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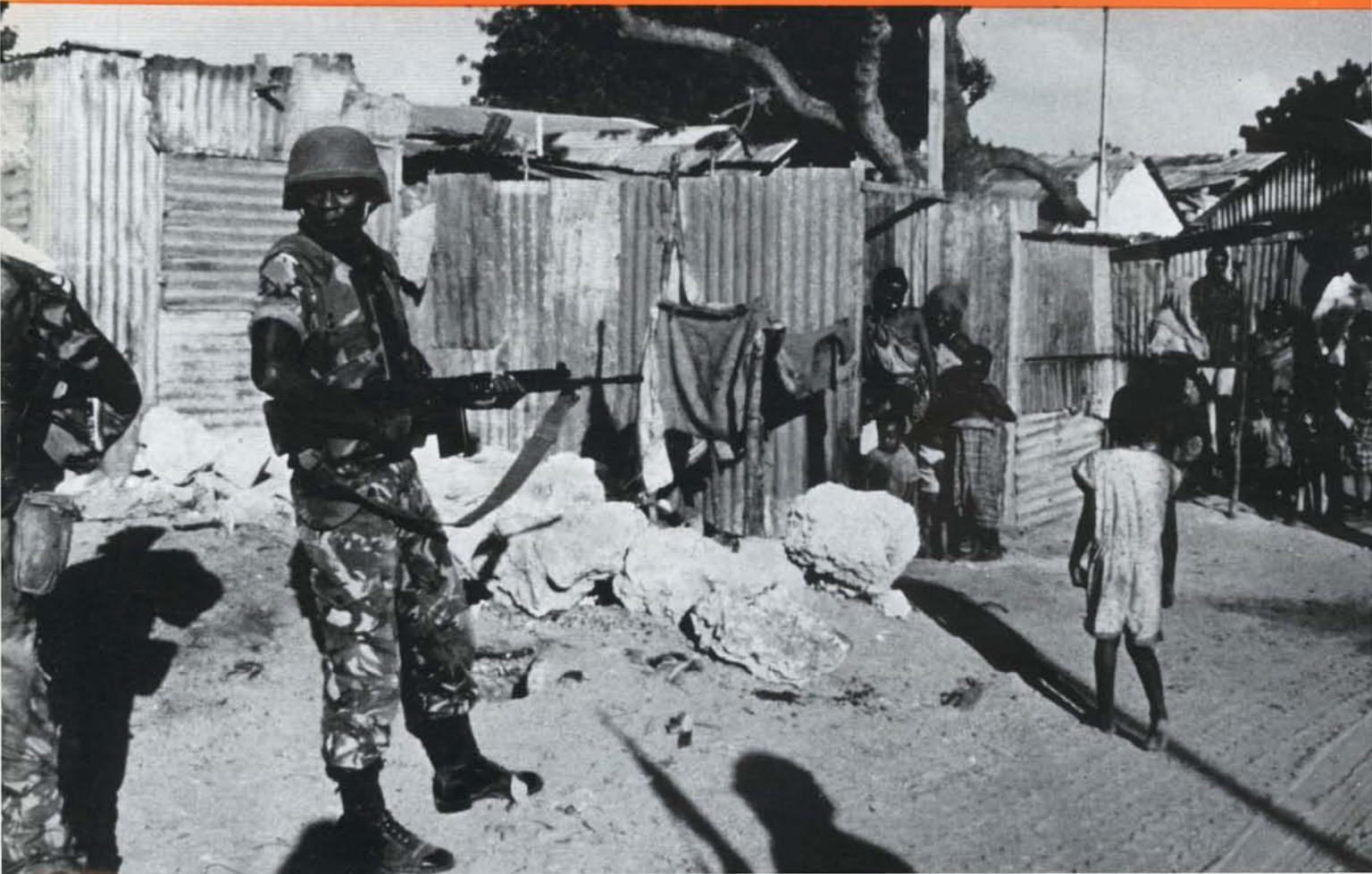
Executive Intelligence Review

