Market, as interpreted exclusively by self-proclaimed prophets whose dictates must be accepted as holy script." He cited manipulation by United Nations agencies to impose "Northern" values on the "South."

The Debt Crisis

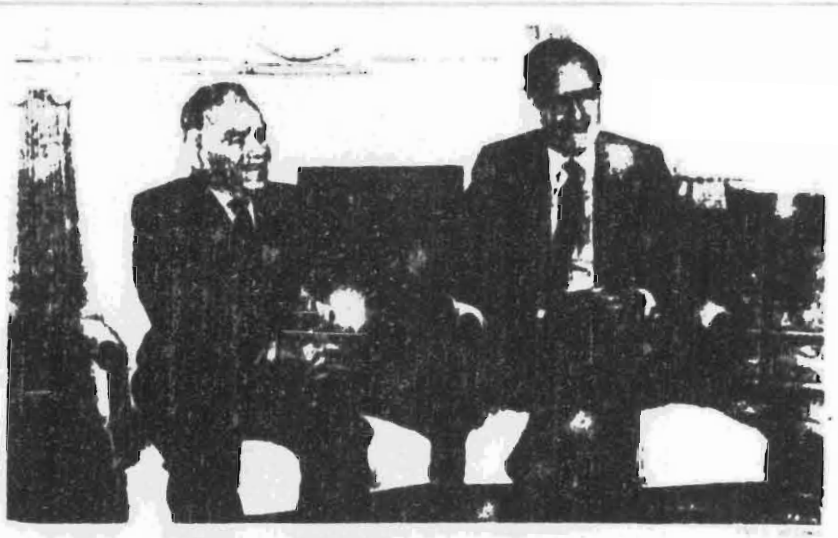
Zimbabwe's President Robert Mugabe ... the opening speech of Afric... focused on the debt problem ... as its centerpiece. The transfer ... capital from poorer to richer ... is ... present situ...

... and ... particular to a new U.N. ... during successive economic ... They have come up with ... yardstick known as the Human Freedom Index, where a nation's Freedom Rating depends on whether homosexuality between consenting adults is permitted or not.

The weakness in Dr. Mahathir's prescriptions, reflected in the extreme in the meeting's final communique, is that there is no attempt to develop a solution outside the Bretton Woods system and GATT (U.N. General Agreement on Tariffs and Trade). Insisting that the developed nations haven't taken the same liberal medicine that the Third World has, Mahathir says the North "must give up subsidies and price support for agricultural products and remove protectionist barriers that impede access to market for the produce of developing countries." But that would destroy more food production.

... developing countries have been forced by their economic circumstances to accept asymmetrical IMF and World Bank conditions," and the result has been "further conditionality, increased poverty and depleted natural environment." He concluded with the obvious: "Multilateral institutions must seriously consider cancelling or rescheduling the debt owed to them by low- and mid-income countries."

Indian Prime Minister P.V. Narasimha Rao's main focus in the work... ... is to ensure that development remains the center of international attention." The theme that development is the number one priority did come through strongly in the final statement but overall, the statement was a ...



Bush-Shamir Rendezvous: Is the Romance ...

Special to New Federalist

WASHINGTON, Nov. 24 (EIRNS)—George and Yitzhak (Shamir, that is, he's the Israeli Prime Minister) looking jolly at the White House Nov. 22. However, according to the U.S. and Israeli press, the two men can't stand each other. U.S.-Israeli relations are at a crisis point, the media say, and there is even talk of a showdown. The claim is that Bush wants to ensure a Mideast peace by forcing the Israelis to strike a deal with the Palestinians.

He's an anti-Semite," members of Shamir's cabinet have said—all because Bush postponed by three months forking over $10 billion in loan guarantees to the Israelis. Bush met ...

... 3 4 0 4 3 5 6 2 9 5 ...

...ro in RIO looks like you a Brazilian favela

Cholera, AIDS Rip Through Ibero-America

by Peter Rush

Dec 3 (EIRNS)—What many health experts have been warning of for months has happened. Cholera has reached a major Brazilian city, Rio de Janeiro, among whose people are hundreds of thousands who live in desperately poor slums called favelas. The disease, an extreme form of diarrhea which untreated, can fast cause fatal dehydration, spreads like wildfire in the absence of clean water and proper sanitation and sewage disposal, all of which is lacking in the favelas. In Rio now that the bacterium has been introduced, a devastating epidemic could break out and infect hundreds of thousands, perhaps millions, and kill thousands.

One soldier stationed in the Amazon came down with cholera while home in Rio on furlough. The authorities immediately closed beaches near where sewage from the soldier's home favela emptied into the ocean, and issued an alert to the local population. But a companion of the soldier, loose in Rio, is also thought to have cholera, and authorities have not been able to locate him. If he is carrying the disease he could infect a large number of people before he experiences symptoms, setting off an epidemic that would spread to every other Brazilian city, threatening tens of millions.

The only answer for Ibero-America is billions of dollars of investment in infrastructure to provide potable water and proper sanitation; without this, the continent could be doomed. But nowhere is the necessary investment being made, on the contrary, austerity and cutbacks on orders of the International Monetary Fund, the international banks, and Western governments led by the U.S., are slashing such expenditures.

With the arrival of Peru's summer season this month, cholera has broken out again in the country in which it first erupted in the Western Hemisphere last February. Already, the government has reported 1,200 cases of "severe diarrhea" and 91 confirmed cases of cholera, and the true figure is certainly far higher. The government has from the beginning sought to minimize the danger and understate the statistics.

Despite a government pledge to take steps during the winter to improve sanitation, nothing has been done. Major rivers, such as the Rimac River which supplies water to all of Lima—a city of over 6 million—is still virtually a latrine. Instead, the Fujimori administration has continued to impose, on orders of the IMF, draconian austerity that ensures that this year's epidemic will outstrip last year's. At best, the government is guilty of incredible negligence, for example, in closing a government lab that produced rehydration salts needed in the treatment of cholera, for nonpayment of taxes mandated by the IMF.

Cholera is more often fatal among people who are malnourished, have inadequate water, and or are suffering from other diseases, like TB and malaria. In Peru, most of the population lacks an adequate diet and many people, including a large proportion of children, eat only one meal a day. And TB has doubled in Peru in recent years, according to the magazine Caretas; malaria, yellow fever and dengue are spreading rapidly.

Worse still, a new deadlier strain of cholera has now turned up in Peru; it can kill within two hours if not treated immediately. Given that most Peruvians live many hours from the nearest treatment facility, if this new strain spreads widely, the death toll from disease could increase from 1.2% of those who come down with it to 10, 20, or even 50%—or more.

Other countries are also at high risk. In Colombia, it was just reported that 125 soldiers in a unit stationed outside of Cartegena have all contracted cholera.

Cholera is merely the most visible rapidly spreading epidemic in the continent. AIDS is also spreading out of control in every country. A World Health Organization study recently warned that Mexico could have 6 million people infected by the year 2000. Mexico has launched a campaign to teach "safe sex" to supposedly cut this figure down to a still shocking 2 million—a campaign which hasn't worked anywhere else and won't work in Mexico either.

Brazil's Health Ministry announced last week that the country has 21,023 official cases of AIDS, with a suspected 200,000 people infected, more than 75% of them heterosexuals.

In Argentina, 100,000 people are already suspected of carrying the AIDS virus, and over 300 babies have been diagnosed with the disease, again indicating a high rate of heterosexual transmission. Dr. Israel Stolovitzky, head of the Multidisciplinary Association Against AIDS, called the figures alarming, especially in light of the widespread cases of malnutrition, TB, chagas, and other debilitating diseases which lower resistance to AIDS and hasten death once the disease is contracted.

Future of Quebec: Papineau or Pariseau?

...little

...Gobbler

...States

...Canada

...of the

...England to 1834

...example, the

...between Jacques Parizeau, to replace the actual Prime Minister Robert Bourassa, whose pedigree shows nothing better.

Parizeau, a sorcerer of the financial world, is unfortunately viewed by the population of Quebec as the "spokesman for the independentiste movement, [as the death of René Levesque. The] last time I spoke with Parizeau, a few months before the collapse of the Soviet Lair Accords in June 1990, I asked him what were his intentions regarding the relations of a sovereign nation with the International Monetary Fund. His answer showed his true ... The Canadian dollar will remain the Quebec currency, given the fact that the Central Bank of Canada ... What is ... dependence." It is as if the wolves had ... over the wool sale.)

A nation that doesn't have control over its currency is not a sovereign nation. This, by the way, is a serious problem in and of itself in the United States today, where the Federal Reserve, an unconstitutional bureaucracy run in the shadows, runs its private interests ... control over the U.S. dollar.

Quebec and, for that matter, Canada, cannot be independent as long as they do not fight to oppose George Bush's New World Order and "Her Majesty's" Malthusianism, and their policies of genocide.

The French Canadian must break from the Anglo-American "werewolf" hierarchy, and if the rest of the Canadians are interested in joining Quebec to form a constitutional republic based on the principles of Papineau, or those of LaRouche's Canadian constitution, they are welcome. If not, "Vive le Quebec libre!"

ADL Pushes Race War, Targets E. Europe

by Joseph Brenda

Dec 2 (EIRNS)—Educated blacks are the worst anti-Semitic group in the U.S., the speaker claimed, "and blacks overall have been the most anti-Semitic group since slavery." The speaker, Prof. Leonard Dinnerstein, was addressing a B'nai B'rith Anti-Defamation League conference held on Nov. 3-4 in Montreal, Canada. The conference was devoted to combating worldwide anti-Semitism, which the ... es are infested with anti-Semitism. It was said at the conference, especially among students from ethnic groups which usually vote Democratic.

Imprisoned Democratic presidential contender Lyndon LaRouche was also denounced from the podium. "I can think of no better reason for the existence of the ADL than stopping LaRouche," ADL vice chairman Jo... Spravreger said.

Doing It for George

...ever since the ADL, "[fit] with the ... claim there is increasing conflict between the Zionist lobby and the White House, that conflict was not in evidence in Montreal.

The other big bugbear for the ADL was the global rise in nationalism, particularly in Eastern Europe. This was also Bush's theme in his UN address last September.

According to speaker after speaker at the ADL conference, Eastern European nationalism is inherently anti-Semitic. The death of communism ...

Brazil's Collor Hands Over Huge Area to Indian Tribe

by Geraldo Lino

Nov. 30 (EIRNS)—Obeying the dictates of the international environmentalist lobby, Brazilian President Fernando Collor de Mello on Nov. 15 signed the long awaited decree marking off a 22 million-acre area in the Amazonian state of Roraima for the creation of a reserve for the Yanomami Indians.

The Yanomami, a Stone Age tribe which has become an environmentalist cause célèbre, number somewhere between 3,500 and 9,000 people, and inhabit a vast tract of land on both sides of the border between Brazil and Venezuela.

Though hailed by environmentalists in Brazil and abroad, the presidential act was not welcomed by Brazil's nationalist military and political sectors, which are now attempting to overrule it on the grounds that it threatens national security. In setting up the reserve, Collor ignored military demands for establishing a 150-kilometer (93-mile) security strip along the border, crucial for national defense in case of an emergency. Gilberto Mestrinho, governor of Amazonas state, has stated publicly that he will not abide by the government's demarcation, even if he has to use the state's 5,500 military police to stop it.

One journalist referred to the Yanomami demarcation as the setting up of ... reported that Survival International had threatened to lead an NGO boycott against next year's Earth Summit meeting, known as Eco 92, to be held in Rio de Janeiro next June.

The Brazilian President is so anxious not to offend the international Malthusians that, according to a report in the Nov. 27 Jornal do Brasil, the government has asked Interpol to monitor anti-ecology groups, whose activities are deemed threatening to the 1992 conference.

Without mentioning him by name, the Jornal do Brasil article makes reference to U.S. political prisoner Lyndon LaRouche—quoting an official who describes him as an "American businessman who is now in jail" and whose magazine promotes "unlimited use of nuclear energy." Executive Intelligence Review, the magazine founded by LaRouche, has exposed the Anglo-American Establishment's offensive against Brazilian sovereignty, using environmental issues as a pretext.

The Yanomami question has become a fighting matter for various nationalist groups. On Nov. 21, Gen. Antonio Santa Cruz, Amazon military commander, resigned [illegible] Armed Forces are [illegible] opposed to the demarcation of such a vast area. "This is crazy. Who's going to control this vast

conference was devoted to combating "Antijewish anti-Semitism," which the group said was resurgent and deadly.

American blacks and the newly emerging nations of Eastern Europe were the identified targets.

Foxman's thesis, which was supported by others on the podium, was that American blacks learned their anti-Semitism from their slave masters, much as Israeli Prime Minister Yitzhak Shamir had said that Poles "imbibe their anti-Semitism with their mother's milk." The NAACP's founders were anti-Semites, Foxman said, as were such black leaders as Booker T. Washington, Ralph Bunche, and W.E.B. DuBois.

The provocative remarks aimed at asserting that the black-Jewish alliance which has been so important to many Democratic Party urban machines, especially in the Northeast, was no longer possible or even desirable. Much attention was paid to Brooklyn, where race riot operatives on both sides provoked the fatal stabbing of a Jewish student after another Jewish resident of the neighborhood had driven his car into, and killed, a black child last summer. The campus

Doing It for George

Ever since the ADL split with the rest of the American Jewish community in 1982 to claim that the Nicaraguan Sandinistas were anti-Semitic, at a time when the Reagan-Bush administration was lobbying for increased Nicaraguan Contra funding, questions began to be raised about the nature of the ADL's relationship to the White House. Soon thereafter, several ADL officers began hooking up with the administration's "Project Democracy" propaganda arm. By 1988, ADL national chairman Abe Foxman reported that the ADL and Bush were "going steady."

Abe and the rest of the leadership insist on supporting Bush," one incensed ADL activist confided to this writer. "They think he's another Franklin Roosevelt." Minutes earlier, Foxman had leapt to the podium of the Montreal conference to defend Bush, after Bush was denounced from the floor for his complaints in October about the power of the Zionist lobby. "Anyone can make a mistake," Foxman said.

Although the U.S. and Israeli press

al the ADL conference. Eastern European nationalism is inherently anti-Semitic, and the death of communism means the rise of anti-Semitism, it was claimed.

"Fascists are on the rise in Romania," Romanian Chief Rabbi Moshe Rosen told the audience. "Anti-Semitism is obvious and visible throughout the Soviet Union," said Moscow-based professor Mikhail Chlenov. Last year, Chlenov's VAAD (Confederation of Jewish Communities in the U.S.S.R.) signed an agreement with the ADL to combat Eastern Europe anti-Semitism. Rosen has worked with the ADL for decades. For both men, and for Bush and Israeli Prime Minister Shamir, the solution is Jewish emigration to Israel.

In order to combat this supposed nationalist anti-Semitism, the ADL has opened up offices throughout Eastern Europe, reports Daniel Mariachin, who runs ADL Eastern European operations. The problem, Mariachin said, is that Eastern Europeans have no democratic tradition. He learned this, he said, from "our old boss, Al Haig," a Reagan-Bush Secretary of State.

5,000 military police to stop it.

One journalist referred to the Yanomami demarcation as the setting up of a "human zoo," designed only to preserve the Indians' misery and poverty. Referring to the government's subsequent demarcation of reserves for other Indian tribes, Mestrinho asked, "Why are they so worried about 200,000 Indians, when we have almost 100 million Brazilians living in misery?"

Environmental Blackmail

Government spokesmen depicted Collor's decree as a "spontaneous" decision. In fact, in recent weeks, the environmentalist lobby had escalated its efforts to force the President to grant the Yanomamis an area equivalent to 1.1% of Brazil's territory—larger than Holland or Belgium, larger than the state of Indiana.

According to the Nov. 16 issue of O Estado de Sao Paulo, Environmental Secretary Jose Lutzenberger, a darling of the international environmental and genocide lobby, threatened to resign, reportedly with the backing of many Non-Governmental Organizations accredited at the United Nations, if the government did not act. The Nov. 20 edition of Veja magazine

Forces are efforts opposed to the demarcation of such a vast area. "This is crazy. Who's going to control this vast territory?" he asked in an interview. He also pointed out that there exists "an extraordinary international interest in the Yanomami case," related to "the mineral riches of the region: gold, cassiterite, diamonds, and other strategic minerals."

In the Congress, strong opposition has erupted among all parties, including pro-government ones. Roraima deputy Joao Fagundes filed suit against the demarcation, on the grounds that it violates the constitutional demand that the 150 kilometer border strip be considered a matter of national security.

Trying to circumvent the wave of criticism of his decree, President Collor promised on Nov. 24 to locate an industrial park in Roraima, as a compensation for the state's loss of 25% of its territory to the Yanomamis. But on Nov. 25, State Governor Ottomar de Souza Pinto told O Globo that the mineral deposits in the demarcated area are fundamental for any industrial development plan for what remains of Roraima.

What is the science mafia trying to suppress?

From [illegible] issue of
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- [illegible]
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- [illegible] report on food
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U.S. Milk to Iraqi Kids

Continued from page 1

Special Delegate to the U.N. Sadruddin Aga Khan.

The milk left Cologne on Nov. 19 for Lanarka, Cyprus. From there, it was flown on Nov. 21 directly to the airport in Habbaniah, Iraq, near Baghdad, where it was met by representatives of the Red Crescent for delivery by truck to children's hospitals and feeding centers.

Committee to Save the Children in Iraq representative Muriel Mirak-Weissbach, who was in Iraq last week delivering 16.5 tons of medical equipment from Sweden, featured the dairy farmers' activity at a press conference in the Baghdad Red Crescent office Nov. 18. Mrs. Weissbach's mission was cover news in the Arab press, since it involved the first flight of an Iraqi civilian airplane since the war, and received approval at the U.N. Sanctions Committee.

A Unique Effort

Although relief agencies have been delivering milk powder to Iraq for many months, the usual procedure is to purchase European products in Jordan. To my knowledge, what American dairy farmers have begun is a unique effort to deliver their own product to the needy children there, as a gift directly from the United States.

On Nov. 7, the farmers' effort received editorial support from the Catholic Herald, the official newspaper of the Diocese of Madison, Wisc. On Nov. 16, the Philadelphia Penna. branch of the National Association for the Advancement of Colored People (NAACP) unanimously passed a resolution at its monthly membership meeting, which resulted in the Philadelphia Branch of NAACP expressing appreciation for the action of these dairy farmers trying to feed starving children, and offering the hand of fellowship and solidarity to the independent family farmers of Pennsylvania and America.

"Now that the first phase of the Milk Lift for Iraqi children is complete, in time for Thanksgiving, I call upon individual farmers, farm organizations, dairy cooperatives, churches, and all Americans who respect the right of all children to life and good nutrition, to get behind this movement. Let's send another gift of milk to children in Iraq by Christmas."

"Donations may be sent to: Chaldean Catholic Church Milk Relief Fund, 25585 Berg Rd., Southfield, Mich. 48034." (For more information, contact Phil Valenti, 215-734-7080.)

Thanks Received

Within days after the press conference, the farmers received a letter of thanks from Committee coordinator Muriel Weissbach, which read in part:

"As we saw in the hospitals in Baghdad, the food and medical supply situation has deteriorated dramatically due to the continuing embargo, such that double the number of children fill the wards as what we saw in July during our first trip. Nine out of 10 cases are children suffering malnutrition or diseases directly related to under-

SHIPMENT OF MILK POWDER from U.S. farmers to Iraqi children, shown being collected in Philadelphia Nov. 13.

nourishment. The embargo is literally starving them. Therefore, milk powder is perhaps the single most important commodity that one can send to Iraq by air to save children's lives. Please step up your work."

Bush's Pals Steal Your Pension, Part 3: Corruption in Minnesota

by [redacted]

HOUSTON [redacted] EIRNS)—The multibillion [redacted] leals that so [redacted] Wall Street in [redacted] a leading role [redacted] banking system [redacted] insurance companies, [redacted] whole sectors of [redacted] industrial production. [redacted] have been swelled by [redacted] conducted by [redacted] called a "Den of [redacted]"

But the full [redacted] for the [redacted] refer to as the [redacted] has [redacted] or by [redacted] federal and [redacted]

[redacted]

employee pension funds. That one person is the Comptroller.

Regan, a Republican, received a $25,000 campaign contribution from KKR in 1985, and another $25,000 in 1986 for his reelection campaign that year. After the election, he received another $15,000. Not surprisingly, Regan invested $?? million of New York's pension funds in KKR's 1986 Fund, followed by $375 million more for the 1987 Fund.

Corruption in Minnesota

In Minnesota, the State Board of Investment (SBI) is charged with investing the state employees' pension funds. A total of eight retirement funds, with more than $16 billion in assets, is in the hands of SBI Board members.

The SBI has invested in three KKR takeover funds since 1984, including $146.6 million in the infamous 1987 Fund. The SBI is made up of the Governor, the State Auditor, the Treasurer, the Secretary of State, and the Attorney General. A majority vote is required to determine how funds are invested. However, sources have told this news service that the two members in the SBI who have pushed for the investment of state pension funds in KKR's funds have been the Treasurer and the Attorney General.

The State Treasurer is Michael A. McGrath. An investigation of his campaign finance reports shows that he has been the recipient of $2,500 contributions each from Henry Kravis and George Roberts, the leading partners of KKR. Although these are dwarfed by the $65,000 which KKR contributed to New York Comptroller Ned Regan's campaign, the two contributions are the largest McGrath received in his last campaign.

What role was played by the Attorney General, Hubert H. Humphrey III ("Skip"), in supporting KKR's grab for Minnesotans' retirement funds?

Lansky's Children

New Federalist has been publishing a series of articles on how organized crime has dominated politics in Minnesota since the end of World War I ("Are Minnesota's Democrats the Most Corrupt in the United States?"). A recent article in New Federalist provided evidence that the gang run by Isadore Blumenfeld (aka Kid Cann) in the Twin Cities was intertwined with the operations of notorious organized crime boss Meyer Lansky.

It was Blumenfeld's organized crime ring that provided financial resources and muscle to Hubert Humphrey II (Skip's father), who was elected Mayor of Minneapolis in 1945, and later served as Senator and Vice President of the United States. In return for this backing, Humphrey looked the other way when it came to the Blumen-mental in KKR's success in the takeover game on Wall Street. Corporate raiders such as Carl Lindner, Ronald Perelman, Saul Steinberg, and Victor Posner used insurance companies and other firms they took over (often with the aid of junk bond king Michael Milken) to launder funds used to launch raids on companies targeted by KKR for takeover.

Given the name "Milken's Monsters" by one of them, Meshulam Riklis (who began his career in Minneapolis), they bought many of the junk bonds sold by Milken, who then engaged in often illegal support operations for KKR's takeovers.

Milken and his collaborators pocketed hundreds of millions of dollars through collaboration with KKR. For example, in KKR's leveraged buyout of Beatrice, KKR gave Milken and Drexel warrants (which give them the right to buy bonds at greatly reduced prices), even though KKR partners knew the warrants were not needed to attract bond purchasers. Milken kept them for himself and his family. He paid less than $50 million for them; their actual value was between $400 million and $800 million.

Milken, who is currently in jail, was stealing directly from the profits which by rights belonged to the pension funds, deriving from their stake in Beatrice, which was purchased by KKR with those very pension funds.

By working on KKR's behalf today, Skip Humphrey is continuing the family tradition of aiding organized crime. His involvement in the looting of pension funds goes beyond his vote to place Minnesotans' funds with KKR.

A lawsuit was filed in federal court in the Southern District of New York in August 1991 accusing KKR of taking "millions of dollars of undisclosed fees in the form of investment banking fees and management fees from companies controlled by its clients," i.e., the state pension funds. The suit was filed by Minnesota State Representative Phyllis Kahn and Steven Thorne, a former Deputy Natural Resources Commissioner and thus a pension fund contributor.

In KKR's Motion to Dismiss, Kahn was attacked by KKR's lawyers for using the suit "to advance her personal political career"—a response which ignores the substantive claims made in her suit, which has since been amended to name SBI as a co-defendant.

Kahn's charge of excessive fees for KKR is supported by a review of the RJR Nabisco deal, which used the $3 billion committed by state pension funds. From Minnesota, KKR receives $2.2 million per year just to hold the funds. Once the funds are invested, KKR's profits balloon. [...] Wall Street), those losses will be charged off against the investment of the state pension funds, not against KKR.

And so, not surprisingly, KKR is frightened by the implications of Phyllis Kahn's suit. In an hysterical reply on Oct. 7, their lawyers argue that, if this suit is not dismissed, an "open season would be declared on all investment decisions of all state investment funds and virtually limitless numbers of prospective plaintiffs would have the opportunity to engage in extortion by threatening actions of this type against pension fund managers and those with whom they chose to invest."

In other words, KKR's ability to loot state pension funds would be jeopardized.

On Oct. 28, KKR's position was defended by the office of Attorney General "Skip" Humphrey. He filed a motion to dismiss the case, defending both the SBI's choice of investing with KKR, and KKR's right to defraud the people of Minnesota.

At the time of this writing, Humphrey's office had no comment when asked about allegations that he is serving as a frontman for KKR.

This is the same Attorney General who has used his office to harass supporters of Lyndon LaRouche, including by engaging in fraud to improperly seize the bank accounts of the Constitutional Defense Fund. A multimillion dollar damage action against Humphrey for these violations of constitutionally protected rights is still pending.

In Part 4: Bush and the Takeover Mob.

"Skip" Humphrey

Banks Bailed Out as America's Poor Die

Continued from page 1

assets of failed S&Ls. Even when buyers can be found, the real economy stands to be the loser. In the case of some properties, such as corporate landholdings, the legislation gives first dibs to non-profit organizations like the Nature Conservancy and other environmentalist trusts—which intend to turn the properties into permanent wilderness. Minimum cost to the taxpayer for the latest S&L bailout hoax: another $60 billion.

The FDIC funding bill also makes room for chicanery on Wall Street. For the first time, brokerage firms have been given direct access to the Fed's discount window in times of crisis, instead of having to turn to the banks (which don't have the money anyway) for a line of credit. In other words, the taxpayer will cover the next stock market crash.

Telling the Poor To Drop Dead

will translate into needless deaths, from the devastation wrought by budget cuts—federal, state, and local.

Just over a month ago, the Bush administration announced the biggest federal budget deficit in history—$268.7 billion for the 1991 fiscal year that ended Sept. 30. Less than two years ago, the Bush projection for this year's deficit was only $?1 billion. This year's income tax revenues came in $14.1 billion less than had been projected this July, when the figure was drastically revised downwards from earlier estimates. The Congressional Budget Office already projects the deficit for fiscal 1992 at $362 billion!

The murderous delusion that the deficit can be "cured" by massive spending cuts at the federal level has compounded the brutal austerity in state budgets. Overall, the states raised taxes by $15 billion for fiscal 1992 and another $10.2 billion in out-[...] shortfall for the current year is already $18 billion below projections, just four months after most states began their fiscal year July 1.

Murder in Michigan

In Michigan, where the General Assistance fund was eliminated Oct. 1, and a legislative leader told the poor to move "somewhere else" if they didn't like it, the cutbacks have already killed. A 51-year-old woman with high blood pressure died when a blood vessel burst in her brain; she had been rationing her medicine after losing her low-income assistance, as have 82,000 other recipients.

In Detroit, according to the London Guardian, there has grown up "Englerville Tent City," named after Republican Governor John Engler. "It is total war between the people and the government," one homeless woman told the Guardian. "We have drawn [...]

Fund raised eyebrows because of the relationship between state Comptroller Ned Regan and KKR. New York is the only state which gives one person sole responsibility for investing state

other way when it came to the Blumenfeld crowd's operations, even going so far as to call his police off an investigation of Blumenfeld in 1986.

Lansky's heirs have been instru-

KKR's profits balloon.

In 1989, KKR made almost $90 million from the RJR Nabisco deal. If there are losses from a deal (which is likely, given the volatile climate on

Telling the Poor To Drop Dead

The toll all this is taking in human suffering is mounting at a hideous rate. The $35 billion added to the federal deficit by the current S&L bailout

1992, and almost zero income in real terms since 1973, new budget cuts was imposed, bringing the total austerity crunch to more than $25 billion in a single year. Despite the record tax hikes, the revenue

in the sand." Detroit Mayor Coleman Young) is throwing people out on to the streets. Bush needs to get down here and do something fast."

One homeless leader said there will be 100,000 homeless in the Detroit area by Christmas.

An Air Force veteran who is homeless said, "Right now, my worst enemy is not street violence or the elements. It's the government."

And in Maryland?

Maryland has announced plans to cut Aid to Families with Dependent Children by 30%, leaving a welfare family of three with a monthly payment of only $264. Part of the cut may be restored for recipients who can prove that they paid their rent on time. Maryland's Secretary of Human Resources, Carolyn Colvin, says the cuts are designed to "encourage" people to get off welfare.

The state's Emergency Assistance program, often the only source of aid to the poor who face evictions, will be terminated. No matter, says Colvin: "Most people are evicted anyway." And eligibility for the General Public Assistance program will be further restricted, to eliminate 20% of current recipients. Another proposal would deny assistance to a disabled person until he had officially been disabled for one year—by which time he could be dead.

Meanwhile, all categories of unemployment and welfare recipients remain ineligible for federal bailouts.

Virulent Flu Sweeps U.S.

Continued from page 1

students were absent with illness to [illegible] the weekend poll.

Similar [illegible] have hit elsewhere. [illegible] about 10,000 Americans in a severe season that number could soar as high as 70,000.

Yet these statistics have not spurred anyone in Washington to get on top of the situation. The bureaucrats charged with evolving a widespread program seem more than the apparent lack of funds to do it.

According to one investigation by Lawrence Altman of the New York Times, "Hundreds of millions across the country do not publicly available pro- ve programs despite the dangers of [illegible] and epidemics.

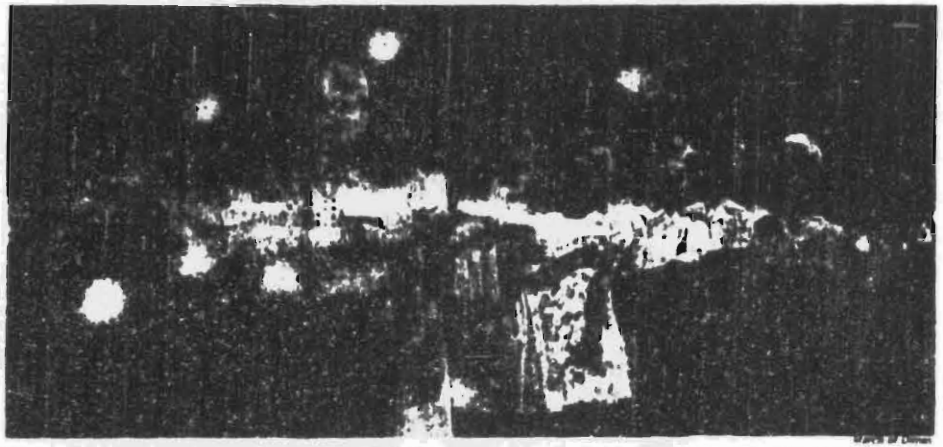
"The Food and Drug Administration knows the vaccines, officials ordered to distribute them, the government agencies, Presidents of [illegible] hospitals, [illegible] veterinary supply companies, others [illegible] Dr. Donald [illegible] CDC, but no one knows how far the flu vaccine has shifted" this season, experts

The upshot is that no health official in the country knows which areas are hardest hit nor where there might still be supplies. People simply do their best guessing—a sick kind of betting pool. The questions are compounded because the virus constantly mutates; hence, any leftover vaccine is considered worthless. An entirely new vaccine must be produced every year.

There is no federal agency that monitors the distribution and use of flu vaccine, while the data that officials do get come after the time when it could be useful. Twenty-five percent of doses are returned after most flu seasons. The inefficiency is staggering.

The Worst in Recent Memory

Add to this the financial devastation hitting most hospitals, and the prospect of getting the flu becomes even more frightening. The annual report by the City Hospital Visiting Committee, a voluntary monitoring group in New York that has been evaluating hospitals for 120 years, was issued at the end of November. It describes hospital care as "the worst in recent memory."



REMEMBER WHEN the U.S. government had an aggressive health care policy? Kids lined up for vaccinations back in 1954.

There is no confusion as to the cause of the deterioration. The budget of the Health and Hospitals Corporation, which runs the city's 11 municipal hospitals, was ordered cut by $44 million over fiscal year 1991.

Hospital care now for the flu patient as for others, is characterized in the words of the report: "Draconian budget cuts, demoralized staff and soaring service demands." This is all the more stunning when you consider that New York State is being swept by a wave of drug resistant tuberculosis, which recently killed 13 state prison inmates and one prison guard, and induced Gov. Mario Cuomo to order the TB screening of all 66,000 New York State prison inmates and 22,600 prison employees before New Year's.

The hospital budget cuts in New York have enraged Dr. Barry Lieberman, president of the Doctors Council. "The city has managed to incorporate malpractice as a daily element in our municipal hospital system. The victim, as always, will be the patient."

That's true for the country as a whole, and the shortage of flu vaccine now only underlines it.

The book that will destroy George Bush's career...

socialization of this political bloodbath begins in the next issue of The New Federalist!

The Great Mudslide Is On

Continued from page 1

the stock market and other financial markets can no longer sustain the appearance, the illusion, of so-called prosperity.

This Europe has seen and the Japanese have seen, and Europe and Japan are saying that the financial system of the United States is something to stay as far away from as possible.

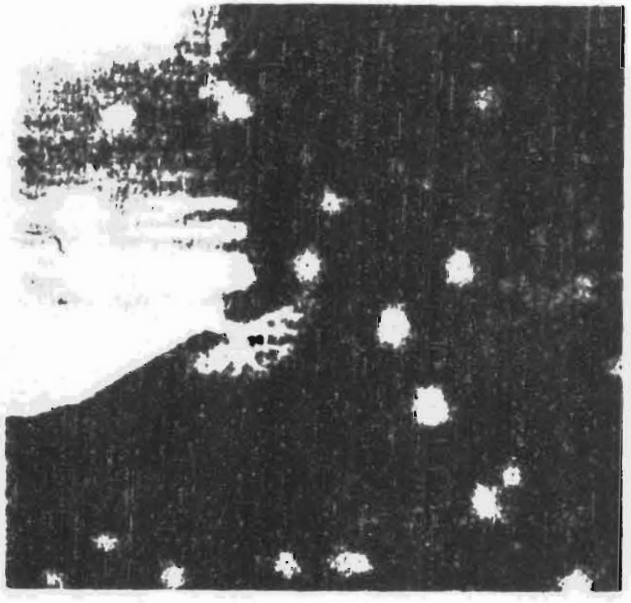
As the financial system weakens, George Bush's political power weakens, and his ability to clobber the Europeans and Japan into making large subsidies to Wall Street is no longer as great as before.

So, down and down and down we go—not all at once, but day by day, hour by hour, inch by inch, the Great Mudslide that carries the United States into a financial collapse and depression far worse than anything in the 1930s, is now on full tilt.

What Can Be Done?

There is only one thing that can be done. Build a new system. Over the past years, I have been warning of this—particularly during the 1980, 1984, 1988 presidential campaigns. I warned of this exactly, and said what had to be done. But so far, none of the other candidates has paid any attention. As a result of your choosing from among those other candidates, you are going to suffer. I regret it, but you're going to suffer. It's your own fault for not supporting me.

Now, are you going to be foolish, or do you want to get out of it? I know how to get out of it. It's going to be hard work, but it can be done. If you vote for another one of those candidates, the Great Mudslide will continue, inch by inch, hour by hour, day by day, worse and worse—worse for you, for your family, for your children, for your grandchildren, everyone. You've got to come to your senses at last, and realize that the way you vote, the kind of candidate you support, will determine what happens. And if you don't vote for me, if you don't support me, I don't know what is going to become of you.



HERE IT COMES: The volcanic eruption that precedes the mudslide.

9 4 0 4 5 6 2 2 5 7

'Octol er Surprise': DOJ, CIA Protected Hashemi and Pottinger

by [illegible]

[illegible] FBI and CIA files obtained by [illegible] confirm that the [illegible] Department of Justice, the FBI and the Central Intelligence Agency [illegible] key figures in [illegible] controversy during the Reagan-Bush administration.

The [illegible] documents prove that [illegible] were stalled for years [illegible], an [illegible] and J. Stanley Pottinger, a former Justice Department official. [illegible] the Justice Department [illegible] so he [illegible] and the FBI and the Justice Department [illegible] crucial [illegible] con[illegible] used as [illegible] indictment. [illegible] contact [illegible] to prevent [illegible] fugitive [illegible]

[illegible] ally [illegible] of [illegible] "October Surprise" [illegible] spring [illegible] Has[illegible] he [illegible] with [illegible] of [illegible] have [illegible] of for[illegible] official [illegible] had [illegible] to [illegible]

[illegible] in the [illegible] The [illegible]

[illegible] "October Surprise" [illegible] reality [illegible] by the [illegible]

[illegible]

[illegible] building [illegible] and [illegible] a double [illegible] the Carter [illegible] for the [illegible] in de[illegible] until [illegible] elec[illegible] to the [illegible] Hashemi's [illegible] electronic [illegible] up conversations in which Hashemi and Pottinger were arranging the shipment of embargoed military equipment to Iran.

Within days after the Reagan-Bush administration removed the wiretaps in February 1981, FBI agents and prosecutors in New York tried to get a search warrant [illegible] aid Hashemi's offices. The newly declassified FBI files show that FBI Headquarters and the Justice Department blocked the raid, and then repeatedly stalled efforts to prosecute Hashemi and Pottinger. A Jan. 29, 1982 FBI memorandum, for example, says that the Justice Department had ordered the U.S. Attorney to postpone a planned federal grand jury investigation "because of national security considerations."

DOJ Tips Off Hashemi

Finally, after years of delay, arrest warrants for Hashemi and a number of other participants were issued in New York in mid-May of 1984.

However, Hashemi evaded arrest after being tipped [illegible] by the Justice Department. A declassified New York FBI teletype dated May 16, 1984 complains that Hashemi, who was in London, canceled his Concorde flight reservation to return to the U.S. at the last minute, after DOJ Deputy Attorney General Lowell Jensen ordered the U.S. Attorney in New York to notify Hashemi's attorneys of the prosecution. Jensen did this, according to the FBI teletype, "because he made a commitment to Hashemi's attorney, former Attorney General Elliot Richardson, who obviously has Cyrus Hashemi notified."

The New York FBI office, which had worked the Hashemi case since 1980, grumbled that because of this, the arrests were not likely to occur, and that "results of a positive nature do not appear forthcoming despite the massive investigative effort put forth thus far."

Hashemi stayed outside the United States and remained a fugitive for almost two years, until he returned to the U.S. to aid the Customs Service in the 1986 sting operation against Israeli General Abraham Bar Am and others. During the time he was a fugitive, he was in frequent contact with top CIA officials, including William Casey, through his lawyer Elliot Richardson and John Shaheen, a businessman and close friend of Casey who was one of the founders of the CIA. During this time, there was apparently no effort made to extradite Hashemi.

In fact, on the contrary, a recently declassified CIA document from November 1985 states: "We were advised in August 1985 that the U.S. government must not touch the Iranian in the UK whom the U.S. is seeking to extradite for his part in a failed Iranian attempt to purchase U.S. arms." The memo goes on to discuss the fact that Elliot Richardson was attempting to arrange for the charges against Hashemi to be dropped, in return for his efforts to aid in the hostage negotiations ongoing at that time.

Even after Hashemi returned to the U.S. as part of the U.S. Customs sting operation in March of 1986, he was still—inexplicably—allowed to travel abroad. In July 1986, Hashemi suddenly died in London, under what an FBI memo calls "questionable circumstances."

The 'Missing Tapes'

The newly released FBI files also confirm the long-rumored "loss" of FBI surveillance tapes of Hashemi and Stanley Pottinger. The files further confirm that the absence of these critical tapes was used as the reason for not indicting former Nixon-Ford Justice Department official Pottinger for illegal arms shipments to Iran. A partially released FBI file, labeled "Administrative [illegible] Inquiry Missing Tapes," documents an internal FBI investigation which was conducted after the loss of the tapes was allegedly discovered at the end of May, 1984—days before Pottinger was to have been indicted.

The fact that critical tapes were missing was discovered at the end of May; nevertheless, federal prosecutors in Manhattan sta[illegible] their opinion that Pottinger could still be indicted for perjury and other counts, even if, lacking the tapes, they could not substantiate a conspiracy count. However, the Justice Department continued to stall the prosecution of Pottinger until November 1985, when an FBI report concluded that there was "no basis" to proceed with an indictment.

According to the "Missing Tapes" file, the FBI conducted an extensive internal investigation into the missing tapes. An October 1985 summary of the probe stated that "significant inconsistencies" had been found in the stories told by various FBI officials involved with the tapes. There was some indication that the tapes might have been delivered to the Justice Department in 1981 or 1982.

This is clearly a mystery which rivals the famous "18-minute gap" in the Nixon-Rosemary Wood tapes, and which merits an equally prominent investigation—this time without the coverup.

5 6 6 9

AUTHOR EDWARD SPANNAUS gives a press conference at Washington's National Press Club on the "October Surprise."

Build the World's Economy To Stop War

Continued from page 1

link the perspective of an all-European infrastructure program and the Paris-Berlin-Vienna "Productive Triangle" as the locomotive of the world economy, with the onset of a "True Fourth Development Decade" for the nations of the developing sector."

Later in the conference, the main resolution, "Europe's Role in the Reconstruction of the World Economy," was passed unanimously, and in nearly identical wording was signed by 113 participants as the founding document of the World Coalition "Peace through Development."

Political Prisoners

The second major theme of the conference was the need to free George Bush's political prisoner, Lyndon [illegible] Sachs must be scrapped and a "general policy of the creation of state credit" must be introduced to foster, chiefly, "the productive union of idled productive capacity with idled sections of the labor force."

Helga [illegible]-LaRouche had previously compared today's IMF "shock" policy with the deflationary policy of the Bruening regime, which ruined the battered German economy in the early 1930s and paved the way [illegible] Nazism. Frank Hahn of the Schiller Institute in Hanover, Germany contrasted to this the idea of productive credit creation, which was introduced by the first American Treasury Secretary, Alexander Hamilton. Had it been applied in time in Germany, it would have saved the world from the Hitler regime.

[illegible] IMF policy, the so-called Polish [illegible] logical potential of Ukraine. Developing and using this potential to modernize industry is considered as the highest priority by the Ukrainian leadership. A national bank, national currency, and state-directed investment in R&D are urgently required to prevent the brain drain of scientists and to secure fruitful scientific and technological collaboration with the other republics of the former Soviet Union, especially Russia, and with Western Europe.

Rosa Tennenbaum, who heads the Agriculture Commission of the Schiller Institute, discussed the world food crisis in the East and South and the need for structural reforms of agriculture in Eastern Europe and the republics of the former Soviet Union, with an emphasis on productive private family farms. She [illegible]

Bush is in Bed with Medellin Cartel

Continued from page 1

[illegible]

Deal with the Devil

[illegible]

DOPE KING CARLOS LEHDER, second from left, got a new lease on life when the Feds decided to make a dirty deal with him.

documented by this news service back in 1984. Lehder testified that Lopez had accepted nearly $1 million in cartel donations to his 1982 presidential effort—a full one-third of his campaign war chest. Although Lopez's re-election bid failed, he was adopted as the cartel's "political godfather," according to Lehder, and has repeatedly interceded on the cartel's behalf ever since. Lehder also charged that the Medellin Cartel had ordered the murder of Colombian Justice Minister Rodrigo Lara Bonilla in 1984 to, among other things, prevent revelations about Lopez's mafia ties.

Attempts by the Noriega defense team and prosecution to subpoena Lopez—who was vacationing in Miami—were thwarted when a direct appeal to George Bush by Lopez intimate Carlos Andres Perez, President of Venezuela and Socialist International vice president, won the former Colombian President a quick exit from the States on a Venezuelan jet. Lopez was understandably furious at his awkward predicament, and blasted the U.S. plea-bargaining system which had allowed the likes of Carlos Lehder to expose the corruption of a former President. But it was Lopez Michelsen who helped mediate a similar plea-bargaining arrangement between his pals in the Medellin Cartel and the Gaviria government in Colombia.

The last time Lopez stood thus exposed was in 1984, when this news service had internationally circulated documentation of Lopez's role as cartel "godfather," prompting an appeal by Lopez to Colombia's then-President *Belisario Betancur* to "defend his honor." Betancur released the text of that appeal to the press. Lopez has been known in Colombia as "El Padrino" ("The Godfather") ever since.

This time, Colombian President Gaviria, a close associate of Lopez, has gone much further in defending the former head of state. In an official presidential statement, Gaviria gushed that Lopez, "a fervent partisan of social justice and tireless worker for Latin American unity . . . needs no defense."

But Gaviria does. This week, he was denounced as a traitor by one of Colombia's few surviving heroes of the 1980s war on drugs. Former Justice Minister Enrique Parejo Gonzalez, who survived a mafia assassin's bullets in 1987 only to be stripped of official protection by the Gaviria government earlier this year, charged Gaviria with having surrendered the reins of power to the drug mafia and with having conducted a "coup d'etat" against the legitimate institutions of the nation. He called on the Colombian people to organize a "great national mobilization" to rescue their country, for "it is the right and duty of the people to speak up, to reestablish a state of law."

[illegible] resistance to totalitarianism of all sorts, many of those present had been political prisoners themselves, but were still prepared to put their lives on the line for human freedom. Many paid homage to LaRouche's role *in fighting the IMF, a role which made* him a target for the Anglo-American Establishment.

"Enough is enough," was the theme struck by Dennis Small, who had also been a political prisoner in the LaRouche case. Small was referring to the fact that LaRouche will have been in jail three years as of Jan. 27, 1992, and he and the world have suffered enough. The conference unanimously passed a resolution demanding LaRouche's freedom.

War in Europe

The bloody, expanding war of conquest against Croatia stood in the foreground of the conference. Dr. Barki from the presidium of the Austrian-Croatian Society of Vienna condemned the immoral policy of the European Community. The expanding war against the Croatians has cost 20,000 dead and 30,000 wounded, while 500,000 people are already refugees. For this, people like Lord Carrington must be called to account.

Edita Taheri from Kosovo appealed to the gathering to adopt the cause of the 3 million Albanians who live in former Yugoslavia and over the last 10 years have suffered under Serbian oppression. Dr. Socan, Slovenia's envoy to the European Community in Brussels, sketched the background of the Balkan crisis. The dramatic collapse of the Yugoslav economy since 1986 has fed Slobodan Milosevic's Serbian fascism. One resolution ("Save Croatia and Europe's Conscience") was adopted unanimously.

Revolution in Credit Policy

American economic scientist and Democratic presidential candidate Lyndon LaRouche, *despite* his nearly three-year incarceration as a political prisoner of the Bush *regime*, had sent a speech from prison which provided historical depth to the current struggles. Just as the bankruptcy of the Lombard usurers of the 14th century threw Europe into the Dark Age of plague and depopulation, he said, so the inexorable collapse of the Anglo-American financial system today is making millions of people into victims of the "Four Horsemen of the Apocalypse"—famine, pestilence, war, and death.

Yet, just as it did in Italy at the end of the Dark Age, a renaissance can still follow this horror, LaRouche said. To stop the bottomless slide into world economic depression, the "shock therapy" of Margaret Thatcher and Jeffrey [illegible] model was unanimously rejected. The warning by the American economic writer William Engdahl to East European participants that after throwing off the communist yoke they must not now allow the IMF, World Bank, or GATT to rob them of sovereign control of their national economic development, was underlined eloquently by the speakers from East Europe.

Professor Nikolov from Sofia (Bulgaria) rebutted the IMF model, which in Russia would "sink" the living standard below the biological minimum. He warned Russia not to adopt it, and criticized the current situation in Bulgaria as the "Pakistan model," because there is only a tiny layer of super rich along with a broad population for whom things are getting worse and worse.

A representative of Rural Solidarity from Poland said that the Polish government's privatization policy is above all a job-creation program for the ex-communist Nomenklatura, who now grab lucrative jobs for themselves in the free market. Production is still dropping, and 2 million Poles are jobless. The direction of a positive economic program must be to put the unemployed to work in goods production for Polish domestic use and in projects like the construction of highways and railways, which contribute to the increase of production.

The reports by Dennis Small and Peruvian Congressman Carlos Calderon Carbajal described the devastating results of IMF policies in Latin America: financial bloodletting through usurious interest rates, the boom of the drug cartels, control of whole land areas by the drug mafia and their terrorist bands, and famine and malnutrition, as well as outbreaks of cholera and other epidemics.

The 'Productive Triangle'

Dr. Jonathan Tennenbaum, co-author of the book "An Economic Miracle for Eastern Europe," explained the proposed Eurasian infrastructure program of Lyndon LaRouche starting from the Paris-Berlin-Vienna "Productive Triangle," with the details that have been worked out since the original conception appeared in 1989.

One particular project, the planned coastal highway from Luebeck to Gdansk, was reported on by the German businessman who initiated it, Walter Merz. The six-lane highway over the 50-60 kilometer distance will not only decisively improve transportation between Western and Eastern Europe, but also contribute to economically develop the 150-kilometer band around the road.

Professor Ilya Ryabchenko, chairman of the State Commission for Science and Technology for Ukraine, explained the high scientific and techno- [illegible]

LaRouche's "Food for Peace" policy to the dangerous GATT policy which would sink food supplies even lower by removing farm subsidies. "All nations have a common interest in sufficient food reserves, so that no one has to go hungry anywhere."

Worldwide Movement

The most surprising aspect of this conference was the harmony with which citizens from Eastern and Western Europe, the United States, Asia, Africa, and Latin America discussed problems and solutions.

Democratic State Senator and civil rights activist Theo W. Mitchell of South Carolina came as a representative of the real America. He lashed the Bush regime's policy for having driven the country into poverty and collapse. Yet Bush, and Reagan before him, would never have come to power, but for the timidity and cowardice of the Democratic Party. Lyndon LaRouche had dared long ago to come before the nation and world public opinion and to say that the fatal errors of Reaganomics would doom it to ruin and that the world economy would be brought down with it. Even today, LaRouche is the only one who knows a way out of the crisis. Only an infrastructure program like the Productive Triangle in Europe will help the U.S. today. "Abolish the IMF!" Senator Mitchell said; the world needs a new, just world economic order.

It was happily noted that many representatives came from the former Soviet bloc. A delegation from Armenia was led by Yerevan City Councilman Ghaboukian; Guntis Vilcans, a member of the Latvian Citizen's Congress from Riga was there, and Ukrainian economics teacher Prof. Sikora and his colleague Filipenko from Kiev, along with their counterpart, Prof. Dr. Taraz Muraniwski from Moscow University, and Prof. Beletzki from the private consulting firm Sovintercontact, who belongs to the Boris Yeltsin camp. Dr. Kemur of Afghanistan, who played a leading role in the Finance Ministry before the Soviet putsch of Babrak Karmal, spoke of the 2 million victims which the Afghan war had cost. "But we are proud," he added, "that we beat the Red Army in Afghanistan and thereby contributed to the fall of the Wall in Germany in 1989."

Closing remarks were made by Elisabeth Hellenbroich, editor of the cultural magazine Ibykus. She spoke of the Christian-humanist image of man—man endowed with reason in the likeness of God, in distinction to the anti-human concept of the Malthusian Club of Rome—which must become the basis of the democratic reorganization of society in the East, if it is truly to lead to a new renaissance.

AMERICAN *Almanac*

How Usury Destroyed America's Family Farm System

by S. Thurston and S. Rose

"The Farm Credit System and the FmHA were entrusted with the well-being of the nation's food supply. Instead, they became instruments of usury, which transferred over $40 billion out of the farm sector..."

In 1989, a federal grand jury was convened in Cedar Rapids, Iowa, to hear facts bearing on charges that the Farm Credit System (FCS) deliberately arranged farmer indebtedness in order to liquidate the farm, then collect federal loan guarantees. The letter reprinted above, from Bruce Baumgarn, a (FCA) vice president, is part of documented correspondence by FCA officials about foreclosing farm loans so as to collect on government guarantees. Baumgarn wrote to FCA official Vernon Carlson, "The Association has a plan of action to collect this loan [the Caviness farm]. . . . The Association is also very reluctant to indicate this plan of action in anything but an informal letter such as this which will not be part of the permanent loan file. In order for the Association to collect this loan, it is anticipated litigation will be involved and no doubt the content of the loan folder would be revealed in litigation. If the Association indicates in its loan comments that it entered into the guaranteed loan with these borrowers with the sole intent of collecting the indebtedness and perhaps not working with them, it may jeopardize our guarantee [from the government.]"

However, no charges were filed, and the grand jury expired. Investigations by the Inspector General of the U.S. Department of Agriculture and the Government Accounting Office likewise covered up the wrongdoing.

During the land price boom of the 1970s, owner investors in farm assets averaged $53 billion annually in capital gains from land speculation. About one-third of the increase in value went to non-operator landlords. The rest was split among farm operators, most of whom owned only part of the land they farmed.

By 1978, land prices were 28 percent higher than they had been in 1973, an increase which was three times that of farm income. The increase in land values created more equity on lending institutions' balance sheets, which permitted them to increase borrowing. At this time the Farm Credit System began issuing consolidated system-wide bonds to finance their lending, further ensuring that the entire system would be responsible for the total debt, rather than just the amount each district bank had borrowed.

The Bubble Grows

In 1979, Jimmy Carter chose Paul Volcker to head the Federal Reserve. Volcker increased interest rates sharply, and as they rose, funds flowed from low-interest deposits to higher-yielding money market certificates. Rural banks did not have the ability to tap sources of funds such as foreign deposits, larger negotiable certificates of deposit, or other instruments available to larger urban banks. This undercut the ability of rural banks to lend to farmers during a year when loan demand was high. As a result, farmers turned to Farm Credit and to FmHA. Farm Credit's share of total farm debt rose to 30 percent, while the Land Bank's share of the real estate debt rose to 35 percent. At the same time, the system began issuing a substantial number of long-term "non-callable" bonds to investors at interest rates between 13 and 17 percent.

Farm Credit Act amendments in 1980 allowed the Land Bank to loan up to 97 percent of the market value of the farmland collateral when the loan was guaranteed by some government agency. Congress also passed the Young, Beginning, and Small Farmers lending program which made more opportunities for lending available to the Farm Credit System. Farmers continued to refinance in order to stretch out their debt load, continuing to borrow against increase in farm real estate debt was provided by the Land Banks. Their share of all debt secured by farm real estate rose to 43 percent. Farm debt, which was almost negligible before 1970, rose from $52 billion in 1970 to $204 billion in 1984. It grew during this period to 1,350 percent of net farm income (see **Figure 3** and **Figure 4**).

By 1982, the Farm Credit Administration's national board adopted a regulation which effectively removed loan-making authority from the local farmer boards. The decision-making authority over the loans was moved to "professionals" within the Farm Credit Banks because farmers' loans were expected to deteriorate.

At this point, interest charges were about 15 percent of the total farm production expenses and nearly double the share of 10 years earlier. All asset accounts except livestock and poultry declined. The real value of land dropped about 10 percent while outstanding debt grew 2 percent.

Anticipating the farm liquidity crisis, the Farm Credit System developed its plan for reorganization in 1983. Called "Project 1995," the report presented a plan for restructuring the FCS in expectation of the collapse of the farmland bubble which would occur two years later. At the same time, Congress passed a key piece of legislation which would trigger mass liquidations when it was implemented in 1985. Called the International Lending and Supervision Act of 1983, it mandated an accounting change for the Farm Credit System. FCS would have to transfer a large portion of its expected income and equity to the deficit side of the balance sheet in anticipation of future potential losses, called a loan loss reserve. The rules of the system changed. Farmers' loans were now going to be evaluated differently. Had their calculations of anticipated losses been based solely on a projected drop in land values, the disappearance of farmers would not have been as high as policymakers desired. In order to achieve a sufficiently high destruction of family farmers, farmer income/expense projections were made by loan officers using double the usual annual expenses, plus added liquidation expenses and legal fees. Double the amount of loan loss reserves were established than were subsequently used, putting the system technically in the red. Because of the new income/expense criteria, the evaluation of individual farmers

(See [illegible] continuing to borrow against

control over the world's food supply.

The Farm Credit System, the widely heralded farmer-controlled cooperative of 37 banks and credit associations and the FmHA set up by Congress were entrusted with the well-being of the nation's food supply. Instead, they [illegible] billions of dollars which, between [illegible] amounted to over $40 billion in [illegible] interest on real estate debt alone, out [illegible] farming into the hands of conglomerates, investment companies and speculators. A comparable [illegible] was suffered in interest [illegible] and other [illegible] received by production.

[illegible] Banks that [illegible] Farm Credit System [illegible] with [illegible] Wells Fargo, Security Pacific and Bank of America, as well as [illegible] Chase Manhattan, Citibank and Continental Bank, the three largest agribanks, including Salomon Bros., Prudential-Bache and Goldman Sachs, to name the most-frequent takeover participants [illegible] agribusiness [illegible] which were [illegible] and by FmHA and government. When farm [illegible] were liquidated in the mid-1980s, [illegible] of the assets they [illegible]

Origins of the Farm Credit System

[illegible] Farmers Union and the Farm Bureau, as well as the Farm Credit System [illegible] were [illegible] and Federal [illegible] were [illegible] The main battle was [illegible] the [illegible] of the Government [illegible] which, each [illegible] to control [illegible] the interests of [illegible] they served [illegible] organizations.

The Federal Reserve System, created in 1913 [illegible] Wall Street control over [illegible] banks. [illegible] was [illegible] to [illegible] farmers [illegible] to [illegible] with [illegible] Congress [illegible] the Farm Credit System [illegible] Act of 1933 which created the Federal Land Banks and the Commissioner of the Farm Credit Administration.

[illegible] the Great Depression, [illegible] Farmers [illegible] to produce [illegible] prices. During the period of parity [illegible] much of the [illegible] Americans [illegible] the [illegible] that the Farm Credit System had the technological capability [illegible] the [illegible] was to be [illegible] decreased [illegible] where a higher rate of return on investment could be achieved by financial institutions.

A decade later, in 1971, "The Young Executives Report" appeared. It was written in conjunction with the CED by a committee of "young executives" from the U.S. Department of Agriculture (USDA). The committee included Eric Thor, who was simultaneously participating in a commission to restructure the Farm Credit System, called the National Commission on Agricultural Finance. The report stated that by the year 2000, some 2 million family farmers should be eliminated and that the nation's food supply could be maintained by 500,000 corporate farms. The plan recommended that farm policy disregard the incomes of farmers and be concerned only with ensuring enough production to meet needs of the domestic and export markets. The "young executives" speculated that 28 percent of American farms would be eliminated.

How They Did It

From the late 1960s on, changes in regulations, banking practices and procedures took place in the Farm Credit System and the FmHA which facilitated the practice of usury. Deregulation began in 1968, when the Farm Credit System repaid its government capitalization and became fully private. At the same time, FCS enjoyed the reputation of being a "government-backed" system, that is, it was understood by investors that the government would back Farm Credit System securities, if necessary. Decision-making control over the system's banks and associations, however, was nominally vested in the farmer-elected boards, both national and local. The National Commission on Agricultural Finance was formed in 1969 to plan long-term changes in the system which would put it completely in the pocket of Wall Street. Serving on the commission were representatives of the CED, the Farm Credit System, the media, all of the major farm groups, and the Federal Reserve.

Many of the recommendations of the commission were incorporated in the 1971 Agricultural Credit Act. This act was the first major overhaul of the system since 1933. It further deregulated agricultural finances. Under the act, the USDA would no longer supervise the Farm Credit System. From then on, auditing of its banks was done on a regional level. The conditions were ripe for a heist.

The act was passed the same year the Nixon administration took the dollar off the gold reserve standard. The postwar monetary crisis had hit full force, and Wall Street found it necessary to find new sources of liquidity and new avenues for debt creation, and sources of profit through usury. Hence, the dollar was unmoored and an unprecedented orgy of speculation began. The farm sector was a likely target. The 1971 overhaul of the FCS put into place mechanisms which would trigger, and then manage, the mass [illegible] that had been recommended in the Young Executives Report."

One of the highlights of the 1971 act was an increase to 85 percent in the amount the Federal Land Bank could loan against farmland as collateral. The collateral would now be valued according to its "market value"—instead of its productive value. This not only increased the [illegible] but also farmers' risk [illegible] costs rose, too, as a result of the speculation. Farm taxes tripled, fuel costs had tripled, interest charges multiplied. But farm income dropped. By the end of the 1970s, the price to farmers for major commodities had been cut in half. (Figure 2.) [illegible] farmers who took pride in staying out of debt, were forced to borrow because of the high costs created by the speculation.

Interest rates on Federal Land Bank loans were 8-10 percent during the 1950s. A farmer never makes more than 3-4 percent real profit from production, even in the best of times. Usurious interest rates, in many instances, put the cost of interest per acre close to or above the actual farm income per acre! For a while, a usurious rate of return (anything over 2 percent) on credit extended can be extracted from farming, if the farmer cannibalizes on his family's living expenses, cuts costs in maintaining the productivity of his land and equipment, and increases output. But this cannot go on forever.

Refinancings began to increase during the 1970s, as equity was taken out of the farm operations to restructure debt, to expand operations, and to meet short-term obligations. Off-farm income grew to the point that it was nearly 80 percent of the total farm income, as farmers were forced to work in town to earn enough money to make their payments and cover their costs.

The Bubble Bursts

The five-year 1981 farm bill, titled the Agriculture and Food Act of 1981, allowed the commodity loan rate, or the basic price support mechanism for grains, to be [illegible] by another 10 percent. Then, in 1985, the new five-year farm bill took loan rates off a parity standard entirely and caused a massive collapse of prices. Farm price supports were dropped 40 percent, and farm incomes overall fell 15 percent between 1985 and 1990.

Here is what farmers faced. The interest rates on Federal Land Bank mortgages rose to 13 percent in 1984. Farm cash receipts however, increased only 4.6 percent, while production expenses rose 8.6 percent on a cash basis.

Almost half the loans made by the Farm Credit System at this time were to refinance existing debt. Moreover, nearly 75 percent of the net [illegible] an inflated equity, created by the bloated land values. Over half the growth in farm debt was secured by farm real estate. Farm real estate debt grew at the greatest rate in 60 years. Assisting in the vast flow of funds into the Farm Credit System were the ever-higher interest rates offered to investors, which reached over 15 percent.

The Trap Is Sprung

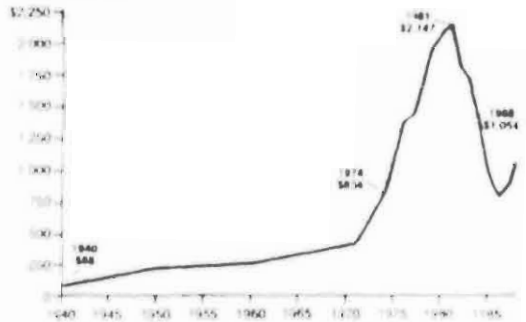
In 1985, the trap was sprung. Newspaper headlines blared that the Farm Credit System was suffering massive losses. It was not explained that these losses were due in large part to accounting changes.

Marvin Duncan, chief economist with the Federal Reserve in Kansas City, wrote in February 1985 in the **Economic Review of the Federal Reserve Bank of Kansas City** that restructuring debt won't help in a farm crisis. Farmland must change hands. Several months later, Duncan assumed the second highest position at the Farm Credit Administration. The stage was set for farmer liquidations.

A system of "restructuring" and renegotiating the farmers' loans began. Interest rates on the most "distressed" loans were raised to astronomical levels, sometimes twice their previous rate, and the farmer was left to await foreclosure. If the farmer had additional collateral to be taken, his loan would be "restructured" and he would be offered a partial debt set-aside for one to three years, in return for more collat-

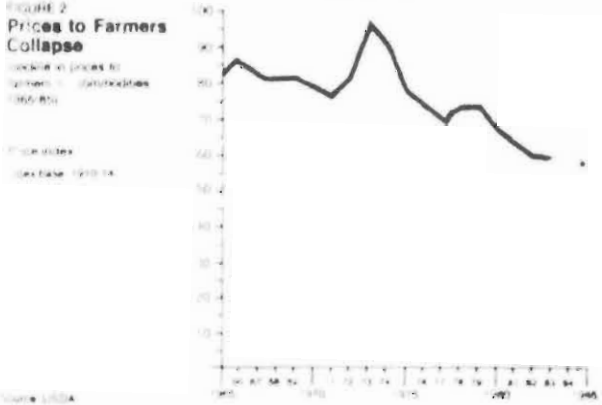
Please turn to page 10

FIGURE 1
Iowa Land Values Soar
[illegible] dollars per acre, 1940-88



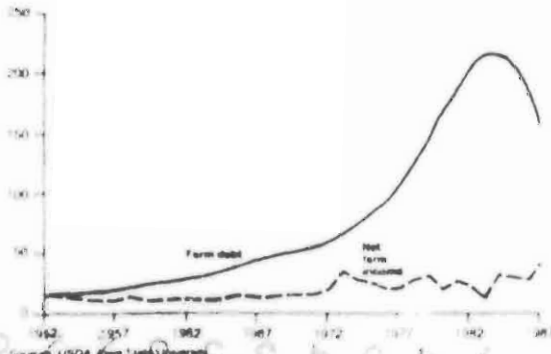
Source: The Farm Credit Crisis of the 1980s, by Neil Harl, Iowa State University Press, 1990

FIGURE 2
Prices to Farmers Collapse
[illegible] prices to farmers, [illegible] dollars, 1985-90



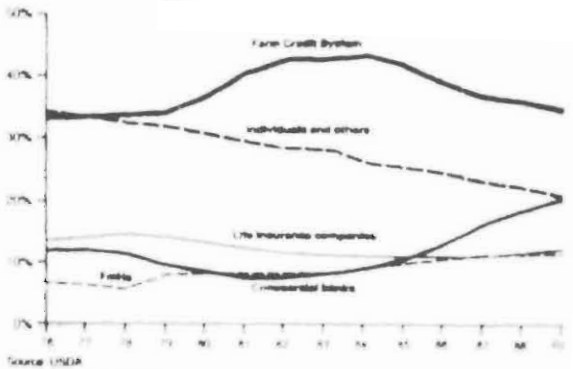
Source: USDA

FIGURE 3
Farm Debt Soars, Farm Income Stagnates
[illegible] $, 1952-87



Source: USDA, Agricultural Statistics

FIGURE 4
Holders of Farm Real Estate Debt
[illegible] of all loans, 1975-89



Source: USDA

American Almanac

The Eco-92 Summit: The Oligarchs Move for an Eco-Fascist Global Order

Excerpts from a Schiller Institute White Paper

[illegible] of the UN government, including numerous [illegible] be brought together in [illegible] for the United Nations [illegible] and Development [illegible] Earth Summit, or [illegible] to formulate [illegible] and a parallel ac- [illegible] decided to [illegible] to global envi- [illegible] to consolidate [illegible] New World Order promoted by [illegible] Union, a New [illegible] [illegible] the developing [illegible] financial com- [illegible] [illegible] and [illegible] hope for indus- [illegible] of the South [illegible] using this White [illegible] sections of the ob- [illegible] to debunk the [illegible] which it is prem- [illegible] the fundamental roots of the mal- [illegible] repackaged as "sustain- [illegible] the internation-

UNCED Secretary General Maurice Strong. Below, Worldwide Fund for Nature patron Prince Philip of England

lines "Mother Earth" not man, as a sacred being to be preserved at any and all costs.

With this foundation, "Eco-92" has the following principal objectives:

1) **An end to national sovereignty.** The one-world concept of a *Global Commons* would replace the concept of a "community of principle" based upon inviolable national sovereignty. No longer would a nation's forests, rivers, mineral and other biological resources be viewed as a part of its national patrimony, to be harnessed for the well-being and development of its population. Instead, they would be considered mankind's "heritage," warranting legally binding global regulation, perhaps under the auspices of a new "United Nations Environmental Security Council." The ongoing drive to "internationalize" the Brazilian Amazon is the first major test of this concept.

2) **Depopulation.** The UNCED Secretariat argues in its document on population that the earth's "biological systems . . . are in danger of losing their capacity to sustain the rising tide of population and meet resource demands." Developing sector nations are held responsible for this "runaway population growth," which soaks up resources that could otherwise go to environmental controls.

The Secretariat's proposed solution is that methods of population reduction, including involuntary abortion and sterilization such as is already practiced in China, Brazil, and elsewhere, should become *globally enforceable*.

An early precedent for this kind of global population control strategy was adopted secretly by the U.S. government during the period [illegible] National Security Study Memorandum 200, which [illegible] Kissinger, [illegible] and wood- [illegible] text of prohibiting environmentally unsound technologies, developing nations would be subjected to *technological apartheid*, denying them the right to develop advanced technologies in the nuclear, aerospace, chemical, biological and other fields. This would not only destroy their chances for high-technology based growth to overcome underdevelopment, but in many areas would send them back to pre-industrial times. In fact, the UNCED proposals on technology transfer explicitly argue for employment of "appropriate technologies" (that is, backward ones) and "indigenous capacity building."

For example, under the fiction of the "Ozone Depletion Theory" (see article, this page), underdeveloped nations would be denied the technology for large-scale refrigeration [illegible] cal to solving their population's food needs. Because of the nuclear waste scare, nations would be denied access to nuclear energy, forcing them to fall back on burning nonrenewable resources like coal, and wood- [illegible]

Planting a staple crop in Africa with no help from machines. This is what the environmentalists consider "appropriate technologies" for most of mankind.

misery.

6) **Debt collection.** With "sustainable development" (i.e., zero economic growth) legally enforceable under Eco-92, the banks and financial institutions which heavily fund the environmentalist movement will be the big beneficiaries, rather than producing for their own development, developing sector nations will be forced to channel even more of their resources into debt repayment. One brand new mechanism for enforcing this is the so-called "debt for nature" swap, under which developing sector nations are pressured to hand over territory for internationally supervised "environmental protection," in exchange for (minuscule) debt cancellation.

It is no accident that such institutions as the World Bank and International Monetary Fund are in on the ground floor of the planning for Eco-92, promoting the notion of "environmental protection exchange programs" which would force debtor countries to reduce population growth, abandon allegedly unsound technologies and industrial processes, and swap debt for nature. There is similarly much talk about creating a Global Environmental Facility, administered by the World Bank, and an Earth Fund administered by former International Monetary Fund directors, which would control a large portion of the funds available for the "sustainable development" projects such debt swaps would require.

7) **Paganism.** In one sense, the most important objective of "Eco-92" is to consolidate a "New Age" cultural paradigm shift which has been under way for two decades, to destroy the idea of "man in the living image of God," and the capable of infinite development, and replace it with pagan beliefs that equate man with earth and every other animal species.

Thus, UNCED head Maurice Strong has described Eco-92 as "a whole new vision" and a "sea change in relations between countries and people."

The outlook of Brazil's Environment Secretary Lutzenberger is exemplary of this "vision." Lutzenberger heads the Gaia Society of Brazil and claims that "ecology has never been a technical question, but a religious one." Lutzenberger explains: "For the nature people, nature is not merely the object of study or manipulation; she is much more. She is divine, she is sacred, and we humans are merely part of her. . . . In the body of Gaia, we individual humans are just the cells of one of her tissues, a tissue which today seems to be cancerous. Industrial society is systematically interfering, opposing the trends of Gaia."

Lutzenberger won his appointment to the Brazilian cabinet through the influence of Prince Charles of England, a fellow earth worshipper. In fact, many leaders of the Gaia Federation in England are closely tied to the British royal family, whose Prince Philip—the Queen Consort—is head of the World Wide Fund for Nature, a leading sponsor of Eco-92. Prince Philip, too, shares a fascination [illegible] [illegible] and has publicly ex- [illegible] and a di-

THE HOLES IN THE OZONE HOAX:

What You Need to Combat Green Propaganda

H[illegible] combat the [illegible]

The Big [illegible]

[illegible] is built atop [illegible] atom from a [illegible] molecules up [illegible] in the stratosphere.

In fact, CFCs are inert, nonreactive, nontoxic, nonflammable chemical compounds that do not destroy ozone or anything else. To turn CFCs into destroyers, the *ozone hole* propagandists have theorized that, high in the stratosphere, ultraviolet radiation breaks up the CFC molecules, releasing a molecule of chlorine, and that this chlorine molecule then becomes the villain that allegedly destroys the ozone layer. Omitted from this story of mass destruction is the fact that the amounts of chlorine contained in all the world's CFCs are insignificant compared to the amount of chlorine put into the atmosphere from natural sources (See Figure 1).

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

In fact, CFCs are heavy, complex molecules and there has yet to be published a single scientific paper that presents any documented observations of large numbers of these molecules in the stratosphere. It is especially difficult to see how they can rise to 30 kilometers, where the greatest concentration of ozone is located, and even up to 40 to 80 kilometers, the only altitude at which there is intense enough ultraviolet radiation to break up CFC molecules, releasing chlorine. At lower altitudes, the ultraviolet rays are filtered out. Present claims are based solely on the supposition that CFCs *will* rise in the stratosphere *because* they are not water-soluble molecules, which means there are allegedly no sinks—or resting places—for them on the surface of the Earth.

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

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

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

Chapter 1: The Facts About Chlorine

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

The yearly production of CFCs is presently estimated at approximately 1.1 million tons a year, which includes approximately 750,000 tons of chlorine. Compare this to the natural sources of chlorine gases, as shown in Figure 1.

- More than 800 million tons of chlorine are released *into the atmosphere* every year by the evaporation of seawater, which contains salt—sodium chloride, NaCl. Large amounts of this chlorine reach the stratosphere through the pumping action of thunderstorms, hurricanes, typhoons, and other cyclonic activity.
- Passively degassing volcanoes pump more than 36 million tons of chlorine gases into the *atmosphere in ordinary years when there are* no volcanic eruptions. Great volcanic eruptions pump from a few million to hundreds of millions of tons of chlorine into the atmosphere. Most important, violent volcanic eruptions will inject gases and debris directly into the stratosphere.
- 8.4 million tons of chlorine gases are produced *by forest fires and the burning of biomass*, largely as a result of primitive slash-and-burn agriculture methods and the lack of modern energy sources in the developing sector.
- Ocean biota, including algae, kelp, and plankton, have been measured to emit more than 5 million tons of methylchloride into the atmosphere, and vast amounts of this biotic source of chlorine have been measured high in the stratosphere. Recent studies indicate that land plants may also contribute vast amounts of methyl chloride to the atmosphere.
- In addition, untold millions of tons of chlorine enter the Earth's atmosphere from outer space, a result of meteorite showers and cosmic dust encountering the atmosphere and burning up.

These comparisons are even more startling when the actual amounts of chlorine allegedly released from CFCs are compared to the natural sources. According to *the theory*, approximately 1% of the CFCs are broken up in the stratosphere every year (the reason why they have lifetimes of over 100 years in the atmosphere). Therefore, a year's production of CFCs could contribute at most 7,500 tons of chlorine to the atmosphere. That is if CFCs [illegible] broken up in the stratosphere at all, which there is no evidence.

Chapter 3: Experimentalists vs. Modelers

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

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

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

Solomon went on to Antarctica [illegible]

Figure 1

Atmospheric Sources of Chlorine

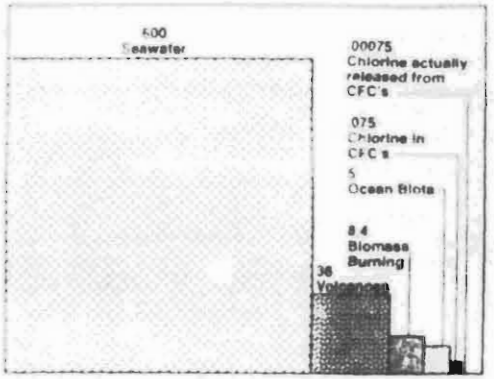


Figure 2

Mt. Erebus Chlorine Output Compared to Chlorine Released from Breakup of CFC's

(tons)

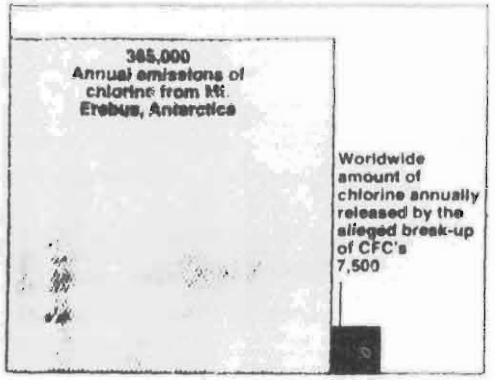
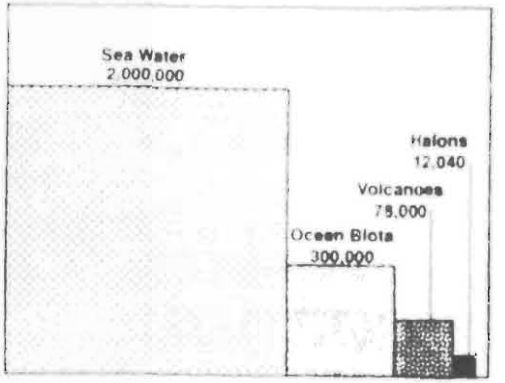


Figure 4

Natural Sources of Bromine Compared to Bromine in Halons

(tons)



Chapter 8: The Cost of the Ban

such "drop-in" replacements. That means that all of the existing equipment that uses CFCs will have to be junked and replaced by equipment which can use new chemicals. Given the fact that the equipment to be scrapped includes hundreds of millions of home, commercial and industrial refrigerators, it is not a small matter.

The awesome amount of equipment to be scrapped includes:

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

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

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

There is not enough space in this book to detail the consequences and costs for the world economy of the ban of CFCs and related chemicals. Perhaps one example—how the ban will affect air conditioning—will suffice to give an idea of the scope of the disaster. As a result of the ban on CFCs, the air conditioning industry will replace CFCs. Du Pont Company, Britain's Imperial Chemicals, Allied Signal, and Hoechst have all spent hundreds of millions of dollars, and $3 billion total has been invested in the search. The expenses are high, but so is the payoff. The company that patents a replacement for CFCs stands to make tens of billions of dollars in profits.

Chapter 9: No More Chemicals?

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

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

Halons, chlorofluorocarbons which contain a bromine atom in their chemical structure, are a special branch of the CFC family. The bromine atom gives halons extraordinary properties in extinguishing fires and suppressing explosions. There is no chemical known to man that can extinguish fires as quickly and effectively as halons. Furthermore, halons are non-toxic, non-corrosive, and not damaging to electronics equipment. The toxicity of halons is so low that they can put out a raging fire without harming anyone present. Carbon dioxide, by contrast, which is also effective in fighting fires, suffocates people and animals. Other fire-fighting chemicals extinguish fires without harming people, but destroy electronics and computer equipment.

The only drawback to halons is that they are

FIGURE 3

Timetable for Chemical Bans Under the Montreal Protocol

Controlled Substance	Uses	Controls Under 1990 Update to Montreal Protocol
CFCs	Refrigeration, air conditioning, rigid & flexible plastic foams, solvent in electronics industry, aerosols	Complete phase-out by 2000
Halons	Fire Extinguishers (especially in ships, aircraft, computer rooms)	Complete phase out by 2000
HCFCs	Replacement for CFCs in refrigeration, foam blowing and aerosols	No legal controls but a declaration that they should be phased out no later than 2012-2040. Most likely to be banned by 2000
Carbon Tetrachloride	Chemical feedstock for CFCs, solvent, in pharmaceuticals, pesticides, some paints	Cut 85 percent by 1995, phase out by 2000
Methyl Chloroform	Solvent for precision manufacturing and electronics industry	Cut 70 percent by 2000, phase out by 2005

atone laser. Congress this spring will debate more than 12 bills that would ban the production and use of Halon 1301, a gaseous substance deployed on more than 20,000 Army combat vehicles including the M1A1 Abrams main battle tank and M2/3 Bradley Infantry Fighting Vehicle.

The gas is deployed when a crew member detects fire. It quenches fires almost instantly and does not harm crewmen or short out sophisticated electronic equipment or corrode machinery. In 1989, the Army selected Halon over conventional fire extinguishers such as automatic sprinklers, carbon dioxide, dry chemicals or foam.

Once a fire erupts inside the tank crew compartment, the Halon is automatically released and mixes with chemicals in the fire. The gas kills the fire in less than one quarter of a second, sources say. Its success has prompted NASA and the Federal Aviation Administration to use Halon to stave off fires in the space shuttle and commercial aircraft."

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

What kind of profits will the cartel take in?

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

The giant chemical companies have already made more than $6 billion in profits from the prohibition on CFCs. CFCs have become in-

Chapter 10: Who

[illegible] because of the extraordinary quality of [illegible] 11 percent of the [illegible] refrigerants is refriger[illegible] chamber by CFCs. The ban [illegible] the hundreds of [illegible] [illegible] in failed world[illegible] wrapped. The [illegible] of food stor[illegible] a dramatic in[illegible] from hunger, starva[illegible] Experts on the [illegible] that between [illegible] die every year [illegible] CFCs [illegible] have a devastating [illegible] These [illegible] [illegible] the pre-industrial [illegible] will [illegible] their stan[illegible] of living to follow the pathbooks of an [illegible] that will control [illegible] the future.

[illegible] behind its ban [illegible] and wan[illegible] [illegible] as a lie. The [illegible] there are [illegible] [illegible] can be [illegible] [illegible] equipment [illegible] There are no [illegible] of the danger of the chemical. As it exists in the can on CFCs, the air conditioning systems in 100,000 large buildings in the United States and approximately 430,000 large buildings elsewhere will have to be torn apart and replaced. Air conditioning systems are an absolute necessity for modern buildings, constructed without openable windows and cross-ventilation, in many cases because of "energy conservation" measures imposed by the environmentalists. Their air conditioning systems will have to be replaced virtually immediately because they leak freon and have to be recharged frequently, unlike refrigerators in which CFCs can remain sealed inside the system for the lifetime of the unit.

How much will this cost? If each replacement job costs $1 million—an extremely conservative figure—that would total $530 billion dollars. To replace the air conditioning systems of the Sears Tower in Chicago or the World Trade Center twin towers in New York, would cost much more.

In the refrigeration industry the ban on CFCs creates a different kind of nightmare. Refrigerator manufacturers not only have to come up with new refrigerator designs, but they have to scrap their entire production lines and machine tools. That all has to happen by 1993.

There is a fierce race among the giant chemical corporations to develop chemicals that will

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

An article in the September 1980 issue of *Risk Management Magazine* headlined "Fire Protection Saves Lives," gives an excellent idea of the importance of halons in fighting fires. The author writes: "Two years ago, after the 1,500 ton Mexican tugboat *Bolonia* was seriously damaged by fire, the owners decided she needed a more modern fire protection system. The tug's original two-cylinder 100 pound carbon dioxide reel and hose arrangement was destroyed early in the blaze. The decision probably saved the 11 year old tug from even greater loss recently, when her crankcase blew up while she was working in the Pacific Ocean. Debris from the explosion severed the main diesel fuel line, starting a fire in the engine room. The fire was suppressed within 10 seconds by a system designed by Chemetron Fire Systems.... The fire was confined to the engine room area.

"A.N. Tillet, the surveyor representing the tugboat's owners and operators, said: 'The fire which ignited both the crankcase and oil in the bilges below was of such proportions that the crew felt no system could save the vessel. However, the Chemetron Halon system performed perfectly. Operating staff were able to continue their efforts in the space. The fire was quickly controlled, and the vessel suffered only minor fire damage.'

"The article's conclusion? 'Halon bromotrifluoromethane is capable of effectively suppressing a fire in a hazardous enclosure without endangering human life.'"

The military is another major user of halons. The *Army Times* of January 22, 1990 described the Army's consternation over the possibility that these chemicals will no longer be available. "The Army is struggling to prevent extinction of the one chemical that can protect its tanks, crews and expensive internal equipment from fire caused by armor-piercing anti-tank weapon explosions.

"Stemming from its concern over the eroding

Chapter 10: Who Benefits?

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

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

The *Journal* article concludes, "The most likely survivors in an ozone-friendly market are the leaders today in CFC production: E.I. Du Pont De of Wilmington, Delaware; Hoechst AG of West Germany; Atochem SA of France; Allied Signal Inc. of Buffalo, New York; and Showa Denko KK of Japan."

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

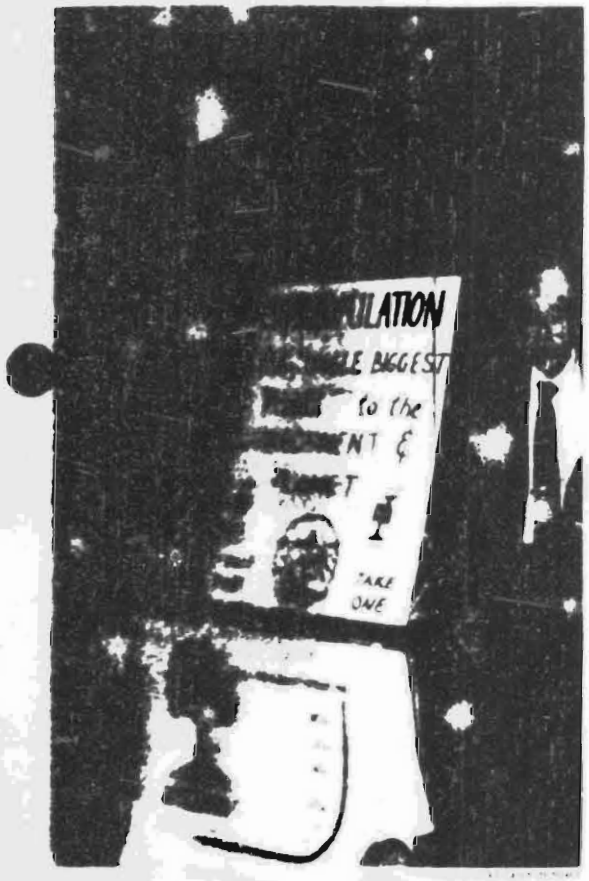
On June 21, 1990, Du Pont announced it would build production facilities worldwide to produce replacements for CFCs. Du Pont [illegible] increasingly scarce since the signing of the Montreal Protocol in September 1987, and prices are now six to twenty times—depending on the product—what they were at the beginning of 1988. CFC 12, for example, the CFC most widely used in refrigerators and air conditioners, was sold for 90 cents per pound in 1988; it now costs between $3 and $5 per pound. Experts in the refrigeration industry estimate that by 1995, when CFC production is scheduled to be reduced to 50 percent of what it was in 1986, the price for CFCs will have risen to between $15 and $25 per pound. It should be noted that the cost of production will be the same—less than 50 cents per pound. The difference between the sale price and the cost of production fills the coffers of the chemical giants.

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

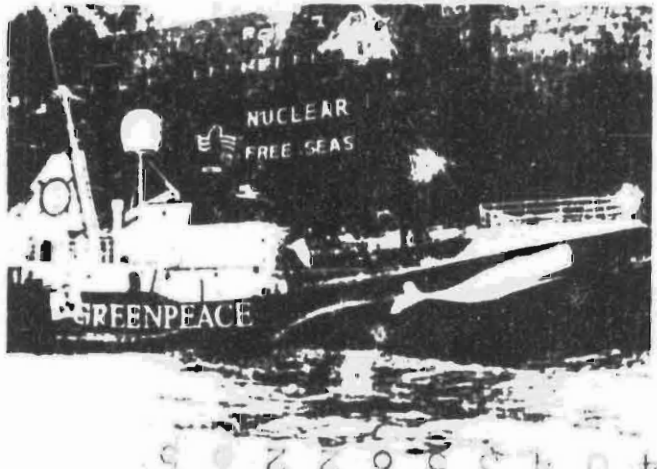
The profits the chemical giants will continue to make on CFCs, however large, pale in comparison to the profits to be made from the chemicals that will replace CFCs.

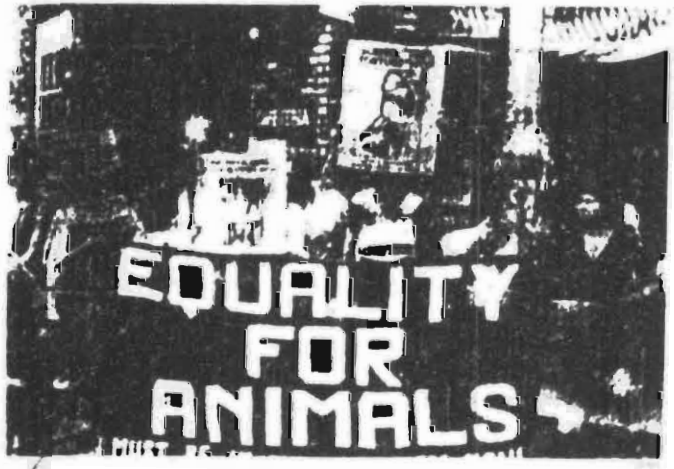
Look at the numbers. In 1988, the world market for CFCs used in refrigeration was about $1 billion. The leading candidate to replace these CFCs is Du Pont's patented HFC-134a. Despite Du Pont's previous claims it would be no more than two to five times as expensive, now that HFC-134a has reached the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

For information on ordering copies of the The Hole in the Ozone Hoax, write 21st Century Science and Technology, P.O. Box 6285, Washington, D.C. 20041.



Radical environmentalists in several of its forms (from left to right): Anti-human propaganda at a 1989 Greenpeace conference in Los Angeles; a ship of the radical terrorist Greenpeace organization in Stockholm; and civil rights activists demonstrate in New York.





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LaRouche Tells Berlin Conference

Financial Crisis Is Opportunity To Build New World Economic Order

LaRouche on the White House campaign trail in 1984.

[redacted]

Despite this cyclical pattern in this century's events, presently there is reason to hope that the present economic debacle of the Anglo-American system might become the opportunity, the stepping stone, to a global moral and economic renaissance.

Future generations will look back upon our [illegible] technological progress, into the corrosive decay of what is fairly described as post-industrial utopianism.

By 1970, the inertia of growth left over from the Kennedy recovery measures was spent. In terms of net depreciation of capital improvements of basic economic infrastructure, there has been an accelerating net erosion and collapse of the U.S. physical economy since 1970-71.

Until the successive financial and related crises of 1987, 1989, and 1991, the full impact of this cumulative U.S. economic contraction was masked, not merely by increasingly fraudulent official economic statistics, but also by a credulous, widespread misevaluation of the growth of incomes and relative employment in non-productive categories of administration, services, and parasitical financial speculation.

Also, the fuller impact of the contraction upon the U.S. economy internally was masked by the ability of the United States as a superpower to loot offsetting concessions as tribute from not only developing nations, but even its industrialized allies in Japan and Western Europe.

The 1967-1972 stepwise termination of the Bretton Woods gold reserve agreements, and the substitution of a floating exchange-rate system, brought to an end the possibility of sustaining the international long-term borrowing costs below the rates of achievable yields in long-term productive investments.

This was greatly aggravated by the Kissinger petroleum price hoax of 1972-74. The continuation of the 1971-72 and 1973-74 events doomed the economies of the developing sector as a whole for as long as these cruelly absurd monetary policies remain in effect.

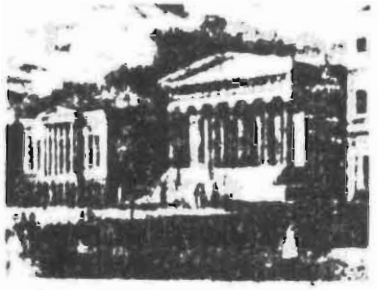
This collapsing of the developing sector's potential for technologically progressive capital-intensive investment and increased productive powers of labor, defined a savage contraction of the world economy, per capita and

Opportunity for a Renaissance

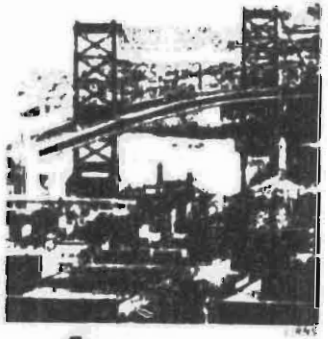
How LaRouche Will Organize the Recovery

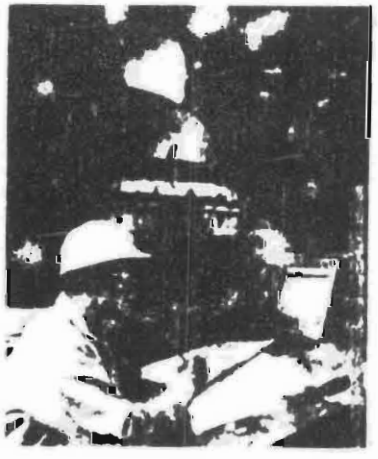
1 Scrap free enterprise

2 Refederalize the Federal Reserve and loan to restart production

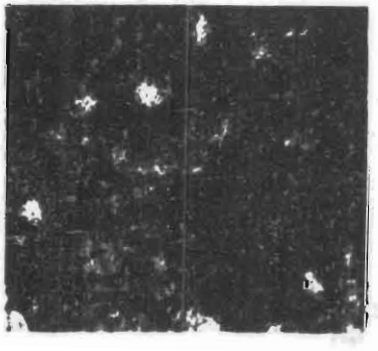


3 Invest in high-technology, capital-intensive production and infrastructure





4 Increase the productive powers of the work force



5

"The collapse of the financial and monetary power of the Anglo-American oligarchy creates the political flank against which we must move now, to create a new world monetary and financial order."

Descent into Depression

The U.S. deregulation of banking and transportation during the 1978-1979 period and Federal Reserve Chairman Paul A. Volcker's October 1979 introduction of what he had identified as controlled disintegration of the economy sent the United States economy into the steep recession of 1980-1982. Despite the foolishly much admired 1983-1986 expansion of non-productive employment in incomes, the physical economy of the United States has continued a downward slide, without interruption, from the period 1971-1982 up to the present day.

Instead of accepting a reform during the late 1982 period, when such financial reorganization of international debt structures might have saved the core of the U.S. banking system, the U.S. government and financial establishment launched what became quickly the greatest bubble of lunatic speculation in modern history, the so-called Thatcherite financial bubble which is at this moment collapsing inward upon the ruined physical economies of North America and the United Kingdom.

This 100-year history of the Great Powers' stubbornly repeated follies presents today's statesman with two urgent queries.

First, why were these bankrupt Anglo-American policies not corrected years ago, when the danger should have been obvious already? Second, why might we hope today that we have a chance of changing those policies, in spite of the fact that we failed to make such changes in previous crises?

The core of the problem in policy-making up to now has been this. That oligarchy which is based upon quasi-immortal family foundations, which is the core of the Anglo-American establishment, has reached the state of rarefied challenged power over most of this planet. This has been generally the case and trend since the Versailles Treaty. As the power of stateless President Gorbachov has faded to a mere phantom, like the grin of the fabled Cheshire cat, the Anglo-American establishment has deluded itself that the last agency capable of challenging its power over this universe, has faded away.

So in the imageries of classic... Greece, the Anglo-American would be rulers of the world; these would-be gods of Olympus, have fallen victim to a fatal infection which the classical Greeks called hubris, the delusion that even the Creator of this universe must submit to the mere will whims of Washington and London.

There is an historical parallel I must usefully considered in this connection.

We are situated today as the late fourteenth-century forerunners of the Golden Renaissance were politically advantaged by the mass bankruptcy of the usurious Lombard houses during the middle of that century. The present day collapse of the financial and monetary power of the Anglo-American oligarchy constitutes a devastating tactical setback for the political power behind such London Chatham House agents as Henry A. Kissinger. This creates the political flank against which we must move now, to create a new world monetary and financial order.

To organize a recovery from the bottomless global economic depression which is now in progress, we must move promptly to the following effect. I shall simply identify measures which will be presented and discussed in detail, I'm certain, later in this meeting.

Organizing the Recovery

First, the center of the economic recovery will be the scrapping of the lunacy of Thatcherite shock therapy and related delusions of the so-called free trade cult of fools such as Harvard University's notorious Professor Jeffrey Sachs or former State Department official R. Mark Palmer.

2. We must adopt as our initial general policy of economic recovery the policy of the creation of state credit as a monopoly by sovereign national republics, credit used chiefly for the productive union of allied productive capacity with allied sections of the labor force.

3. This use of a monopoly of state credit among cooperating sovereign republics shall be chiefly for a massive development of national and international base economic infrastructure and for promotion of capital-intensive modes of technological progress investment in production and physical distribution of agricultural, mining, and manufacturing products.

The objective is to increase the productive powers and output of labor per capita and per square kilometer throughout the regions of northern Eurasia and the world as a whole.

4. It must be stressed, that the sovereign states' monopoly of power to emit legal tender is a central feature of Article I of the 1787-1789 federal Constitution of the United States, as this monopoly is clarified by the relevant writings of U.S. Treasury Secretary Alexander Hamilton, one of the drafters of the U.S. Constitution. This policy respecting state credit is and must be prominently identified as the American System of Political Economy, as that American System was so named and was so introduced into European thought and practice by Germany's Friedrich List and Russia's minister Sergei Witte.

5. We must extend these initial measures of economic recovery to establish a new, just, global economic order an economic community of common principle among members of a global community of what are each perfectly sovereign nation-state republics. This new, just, world economic order, shall replace the Versailles system, and shall replace such amended features of the Versailles system, as the Bretton Woods monetary and financial institutions.

6. The implementation of such a just, global economic order must, as a practical matter, orbit around the center of the rapid development of a northern Eurasian railway axis, this axis to be the generator of the supply of high-technology capital goods required so urgently for the equitable transformation of the southerly portions of this planet.

Thank you.

Usury Destroyed America's Family Farm System

including ... service was ... The government ... interest rates ... that this ... of the ... the term ... farmer ... and the ... more ... income ... interest ... values ... and ... more ... date assets to generate cash, which caused an increase in the loss projections as the reduced values were plugged into the loan analysis forms. This effect began "snowballing," as the system tried to liquidate fast enough to generate cash to cover the ever-increasing loss projections, which were being caused by the higher interest rates and the reduced asset values. What all but a handful of people never realized was that the liquidations were triggered by potential losses, not actual losses. The actual losses, which were determined after the liquidations, only required half the funds set aside to cover them. Therefore, the system was never in the dire financial condition being portrayed.

The liquidations continued until the end of 1987, when Congress passed the Agricultural Credit Act of 1987. Acting on the assumption that the system had booked $4.5 billion in losses, Congress made some substantial changes. A further restructuring and consolidation was ordered. A new secondary market, Farmer Mac (Federal Agricultural Mortgage Corporation), was established to channel all qualifying agricultural real estate loans from the originators to "poolers," who would use them as collateral for a new security issue for investors. Congress also mandated that the system would generate sufficient income by raising interest rates to recapitalize itself and establish an account as insurance against future losses.

Overall farm debt increased 300 percent between 1970 and 1984. From 1985-87 the debt burden was reduced by foreclosing on hundreds of thousands of farmers and millions of dollars of loans. Between January 1984 and January 1988, some 46 percent of all Federal Land Bank loans were foreclosed, liquidated by "accelerated ... or paid off, or borrowers fled the system. A total of 305,000 farmers were eliminated from the FLB loan roster. The same thing happened to 54 percent of all Production Credit Association borrowers. Some 184,000 hundred farmers were eliminated from the PCA loan roster. There was $23.5 billion of loan volume terminated in the FLB. There were $10.5 billion in loan terminations in the PCA.

The FmHA began the liquidation of its farmer borrowers in 1988. In 1989, a report from the Congressional General Accounting Office said that the FmHA was prepared to write off as losses $12 billion or 44 percent of its outstanding farm loans. Instead of a government bailout, there was a liquidation of both the farmer and of valuable farm properties. Throughout the so-called "farm crisis" there was never a loss to an investor, and payments of principal and interest were made on time.

Since the reorganization, beginning in 1985, over 40 percent of U.S. farmland has moved into the hands of non-owner operators. Some of this land is rented by neighboring farmers who are forced into farming larger tracts in order to survive another season. But millions of acres are now in the hands of investors or large operators who simply hire the previous owner on as a tenant, or employ one of the growing numbers of farm management companies to work the land for the owner-investor on a strictly cash flow basis, which permits more intense looting of what was the family farm system of agriculture. The large owner-operator who dominates the farm sector today finds the market controlled by the cartels, if he is not actually contracted to a cartel to run his farm. Some 500,000 large farms now produce 80 percent of the nation's food.

The family farm system as we know it has disappeared.

About 1 million farmers were lost between 1970 and 1990. Virtually all of the decline in farm numbers occurred in family sized farms. The reduction in farm population during this time was 52.7 percent.

Are Minnesota's Democrats The Most Corrupt in The Country?

Part 6: How the Mob Destroyed Its Political Enemies

by a New Federalist Investigative Team

Must G-Men Smash Local Racketeers

The Mid-West AMERICAN

POLICE PROTECT KID CANN AFTER ATTACK ON LIGGETT

"Edith Liggett and Wesley Andersch both identified Blumenfeld as Walter Liggett's assassin. Yet Kid Cann was acquitted amid charges of jury-tampering, after 90 minutes of deliberation."

ALIBI WITNESSES FOR KID CANN TRIAL

Above: Murder, Inc.'s Bugsey Siegel, frequent visitor to the Twin Cities.

At left: another Minneapolis newspaper reports on the trial of Kid Cann for Liggett's murder in December 1935. Two of Cann's four alibi witnesses were his brothers-in-law.

Crusading journalist Walter Liggett's Midwest American reports on his October 1935 assault by gangster Kid Cann.

M[illegible] operations, [illegible] to pro-

[illegible] composed primarily of ethnic Rumanian Jews [illegible] were known and trusted by Lansky.

Their relationship was virtually family in nature. There was Isadore Blumenfeld and his two brothers, Harry and Yiddy Bloom. Yiddy was Meyer's bag man and cared for Meyer's paraplegic son, Buddy, in Florida. As recently as 1978, Yiddy was convicted in Philadelphia Federal District Court for stock market manipulation.

Another Twin Cities resident, John Pullman, a Rumanian Jew who had anglicized his name, was deported by the Immigration and Naturalization Service in 1954. Pullman continued to operate in Canada and Europe as a laundry for Lansky's vast illegal profits. Pullman is given the credit for "introducing" Lansky to the benefits of [illegible]'s banking under the auspices of Tibor Rubinstein.

There is no such thing as an independent home grown" mob. And the Minneapolis Combination, as Blumenfeld's gang was later called, was not simply a group of local Twin Cities thugs who hit the big time. The lucrative illegal liquor trade was highly organized by Lansky et al., and the opportunities of the Canadian-Minnesota smuggling route did not escape their attention.

Meyer Lansky's and Benjamin (Bugsy) Siegel's Murder, Inc. made certain that no independent operators survived in this business. Hence, the Minneapolis Combination has maintained extensive connections to the highest echelons of organized crime for more than 50 years. It is, in the vernacular, "good for business." Although there is little of this story in the history books, it is a matter of public record.

The focus of attention on the picaresque ga[illegible]

tion "The Land of 10,000 Lakes." But the number of lakes may be surpassed by the number of swindles carried out by the Minnesota mob. These men behind the scenes did not simply buy the local politicians. They created the Democratic Party machine itself.

Along with the political power came the control over the courts, the prosecutors and the police. It became, in essence, a license to steal.

So it is no wonder that the head of the Twin Cities Democratic Party beginning in the 1920s, Fred Ossanna, ended up in Minneapolis Federal District Court in 1960 along with mobster Kid Cann, a big contributor to "Skipper" Humphrey's political campaigns. Fred Isaacs and his father Harry, and several other past and present Democratic Party bigwigs. They had simply looted the Twin Cities Rapid Transit Company after World War II.

Frameup of Liggett

The extant written history of this period is tailored to fit the wishes of those who came out on top—the mob and their friends. The fraud perpetrated against the memory of anti-mob crusaders, the newspapermen Howard Guilford and Walter Liggett gives one an insight as to how and why the truth has been concealed about the Minnesota Democratic mob.

It is useful to look at the circumstances surrounding two trials involving Walter Liggett. The first was the attempted frame-up of Liggett and a labor official in 1935 on sodomy charges. The second was the 1936 trial of Isadore Blumenfeld for the murder of Walter Liggett on December 9, 1935.

After the September 1934 slaying of editor Howard Guilford, there were many in the press, including Chicago Tribune publisher McCormick, who held Minnesota Governor Floyd B. Olson responsible. Walter Liggett, editor of The Midwest American, agreed. Although he was once an Olson supporter, Liggett began to document Olson's connection to the Minneapolis Combination.

The Midwest American published stories about the gambling and prostitution operations being protected by Governor Olson and Hennepin County Prosecutor Ed Goff—complete with the payoff names and addresses. Goff was the assistant to Olson when he was Hennepin County Prosecutor during Prohibition. The most damning revelation was that it was Ed Goff's brother Art, and Olson's brother-in-law, William Aspelt, who were running the numerous illegal slot machines. When Olson was prosecutor, the Aspelt-Goff slots empire was located in Minneapolis. After Olson became governor, their slot machines were placed all over the state.

So it was no great surprise when Liggett was indicted by Ed Goff on a trumped up morals charge in mid-1935, after numerous failed efforts to buy or scare him off. At first Liggett was charged with abduction of two girls from Austin, Minnesota together with anti-Olson labor leader Frank Ellis. When it turned out that the girls' parents had asked Ellis to take them [illegible] Liggett's [illegible] were dropped [illegible] not do anything officially through the CLU, but I can see that Liggett is aided to get an attorney and investigator, which ought to be the accepted rights of any defendant."

Leonard, now on the defensive, responded to Baldwin on October 19th: "I do not believe that there is deep political enmity behind the prosecution which Liggett charges. He accuses the present state administration, particularly Governor Olson, in pushing the prosecution. I am satisfied that it is not so. I am not convinced that the charges are irresponsible. Ellis is charged with abduction and Liggett with sodomy. Liggett is not helpless; he has a brother in St. Paul, who I am given to understand is willing and able to help him. I might say that Ellis is a leading Farmer Laborite in the southern part of the state and it is hardly conceivable that he would be framed by a Farmer Labor administration."

Because of Olson's friend, George B. Leonard, Walter Liggett began his trial without an attorney. Leonard's cynical coverup is reflected in his last comment on Ellis, as Ellis was in the middle of a bitter battle with the Olson and had just refused to seat an Olson crony on the Austin Central Labor Council.

Roger Baldwin was obviously not impressed with liberal Leonard, and wrote again to him on October 22nd: "I am ever so much obliged to you for yours of Oct. 19th further in regard to the Liggett case. Whatever the facts you will of course agree that Liggett is entitled to the services of a lawyer and an investigator. Even a common criminal should have that much protection.

"It seems desperate even for funds for this. I don't know about that St. Paul brother, but I guess they have exhausted the possibilities there.

"Of course we are not going to do anything officially, but I would like to see Liggett get this much of a chance to prove his contentions—the sympathizers with a fair trial who could be found in Minneapolis to help out."

On November 2, 1935 Roger Baldwin sent the following telegram to Leonard: "Would greatly appreciate your aid in getting postponement of Liggett [sic] trial now set for Monday. In view of his illness and necessity of further investigations for which I am raising small funds here cannot believe trial will be forced if you interview even privately with authorities."

Liggett's illness was caused by a beating administered by Kid Cann, Abe [illegible]ownstein and five other thugs on the eve of trial. Minneapolis Police refused to press charges.

On November 4, Baldwin sent another telegram to Leonard: "Mrs. Liggett advises Judge Evenson forced Liggett to trial though ill without counsel and with no chance for depositions or investigations of witness. Cannot such procedure be halted?"

Liggett won an acquittal, despite all, yet his victory was short-lived—he was assassinated December 9, 1935. Leonard received one more telegram from the national ACLU director on the following day: "Kindly advise us by wire collect New York whether desirable for us to post reward for arrest and convictions of slayers of Liggett to uncover and stop these assaults on crusaders against corruption and vice stop [illegible]

The Canadian Whiskey Pipeline

During Prohibition, entire trainloads of [illegible] Canadian whiskey were brought down to the Twin Cities [illegible] "disguised" as scrap metal. Much of the [illegible] came from the Meyer Lansky-Joseph [illegible] syndicate's "legitimate" [illegible] distillers Seagram [illegible] the [illegible] brothers, Samuel, [illegible] and Allen.

After arriving in the Twin Cities, the shipments were [illegible] onto barges and boats [illegible] down the Mississippi River [illegible] just north of St. Louis [illegible] Illinois River to Peoria [illegible] storage capability [illegible] Walker.

This [illegible] and petty thugs [illegible] during Prohibition. According to recently released FBI documents, Minneapolis-based [illegible] Kid Cann was making [illegible] twelve New Jersey [illegible]. But [illegible] had national connections.

[illegible]

The ADL Connection

Combination were Barney Berman and Abe Brownstein. This group was the focus of the 1950s Kefauver Committee's investigation of Lansky's takeover of Miami Beach, Florida.

Barney Berman was Kid Cann's lieutenant. In 1933, five Minneapolis crime figures went on trial in Oklahoma for involvement in the ransom kidnapping of oil millionaire Charles F. Urschel. Berman and "Machine Gun" Kelly took the rap, and went to prison, while Blumenfeld, Sam Kronick, and Sam Kozberg were acquitted on charges of laundering the ransom money. Blumenfeld even had Minneapolis Police Chief Joseph Lehmeyer flown in as a defense witness. Berman and Kelly were later pardoned by President Harry Truman.

The ADL Connection

Another Twin Cities resident of Rumanian extraction, Burton Joseph, is a long time B'nai B'rith Anti-Defamation League National Commission member and served as the ADL's national chairman. The ADL has never hesitated to use its clout to protect Meyer Lansky's crowd, under the pretext of fighting anti-Semitism.

Although a grain merchant by trade, Joseph received some notoriety for his role in Lansky crony Robert Vesco's takeover Bernie Cornfeld's Investor's Overseas Services.

In 1978, while he was national ADL chairman, Joseph convinced another Minnesota-based grain trader, Dwayne Andreas, head of Archer Daniels Midland, to rescue the ADL from the brink of bankruptcy. Both men, long-time cronies of the Humphrey family, *collaborated on the* creation of the Hubert H. Humphrey Institute at the University of Minnesota, headed by Burton's wife, Geri. But this is getting ahead of our story.

legged whiskey in organized crime folklore, deflects scrutiny away from the actual nature of the criminal rackets in Minnesota and their protection by the Democratic Party. Of course, the smuggling of Canadian whiskey was a profitable enterprise for [illegible] Minneapolis Combination. Ironically, Floyd Olson got his job as Hennepin County (Minneapolis) Prosecutor at the beginning of Prohibition when his boss, William Nash, was run out of office for protecting smuggled Canadian whiskey. Olson stayed in the mob's pocket throughout his career.

In 1919, the smuggling operation was uncovered and publicized by newspaperman Howard A. Guilford. Guilford's charges were later affirmed by Minnesota's governor. Boxcars full of Canadian whiskey were unloaded in Minneapolis, supervised by the Hennepin County sheriff and his deputies. If some unwelcome federal liquor agents showed up, the laborers would be "arrested" and the liquor impounded as "evidence" by the sheriff. Waiting back at his office, on the nights of these transfers, was Hennepin County Prosecutor William Nash, who was prepared, by prearrangement, to book the arrested men under phony names and have them released on a small bond.

In 1927, the same crusading editor exposed Prosecutor Floyd B. Olson's protection rackets and corruption. For his efforts, Guilford was shot and left for dead. While he was recovering, Floyd B. Olson shut down his newspaper, *The Saturday Press*, using the infamous Minnesota Gag Law—overturned four years later by the U.S. Supreme Court. In 1934, Guilford got back on his feet and ran for mayor of Minneapolis. *Again he went after Floyd B. Olson* for his connections to organized crime. He was slain gangland style on the very day that he announced his campaign against Olson's corruption.

Minnesota license plates carry the inscrip-

to having sex with a minor. When it later came out that the girls were adults, the charges were again changed to sodomy.

Liggett appealed for legal and financial assistance to the national American Civil Liberties Union in New York City. The Twin Cities ACLU was headed by George B. Leonard, an ardent Olson supporter, and organizer of the first successful Socialist Party ticket in Minnesota in 1916. His law firm, Leonard, Street and Deinhard, is a crucial element of the Minnesota mob.

Leonard stopped the ACLU from helping Liggett, as indicated by a letter to him on September 24 from the ACLU: "Our Board at the meeting yesterday considered your letter of September 14th with reference to the Walter Liggett case and adopted your recommendation that we do not [illegible]." On October 9, the national director of the ACLU, Roger N. Baldwin, wrote to Leonard: "On my return from Europe, I find correspondence about Walter Liggett's case. Your letter of Sept. 14th is most helpful and you were good to go to the trouble of substantiating some of the evidence [of Prosecutor Goff—ed.]. There are two [illegible], however, on which I am not satisfied. 1. Is there not in your judgement some political animus behind the prosecution? Are not the Child Welfare people and the political opponents of Liggett somewhat connected or did not the political opponents take advantage of possibly irresponsible charges by these two girls? 2. It hardly seems credible that an offense of this sort could have been committed in the presence of another person, and that if any force was used, as the state charges, that both girls should have kept quiet about the matter for over a year. I presume it is only their word against Ellis' and Liggett's. It seems difficult to accept their story.

"My sole interest is in seeing that a man gets a fair trial, if there is any element of political animosity in the prosecution. Of course we can-

tion of these murders."

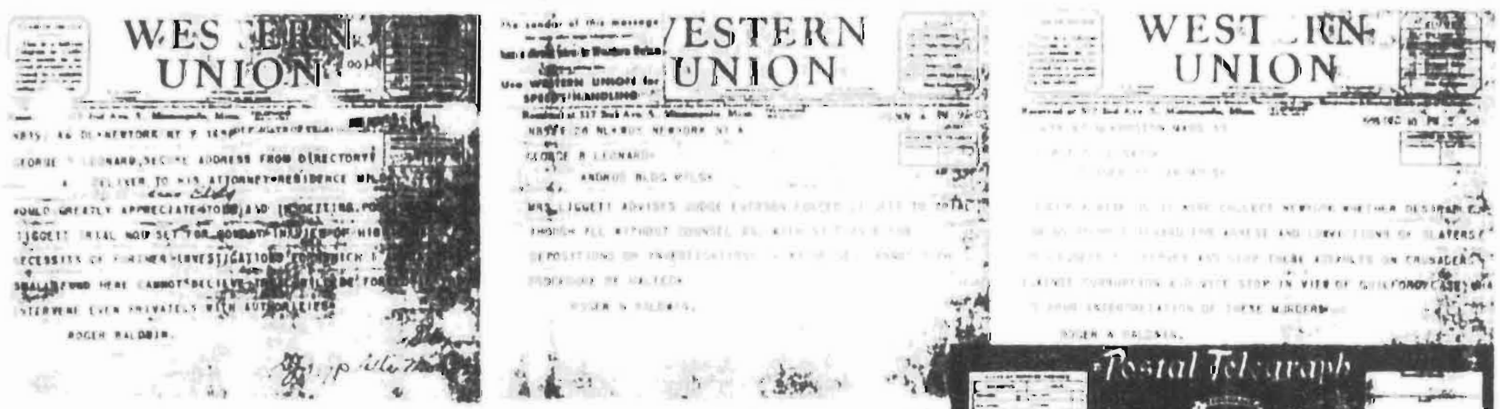
On December 11, Leonard responded: "Mrs. Liggett today identified in local jail Kid Cann as the slayer. See no occasion for you posting award. Will write."

There is a sharp contrast between Liggett's trial and Kid Cann's trial for the murder of Walter Liggett. Edith Liggett and Wesley Andersch both identified Blumenfeld as the assassin. Yet Kid Cann was acquitted after 90 minutes of deliberation. Throughout Cann's trial there were numerous allegations of witness and jury tampering and intimidation.

The prosecutors' office was run by Ed Goff, one of the men whom Liggett charged with protecting the Minneapolis Combination.

We leave it to our readers to interpret George B. Leonard's reply to Roger Baldwin on July 16, 1936 after the acquittal of Kid Cann: "1. Liggett created sufficient doubt in the minds of the jury to get an acquittal. ... I am still of the conviction that the Civil Liberties Union was right in offering him assistance in his defense in a matter involving moral turpitude, having nothing to do with freedom of the press, speech, or any of his civil rights. 2. I do not know Mrs. Liggett, but judging by the stuff she has written, I am not surprised at all that she is charging anybody either with prejudice or dishonesty. I am not conscious of any prejudice in my appraisal of the situation. ... She claimed to have identified Kid Cann as the slayer. The jury found against her, and acquitted Kid Cann. What efforts are being made by the local authorities to find another slayer, I am unable to say. It certainly comes with poor taste from her to charge the authorities with failing to run down the slayer.

"I am unable to state in what respect the authorities have failed to run down the slayer of Guilford. There are a number of murders committed in the last few years which still remain unsolved."


WESTERN UNION

NY35 [illegible] NEWYORK NY [illegible]

GEORGE B LEONARD, SECURE ADDRESS FROM DIRECTORY [illegible]

DELIVER TO HIS ATTORNEY RESIDENCE [illegible]

WOULD GREATLY APPRECIATE [illegible] AND [illegible]

LIGGETT TRIAL NOW SET FOR [illegible]

NECESSITY OF FURTHER INVESTIGATION [illegible]

SMALL FUND HERE CANNOT BELIEVE [illegible]

INTERVENE EVEN PRIVATELY WITH AUTHORITIES

ROGER BALDWIN.

WESTERN UNION

GEORGE B LEONARD

ANDRUS BLDG [illegible]

MRS LIGGETT ADVISES [illegible]

[illegible]

ROGER N BALDWIN.

WESTERN UNION

[illegible]

ROGER N BALDWIN.

This exchange of telegrams from autumn and winter of 1935 shows that, when American Civil Liberties Union head Roger Baldwin tried to help journalist Liggett during his frameup trial, and to investigate Liggett's death [illegible] months later, he was [illegible] by mob-connected Minneapolis attorney George Leonard.

"Liggett appealed for legal and financial assistance from the national American Civil Liberties Union in New York City. The Twin Cities ACLU, headed by George B. Leonard, of the mob-connected law firm, Leonard, Street and Deinhard, intervened."

LETTERS TO THE EDITOR

Highway [illegible]

To The Editor:

[illegible] granted a patent for an [illegible] information [illegible] this [illegible] mounted [illegible] as it happened, [illegible] was adopted after [illegible].

While [illegible] hospital room awaiting [illegible] [illegible]

[illegible]

...tions

be spread through all bodily fluids, and the greater the density, the greater the chance of transmission. [illegible] cause of overall poverty (minimally), it is worse in Africa, but because of U.S. go[illegible]nment policy, AIDS is still spreading unchecked in the United States. We must have testing and a crash research project, [illegible] we're condemning our entire species, on every continent, to death.

To The Editor:

You are just great, you don't know how I felt when you covered the AIDS drug (No. 32), and I'm a Kenyan. God bless you all.

Josephat Kitere
Haledon, New Jersey

Error

To The Editor:

[illegible] a correction is needed in the [illegible] editorial, in the Aug. 19, 1991 issue, on p[illegible] 39:

"While the debt carried by the economy has zoomed from $3.8 trillion in [illegible]972 to $9.8 trillion in 1982, to a staggering estimated $23.5 billion today."

Should not the word "billion" be changed to "trillion"?

Thank you,
Randy C. Wharton
Akron, Ohio

The Editor Replies:

You are surely correct.

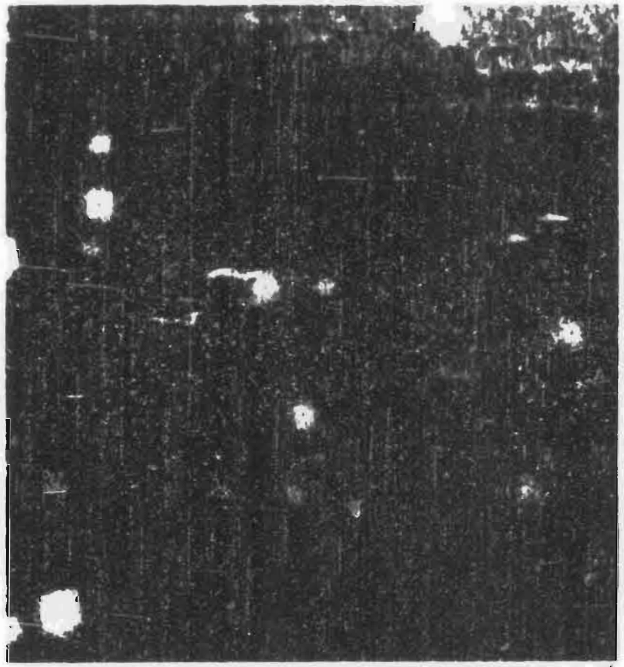
Croatia

To The Editor:

In light of the heroic battle of the Croatians for their independence from the last communist regime in Europe, I wish to publish an exchange of appeals between Hungarians and Croats during the 1956 uprising of the Magyars against the Soviet Army.

My own ancestor, Lazar Meszaros, played a crucial part in organizing the Honved arms in the 1849 War of Independence against Austrian Emperor Franz Josef of the Hapsburg Empire. His organizational genius created a fighting force within six months that expelled the Imperial troops from Hungary, only to be crushed when the Emperor appealed to Tsar Nicholas to reconquer the Magyars with 370,000 troops to their 150,000.

[illegible]



[illegible]ssue of the "Direct Credits Society," write to 26856 Columbia St., Hemet, Ca[illegible] 92544. A stamp would be appreciated.

Matt Kosvic
Hemet, California

To The Editor:

It seems that the list of government services we can no longer afford is endless. The truth of the matter is we cannot afford to do business with the Federal Reserve.

They are the [illegible]vate corporation which has a monopoly of creating our money. They have a devious scheme which cons people into paying for their own enslavement.

Originally Congress was chosen to coin our money and set its value. Congress usurped the rights of all citizens when they gave the monopoly to control our money to a private business. The International Bankers reset the price of [illegible] and the value of our money every day.

The name of our dictator is the Federal Reserve. The [illegible] establishment in the nation that has never been audited. If they were part of our government, they would be [illegible]

[illegible]tions have to take that fact into account.

Energy

To the Editor:

Isn't this article [illegible]enclosed[illegible] about a beginning attack by the big utilities bankers' mania on hydroelectric generation, that is a renewable and basically a free energy source?

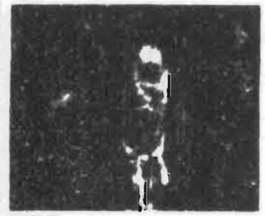
And especially an attack on small independently owned hydro utilities. The offensive in the ecological field is spilling over into the alternative and renewable energy field.

By the way, I like your articles on ecology and cold fusion very much.

Vladimir Terziski
Los Angeles, Ca.

The Editor Replies:

The article you sent on shutting down the dams in Washington state is definitely an outrage, taken with the deliberate [illegible]tion of reducing energy supplies. [illegible] that doesn't mean we don't need big energy sources[illegible] we do! Especially nuclear energy, which [illegible]



Nancy Spannaus,
Editor-in-chief of
THE NEW FEDERALIST
welcomes your letters.
Write to:
The New Federalist
P.O. Box 889
Leesburg, Virginia 22075

Plato and Christianity

To the Editor:

The title of the recent center article "Our Fight for the Christian Platonic Method" seems, to my mind, to confuse Christianity and Platonism and tends to meld, rather than to separate out, several historic lines involving philosophic points of view, truth, and theology.

First, you refer to the Bogomils as buggers in a longer line of evil people. I do not know, but the Bogomils are considered to be heretics from "Roman" church doctrines.

Plato lived three centuries before Christianity and, I had thought, is regarded as a pagan philospher. Certainly he did not adopt the Old Testament.

Plato was a student of Socrates. Socrates, himself a stonemason who rejected the old gods and was accused of introducing new gods, believed, among other things, that wisdom consisted in knowing that he knew nothing [illegible]alis [2] (contrary to the Old Testament, which teaches that God is the fount of all knowledge and that man actually receives this knowledge). Socrates denied God, stating that "the beginning of wisdom is the definition of terms" (see Psalms 111:10) [3].

Aristotle was with Plato for 20 years and was called "the mind of the school." He perpetuated Greek error and believed and taught that the exercise of man's rational faculty should be by what he called the Golden Mean, which was his middle road between [illegible] extremes [2] (this enabled truth to thereby be obscured and compromise effected). Aristotle believed that "woman may be said to be an inferior man." [3]

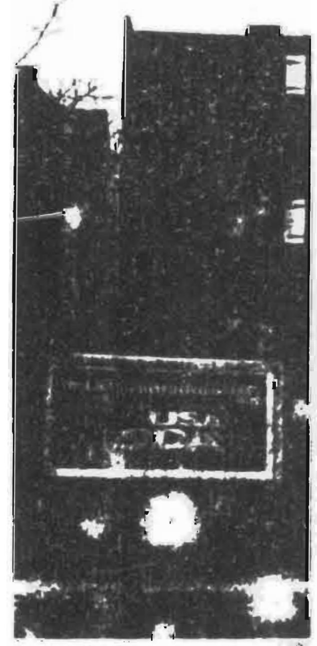
To what extent you are right about Aristotle, he probably out-performed Plato's evil. But how say you then?

B. Paul Blegen
Wheaton, Illinois

the ethical standpoint taken is of paramount assistance during the last troubled decade of the twentieth century.

The intellectual standard of argument employed is second to none and one can only hope that the power of reasoned debate will eventually penetrate the initial blind prejudice that accounts for so much of the political scene these days.

Councillor Michael Ross
Scotland



Genocide in New York

The petition was [illegible] nial [illegible] they maintained [illegible] vention was a decree [illegible] therefore would produce the [illegible] results.

Sincerely,
William Walters
[illegible] City, Indiana

AIDS

To The Editor:

[illegible] of those [illegible] was a [illegible] lated to AIDS [illegible]

It seems that [illegible] white women are going to Africa, Kenya and other [illegible] with the local [illegible]

Isn't this going to bring back AIDS to Europe and [illegible] and introduce it into a whole new [illegible] of the population?

How stupid can people be?

[illegible] Jr.
[illegible] New Jersey

The Editor Replies:

[illegible] whether [illegible] or not [illegible] that it is a [illegible]

[illegible] radio station issued this appeal to the world.

"Civilized people of the world. On the watchtower of 1,000-year-old Hungary, the last flames begin to go out. The Soviet Army is attempting to crush our troubled hearts. Their tanks and guns are roaring over Hungarian soil.

Please do not forget that this wild attack of Bolshevism will not stop. You may be the next victim. Save us. SOS, SOS.

People of Europe, whom we defended once against the attacks of Asiatic barbarians, listen now to the alarm bells ringing from Hungary. Civilized people of the world, in the name of liberty and solidarity, we are asking you to help. Our ship is sinking. The light vanishes. The shadows grow darker from hour to hour. Listen to our cry. Start moving. Extend to us brotherly hands. ... God be with you and with us."

In the spring of 1957, Croatian exiles in Argentina wrote American Hungarians of North America:

"We, Croats, have a special reason to salute the magnificent fight of Hungarians. Not only because they are our neighbors, but also because we have lived for eight centuries in a common state and brotherhood with them. Therefore, their tragedy is our tragedy too; we also put the black ribbon of grief on our flags, and weep over the graves of the fallen heroes. We are proud of the Hungarian heroes, for our ancestors lived together with them and fought with them for centuries in the defense of common ideals. We desire their victory as our victory, for it would be the victory of right and freedom, of human dignity and religious freedom, the end of all thought control. Their national dawn would mean that ours is dawning too."

Sincerely,
Glenn Mesaros
Minneapolis, Minnesota

Economy

To The Editor:

[illegible] is the sorry economic plight of [illegible] peoples that by the year [illegible] Alfred W. Lawson and his money [illegible] am will be universally known.

[illegible]s "Direct Credits for Everybody," founded in 1931, is the only sane economic plan in existence that gives justice to everybody, that harms nobody, and makes it easier to be honest than dishonest.

Today, "Direct Credits for Everybody" is the world's best kept secret, but with modern global communication at hand, it cannot be hidden forever from decent people.

For a copy of the 80th anniversary [illegible] government phones.

Thank you,
Phillip Hammill, Sr.
Camas, Washington

To The Editor:

In our local paper in Lansdale, Pa., the Reporter featured a series of articles about our Vietnamese population. It talks about how our "government" supports these people with money, yet this "government" can hardly lend a helping hand for our own people. My father works a modest job as a truck driver, just getting us by. I'm a strong believer in socialism, yet you have not stated your position on Democratic Socialism (such as Sweden's former government). Please state your position on this economic system and your stance on abortion, dealing with unmentioned situations (rape, incest, mother's life in danger, crack babies).

Sincerely,
Justin Hafner
Lansdale, Pennsylvania

The Editor Replies:

Swedish socialism, and every other kind I know, is an oppressive system that destroys individuals and productive capacity. In the West it has been socialism for the bankers, in the East, socialism for the communist Nomenklatura.

To learn how to run an economy that does not lead to the kind of hostilities which you express toward the Vietnamese, I propose you read some of LaRouche's economic work, such as his 1984 text, *So You Wish To Learn All About Economics?*

As for abortion, we believe it is killing a child—and all particular situa[illegible] countries like France and Japan are going ahead with quite safely and efficiently.

LaRouche

To the Editor:

If every single one of us voted for Lyndon LaRouche for President, would the country then have no President? How could he serve locked up in prison? I ask this in all sincerity, but somehow feel foolish asking.

Will you please be so kind as to address this in the Federalist?

A reader
Wenatchee, Washington

The Editor Replies:

To get a mass of Americans to vote for LaRouche is going to take a mass movement, one that will not only organize for the election, but will also organize to overturn LaRouche's political conviction. The law has always been on our side, if it had been applied correctly. But we need a politically alert citizenry to get the judges and jurors to be honest. Political convictions have been overturned "out of the blue" before, but it requires a fight.

In other words, you can't "just vote." You have to get involved in fighting the slanders, spreading the literature, and organizing people. It's an uphill battle, but it has to be made if a disaster worse than the 14th century is to be avoided.

The Editor Replies:

Unfortunately, the sources you are relying on, such as Gibbons' *Decline and Fall of the Roman Empire*, the Columbia Viking Encyclopedia, and the like, will not give you the real history to which Mr. LaRouche in his speech refers. You need to read St. Augustine on the question of Plato versus Aristotle, and some of the later Church scholars, such as Nicholas of Cusa, to understand Mr. LaRouche's standpoint that Plato is the appropriate philosophical precursor of Christianity.

What is crucial is the question of method of knowing—and that defines a devastating difference between Plato and Aristotle, despite Aristotle's presence at the Academy. I refer you to Mr. LaRouche's *In Defense of Common Sense*, which is not an easy book, but directly addresses the methodological question.

New Federalist

To the Editor:

I have recently come across a copy of "The New Federalist" and wish to complement you on the quality of the material.

In the past year I have investigated at some depth the policies and opinion of Lyndon LaRouche and his collaborators as expounded in other material and have come to the conclusion that

To the Editor:

I recently had the opportunity to find out first hand what the conditions of public health are like in New York City, and the reality of the situation there, which showed an incredible contrast to the soap opera mania that surrounded the recently concluded Clarence Thomas confirmation hearings. I was part of a fact-finding team that went into the ghettoes to document the genocide that is taking place in New York.

We went to two places in New York. In the South Bronx, we were taken around by Charles Hollingsworth. He works at a VD clinic in the Bronx, which is the only one in the Bronx and also serves parts of lower Westchester County. In other words, it's the only clinic for 2.5 million people. There are four clinicians (he's one of them) and they can only see 90 people per day, and every morning there's already more than that lined up outside the door when the place opens up.

After that, we went to East New York where we were guided by Mr. Colon, who is an activist for the homeless and against the real estate scam being run in this area. ... There's an operation going on to tear these brownstones down and replace them with Nehemiah [Co.] projects, which are cheaply built townhouses ... much smaller than the brownstones they replace.

So what happens to the people who live in one of these brownstones when Nehemiah wants to build on that block? The city moves in by eminent domain, gives them $20,000 and throws them on the street. Twenty thousand dollars may sound like a good amount of money, but in New York, it doesn't buy another house for someone who previously owned his own home. We talked to one man who was in that situation. He's living in a van parked across the street from where his home used to be. He's a 69 year old Korean War veteran. The city has left him there without helping him find another place.

I returned to Washington a day or two after the alleged sexual harassment charges against Judge Thomas broke in the news. It seemed incredibly unreal to me. ... What can be said for the U.S. Senate when it allows itself to become engaged in this sort of degraded debate? Worse, what can be said for the population of this country when it becomes so absorbed in this trash that the real, moral issues of human life are completely ignored? The question that Americans have to be forced to answer in understanding the source of all this is "do you want to know how Germany got Hitler? Look in a mirror."

Carl Osgood
Arlington, Va.

Interview with Organist Ljerka Ocic-Turkulin

INDEPENDENT CROATIA

NEZAVISNA HRVATSKA

[redacted]

NF: [redacted]

LO: [redacted] that is Serbia. They want to destroy our cultural identity.

NF: Is that why you decided, as a musician, to use your talents to try to defend them?

LO: Yes. We are trying to fight in our way, because we have a culture, we have a tradition, and we have to preserve our art, our treasure in that sense.

I as a musician, didn't know how to behave in such terrible circumstances and I felt very **unuseful**, so I joined the Croatian Air Forces and we try to fight in our way. That means we are organizing concerts all around. We had some concerts during the battles in Osijek, in a cathedral, which had been attacked before. The symphony orchestra was there and they performed the Beethoven Eroica Symphony.

I'm going to play also in that cathedral on my way back. We are trying to do such things to support the morale of the people there and we think that study can destroy the whole nation. Somebody will survive and they will witness for the future generations.

NF: How has the response been to your concerts in America?

LO: Well, I've had concerts in Florida and I spoke each time at the end of the concert. I think the American people can understand what's going on. I think a lot of disinformation is going around, because Serbia has had a very strong lobby here in the last 70 years.

NF: They have Deputy Secretary of State Lawrence Eagleburger.

LO: They also have Helen Bentley of Md., who proclaims herself like a Serb. She's proud of it. It's very hard [redacted] against such a thing, because Croatians haven't had a chance to work freely in the past.

NF: Are you speaking freely in your concerts?

LO: Yes, I'm trying. But even in the churches where I'm playing here in Baltimore, they had phone calls to each of them, threatening calls, saying we were Serbians and they demanded to know how could they give the opportunity to somebody from Croatia who is killing children and such things to have a concert here.

NF: That story was untrue, and Reuters News Service retracted it today.

LO: Yes, I was sure that it was untrue and I spoke about that all over. But unfortunately some people already read or heard that and it's tough to counter it.

Culture and Politics in a Time of

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Culture and Politics in a Time of

bergis is head of state and he's a musician. In Czechoslovakia, Vaclav Havel is President and he's a playwright. How do you see this growing trend of newly freed nations in Eastern Europe calling on cultural figures to give political leadership in this time of crisis?

LO: It's amazing, because under the communist system, musicians and artists were in a terrible position. Writers couldn't express their feelings, their fears, the experiences that they had during the communist system, so a lot of them, in our country, were jailed, just because of their opinions. It's hard for me to express this in English, but [redacted] for them is a way to express the free spirit that is preserved in the circumstances we passed through.

NF: What program have you chosen for your concerts here?

LO: It always depends on the organ. In Florida, I included one of the Croatian composers, and I played one piece, a very sad composition, because my mood was sad. It was full of folk elements from our country. I also played Romantic music and Baroque music.

Here in Baltimore, because of the type of organ, I played Baroque music, but always at the end of the concert I play a piece from the St. Matthew Passion of J.S. Bach, in memory of all the children and civilians that have been killed in the war.

NF: I'm sure that's had a good effect on people.

LO: I think so. I hope that in this kind of expression, a musical kind the people can understand, much more about the feelings that we have and to share them with us. We are grateful for every move that you make here in America.

Ocic-Turkulin, Schiller Institute Rep Meet

Mrs. Ocic-Turkulin is shown speaking to Fred Haight of the Schiller Institute, following her concert Nov. 24 at St. Luke's Evangelical Lutheran Church in Baltimore. She is holding the Institute's call demanding that the West recognize Croatia's independence.

Said Haight, himself an accomplished musician, "She played a all-classical program of Handel, Pachelbel and J.S. Bach on a German-made tracker (mechanical) organ. The combination of the organ's superior registration and her contrapuntal skill made the polyphony more transparent than many concerts, so that Handel's concerto actually was recognizable as a concerto— no mud.

Canadian Govt. Betrays Croatia—And Canada, Too

by Paul Fraleigh and Jeremy Batterson

MONTREAL, Nov. 25 (EIRNS)—Despite a groundswell of support for Canadian recognition of Croatia and Slovenia from many constituencies across Canada, Canadian Secretary of State for External Affairs Barbara McDougall, in a disgusting betrayal of Canada's national sovereignty, told the House of Commons on Nov. 18 that the Canadian government would kowtow to the imperial dictates of London and Washington, rather than act according to the wishes of Canadian citizens. She was speaking at an emergency late night debate, which had been called for by all three major Canadian political parties, which lasted four hours, and which has been blacked out of the Canadian media.

McDougall whined: "Our government continues to receive calls for recognition of those republics which have unilaterally declared independence. I know this is a sensitive point. We shall continue to resist such pressure. First, we believe, along with members of the European Community and after much soul searching and discussion, that recognition of republics that wish to leave Yugoslavia should only be given within the framework of a general agreement. . . . I have discussed this personally with Cyrus Vance and Peter Carrington."

Canada Bows to Foreign Powers

She answered Bob Horner, an MP from her own Progressive Conservative Party, who had asked why Canada was not following the lead of Germany, Austria, Hungary, Italy, Switzerland, Poland, and the Czech and Slovak Republics, in recognizing Croatia and Slovenia. Horner had also asked why Canada was not following the lead of the European Community, which had recognized Croatia and Slovenia on Dec. 16, 1991.

McDougall's response was that Canada would not act unilaterally, but would wait for the EC to act. Then, she said, Canada would "consider" recognition.

Horner responded that Canada has the leverage to work toward peace. With these statements, McDougall has admitted the rather obvious truth that Canada's foreign policy is dictated to by foreign powers. The Canadian government does what it is ordered to do, regardless of the wishes of its citizens. Lord Carrington and Cyrus Vance are both high level operatives of the Anglo-American establishment, specifically deployed to prevent any solution to the crisis in the Balkans, for the purpose of seeding chaos in Europe and preventing the growth of a new economic superpower there.

During the debate, the government policy was blasted by both opposition parties. Liberal Party External Affairs Critic Lloyd Axworthy noted that this debate had been too long in coming. "The reason I remind the House of this," he said, "is that it was just about a year ago today that this Parliament was seized with the issue of what was happening in the Gulf area. I could tell then there was no hesitation. There was no too little, too late. There were no modest, prudent, cautionary words. The Prime Minister and the Secretary of State for External Affairs were standing on the barricades ready to do anything possible. The entire Western world was being mobilized. The largest army of the last 40 years was being readied to be launched. Thousands of ships were in the Gulf ready to impose the sanctions program. It was all done because we were going to have to [redacted] the United States [redacted]

Despite the govt's position, many members from the ruling Progressive Conservative Party also urged recognition. For example, Terry Clifford, a parliamentarian from London, Ontario, quoted the Pope's defense of Croatia. Don Blenkarn, from Mississauga South, warned that the war could "spread and create the kind of holocaust that created World War I and II."

One of the most interesting proposals came from the New Democratic Party's Simon de Jong. Attacking McDougall's excuses, he said: "Then we hear this rationale about it being an internal matter within Yugoslavia. Yugoslavia does not have a legal government. The nation does not exist." He proposed that: 1) Canada should recognize Croatia and Slovenia; 2) Canada should admit that Yugoslavia no longer exists and should ask the Yugoslav ambassador to Canada to leave; 3) Canada should demand the Yugoslav Federal Army withdraw from Croatia; and 4) if the Yugoslav Army does not withdraw, the international community "should be prepared to knock out the Yugoslav air force, the Yugoslav navy, and the Yugoslav armored columns."

The speech which injected the most reality into the [redacted] came from Alex Kindy, Calgary Northeast, a former Progressive Conservative who had resigned from the party to become an Independent Member of Parliament. Kindy, in the name of a "world order" [redacted] of at least the seeds for World War II, and the consequence of the second world order in 1945 was the Cold War.

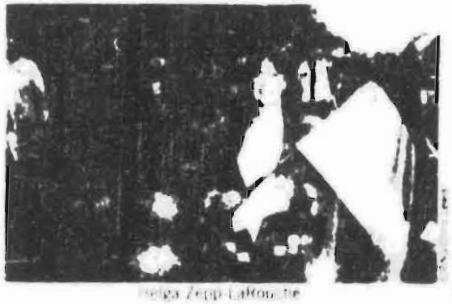
Now we are facing a third world order, and it is a very dangerous stage because, of course, it could be the seeds of another war. As the United Nations tries to implement the new world order after the war against Iraq, the United States, with its dominance of the United Nations, becomes the superpower of the world."

Kindy attacked President Bush for his barbaric speech in Kiev Aug. 1 [redacted] though Kindy didn't elaborate, that was the speech in which Bush denounced the Ukrainians for wanting to be independent of the U.S.S.R. In that speech, just before the coup attempt in Moscow, Bush accused the Ukrainians of "suicidal nationalism" and even "anti-Semitism" for wanting to be free.

Associates of the Schiller Institute in Canada, and of the Party for the Commonwealth of Canada, the Canadian political party which is based on the economic programs of Lyndon LaRouche, have lobbied the Parliament twice in recent weeks, meeting with numerous parliamentarians to brief them on the real situation in the Balkans and urge recognition of Croatia and Slovenia. MPs [redacted] all three parties have shown considerable interest in the dirty roles of Lord Carrington and Cyrus Vance, now that McDougall has admitted they advise her on policy matters.

Call to Found an International Committee to Save Croatia

by Helga Zepp-LaRouche



Helga Zepp-LaRouche

[illegible] This statement, issued [illegible], is being circulated internationally for signatures. [illegible] Clip it out, and send it to the [illegible] P.O. Box 60682, Washington, D.C. [illegible]

It is [illegible] to have to watch how boundless [illegible] the almost defenseless [illegible] aggressors. At least [illegible] people [illegible] probably many more—among them [illegible] and children—have [illegible] hundred-fifty thousand [illegible] are in flight, with a [illegible] of them. One hundred [illegible] have been blockaded for [illegible] exposed to merciless [illegible] and shells, and more [illegible] have [illegible] and killed.

[illegible] to have to observe [illegible] of the politicians of the [illegible] and ministers [illegible]. If genocide of [illegible] in the middle of Europe [illegible] does not [illegible] are morally [illegible].

[illegible] and the international [illegible] of the Serbians, but only [illegible] existence of Dubrovnik [illegible] that the East German [illegible] up the most modern [illegible] Dubrovnik and [illegible] after a weeklong [illegible] according to the ground-based classification [illegible] and threatened with [illegible] realistic suffering [illegible] our own parents [illegible] remembered, would you [illegible]

[illegible] government had seized [illegible] in a similar manner [illegible] the case in [illegible] is home for you. If [illegible] and political [illegible] why is it [illegible] double standard is [illegible] Europe?

[illegible] without whose quiet support [illegible] would have dared wake this [illegible] nightmare for the genocidal [illegible]

Name

Address

City, State

but also Lord Carrington, who has conducted the negotiations at the so-called European Community peace conference in supposed British interests, so that the maximum advantage for the Serbs arose out of it. The Undersecretary in the American State Department, Lawrence Eagleburger, whose motivation is shaped by strong economic interests in Serbia, also bears blame. The mistake of those who have not participated themselves in the murderous riot, is to have trusted the policy of the Anglo-Americans for one second.

Since the official policy of the West up until now has failed so thoroughly, we the undersigned are constituting an international coalition to save Croatia.

We stand for the immediate recognition of the independence of Croatia and Slovenia in conformity with the right to self-determination agreed upon in the Helsinki Accords.

We stand for Croatia being due the same rights as are due any other sovereign state, among which is the right to the defense of the life of its citizens and its territory.

We appeal to the international community of peoples, to make reparations for the injustice inflicted on Croatia, and to help it through a comprehensive reconstruction program.

We support the immediate realization of the all-European infrastructure program of the 'Productive Triangle' proposed by the American economist Lyndon LaRouche as the only possibility for restoring peace to the Balkans.

The Croatian people have a right to peace, as all other people do.

[illegible] Canada's third major party, the New Democratic Party, called for self-determination for Croatia and Slovenia, commenting that Croatia had already recognized the rights of minorities in Croatia, one thing which the government has made a condition of recognition. However, he also noted that "the Albanian majority in Kosovo has been brutally repressed for too long," a reference to the repression by the Serbian authorities.

had been betrayed [illegible] the name of a "world order" that Yugoslavia had been artificially created in 1918, that Stalin had been allowed to murder 7 million Ukrainians, and that Hitler had been allowed to cause 40 million deaths—at least—in World War II.

Attacking the infamous Yalta deal of Roosevelt, Churchill, and Stalin, he warned: "The consequence of the first world order in 1918 was World War II.

the aspirations of countries like Croatia, which struggle for sovereignty and economic development. These aspirations are best defended by associates of the Schiller Institute internationally, like founder Helga Zepp-LaRouche, whose call for an International Committee to Save Croatia is being circulated all over the world, and signed by hundreds of prominent figures.

Serbian Atrocities Exposed in EC Report

Continued from page 1

tails. The claims that the Croatian forces had been using these sites for military purposes are "inaccurate and specious." "We are dealing here with [Croatian] forces deploying mostly small arms against a barely equipped major army, navy, and air force."

The Yugoslav Army has shown a consistent pattern in which it pours heavy artillery fire from a distance onto a target, terrorizing it into capitulation. The Yugoslav Army-backed and armed [Serbian] irregulars then move in on foot to occupy the place. The Army then moves in to assume overall control. Nor is this limited to big towns. Throughout broad areas of territory, in innumerable small villages, Croatian inhabitants are killed or forced to leave, after their villages are **bulldozed out of existence**. No attempt is made to occupy or otherwise exploit the captured places; they are simply **and wantonly destroyed**," emphasis added. The Army "discredits cease-fire arrangements, timetables for withdrawal, inspection rights for monitors, etc.," the observers added.

A Cowardly Army

"In the last analysis," the report concluded, "the Yugoslav Army is a cowardly army, fighting for no recognizable principle but largely instinctively for its own status and survival. It no longer has the authority to lead its men into real sacrifice—hence the pattern of behavior outlined above."

The report's authors proposed to the EC alternatives ranging from withdrawal of the observers, to the "supply of such effective sea and air deterrent capacity as will make continued Army aggression pointless, if not suicidal."

"The warship that fires on a defenseless city from a safe distance out to sea must be put in a situation whereby it knows that it can do so at the peril of being promptly sent to the bottom. The battery that shells a hospital must know that within 30 minutes of firing it risks being obliterated. The air force must learn the choice of inaction, destroyed on the ground or hopelessly outgunned in the air."

Exemplary of the jackals used by the Army against Croatian civilians is Zeljko Raznatovic, a criminal leader who uses the battle name Arkan. A "former agent of the Yugoslav communist secret police, he is wanted on criminal charges in several European countries. "I suggest that the mayor of Osijek, Zlatko Kramaric, and President Franjo Tudjman had better surrender Osijek themselves so as to avoid unnecessary destruction and casualties," Raznatovic arrogantly told the press Nov. 27. "I assess that Osijek will fall sooner and faster than Vukovar. If resistance continues, We must go to Zagreb too, to defeat them militarily to the very end."

The modus operandi of the Army is to let cutthroats like "Arkan" run into towns and villages to scare people from their homes—already 10% of the Croatian people are refugees. Then, the Army plans to repopulate the ghost towns with "ethnically pure" Serbians.

Recognition by Christmas?

But the Greater Serbians are in desperate straits, a knowledgeable source told *New Federalist*. The Soviet and Romanian support the Army enjoyed is vanishing, because the gold and hard currency the Greater Serbians had stolen from the Yugoslav federal treasury has been spent. This is the reason the Army went on full offensive and appealed to its friends in the United Nations to send "peacekeeping" troops to guarantee its conquest.

Thus UN special envoy Cyrus Vance, back from his "peace" mission, announced that he had accepted the Greater Serbian view on the deployment of troops. He called for the establishment of "ink blot areas" between the two fighting forces—that is, deep inside Croatian territory. Vance had the nerve to say that this solution had been successfully applied in Cyprus [illegible] nation, two nations that have systematically destroyed with these techniques. Vance even claimed that Serbian butchery of the city of Vukovar could be rationalized because the Croatians had blockaded federal barracks, he compared the Serbian soldiers in the barracks to "hostages."

But time may be running out for the Greater Serbians. On Dec. 2, the Foreign Ministers of the European Community agreed to lift the sanctions against Slovenia, Croatia, and the other republics of former Yugoslavia, except Serbia and its ally, Montenegro. The same day, Croatian Foreign Minister Zvonimir Separovic said he believed most EC states would recognize Slovenia and Croatia by Christmas.

THE NEW FEDERALIST

Nancy Spannaus, *Editor in Chief*
Alan Yue, Christina N. Huth, *Associate Editors*

THE NEW FEDERALIST continues the tradition ... [illegible]

Fighting for Life

[illegible] went into effect across the United States. It requires all health institutions which receive federal funding under Medicare and Medicaid to discuss with every patient his or her [illegible] sign a document refusing medical treatment.

[illegible] hospitals were for saving lives? Well, [illegible] the first thing the hospital is [illegible] to do by the federal government is to discuss with you [illegible] circumstances you would like to die.

Of course, [illegible] the letter of the law [illegible] to be applied. But [illegible] reading [illegible] Not only do [illegible] breathing [illegible] families [illegible] seeking to [illegible] toward [illegible] money.

But as human beings made in the image of the Creator, we are obliged to fight for life. Life and every human being is precious, and makes a contribution to humanity as a whole, even if not a material contribution. A society that does not put its primary value on human life is a barbarous society, destined to destroy itself because it has violated the requirements for human civilization and progress.

Nazism Today

Modern culture has drummed into all of us the evil of the Nazi regime in Germany as the epitome of barbarism. Yet it attempts to prevent us from recognizing how our modern culture not only echoes Nazi practices, but in some areas already goes beyond them in degradation of human life.

Take "living wills" and euthanasia, for example. These demands for death for the handicapped (for example) have their most dramatic precedent in the Nazi period. And yet, under Hitler, it was considered politically impossible for the regime to openly discuss such measures, much less pass public laws and referendums in favor of them. The entire euthanasia program was carried out in secret.

Take the policy of starving Iraq to death, or setting up camps where food is given out in exchange for sterilization, or the slave labor wage and working conditions of the *maquiladora* camps in Mexico. These are echoes on an even broader scale of the Nazi concentration camp policy, which starved and worked people to death, or near death, as well as gassing them.

Nazi policy is the policy that life is cheap, is to be used up for the benefit of the dictatorial controllers, and then discarded. This policy characterizes our entire international monetary system, which has written off the continent of Africa, and major sections of the rest of the so-called developing sector. It is now a policy that increasingly characterizes our domestic economic system, where highly skilled workers have been systematically ground down into hamburger flippers, and the mentally ill are turned out onto the streets. Applying this same policy to anyone who is sick enough to go into the hospital, just extends it a bit further.

It is human nature to fight for life, and there is little doubt that Americans, like other people, will eventually revolt against this death policy. But the fight against it can be organized to effectively replace the entire culture of death, or it can be an impotent, violent protest. Americans must organize themselves to put life-saving principles into our economic and social system through a mass political movement. And we had better do it before the Nazi economists have us all signing on the dotted line.

How To Save the Children

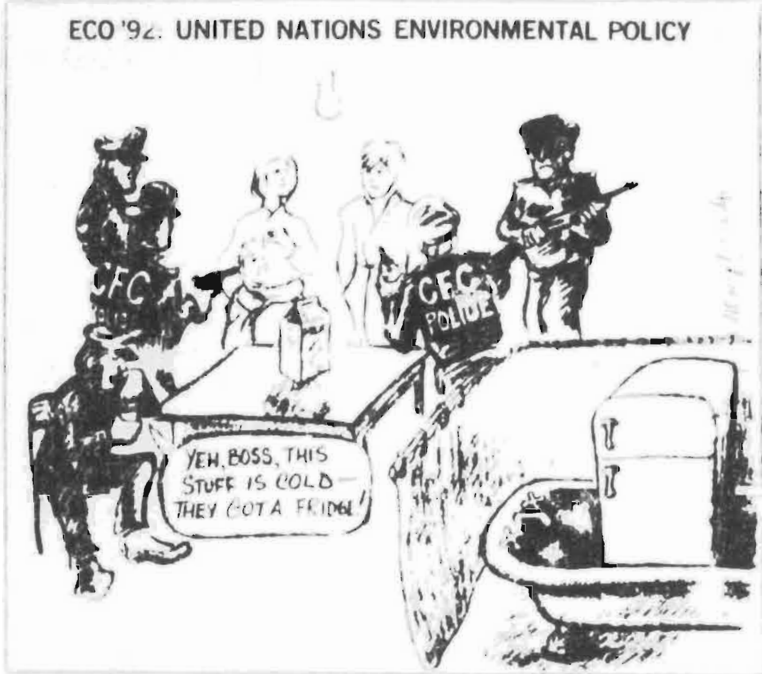
[illegible]

[illegible] United [illegible] out the [illegible] rid of [illegible] Prime [illegible] months ago [illegible] tactic of medieval sieges—but is it morally acceptable today?

Obviously, many people argue that it is. The international community is giving the Iraqis the choice of starving or submitting to slavery. And when they refuse to do the latter, they are blamed for causing their own death.

But it is the policy of cutting off the Iraqis from food, medicine, the electrical and water infrastructure necessary for a healthy population, [illegible] all the requisites of an industrial life altogether, which is to blame. Iraq cannot manufacture necessary medicines, or pesticides under the embargo. Contrary to the letter of the UN regulations, it cannot freely import food and medicine on the level required.

Until we lift the sanctions against Iraq, we are responsible for mass murder there. We must move immediately to change our genocidal policy.



At Last: Election 1992

Finally, the 1992 election campaign has started in earnest. Here's how we know:

• John Sununu quits as White House chief of staff, hitchhikes back to New Hampshire.

• President Bush goes to mall in Frederick, Md. and buys socks.

• Mrs. Bush goes to mall in Frederick, Md. and buys "Slime" toys for grandchildren.

• Every Republican National Committee member is ordered to buy 50 big-ticket items at shopping centers before Christmas.

• In high-profile D.C. press conference, David Duke throws his hood in the ring followed by his sheet.

• Mario Cuomo declares he will run against Albany, denounces New York budget cuts.

the funnybone

• Jerry Brown petitions EPA to declare Whitefly an endangered species.

• Geraldine Ferraro announces for Al D'Amato's New York Senate seat on an anti-corruption platform.

• Richard Thornburgh emerges from seclusion and offers to campaign for President Bush.

• President Bush appoints Richard Thornburgh special envoy to new Republic of Chuschkuschen in former Soviet Georgia, orders him to leave at once.

• Carlos Lehder schedules press conference in Miami to announce his endorsement for 1992, disappears into federal witness protection program moments before press conference is to begin.

• Mikhail Gorbachov schedules press conference in Moscow to announce his endorsement, is mysteriously abducted moments before it is to begin.

Two of Four Readers Discuss The Middle East

Two of Our Readers Discuss The Middle East

VIEWPOINT

Peter J. Riga

Saddam Hussein. Americans just can't understand him—least of all George Bush.

VIEWPOINT

Dr. Taysir Nashif

Legal discrimination is exercised in a number of states. Some of these states use disguise in formulation in an attempt, with not much success, to conceal the fact of the exercise of this discrimination. One of these states is Israel, where legal discrimination is founded on a set of laws, regulations and procedures according to which Israeli government authorities behave and discharge their functions. What is remarkable is that most of the laws of discrimination in which were legislated by the Knesset, the Israeli Parliament, is that they do not seem on the surface like laws of discrimination. A little more detailed and thorough examination of these laws would, however, show that they create a strong distinction between Jews and non-Jews, the overwhelming majority of whom are Arabs.

It is my intention to point out a small selection of such laws.

The Law of Entry to Israel 1952 was apparently legislated solely to arrange the procedures of entry into the country. But all of its articles, except the article which imposes the duty to enter through an official border point, are intended to make a clear distinction between a Jewish foreign citizen and a non-Jewish foreign citizen, although without mentioning the words "Jewish" and "non-Jewish". Thus, for instance, it provides that the Israeli Minister of the Interior is authorized to expel forthwith those who do not possess an immigrant visa or immigrant certificate, or to deny them a permit to reside in the country at any time. It is only in a different law, the Law of Return, that the explanation and definition [illegible] given [illegible] Jew [illegible]

Minister of the Interior not to admit foreign citizens if there is an apprehension that they might harm Israel, exists only towards non-Jews. The Minister is not authorized to deny a Jew—however dangerous and harmful to Israeli society he may be—a permit of residence, since a Jew is not in need of a permit of residence, only a non-Jewish foreign citizen is in need of such a permit.

To a Jew are given almost forthwith upon his or her coming to Israel all the privileges which Jews in Israel enjoy. [illegible] immigrant certificate, which [illegible] ship on the strength of return. [illegible] country, as if he had been a resident of it for generations. Additionally, he would be entitled from the beginning to vote and be elected to the Knesset, without even having to know Hebrew.

It is true that the Minister of the Interior is authorized to present [illegible] extreme difficulty Jews also from the beginning from obtaining an "immigrant visa", but after a Jew has entered the country, the Minister of the Interior would no longer be able to do anything about it, and would not be authorized to deprive him of a residence permit—as he is authorized to deprive, even after years, one who is a non-Jew.

We have seen how Jewish persons with criminal pasts, for example, succeeded in obtaining Israeli citizenship; some of these also achieved the status of membership in the Knesset. They were able to do so on the strength of the Law of Entry to Israel, which is based on the Law of Citizenship, 1952.

With this last law, the art of disguise in formulation has reached its climax. Even though the word "Jew" is not mentioned in the Law of Citizenship, the entire law is based on discrimination between a Jew and a non-Jew [illegible] which had established and continue to establish separate systems for education, administration of land, land [illegible] separate areas of residence.

Article 2 of the Law of Citizenship defines who is a citizen on the strength of return. Every immigrant according to the Law of Return—and only such an immigrant, namely, only a Jew. This article provides that a person who is not residing in the country on the strength of return, [illegible] non-Jew, cannot be a citizen on the strength of return. Article 3 of the Law of Citizenship relates to "citizenship on the strength of residence". That article provides that a Jew, even if he or she has resided in the country for many years, cannot be "a citizen on the strength of residence" but, as mentioned above, solely on the strength of return. This means that citizenship on the basis of residence is granted only to non-Jews, and this only after a detailed and thorough examination.

But the crude words "Jew" and "non-Jew" are not mentioned in the law. Such a mention would have had a bad smell of discrimination. It is only mentioned in the law that citizenship on the strength of residence may apply only to one who has not become an Israeli citizen according to Article 2. Examination of Article 2 is needed to understand what it means. That a citizen on the strength of return according to the Law of Return, cannot but be a Jew. Consequently, Article 3 applies only to every non-Jew in Israel.

Settled discrimination is also discernible in the process of acquiring Israeli citizenship through naturalization. A foreign citizen who seeks to have Israeli citizenship through naturalization can do that, and the rules of his or her naturalization are similar to those in operation in other states. The main condition for Israeli naturalization is that he has to stay permanently in Israel for several years. Besides, before being granted citizenship, a naturalized person has to make a declaration of allegiance to the state of Israel. A Jew, however, is free [illegible] he need to stay in Israel several years before citizenship is granted to him. Additionally, he is absolved from the requirement to make a declaration of allegiance to the state of Israel. A Jew becomes a citizen when he gets an "immigration certificate" with no condition, such as the requirement to stay for several years in Israel, during which the ways of his behavior and character would be examined, and the requirement of placing him in the test of making a declaration that he is a citizen of the state of Israel and respectful of her laws. Furthermore, a Jew is entitled to retain his former citizenship [illegible] present citizenship before he obtains

Behind the News

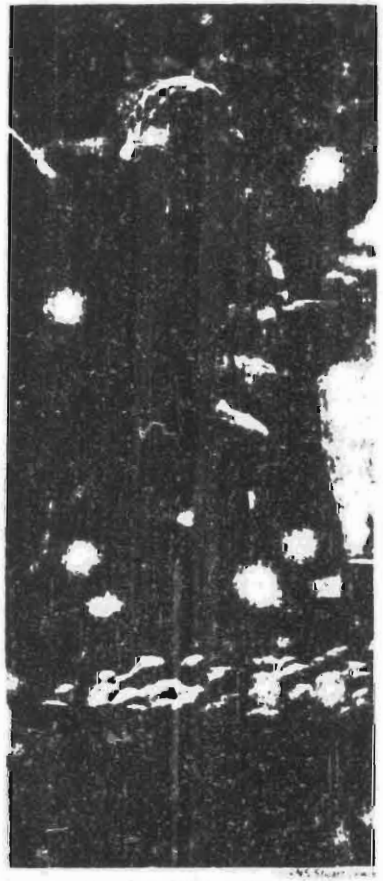
Deadly Tuberculosis Stalking the U.S.

HEALTH

[illegible] Dr. Margaret A. Hamburg [illegible] for Disease Con[illegible], Ga., and the New York [illegible] Confirming the re[illegible] of outbreaks of infectious [illegible] a new threat—[illegible] went through the [illegible] of tuberculosis in New [illegible] drug-resistant forms of [illegible]

[illegible] 20th century is [illegible] economic [illegible] rare [illegible] what medical [illegible] to "a disease which [illegible] poverty, poor [illegible] substandard living con[illegible]

[illegible] definition [illegible] mark, [illegible] tuberculosis [illegible] only the small wire rack to hold [illegible] to be a disease of [illegible] "It is a disease [illegible] represented by [illegible] It is a disease of those [illegible] circum[illegible] ss, and indi[illegible] It is a disease of [illegible] compromised by [illegible] the impact of HIV, the [illegible] The growth in rates of [illegible] a part of those devastating [illegible]



Elderly and poverty stricken in New York. A primary target for TB infection.

The White Plague

[illegible] reared its ugly head at a [illegible] of the United [illegible] proved deadly for [illegible] "white plague" [illegible] million people in [illegible] first half of this century. [illegible] caused by the [illegible] It is an air[illegible] spread through [illegible] in the infec[illegible] merciless.

[illegible] TB imme[illegible]diate and prolonged treatment by medication crucial. This is where particularly the poor have an added disadvantage. Not only is quick drug tests unlikely, but the ability to follow through on proper treatment is even worse. With city and state budgets being slashed daily, functioning x-ray machines and availability of various drugs are disappearing fast.

This means that the homeless are the most immediately vulnerable. Even last October, the Archives of Internal Medicine of the American Medical Association documented that "Tuberculosis is endemic in homeless populations of many urban areas, and rates of latent infection as high as 42.7% have been shown in mass screening with tuberculin skin testing of shelter residents in New York City. In a Boston shelter, endogenous tuberculosis reinfection within the shelter was documented by bacteriophage typing and pattern of drug resistance of *Mycobacterium tuberculosis* isolates from 22 active cases. . . . The prevalence of latent tuberculosis infection among homeless persons is reported to be 18% to 51%. . . . The increased risk of latent infection progressing to active disease among the homeless has been associated with psychological stress, alcoholism, drug addiction, and poor nutrition, which are factors related in part to the lower socioeconomic groups from which many of the homeless come."

Infection Rates Soar

That was one year ago. Now Dr. Hamburg tells us rates have nearly doubled, and estimates in places such as Brooklyn put the figures for the shelters as high as 70%! But the response from Washington is almost as big a nightmare as the disease. Commissioner Hamburg noted: "We asked for $15 million in federal funds to tackle this problem on a reasonable footing; we received only $606,000."

New York is not alone. When the budget cuts hit Washington, D.C., the number of staff members of the city's TB clinic went from 31 to eight. Hazel Swann, the control chief there, says the clinic was forced to stop giving thousands of tests to diagnose the presence of TB. And for those lucky enough to get a diagnosis: "We run out of antibiotics. Almost every year, around May or June, we start running out of stuff," she said.

In such an atmosphere, it is not surprising to hear terms such as plague and epidemic used by the ordinarily conservative medical community. They are well aware of the shortages of doctors and hospital beds that face many sister cities. They know too well that facilities used for quarantine were shut down years ago, and could be reopened only with an inflow of funds that are sure to be denied. They have heard that the reasons they can't get the medication they need is because the medications aren't presently able to manufacture. In these quarters, the reality of Bush's kindler and gentler America is seen for what it is—a muderous lie.

Man's Best Friend: Puppy Licks Brain Boy Out of Coma

CLUB OF LIFE

by Linda Everett

Everyone has a great story to tell about their pet, but few could top this one. We've all heard of dogs who have saved lost toddlers from freezing to death, dogs who have rescued their blind or deaf owners, etc. It's even been shown that having a dog lowers your blood pressure. But the pup in this story did what some doctors think they themselves can't do. He pulled his master out of coma, with what the New York Post calls the "Kiss of Life."

On Nov. 4, 11-year-old Donny Tomei was hit by a car while trying to catch a ball. He suffered severe head injuries that nearly killed him, and left him in a coma at Yale-New Haven Hospital's Pediatric Intensive Care Unit. The Tomei family kept vigil by his bedside day and night, reading him hundreds of letters from well wishers.

Rusty Misses You

The child, still in coma, had not moved since the accident. It was when [illegible] he heard the name of his six-month-old [illegible] rottweiler-chow [illegible] pup, Rusty, that Donny moved for the first time. When his family urged him to "get better quick. Rusty misses you," Donny moved his hands and legs. A day later, when his uncle told him to "snap your fingers for Rusty," Donny snapped his fingers. Response to commands is what the family and doctors were looking for, a significant step toward recovery.

Days later, Donny opened his eyes for the first time, but was still not fully conscious. Donny's older brother, Albert Tomei [illegible]ime that "He loves that dog more than anything," hoped to spur more progress by bringing Rusty into the hospital for a visit. Rusty whimpered for his master, hopping onto Donny's [illegible] and enthusiastically licking [illegible]. Donny at first tried to escape the kisses, but slowly a big smile spread across his face and he grabbed for the dog.

Although still unable to talk, Donny improved to higher and higher levels of consciousness each day with Rusty's help. It was during one of these visits when Rusty's licks landed on target that Donny said his first words: "Bad Rusty." Days later, Donny started feeding himself, and communicated with single words and gestures.

With all this success, I asked Cathy Zaoral, spokeswoman for Yale-New Haven, if they considered adding a veterinarian to the staff. she said: "No, but Donny's pediatric neurosurgeon, Dr. Charles Duncan, wants to enroll the dog in the residency program. The story of Donny and his beloved dog has moved thousands to send everything from donations for medical care to dog food and chew toys.

Donny has now begun the long rehabilitation process at Newington Children's Hospital, an acute rehabilitation center for children of all ages in Connecticut. Newington, which provides all types of therapy, including pet therapy, has already invited Rusty to visit.

Anniversary of Mozart's Death: What He Gave World

MUSIC

by David Shavin

Thursday, Dec. 5, 1991, is the 200th anniversary of the premature death of Wolfgang Amadeus Mozart. He died during the night, having completed almost all of his sacred work, the "Requiem." He had not yet completed his 35th year.

Concerts and memorials throughout [illegible] will have honored [illegible] his bicentennial year. One might ask why, to what

EPA Policy: Save Wetlands, Kill People

EPA Policy: Save Wetlands, Kill People

PHYSICAL ECONOMY

[illegible] and the Environmental Protection [illegible] struggle with testimony pertaining to [illegible] and managing wetlands. I might be well for them to review an old legend of the Cayuga Indians. This tribe had once dwelt on the shores of the Cayuga Marshes in [illegible] but had been forced to migrate to a new location when malaria decimated their numbers. The Indians' explanation for the sickness is highly instructive.

[illegible] saw the legend a pair of monstrous winged mosquitoes settled in the reeds' marshes, releasing a wave of terror against the Cayugas. The Cayuga warriors decided on war, and a cruel and bloody battle ensued against the terrible creatures. The Cayuga warriors finally succeeded in slaying the monsters and went back to their village to hold a victory feast. But they neglected to bury one of their tribe, [illegible] which required that any [illegible] be honorably buried.

[illegible] The two monsters decomposed, [illegible] Thousands and [illegible] all of them perished. The Cayuga warriors and the [illegible] were stricken by the disease.

[illegible] Water & Mosquitoes

[illegible] against the [illegible] stagnant water, a [illegible] and unsanitary [illegible] And [illegible] conditions which the [illegible] and the EPA [illegible] U.S. wetlands and [illegible] conditions of 600. And [illegible] Bush [illegible] that there [illegible] wetlands. Federal [illegible] in 1989 which greatly [illegible] characterized as wetlands [illegible] Government [illegible] others that would [illegible] into new wetlands [illegible] wetlands regulations [illegible] and [illegible]

Fear and Taxes

[illegible] the unconstitutionality of the wetlands [illegible] President Bush [illegible] August of this year, to [illegible] regulations that would [illegible] wetlands and decrease [illegible] Congress even more money [illegible] federal government for buying wetlands and [illegible] is an undeveloped gas [illegible] Publication of the new regulations [illegible] by the EPA until Dec. 14, after [illegible] the new wetlands regulations will be ratified.

[illegible] there has been no [illegible] the Bush wretched policy out-[illegible]

[illegible] to provide a more healthful environment. Although the environmentalists are always screaming about health, what they really mean is, let Mother Nature do what she will, even if it kills you.

And it often will kill you, according to testimony by Dr. William E. Hazeltine to Congress on Oct. 31. Dr. Hazeltine, who is an entomologist and head of the Butte County, Calif. Mosquito Abatement District, warned that the current Bush administration policy of preserving wetlands carries the risk of triggering epidemics of viral encephalitis, malaria, and other diseases among men and animals. "We respectfully submit," said Dr. Hazeltine, "that production of mosquitoes and the attendant risks of disease transmission have been largely overlooked in the present effort to save or remake wetlands."

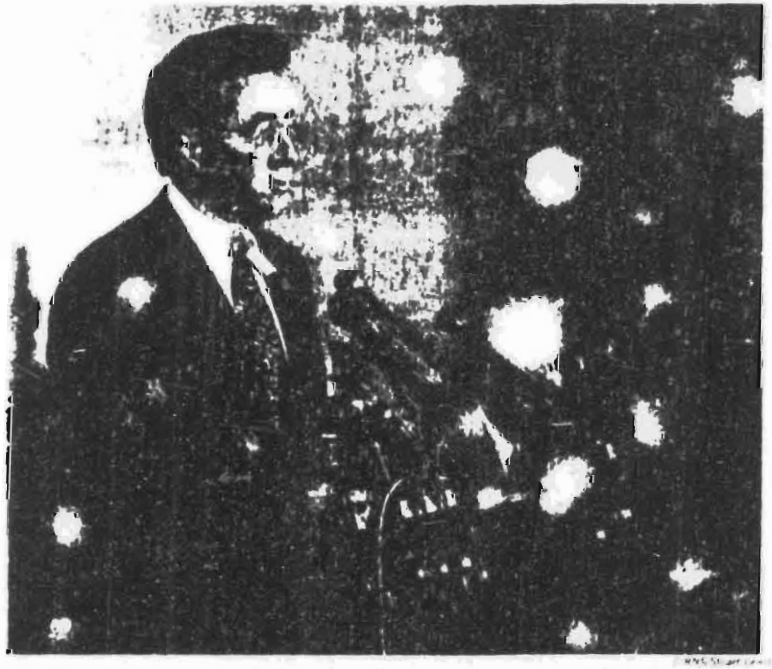
Dr. Hazeltine pointed out "the competing interests of wetlands preservation and public health, as demonstrated by the recent outbreaks of encephalitis. The tension between preservation and public health is unfortunately exacerbated by EPA's pesticide relabeling program, which prohibits the application of many safe and effective mosquito control products to wetlands and adjacent property." The most important weapon against mosquitoes, DDT, was banned years ago in one of the most infamous environmentalist hoaxes ever run on the American population.

The Story of Walter Reed

The limiting of pesticides, combined with the depression-induced collapse of sanitary systems, is setting up the conditions for a massive outbreak of mosquito-borne and water-borne diseases. Time was when the techniques used to prevent these diseases were as simple as ABC to most Americans. Members of Congress who are confused on the subject need only look as far as Bethesda, Md., where stands the army hospital named after Walter Reed.

In 1899, Walter Reed was sent to Cuba to deal with a serious outbreak of yellow fever. That fever had ravaged the United States since colonial times, and had wiped out one-tenth of the population of Philadelphia in 1793. Reed discovered that the disease was spread by the *Stegomyia fasciata* mosquito, and that the mosquito thrived in unsanitary conditions. According to the Encyclopedia Britannica, "Possessed of this knowledge, American sanitary engineers eradicated the yellow fever from Cuba, and it has since been largely eliminated from civilized portions of the world."

The key word is "civilized." As long as fresh water management and modern sewage treatment systems are well maintained, and the human population is not weakened by malnutrition, diseases such as yellow fever, malaria, cholera, and typhoid fever cannot gain a significant foothold. But you do not have to live in the tropics to catch a tropical disease. Malaria in upper New York State and yellow fever in Philadelphia are possible when public sanitation breaks down. Unlike the Cayuga Indians, modern Americans cannot all move to a "better location." And that, after all, is the point of the "save the wetlands" policy: only a small proportion of our present population could survive in the conditions that prevailed in 1600. And the environmentalists and the Establishment know it.



Dean Kleckner, president of the American Farm Bureau Federation, gives a press conference Nov. 12 [illegible] federal protection of wetlands [illegible]

Mozart was not the first composer to die young, nor the only to die under suspicious circumstances, nor the only composer worth listening to. His music that touches our hearts so directly needs no special occasion to warrant our attention.

There is no joy in Mozart's premature death. However, the commemoration of the event should properly seize the reflections of any thoughtful American. The issues buried beneath his murder go right to the heart of the attempt to isolate and mortally wound the young American republic.

Mozart was not an aristocrat by birth. His genius is the genius of which any self respecting citizen was capable. The wealth of his invention, and of his creativity, and the passion of his commitment for real beauty, for the truthfulness of the heart, were the key ingredients for the success of republics.

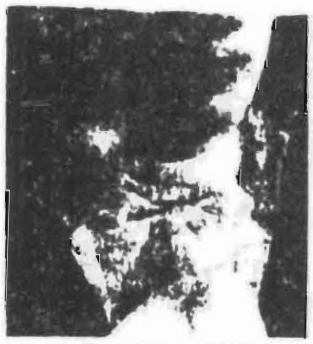
What He Did

In particular, in the decade following the American Revolution, Mozart intervened time and time again, on the highest level, to provide the general population and the aristocrats who would listen, the emotional and intellectual strength to win the necessary battles. If his friend, the well-intentioned Emperor Joseph, found himself tied in knots in his efforts to free the serfs, build a healthy middle class, and outflank some reactionary nobles, Mozart would properly ridicule the knots as problems, showing Joseph the pathway for a solution on a higher level. This was the case from his first opera in Vienna, "The Abduction from the Seraglio," to his last, "The Magic Flute."

Mozart worked intimately with a group of republicans led by Baron Gottfried von Swieten, Joseph Sonnenfels, and Ignaz von Born. They knew that the feudal practices of the oligarchy would doom their country, as surely as the cultish [illegible] one coming from the British-controlled Scottish Rite Masons, and the libertarian nonsense of the French Encyclopedists.

During the fall of 1790, the future of the republican movement, given such a powerful kick forward by the success of the American colonies, was coming to a head. For republics to work, something almost unimaginable had to transpire. Human beings, who had been largely enslaved to the boring, repetitive labor of serfs, had to find within themselves the spark of divinity that made them truly human, and to channel this power into a strong, productive middle class of citizens. The question of how to transmit the power to acquire new knowledge, and to transform the world around them, was the issue addressed in Mozart's last and most successful opera, "The Magic Flute."

That fall, the carpenters, laborers, merchants flocked to see the opera. It



Wolfgang Amadeus Mozart

was so powerful, and so successful, that, after Mozart was dead, the state police were not able to close down the performances. Instead, they resorted to circulating their own leaflets on the opera, giving their own particular "spin" to its political implications.

The Real Story

The credulous today are provided with the convoluting nonsense that Mozart was an unpolitical, unthinking prodigy, whose murder might be the subject of a soap opera—the jealousy of a rival composer. They are not told that Mozart was the full collection of political, economic, and cultural writings of his friend, the republican leader Sonnenfels. Nor that Mozart confided to his wife Constanze that he suspected he was being poisoned. Nor that, a few hours after he died, a government messenger arrived at the door of Mozart's friend and political associate, Baron von Swieten, delivering notice that Swieten had been forced out of the government.

Nor that Swieten's appointee to oversee the education of the Crown Prince had been dumped from his position a few weeks earlier, the victim of a secret police report accusing him of republican sympathies. Nor are they told that this same Crown Prince would take over the government a few months later, when the Emperor [illegible] died under highly suspicious circumstances.

It seems the Emperors had made the mistake of letting the head of the secret police send an intercept to undo the [illegible] treasonous activities carried out against Mozart's friends. The Crown Prince could become the Emperor Franz, who in his first year would imprison in a dungeon George Washington's ally Lafayette. For anyone to purport to assess Mozart's death, and not to inquire into the anti-American, oligarchical coup that took place in Vienna that winter, [illegible] an act of intentional blindness.

Mozart's voice speaks today as clearly, powerfully, and truthfully as [illegible] ears can. That is possible [illegible] particularly [illegible] who think [illegible] to [illegible] the truth.

At GATT, U.S. Presses for Cuts in World Food Supply; Famine Threatens

by [illegible]

Dec. [illegible] (NSNS)—Ignoring the reality of growing world food shortages, European Community bureaucrats and their U.S. counterparts continue to negotiate agreements which would slash the world's food supply by bankrupting more and more of the world's farmers, under the current round of United Nations-sponsored GATT (General Agreement on Tariffs and Trade) negotiations [illegible].

GATT [illegible] General Arthur Dunkel is trying to achieve a breakthrough on the agriculture portion of the talks before the end of the year. Intensive negotiations are to begin Dec. 3-20 in Geneva between high-level trade officials of the U.S. and the European Community (EC). There continues to be strong resistance from especially the government of France, where farmers mounted a 200,000-strong demonstration in Paris Oct. 30, protesting the proposed GATT measures.

The reality of world depression, plus European farmers' bitter resistance to further agricultural price cutting, is keeping the talks (which have been in process for five years) on a razor's edge. President Bush and British Prime Minister John Major are insisting on an agreement, but EC officials, under pressure from the commodity cartels and short-sighted industrialists to conclude an agreement for deep cuts in agriculture costs, have been holding out for maximum concessions from a politically weakened Bush administration. Most recently, the defeat of Bush's chosen candidate Richard Thornburgh in the Pennsylvania Senate race Nov. 5 has cast doubt on Bush's ability to get an agreement through the U.S. Congress.

Indeed, anti-free-trade sentiment is growing in the U.S. Senate. Senator Don Riegle (D-Mich.) has introduced SR 109 to suspend the President's ability to negotiate a GATT agreement on the "fast track"—which authority he acquired during a vote last spring. The resolution would also allow Senate amendments to maintain environmental, food safety, and labor standards as well as Senate intervention into other areas of any agreement. The Riegle resolution reflects growing opposition to giving Bush a carte blanche to negotiate a treaty which would make the U.S. more dependent on imported food and would eliminate more American farmers, in the middle of a deepening depression.

[illegible] for President on economic issues—[illegible]

NSNS/[illegible]

Already, at a GATT meeting in Montreal in 1988, protesters were carrying Food for Peace signs, and asserting that GATT = Genocide.

Resistance to U.S. Demands

The sticking point in the Uruguay Round of the GATT trade negotiations has been the refusal thus far of Japan and the European governments to agree to U.S. demands to cut world food production by slashing farm prices and agreeing to open their borders to more cheaply produced food from abroad. The GATT process and the U.S. demands, once completed, would bankrupt the independent farmer and thereby consolidate the grip of the so-called trading companies—Cargill, ConAgra, Continental, Bunge, etc.—over every aspect of food production.

Negotiations deadlocked last December, after European farmers mobilized a huge outcry against them, but an all-out effort by the Bush administration succeeded in reviving the talks this fall. Even so, the reality of world food shortage is becoming shockingly apparent, making more obviously ludicrous the demands at GATT to cut agricultural surpluses. World food reserves are at their lowest level since the 1960s, and grain production continues to fall. This year's harvest was 5% lower than last.

Since 1985, world food production has not kept pace with consumption. The U.S. Department of Agriculture has warned that "It will become increasingly difficult to sustain present levels of food consumption." Current production levels of 1.695 billion metric tons of grain, necessary to nourish humans directly and through livestock consumption, are staggeringly short of real needs—at least 3 billion metric tons produced annually to nourish the world's population adequately. Famine conditions already exist in the Horn of Africa, and other areas of the world are experiencing severe shortages and malnutrition.

Tens of thousands of farmers are expected to demonstrate at the European Community summit, which starts Dec. [illegible] in Maastricht. They will be protesting the "reform" of the EC's Common Agriculture Policy, which the EC has also put up for negotiation, under pressure from the food cartels to eliminate the income and border protections which have maintained Europe's highly productive agriculture. European farmers are being told to adopt the U.S. approach to production: substantial income cuts, subsidies from the government, and the removal of land from cultivation to eliminate supposed "surpluses."

Demonstrations against agricultural "free trade" have reached unprecedented levels in Europe, Canada, Australia, Japan, and Korea. Since the Oct. 30 demonstration of 200,000 farmers in France, news coverage of further protests has been blacked out. Nonetheless, farmers are continuing to mobilize. There are reports that they have established checkpoints to monitor vans coming across borders with more cheaply produced products from other parts of Europe, and are thereby proving that many of the imports are illegal.

On Nov. 23, 400,000 farmers demonstrated in Rome against free trade. Driving tractors and marching through the streets, they called for the dismissal of the Italian Minister of Agriculture. A day later, 18,000 farmers, students, and their allies rallied in Seoul, South Korea against U.S. pressure to open the country to imported rice. The rally was sponsored by the National Federation of Farmers Associations and adopted a resolution calling on the Seoul government to fight rice imports, and to buy up all rice at prices 10-15% higher than last year's levels. If the demands are not met, they threatened to leave the ruling Democratic Liberal Party in next year's elections.

In Germany, a large demonstration of farmers is expected Dec. 16 at one of the sites commemorating the 1848 revolution. Farmers have been bringing their cows [illegible] the glitzy shopping areas of Cologne to demonstrate. Another tactic they have adopted to dramatize the impending destruction of agriculture is to light open fires on the hills, an ancient Northern European tradition which means "Warning: danger ahead."

Will Cuomo Candidacy Crash Along with New York Budget?

by [illegible]

[illegible]

[illegible] little way—as George Bush does.

Cuomo has particularly targeted reductions in state subsidies to localities and life-and-death social services for the remaining quarter (January-March) of the present fiscal year. His targets include:

- Slashing state aids to schools by 5%, on top of a 7%-plus cut already made this year—that is, a $915 million cut in what had been a $9 billion state school aid budget.
- Cutting New York State and City university aid by $57 million, and men-

Bush Starves Haitians to Death With His Blockade

by Carlos Wesley

Dec. 2 (NSNS)—One hundred and thirty-five Haitians drowned on Nov. [illegible] just can't handle that," said Bush in a televised interview. He insisted that the exclusionary policy against Hai[illegible] Jackson, one of the first to come out in support of Bush's genocidal war against Iraq, is now demanding that

Wall Street mentors however hoped that these drastic measures would preclude having to make further deep cuts and tax hikes in the 1992 election year—always something ambitious politicians like to avoid—and they hoped that the usual budget wrangling would be [illegible].

The [illegible] depression has dashed those hopes. Two months ago Cuomo reported that the recession induced [illegible] of revenue shortfalls and [illegible] service expenditures had [illegible] million deficit in this year's budget, plus a projected $[illegible] billion deficit in the 1992-93 budget. [illegible] Cuomo's [illegible] next year's [illegible] [illegible] billion.

[illegible] sources [illegible] further [illegible] For this fiscal year which [illegible] 1992 the new deficit [illegible] million, while next year's deficit is now pegged at $4 billion. And there is little doubt that these [illegible] to keep rising, and [illegible] over the coming months.

[illegible]

[illegible] two-year budget [illegible] agreeing to [illegible] the New York State legislature on [illegible] to [illegible] over the [illegible] to be [illegible] for [illegible] the [illegible]

[illegible] of the [illegible] and [illegible] of the

[illegible] health grants by $43 million

• Chopping $214 million from Medicaid and other social service programs

• Extorting more "savings" by gutting Medicaid even more than has already been done. Cuomo wants to require Medicaid patients—most of whom are broke—to pay for a portion of their treatment. This means that many hospitals and doctors will refuse to treat them when they can't pay. He also wants to limit the number of hours in which these people can seek treatment, eliminate dental service for adults on Medicaid, and delay increases in reimbursement rates for nursing homes and hospitals.

• Eliminating 1,500 jobs by April, including 500 layoffs, in addition to terminating another 6,000 jobs over the coming fiscal year.

Return of the Democratic Dud?

Yet even these cuts can't close the budget gap. So Cuomo proposes to do even more of what nearly drove New York City into bankruptcy in the 1970s: Borrow money against next year's revenues, only to make deeper cuts in the next round.

To top all this off, the looming deficit is shaking not just the state, but the national municipal bond market. Not only is the state's credit rating very shaky, but several debt issues, ranging from those of such "rock solid" entities as the New Jersey Turnpike Authority to battered governments like New York City, had to be postponed, and marketed later, at higher interest rates, before anyone would touch them.

Although Cuomo is trying to pin everything on Bush's failure to deal with the depression, the Governor's own popularity in New York State is now plunging in parallel with Bush's. It's only a matter of time before Cuomo starts to look like a mixture of two earlier Democratic duds: Michael Dukakis and Jimmy Carter.

[illegible] certain deaths in Haiti under the U.S.-led worldwide economic blockade against that country. The victims were among thousands of Haitians fleeing the embargo decreed by President Bush on Oct. 30, supposedly to force the reinstatement of the Pol Pot-like dictator Jean-Bertrand Aristide.

The blockade, nominally adopted through the Organization of American States (OAS), has more than fulfilled the threats of U.S. Assistant Secretary of State Bernard Aronson to "devastate" Haiti. Already the poorest nation in the Western Hemisphere, Haiti is now virtually without electricity, water, medicine, fuel, phones, and food. Some 65,000 Haitians have been forced out of jobs in a country where, even before the embargo, most of the 6 million people earned less than $50 a year.

David Duke Immigration Policy

As the decomposing bodies of the men, women, and children from the capsized boat were washing ashore on Cuba's eastern coast, Bush ordered the forced repatriation of thousands of Haitian boat people intercepted by the U.S. Coast Guard under a policy developed by National Security Council aide Brent Scowcroft, a partner of Kissinger Associates, Inc., and one of the authors of the U.S. official government policy to depopulate the Third World, known as NSM-200.

Bush claims the Haitians are not entitled to asylum because they are economic, not political refugees. "I am saying I don't want to have a policy that acts as a magnet to risk people's lives," he said. "If you have the whole country running out for economic reasons, and the economy of Haiti is a disaster, we [illegible] some race or double standard."

But no one was buying that. While people fleeing Cuba are invariably given red carpet treatment, including financial assistance to resettle and U.S. permanent resident status within a year, most Haitians are denied entry into the United States.

"You can always say it's economic," said Rep. Major Owens (D-NY) on Nov. 20. "The Hungarian revolution, at the basis of it, was economic. If Hungary had succeeded as an economic system, there would have been no Hungarian revolution. . . . Why are we pursuing what I would call a David Duke immigration policy? There is no difference that can be pinpointed except the fact that these people are black."

Guantanamo Concentration Camp

Senator Connie Mack (R-Fla), who has been a staunch supporter of the administration, also condemned the policy of forced repatriations. A federal court in Miami temporarily halted the deportations and scheduled a full hearing for today, but not before the U.S. Coast Guard dumped 538 people back in Haiti without so much as a box lunch. Unchastened by the outcry, the administration has set up a barbed-wired concentration camp for the Haitians at the U.S. base in Guantanamo, Cuba, rather than allowing them entry into the United States. The camp is so large that astronauts orbiting aboard the Space Shuttle Atlantis were able to spot it.

Meantime, the Nov. 26 Washington Post claimed a so-called foreign peacekeeping force is needed "to restore democracy." The Rev. Jesse [illegible] military "is a less formidable foe" than the [illegible] army, said Jackson in Brooklyn on Nov. 24. "It will take less effort to get it out." A Haitian activist said Jackson is just "fronting for Bush."

Early Military Intervention?

President Carlos Menem of Argentina, and Venezuela's President, Carlos Andres Perez, a member of the Socialist International, have also been pushing for an invasion, most recently at the Latin American summit that opened today in Cartagena, Colombia. An invasion, if it happens, will likely take place before the election called to pick a replacement for Aristide, which has been called by Haiti's elected Congress for Jan. 5.

OAS Secretary General Joao Baena Soares, who was at the Cartagena meeting, said the OAS will not recognize the election results, nor will it lift the embargo, which he cynically blamed on Haiti's military. "There is an orchestrated attempt to put the blame on the member countries of the OAS because of the embargo," said Baena, according to the Washington Post on Nov. 27. "People forget that the action of the OAS was due to the coup d'etat" against Aristide.

Baena sent an OAS mission to Haiti yesterday, to investigate "human rights" violations by the military. Haitian Prime Minister Jean-Jacques Honorat said that OAS claims that 1,500 were killed in the coup are an exaggeration. At most, 150 to 200 people died, he said, and [illegible] denied there are any ongoing human rights violations.

Attempts to resolve the crisis through negotiations last week between Aristide and Haitian legislators in Cartagena, failed when "the elegantly dressed" Aristide refused to call for ending the embargo. Haitians should starve "so democracy can return home as soon as possible, so that we can hold hands with the United States government to develop our country," said Aristide, a suspended priest of the theology of liberation camp, whose claims to be on the side of the poor have not stopped him from living in a luxury hotel in Caracas since leaving Haiti—that is, except when he's jet-setting around Europe, the U.S., and elsewhere.

[illegible]
Jean Bertrand Aristide

Chicago Teachers' Strike Averted; Crisis Continues

by Tom Szymecko

CHICAGO, Nov. 18 (EIRNS)—A desperate depression-driven strike by Chicago's 26,000 teachers which could have stopped the education of 400,000 students in this city for weeks or months, was narrowly averted today. But the economic crisis which prompted the planned strike has not been settled, and no one knows how deeply the huge budget cuts imposed will affect each student's education and ability to obtain productive employment in the future. Nor is there any plan to create a reliable revenue base to finance education in this major metropolitan center in the future.

The strike was settled when teachers signed a tentative contract with the Chicago Board of Education after an all-night marathon bargaining session. Present were the three institutions which have been battling each other for years over bankrupt school, city, and state budgets: the Chicago Board of Education, the Chicago Teachers Union, and the Chicago School Finance Authority. Also present, as "referee," was Mayor Richard Daley.

The fight over financing Chicago's school system, while attempting to maintain a living wage for teachers, began about a month and a half ago. First, the Board of Education announced a plan to drop a program that would have hired 300-400 new music and art teachers this year, citing lack of funds. Next, the Board announced the names of over 20 schools that would be closed this year.

Parents were in an uproar. At public hearings, parents and teachers from the targeted schools demanded that they remain open. Schools Superintendent Ted Kimbrough was almost ousted in the process, with calls to cut his salary and to cut mainly from administration assets and personnel.

Even with the heavy protests, 13 schools were closed. Then the Board canceled pay raises for teachers until 1993, citing a $368 million budget shortfall over the next two years. It also retracted $70 million due teachers this year under last year's contract.

Debt Repayment More Important?

A request to the Chicago School Finance Authority for the $35 million to finance the proposed 7% teacher pay raise met with a flat refusal. The authority, created in 1980 after years of deficit spending drove the school system into bankruptcy, said none of the $150 million held in reserve would be released, as that would jeopardize the Board's ability to pay its debts. Members of the authority are "financial experts," not related to the school system.

With the rejection by the Finance Authority, the mayor, teachers union, and school reform activists turned again to the Board of Education to cut deeper into its administrative budget to come up with last-minute funds to avert a strike. To no avail.

So pressure was applied by Mayor Daley and Gov. Jim Edgar to the state legislature. A bill was introduced Nov. 8 to compel the Finance Authority to release the $35 million—but at the same time giving additional power to the Authority to control and cut the Board's budget for the next 12 years.

Superintendent Kimbrough, School Board President Clinton Bristow, Jr., and Teachers Union head Jacqueline Vaughn all opposed the measure because of the increased power it would give to the Finance Authority. The bill went down to defeat.

Yesterday, the teachers and the board settled for a 3% teacher pay raise in February, retroactive to December, and a non-negotiable 7% pay raise next year. Union representatives gave Jacqueline Vaughn a standing ovation when she entered the ratification meeting at the Bismarck Hotel. But the union reps were grim after voting. They said they had nothing to gain from a strike. Vaughn said later: "It is not a victory, it is the best we could get." The whole union will vote on the contract some time in December.

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

John Overington
220 Hoffman Road
Martinsburg, West Virginia 25401

RE: MUR 3473

Dear Mr. Overington:

This letter acknowledges receipt on February 5, 1992, of your complaint alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"), by Lyndon LaRouche. The respondents will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosure
Procedures

2401356221C

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

John Ascher
3726 Benson Avenue
Baltimore, Maryland 21227

RE: MUR 3473

Dear Mr. Ascher:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2040135622 1

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

P 4043562202

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

Lyndon LaRouche
Federal Detention Center
Rochester, Minnesota

RE: MUR 3473

Dear Mr. LaRouche:

The Federal Election Commission received a complaint which alleges that you may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2040356222003

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

24043562214

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

Kathy A. Magraw, Treasusrer
Democrats for Economic
Recovery-LaRouche in 92
P.O. Box 690, Downtown Station
Leesburg, Virginia 22075

RE: MUR 3473

Dear Ms. Magraw:

The Federal Election Commission received a complaint which alleges that Democrats for Economic Recovery-LaRouche in 92 ("Committee") and you, as treasurer, may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9404356222005

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

2405622

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

Hamilton Systems Distributors, Inc.
86 Hancock Street
Braintree, Massachusetts 02184

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that Hamilton Systems Distributors, Inc. ("The Corporation") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Corporation in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2405622117

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
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24043562218

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

The Schiller Institute
333 1/2 Pennsylvania Avenue, S.E.
Washington, D.C. 20005

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that The Schiller Institute ("The Organization") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Organization in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2404356222

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9404562290

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

The New Federalist
P.O. Box 889
Leesburg, Virginia

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that The New Federalist ("The Newspaper") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Newspaper in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

9404056229 1

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
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9401356222

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

Executive Intelligence Review
P.O. Box 17390
Washington, D.C. 20041-0390

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that the Executive Intelligence Review ("The Magazine") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Magazine in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2044356220 3

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

9403562224

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

Eastern States Distributors, Inc.
P.O. Box 268
Drexel Hill, Pennsylvania

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that Eastern States Distributors, Inc. ("The Corporation") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Corporation in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2040356225

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
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2. Procedures
3. Designation of Counsel Statement

2404856222 6

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

Southeast Literature Sales, Inc.
3916 Vero Road
Baltimore, Md. 21227

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that Southeast Literature Sales, Inc. ("The Corporation") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Corporation in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2404355622977

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

24043562298

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

Southwest Literature Distributors, Inc.
6630 Harwin Avenue
Houston, Texas 77036

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that Southwest Literature Distributors, Inc. ("The Corporation") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Corporation in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2043562209

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

24043562300

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

Midwest Circulation Corp.
4851 North Western Avenue
Chicago, Illinois 60625

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that Midwest Circulation Corporation ("The Corporation") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Corporation in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2040356210

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

24043562302

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

American Systems Publication, Inc.
11751 15th Street, N.E.
Seattle, Washington 98125

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that American Systems Publication, Inc. ("The Corporation") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Corporation in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2043562303

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief descr ption of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

24043562304

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

February 14, 1992

American Century Distributors, Inc.
4110 Brownsville Road
Pittsburgh, Pennsylvania 15227

RE: MUR 3473

Dear Gentlemen:

The Federal Election Commission received a complaint which alleges that American Century Distributors, Inc. ("The Corporation") may have violated the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 3473. Please refer to this number in all future correspondence.

Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against The Corporation in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the General Counsel's Office, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

2043562305

If you have any questions, please contact Richard Zanfardino, the staff member assigned to this matter, at (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,

Jonathan Bernstein
Assistant General Counsel

Enclosures
1. Complaint
2. Procedures
3. Designation of Counsel Statement

24043562306

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM

Mar 10 11 11 AM '92

AMERICAN SYSTEM PUBLICATIONS
P.O. Box 65738
Los Angeles, CA. 90065

MARCH 5, 1992

Jonathan Bernstein
Assistant General Counsel
FEDERAL ELECTION COMMISSION
Washington, D.C. 20463

VIA CERTIFIED MAIL
#P-350-131-290

re: MUR 3473

Dear Sir:

This letter is in response to your correspondence concerning MUR 3473, which was received by our Seattle office on February 22, 1992. MUR 3473 appears to be based solely on a letter from John Overington and some copies of New Federalist newspaper and Executive Intelligence Review.

American System Publications does distribute and sell the New Federalist and Executive Intelligence Review. American System Publications has not made any contributions to, or expenditures on behalf of, any candidate for federal office. Mr. Overington's letter presents no evidence to the contrary, because there is none.

American System Publications does provide services to Lyndon LaRouche's presidential campaign, on a fee basis, as per contract. It is our understanding that the LaRouche campaign committee, Democrats for Economic Recovery--LaRouche in 92, reports these payments to the Federal Election Commission.

Since Mr. Overington presents no evidence to substantiate his allegations, this MUR should be immediately closed.

Very truly yours,

Dorothy Andromidas

Dorothy Andromidas, President,
AMERICAN SYSTEM PUBLICATIONS

92 MAR 10 PM 3:51

24045562307

Schiller Institute, Inc.

P.O. Box 66082, Washington, D.C. 20035-6082

RECEIVED
FEDERAL ELECTION COMMISSION
92 MAR -9 PM 1:42

March 4, 1992

Jonathan Bernstein
Assistant General Counsel
Federal Election Commission
999 E St., NW
Washington, DC 20463

92 MAR 10 PM 3:53

Dear Mr. Bernstein:

This is in response to your letter of February 14, 1992, informing the Schiller Institute of the complaint from Mr. John Overington (MUR 3473). There is little to say in reply, other than that the Schiller Institute does not engage in any electoral activity, solicitation of contributions for any candidates to any elective office, or expenditures on behalf of any candidates for elective office, has not done so in the past, and will not do so in the future.

Since Mr. Overington introduces no facts to suggest otherwise, it is curious that his complaint has been taken seriously.

It is therefore requested that no action be taken in this matter.

Sincerely yours,

Dana S. Scanlon

Dana Scanlon
Secretary

2 0 4 3 5 6 2 3 0 8

Eastern States Distributors, Inc.
P.O. BOX 268
DREXEL HILL, PA 19026
215-734-7070

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
92 MAR -9 PM 1:41

March 3, 1992

Mr. Jonathan Bernstein
Assistant General Counsel
Federal Election Commission
Washington, D.C. 20463

92 MAR 10 PM 3:53
FEDERAL ELECTION COMMISSION

RE: MUR 3473

Dear Mr. Bernstein,

This is in response to your letter concerning MUR 3473, received February 18, 1992. This complaint is based solely on a letter from John. Overington and some accompanying copies of New Federalist newspaper and Executive Intelligence Review.

Eastern States Distributors does distribute and sell New Federalist and Executive Intelligence Review. Eastern States Distributors has not made any contributions to or expenditures on behalf of any candidate for Federal office. In his letter, Mr. Overington presents no evidence to the contrary, because there is none.

Eastern States Distributors does provide services to Lyndon LaRouche's presidential campaign on a fee basis. It is our understanding that the campaign committee reports these payments to the FEC.

Since Mr. Overington presents no evidence to substantiate his allegations, this MUR should be immediately closed.

Yours truly,

Starr Valenti

Starr Valenti
President

SOUTHWEST LITERATURE DISTRIBUTORS INC.
6630 HARWIN SUITE 225, HOUSTON, TEXAS 77036
(713) 789-6900

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

92 MAR -9 PM 1:41

March 4, 1992

Jonathan Bernstein
Assistant General Counsel
Federal Election Commission
Washington, D.C. 20463

92 MAR 10 PM 3:52

Dear Mr. Bernstein:

This is in response to your letter concerning MUR 3473 which was received on Febuary 27, 1992. This complaint is based solely on a letter from John Overington and some copies of New Federalist newspaper and Executive Intelligence Review magazine.

Southwest Literature Distributors, Inc. (SWLDI) does distribute and sell the New Federalist and the Executive Intelligence Review. SWLDI has not made any contributions to or expenditures on behalf of any candidate for Federal office. In his letter Mr. Overington presents no evidence to the contrary because there is no such evidence.

SWLDI does provide services to Lyndon LaRouche's presidential campaign on a fee basis. It is our understanding that the campaign committee reports these payments to the FEC.

As Mr. Overington presents no evidence to substantiate his allegations, this MUR 3473 should be immediately closed.

Sincerely,

Daniel R. Leach

Daniel R. Leach
Secretary - Treasurer

24043562310

American Century Distributors, Inc.
4110 Brownsville Rd Ste 250
Pittsburgh, PA 15227
(412)885-7270

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

92 MAR -9 PM 12:05

March 6, 1992

Federal Election Commission
Washington, D.C. 20463

92 MAR 10 PM 3:52

RE: MUR 3473

Dear Gentlemen,

This is in response to your letter concerning MUR 3473 which was received on February 21. This complaint is based solely on a letter from John Overington and some copies of New Federalist and Executive Intelligence Review.

American Century Distributors, Inc. does distribute and sell the Executive Intelligence Review and New Federalist. American Century Distributors, Inc. has not made any contributions to or expenditures on behalf of any candidate for Federal office. In his letter Mr. Overington presents no evidence to the contrary because there is none.

American Century Distributors, Inc. does provide services to Lyndon Larouche's presidential campaign on a fee basis. It is our understanding that the campaign committee reports this payments to the FEC.

Since Mr. Overington presents no evidence to substantiate his allegations, this MUR should be immediately closed.

Sincerely,

Robin G Behm

Robin G. Behm
President
American Century Distributors, Inc.

2435621 1

EIR
Executive Intelligence Review

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
Mar 10 11 12 AM '92

March 3, 1992

92 MAR 10 PM 3:51

Jonathan Bernstein, Assistant General Counsel
Federal Election Commission
999 E Street NW
Washington, D.C. 20463

Dear Mr. Bernstein:

Regarding MUR 3473, be advised that articles, editorials, and other content of Executive Intelligence Review ("EIR") fall outside the purview of the Federal Election Commission, as constitutionally protected free speech specifically exempted from the political contribution definitions of the Federal Election Campaign Act. EIR is a periodical news magazine, in continuous existence since 1974, that is not "owned or controlled by any political party, political committee, or candidate," 11 CFR Sect. 100.7(b)(2). There is thus no basis whatsoever for this investigation.

Other than a photocopy of an issue of the magazine, Mr. Overington provides neither documents nor facts to back up his speculative claims. EIR denies each and every such speculation contained in the complaint.

Please therefore close this investigation immediately, so as not to consume any more of our or the government's scant resources on a complaint so devoid of facts and absurd on its face.

Yours truly,

Linda deHoyos

Linda deHoyos, President

2404356231 2

P.O. Box 17390 Washington, D.C. 20041-0390

Hamilton System Distributors Inc.

P.O. Box 42, Ridgefield Park, N.J. 07660

March 4, 1992

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
MAR 10 10 54 AM '92

Jonathan Bernstein
Assistant General Counsel
Federal Elections Commission
Washington, D. C. 20463

Dear Mr. Bernstein,

On February 21, 1992, the branch office of Hamilton System Distributors, Inc. (HSDI) in Braintree, Mass. received your letter concerning MUR 3473. HSDI wishes to make the following reply.

First, this complaint is based solely on a letter from John Overington and some copies of New Federalist newspaper and Executive Intellegence Review magazine. HSDI does distribute and sell the Executive Intellegence Review and the New Federalist. HSDI has not made any contributions to, or expenditures on behalf of, any candidate for Federal office. In his letter, Mr. Overington presents no evidence to the contrary because there is none.

Secondly, HSDI does provide services to Lyndon LaRouche's presidential campaign on a fee basis. It is our understanding that the campaign committee reports these payments to the FEC.

Since Mr. Overington presents no evidence to substantiate his allegations, this MUR should be immediately closed.

92 MAR 10 PM 3:51

Sincerely,

Charles E. Hughes

Charles E. Hughes
President, HSDI

Arthur G. Murphy
Secretary/Treasurer, HSDI

2043562313

MUR 3473

Midwest Circulation Corporation
P.O. BOX 25074
CHICAGO, ILLINOIS. 60625
PHONE:(312)907-4000

RECEIVED
FEDERAL ELECTION
COMMISSION
MAIL ROOM
Mar 11 10 34 AM '92

March 05, 1992

Jonathan Bernstein
Assistant General Counsel
Federal Elections Commission
Washington, D.C. 20463

92 MAR 11 PM 4:16

This is in response to your letter concerning MUR 3473 Which was received on February 18, . This complaint is based solely on a letter from John Overington and some copies of New Federalist and Executive Intelligence Review.

MCC does distribute and sell the Executive Intelligence Review and New Federalist. MCC has not made any contriubtions to or expenditures on behalf of any candidate for Federal Office. In his letter Mr. Overington presents no evidence to the contrary because there are none.

MCC does provide services to Lyndon LaRouche's presidential campaign on a fee basis. It is our understanding that the campaign committee reports these payments to the FEC.

Since Mr. Overington presents no evidence to substantiate his allegations, this MUR should be immediately closed.

Thank You

Peter Bowen

Peter Bowen President

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OGC 0633

RECEIVED
FEDERAL ELECTION COMMISSION
93 DEC 20 PM 12: 15

DEMOCRATS FOR ECONOMIC RECOVERY

LaRouche in '92

P.O. Box 690 Leesburg, VA 22075

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
93 DEC 20 9 33 AM '93

December 3, 1993

Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

Re: MUR 3473
Chairman Thomas's November 24, 1993 letter
(re: Impact of NRA Case)

Dear Mr. Noble:

This is to inform you that in light of the opinion by the Court of Appeals in Federal Election Commission v. NRA Political Victory Fund, et al. (D.C. Cir., October 22, 1993), Democrats for Economic Recovery - LaRouche in 92 considers the above enforcement action to have been conducted by the Commission without authority, and any conclusions reached under this investigation therefore to be void and without legal effect. We therefore understand the case to be closed, unless the Commission informs us otherwise, including in such notice whatever legal argument the Commission deems sufficient to override the opinion of the Court.

From our own experience of a Commission determination, we have been made familiar with the abuses the NRA Court has addressed, where it noted of the ex officio commissioners that "their mere presence as agent of Congress conveys a tacit message to the other commissioners." In the public meeting at which the Commission made its unlawful determination to deny matching funds to Mr. LaRouche, one such congressional agent engaged in a show of rhetoric designed solely to shore up the Commission's untenable position with a public show of Congressional support:

> Mr. Chairman, sitting ex officio I can't vote, but I can speak, and I want to take this opportunity to commend, first the Office of General Counsel for what I consider to be an extremely well reasoned and well thought out recommendation in this matter, and I also wish to take this opportunity to commend the Commission for accepting these recommendations. I think this is an act of tremendous responsibility as well as a great deal of

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courage on the part of both the Office of General Counsel and the Commission, and I think it further demonstrates that the Federal Election Commission is an agency that is responsive to what best serves the interest of the American taxpayer.
Lyndon H. LaRouche and Democrats for Economic Recovery - LaRouche in 92 v. Federal Election Commission, D.C. Cir. No. 92-1100, Joint Appendix at 170.

At this time, it would be difficult, perhaps impossible, for the Commission to demonstrate that its handling of the above MUR has not been similarly influenced by partisan considerations. The originating complaint was received by the Commission on February 5, 1992, nearly two years ago, and to date the Commission has failed either to find reason to believe, or to dismiss the case. (As we noted at the time, the complaint was also processed by the Commission in an untimely fashion, and is hence procedurally barred from further action.)

Therefore under any circumstance, but especially given the frivolous nature of this complaint and the poor credibility of its source, we would find a Commission "re-voting or ratifying" of the matter, absent an opportunity for the Committee to examine and challenge any accumulated evidence, to be a flouting of the NRA Court's opinion.

The complainant, John Overington is a close associate of both the Anti-Defamation League of B'nai B'rith and the Cult Awareness Network. The former, having barely escaped criminal prosecution in San Francisco, faces two multi-million dollar civil lawsuits for harassment of both individuals and civil rights organizations. The latter is on public record for its intimate relationship with the kidnapping, involuntary confinement, and coerced psychological manipulation -- euphemistically termed "deprogramming" -- of alleged "cult victims." Its contract agent Galen Kelley is now serving a seven year sentence for one of these kidnap attempts (included in the evidence at one of his two recent kidnap trials was his financial daybook reflecting the CAN payments).

Mr. Overington's complaint against L92 was never anything more than an attempt to recruit the Commission to his own political agenda, motivated by his own animus and that of the organizations he named. The Commission ought not hitch its own public credibility to the pursuit of agendas established by external political and, perhaps, criminal motives.

Sincerely yours,

Kathy A. Magraw
Treasurer

cc: Richard Mayberry, Esq.
James F. Schoener, Esq.

2043562316

OGC 0128

RECEIVED
FEDERAL ELECTION COMMISSION
94 JAN 13 PM 2:11

DEMOCRATS FOR ECONOMIC RECOVERY

LaRouche in '92

P.O. Box 690 Leesburg, VA 22075

94 JAN 13 12:36 PM '94

January 5, 1994

Lawrence M. Noble
General Counsel
Federal Election Commission
999 E Street NW
Washington, DC 20463

Dear Mr. Noble:

This is a followup to our letter of December 4, 1993, concerning MUR 3473.

Several events have confirmed the analysis put forth in that letter. First, the NRA decision has been extended, by Judge Hogan's Order dismissing the Commission's case against National Republican Senatorial Committee in the U.S. District Court for the District of Columbia, Civil Action No. 93-1612.

Second, the Commission's press conference of December 13, 1993, identified the means by which the Commission planned to clear out its enforcement docket, and included a press release listing 137 MUR's closed for a variety of reasons, from which we note that MUR 3473 was omitted. Though not "stale" by the criterion of occurring before the 1990 elections, the complaint is so lacking in merit, so inconsequential in monetary terms, so irrelevant to the outcome of the election, and otherwise so ripe for dismissal for the reasons adopted by he Commission, that any further pursuit could not be substantially justified. We note in particular, that the Commission has not even found reason to believe, from a complaint received nearly two years ago, on February 5, 1992.

Any further action by the Commission on this MUR other than closing it, will therefore leave this committee no option but to move in the appropriate court for recovery of any attorney fees and costs incurred as a result.

Sincerely yours,

Kathy A. Magraw
Treasurer

cc: Richard Mayberry, Esq.
James F. Schoener, Esq.

24043562317

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

JANUARY 13, 1994

Kathy A. Magraw, Treasurer
Democrats for Economic Recovery-LaRouche in '92
P.O. Box 690
Leesburg, Virginia 22075

RE: MUR 3473
Democrats for Economic Recovery-
LaRouche in '92 and Kathy Magraw,
as treasurer

Dear Ms. Magraw:

This letter is in response to your letter dated December 3, 1993 which was received on December 20, 1993 regarding the complaint filed with the Federal Election Commission in the above-noted matter.

As you know, on October 22, 1993, the D.C. Circuit declared the Commission unconstitutional on separation of powers grounds due to the presence of the Clerk of the House of Representatives and the Secretary of the Senate or their designees as members of the Commission. FEC v. NRA Political Victory Fund, No. 91-5360 (D.C. Cir. Oct. 22, 1993). Since the decision was handed down, the Commission has taken several actions to comply with the court's decision. While the Commission petitions the Supreme Court for a writ of certiorari, the Commission, consistent with that opinion, has remedied any possible constitutional defect identified by the Court of Appeals by reconstituting itself as a six member body without the Clerk of the House and the Secretary of the Senate or their designees. In addition, the Commission has adopted specific procedures for revoting or ratifying decisions pertaining to open enforcement matters. Accordingly, this matter has not been closed as a result of the NRA decision.

If you have any questions, please contact me at (202) 219-3690.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2404356231 8

STATEMENT OF DESIGNATION OF COUNSEL

MUR 3473

NAME OF COUNSEL: Odin P. Anderson, Esq.

ADDRESS: Anderson, Rossi & Davis, P.C.
4 Longfellow Place, Suite 3705
Boston, MA 02114

TELEPHONE: (617) 742-8200 Business
(617) 742-7876 Fax

NAME OF CO-COUNSEL: James F. Schoener, Esq.

ADDRESS: 1712 Glenhouse Drive, #315
Sarasota, FL 34231

TELEPHONE:

The above-named individuals are hereby designated as my primary counsel and co-counsel, and are authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

11/4/94
Date

Signature Treasurer

RESPONDENT'S NAME: Democrats for Economic Recovery - LaRouche in 92

ADDRESS: P.O. Box 690
Leesburg, VA 22075

HOME PHONE:
BUSINESS PHONE: (703) 777-9451

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RECEIVED
FEDERAL ELECTION
COMMISSION
SECRETARIAT

JUN 30 3 59 PM '94

BEFORE THE FEDERAL ELECTION COMMISSION

SENSITIVE

In the Matter of) Enforcement Priority

GENERAL COUNSEL'S QUARTERLY REPORT

I. INTRODUCTION

This report is the second Enforcement Priority System Quarterly Report. The purpose of this Quarterly Report is to recommend that the Commission no longer pursue the identified lower priority and stale cases.

II. CASES RECOMMENDED FOR CLOSING

A. Cases Not Warranting Further Pursuit Relative to Other Cases Pending Before the Commission

A critical component of the Priority System is identifying those pending cases that do not warrant the further expenditure of resources. Each incoming matter is evaluated using Commission approved criteria

By closing such cases the Commission is able to use its limited resources to focus on more important cases.

Having evaluated incoming matters, this Office has identified 16 cases which do not warrant further pursuit relative to the other pending cases.[1] A short

1. These matters are: MUR 3920; MUR 3930; MUR 3934; MUR 3939; MUR 3942; MUR 3943; MUR 3945; MUR 3948; MUR 3953; MUR 3955; MUR 3957; MUR 3964; MUR 3965; MUR 3967; RAD 94L-22; and RAD 94L-25.

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description of each case and the factors leading to assignment of a relatively low priority and consequent recommendation not to pursue each case is attached to this report. See Attachments 1-16. For the Commission's convenience, the narratives for externally-generated matters are immediately followed by the complaint and response(s) and the narratives for internally-generated matters are immediately followed by the referral.

B. Stale Cases

Investigations are severely impeded and require relatively more resources when the activity and evidence are old. Consequently, the Office of General Counsel recommends that the Commission focus its efforts on cases involving more recent activity. Such efforts will also generate more impact on the current electoral process and are a more efficient allocation of our limited resources. To this end, this Office has identified 42 cases that

do not warrant further investment of significant Commission resources.[2] Since the recommendation not to pursue the identified cases is based on staleness, this Office has not prepared separate

2. These matters are: MUR 3132; MUR 3432; MUR 3466; MUR 3470; MUR 3473; MUR 3495; MUR 3558; MUR 3575; MUR 3581; MUR 3594; MUR 3600; MUR 3625; MUR 3647; MUR 3663; MUR 3684; MUR 3698; MUR 3712; MUR 3733; MUR 3744; MUR 3749; MUR 3756; MUR 3759; MUR 3767; MUR 3776; MUR 3779; RAD 92L-26, RAD 93L-25; RAD 93L-26; RAD 93L-29; RAD 93L-31; RAD 93L-33; RAD 93L-35; RAD 93L-36; RAD 93L-38; RAD 93L-39; RAD 93NF-02; RAD 93NF-03; RAD 93NF-06; RAD 93NF-10; RAD 93NF-12; RAD 93NF-15; and RAD 93NF-20.

2 4 0 4 3 5 6 2 3 2 1

narratives for these cases. However, for externally-generated matters in which the Commission has made no findings, the complaint and response(s) are attached to the report and for internally-generated matters in which the Commission has made no findings, the referral is attached. See Attachments 17-53. Because the Commission has already made findings in five of the stale cases, no additional information is being attached to this report in regard to these cases.[3]

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3. These matters are: MUR 3132, MUR 3432, MUR 3466, MUR 3495, and MUR 3733.

This Office recommends that the Commission exercise its prosecutorial discretion and no longer pursue the identified cases effective August 1, 1994. This will allow the Legal Review Team adequate time to prepare the Pre-MUR and MUR files so that the cases can appear on the public record by September 1, 1994, within 30 days of the August 1, 1994, closing date. This timeframe also will enable this Office to prepare closing letters so that the letters can be mailed on August 2, 1994. Additionally, the Press Office will need time to review the files for inclusion in one of its press releases.

III. RECOMMENDATIONS

A. Decline to open a MUR and close the file in the following matters to be effective on August 1, 1994:

1) RAD 92L-26
2) RAD 93L-25
3) RAD 93L-26
4) RAD 93L-29
5) RAD 93L-31
6) RAD 93L-33
7) RAD 93L-35
8) RAD 93L-36
9) RAD 93L-38
10) RAD 93L-39
11) RAD 94L-22
12) RAD 94L-25
13) RAD 93NF-02
14) RAD 93NF-03
15) RAD 93NF-06
16) RAD 93NF-10
17) RAD 93NF-12
18) RAD 93NF-15
19) RAD 93NF-20

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B. Take no action, close the file effective on August 1, 1994, and approve the appropriate letter in the following matters:

1) MUR 3470
2) MUR 3473
3) MUR 3558
4) MUR 3575
5) MUR 3581
6) MUR 3594
7) MUR 3600
8) MUR 3625
9) MUR 3647
10) MUR 3663
11) MUR 3684
12) MUR 3698
13) MUR 3712
14) MUR 3744
15) MUR 3749
16) MUR 3756
17) MUR 3759
18) MUR 3767
19) MUR 3776
20) MUR 3779
21) MUR 3920
22) MUR 3930
23) MUR 3934
24) MUR 3939
25) MUR 3942
26) MUR 3943
27) MUR 3945
28) MUR 3948
29) MUR 3953
30) MUR 3955
31) MUR 3957
32) MUR 3964
33) MUR 3965
34) MUR 3967

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C. Take no further action, close the file effective on August 1, 1994, and approve the appropriate letter in the following matters:

1) MUR 3132
2) MUR 3432
3) MUR 3466
4) MUR 3495
5) MUR 3733

6/30/94
Date

Lawrence M. Noble
General Counsel

9404356223225

BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of	)	
	)	Agenda Document
Enforcement Priority	)	#X94-72

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on July 19, 1994, do hereby certify that the Commission decided by a vote of 6-0 to take the following actions with respect to Agenda Document #X94-72:

A. Decline to open a MUR and close the file in the following matters to be effective on August 1, 1994:

1) RAD 92L-26
2) RAD 93L-25
3) RAD 93L-26
4) RAD 93L-29
5) RAD 93L-31
6) RAD 93L-33
7) RAD 93L-35
8) RAD 93L-36
9) RAD 93L-38
10) RAD 93L-39
11) RAD 94L-22
12) RAD 94L-25
13) RAD 93NF-02
14) RAD 93NF-03
15) RAD 93NF-06
16) RAD 93NF-10
17) RAD 93NF-12
18) RAD 93NF-15
19) RAD 93NF-20

(continued)

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B. Take no action, close the file effective on August 1, 1994, and approve the appropriate letter in the following matters:

1) MUR 3470
2) MUR 3473
3) MUR 3558
4) MUR 3575
5) MUR 3581
6) MUR 3594
7) MUR 3600
8) MUR 3625
9) MUR 3647
10) MUR 3663
11) MUR 3684
12) MUR 3698
13) MUR 3712
14) MUR 3744
15) MUR 3749
16) MUR 3756
17) MUR 3759
18) MUR 3767
19) MUR 3776
20) MUR 3779
21) MUR 3920
22) MUR 3930
23) MUR 3934
24) MUR 3939
25) MUR 3942
26) MUR 3943
27) MUR 3945
28) MUR 3948
29) MUR 3953
30) MUR 3955
31) MUR 3957
32) MUR 3964
33) MUR 3965
34) MUR 3967

2404356223927

(continued)

C. Take no further action, close the file effective on August 1, 1994, and approve the appropriate letter in the following matters:

1) MUR 3132
2) MUR 3432
3) MUR 3466
4) MUR 3495
5) MUR 3733

Commissioners Aikens, Elliott, McDonald, McGarry, Potter, and Thomas voted affirmatively for the decision.

Attest:

7-20-94
Date

Marjorie W. Emmons
Secretary of the Commission

9404356233238

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUG 0 2 1994

John Ascher
3726 Benson Avenue
Baltimore, MD 21227

RE: MUR 3473
John Ascher

Dear Mr. Ascher:

On February 14, 1992, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2040435623329

FEDERAL ELECTION COMMISSION
WASHINGTON D C 20463

August 2, 1994

Lyndon LaRouche
RT. 1, Box 284
Round Hill, VA 22141

RE: MUR 3473
Lyndon LaRouche

Dear Mr. LaRouche:

On February 14, 1992, the Federal Election Commission notified you of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against you. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

9404356230

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1994

Dana Scanlon, Secretary
Schiller Institute
P.O. Box 66082
Washington, DC 20035-6082

RE: MUR 3473
Schiller Institute

Dear Ms. Scanlon:

On February 14, 1992, the Federal Election Commission notified the Schiller Institute of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against the Schiller Institute. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2043562311

FEDERAL ELECTION COMMISSION
WASHINGTON D C 20463

August 2, 1994

The New Federalist
P.O. Box 889
Leesburg, VA 22075

RE: MUR 3473
The New Federalist

Dear Sir or Madam:

On February 14, 1992, the Federal Election Commission notified The New Federalist of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against The New Federalist. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2404356232

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

August 2, 1994

Linda deHoyos, President
Executive Intelligence Review
P.O. Box 17390
Washington, DC 20041-0390

RE: MUR 3473
Executive Intelligence Review

Dear Ms. deHoyos:

On February 14, 1992, the Federal Election Commission notified Executive Intelligence Review of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Executive Intelligence Review. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2040435623

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

August 2, 1994

Starr Valenti, President
Eastern States Distributors, Inc.
P.O. Box 268
Drexel Hill, PA 19026

RE: MUR 3473
Eastern States Distributors, Inc.

Dear Ms. Valenti:

On February 14, 1992, the Federal Election Commission notified Eastern States Distributors, Inc. of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Eastern States Distributors, Inc. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2040435623 4

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

August 2, 1994

Southeast Literature Sales, Inc.
3916 Vero Road
Baltimore, MD 21227

RE: MUR 3473
Southeast Literature Sales, Inc.

Dear Sir or Madam:

On February 14, 1992, the Federal Election Commission notified Southeast Literature Sales, Inc. of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Southeast Literature Sales, Inc. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2043562335

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

August 2, 1994

Charles E. Hughes, President
Arthur G. Murphy, Secretary/Treasurer
Hamilton Systems Distributors, Inc.
P.O. Box 42
Ridgefield Park, NJ 07660

RE: MUR 3473
Hamilton Systems
Distributors, Inc.

Dear Messrs. Hughes and Murphy:

On February 14, 1992, the Federal Election Commission notified Hamilton Systems Distributors, Inc. of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Hamilton Systems Distributors, Inc. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1994

Peter Bowen, President
Midwest Circulation Corporation
P.O. Box 25074
Chicago, IL 60625

RE: MUR 3473
Midwest Circulation Corporation

Dear Mr. Bowen:

On February 14, 1992, the Federal Election Commission notified Midwest Circulation Corporation of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Midwest Circulation Corporation. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2043562307

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1994

Dorothy Andromidas, President
American System Publications, Inc.
P.O. Box 65738
Los Angeles, CA 90065

RE: MUR 3473
American Systems
Publications, Inc.

Dear Ms. Andromidas:

On February 14, 1992, the Federal Election Commission notified American System Publications, Inc. of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against American System Publications, Inc. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2040356023538

FEDERAL ELECTION COMMISSION
WASHINGTON D.C. 20463

August 2, 1994

Robin G. Behm, President
American Century Distributors, Inc.
4110 Brownsville Road, Suite 250
Pittsburgh, PA 1227

RE: MUR 3473
American Century
Distributors, Inc.

Dear Ms. Behm:

On February 14, 1992, the Federal Election Commission notified American Century Distributors, Inc. of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against American Century Distributors, Inc. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L Taksar

Mary L. Taksar
Attorney

2404356239

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUG 0 2 1994

Odin P. Anderson, Esq.
Anderson, Rossi & Davis, P.C.
4 Longfellow Place, Suite 3705
Boston, MA 02114

RE: MUR 3473
Democrats for Economic Recovery -
LaRouche in '92 and
Kathy A. Magraw, as Treasurer

Dear Mr. Anderson:

On February 14, 1992, the Federal Election Commission notified your clients, Democrats for Economic Recovery - LaRouche in '92 and Kathy A. Magraw, as treasurer, of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your clients. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2404355623410

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

AUG 02 1994

Daniel R. Leach, Secretary-Treasurer
Southwest Literature Sales, Inc.
6630 Harwin, Suite 225
Houston, TX 77036

RE: MUR 3473
Southwest Literature Sales, Inc.

Dear Mr. Leach:

On February 14, 1992, the Federal Election Commission notified Southwest Literature Sales, Inc. of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against Southwest Literature Sales, Inc. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Joan McEnery at (202) 219-3400.

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2404356234 1

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

August 2, 1994

John Overington
2220 Hoffman Road
Martinsburg, WV 25401

RE: MUR 3473

Dear Mr. Overington:

On February 5, 1992, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action in the matter. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on August 1, 1994. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437g(a)(8).

Sincerely,

Mary L. Taksar

Mary L. Taksar
Attorney

2043562342

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 3473

DATE FILMED 8-30-94 CAMERA NO. 2

CAMERAMAN JMH

9404356228343

FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

Date: 11/17/94

✓ Microfilm

_____ Public Records

_____ Press

THE ATTACHED MATERIAL IS BEING ADDED TO CLOSED MUR 3473

24043591931

DEMOCRATS FOR ECONOMIC RECOVERY

LaRouche in '92

P.O. Box 690 Leesburg, VA 22075

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
92 MAR -6 AM 8:49

March 3, 1992

Jonathan Bernstein
Assistant General Counsel
Federal Election Commission
999 E Street, NW
Washington, DC 20463

RE: MUR 3473

Dear Mr. Bernstein:

We are in receipt of your letter of transmittal regarding this complaint, dated February 14, 1992, and received by our Committee February 18, 1992. The complaint was date-stamped as received by the Commission February 5, 1992. Despite the untimely notification, as per 11 C.F.R. § 111.5(a), the Committee shall address the matters raised in an effort to put this matter to an early rest. This response is made without waiving any rights in this regard.

92 MAR -6 PM 3:42
RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

At the outset, it must be stated that this MUR sets a new standard for frivolous action by the FEC against LaRouche campaigns. Not only does the complaint utterly fail to state proper grounds, it fails to satisfy the minimal criteria for the opening of a MUR. Additionally, it is clear from the complaint and the historical record that the complainant is seeking to use a willing FEC as a cat's paw for his personal agenda.

For the reasons stated below, any further pursuit of this groundless complaint by the FEC can only be viewed as a pretext for continuing the FEC's endless investigation and harassment of Lyndon LaRouche and his campaign committees.

The complaint, on its face:

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1. was untimely forwarded to the Committee;
2. states no facts which describe a violation of law; and
3. lacks identification of "sources" of belief.

The complaint fails to comply with 11 C.F.R. § 111.4(d)(2) and (3). That allegations must be:

> accompanied by an identification of the source of information which gives rise to the complainant's belief in the truth of such statement.

This clearly has not been done here, nor does the complaint contain a:

> clear and concise recitation of the facts which describe a violation of a statute or regulation over which the Commission has jurisdiction....

The frivolity of Mr. Overington's self-serving complaint can be seen most clearly in his curious request that the Commission define as federal political expenditures, news articles in the cited publications that support state and local candidates, or that "attack" the Cult Awareness Network, the Anti-Defamation League, and Virginia Attorney General Mary Sue Terry. Mr. Overington's concern clearly has nothing to do with the FECA, but arises solely from what he perceives as injuries to individuals and organizations with which he himself is affiliated or has collaborated.

Regarding the news coverage in publications, 11 C.F.R. § 100.7(b)(2) specifically excludes from the definition of "contribution":

> [a]ny cost incurred in covering or carrying a news story, commentary, or editorial by any ... newspaper, magazine, or other periodical publication ... unless the facility is owned or controlled by any political party, political committee, or candidate....

Insofar as these publications are not owned or controlled by any political party, committee, or candidate, their news content is constitutionally protected free speech not subject to Commission jurisdiction.

Complainant further alleges that:

> Legal expenses associated with the defense of their political figures and their fund-raising solicitation schemes should also be included as political expenditures.

Aside from the question of precisely who the complainant's vague "they" might be, the plain fact is that "political" has

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many meanings in English usage, only a small portion of which comes under the purview of the FECA, which portion is defined under the FECA.

It is irrelevant and meaningless that an activity may be termed "political" by the complainant. What controls is whether a given activity falls under the definitions of the FECA, which deals solely with election-related activity. Nothing cited by the complainant falls within this statutorily confined domain, neither his specific citation of periodical publications, nor his sweeping characterization of issues-advocacy, news coverage, and/or legal activities.

Regarding the remaining specific allegations in the complaint:

1. Any solicitation and spending of contributions for Lyndon LaRouche's presidential campaign, whether money or in kind, are fully reported by the Committee. The speculation that the groups named in the complaint's first paragraph do so, is false.

2. Any "other income and expenses" that have nothing to do with the electoral campaign are not reported to the FEC as the FEC is not authorized by law either to seek or to exercise jurisdiction over such information.

3. Regarding the complaint's allegation that all purportedly LaRouche-related organizations are by definition "political" and therefore subject to FEC scrutiny, the concept is simply ludicrous. All contributions and expenditures subject to the FECA are reported, and those that are not, are not.

4. Legal expenses associated with Mr. LaRouche's presidential campaign are properly reported by the committee. Legal expenses not associated with the campaign, are not reported to the FEC.

In conclusion, not only does the complaint fail factually, but it completely fails to comply with the regulatory requirement and should never have been accepted by the General Counsel's office as a proper basis for a MUR.

The Committee therefore requests that the Commission deem this complaint improper, untimely processed, and without merit, and close MUR 3473 forthwith.

Sincerely,

Kathy A. Magraw

Kathy A. Magraw
Treasurer

24043591934

THE NEW FEDERALIST

National Newspaper of the American System

The New Federalist P.O. Box 889, Leesburg, VA. 22075

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 MAR -6 PM 3:42

March 4, 1992

Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Attn: Jonathan Bernstein
Assistant General Counsel

Dear Mr. Bernstein:

This in reply to your letter of February 14, 1992 concerning MUR 3473. New Federalist is a weekly newspaper, sold by subscription and by other means. Since it is not owned or controlled by a political candidate, political committee, or political party, the contents of the newspaper are not subject to oversight, control, or reporting by the Federal Election Commission. Any attempt to do so would constitute an unconstitutional infringement on First Amendment rights. See 11 C.F.R. 100.7(b)(2).

The complainant's unattested "belief" concerning solicitation and/or spending of contributions for federal political activities, is false. He neither provides nor even suggests any facts to back up this spurious claim. If, as appears to be the case, he is personally annoyed by the articles, commentary, or editorial content of this newspaper, that is properly of no concern to the FEC. He and the other persons he mentions are not the first, and certainly will not be the last, political figures to receive less than laudatory coverage in the press of this country.

Since no facts are cited which can be remotely construed as constituting a violation of federal election laws and the complainant's "belief" is false, this MUR should be closed with no further action.

Sincerely yours,

Nancy B. Spannaus

Nancy B. Spannaus
Editor in Chief

RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM
92 MAR -6 AM 8:51

24043591935

Southeast Literature Sales, Inc.

3916 Vero Road • Suites A & B • Baltimore, Md. 21227 • (301) 247-4200

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL
92 MAR -6 PM 3:42

Jonathan Bernstein
Assistant General Counsel
Federal Election Commission
Washington, DC 20463

March 4, 1992

RE: MUR 3473

Dear Mr. Bernstein,

This is in response to your letter received in our office on February 18, 1992.

The only material received in reference to this complaint, was a letter from Mr. John Overington from West Virginia and xeroxed copies of two publications, the New Federalist Newspaper and EIR magazine. Southeast Literature Sales distributes and sells both of those publications.

Southeast Literature Sales does not make, and has not made any contributions to any candidate for Federal Office. Southeast Literature Sales has been reimbursed for any expenditures made by our company on behalf of any candidate for Federal Office by that candidate's campaign committee.

Southeast Literature Sales is being paid on a regular basis for services, use of facilities, and associated incidental expenses that are being provided to Lyndon LaRouche's campaign committee.It is our understanding that such payments are reported to the FEC in their campaign reports.

There has been no evidence presented by Mr. Overington concerning his claims of violations. Therefore, we believe that this MUR showed be closed.

Sincerely,

Martin Glaser

Martin Glaser
Secretary-Treasurer, Southeast Literature Sales

92 MAR -6 PM 3:42
RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

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RECEIVED
FEDERAL ELECTION COMMISSION
MAIL ROOM

92 MAR -6 AM 11:50

Jonathan Bernstein
Assistant General Counsel
Federal Election Commission
Washington, DC 20463

March 3, 1992

RECEIVED
FEDERAL ELECTION COMMISSION
OFFICE OF GENERAL COUNSEL

92 MAR -6 PM 12:42

Dear Mr. Bernstein,

This letter is in response to your communication dated February 4, 1992 and received by me on February 18, 1992.

Mr. Bernstein, I see no reason why the Federal Election Commission is invading my privacy and bothering me with the nonsense contained in this letter.

Firstly, Mr. Overington, did not include my name in his list of companies and organizations he claims fail to report to your agency.My name is merely mentioned in connection to coverage of my campaign in a newspaper.

Secondly, the campaign in question, was my campaign for Mayor of Baltimore City. I am unaware that the Federal Election Commission has any involvement or oversight over Baltimore City elections.

I believe that the Federal Government has better ways to spend their money than this.

Sincerely,

John B. Ascher
3726 Benson Ave.
Baltimore, Md. 21227

2404359193 7