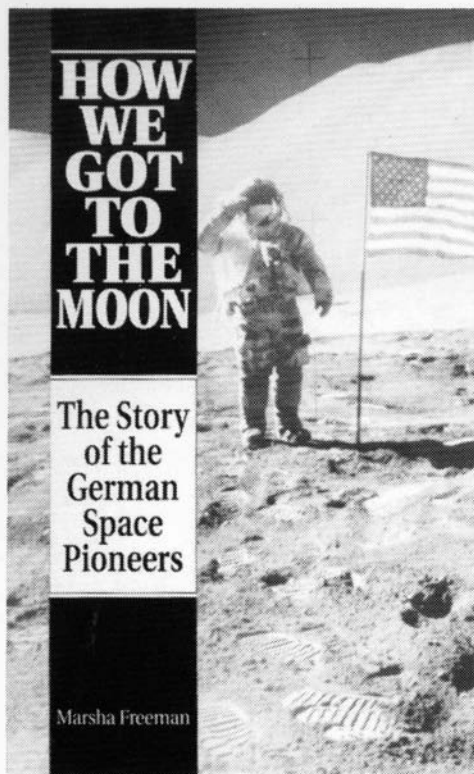
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Under Yeltsin, criminality spreads in Russia
Bank 'reform' as bad as '82 deregulation

Can the collapse of
Africa be reversed?





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The Story of the German Space Pioneers

by Marsha Freeman

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From the Editor

As I promised a couple of weeks ago, *EIR* is now able to present to readers not only the superior quality of analysis for which we have been famous for 20 years, but also a new dimension of on-the-scene reportage which has evolved as the natural outgrowth of our founder Lyndon LaRouche's international credibility.

Both of our longer packages this week exemplify this qualitative leap. The *Investigation* was entirely written by two guest contributors based in Russia, former Moscow city councilman Viktor Kuzin, and the well-known Russian filmmaker Stanislav Govorukhin. The bulk of our *Feature* on the crisis in leadership in sub-Saharan Africa comes from two African observers, Cameroonian journalist Eyong-Echaw Lawrence and Somalian ambassador to India Mohamed Osman Omar. There is also a common theme between them; we are drawing attention in these two strategically vital areas of the world to the *criminal* nature of western policy failures and the disaster which looms ahead, as the entire system which emerged first from Versailles in 1919 heads toward collapse.

This situates the latest news item showing that LaRouche's authority among intellectual elites abroad is more and more erupting to the surface. The Beijing magazine *Strategy and Management* in its first issue of 1994 published the Schiller Institute's draft program for the economic development of China and Eurasia, previously abridged on Jan. 14 in *EIR*, crediting it to Lyndon LaRouche—in both Chinese and English—in the table of contents. The translation and publication were sponsored by a member of the Chinese Academy of Social Sciences, one of China's two leading official academies.

Several articles in *National* report on the battles of the LaRouche-led electoral movement in the United States. This mass political organizing is closely watched internationally, because it is not only the unique quality of LaRouche's solutions which attracts the respect of leaders committed to saving their nations, but his own and his associates' determination to make these ideas United States policy through the political process. Such grassroots campaigns, conducted while LaRouche's presidential campaign is spearheading the defense of the institution of the presidency from so-called "Whitewatergate," exemplify that training of citizens in statecraft, without which there is no future.

Nora Hamerman

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U.S. bank 'reform' is as bad as 1982 deregulation

by Richard Freeman

A U.S. Senate Banking Committee staffer reported on March 11 that the Senate Banking Committee and its chairman, Sen. Don Riegle (D-Mich.), will advance three interconnected pieces of banking reform legislation as the top priority this session.

The legislative package will have the most far-reaching and destructive consequences since the Depository Institutions Act of 1982 deregulated the American banking system. That latter act, which was sponsored by Jake Garn, Fernand St Germain, and George Bush, turned the decades of the 1980s and 1990s over to unbridled speculation, through junk bonds, leveraged buyouts, and real estate deals, destroying the physical economy and living standards.

The three pieces of legislation, which are sold under the rubric of "streamlining" the banking system, are: the Interstate Banking and Branching Act of 1993-94, the Fair Trade in Financial Services Act of 1993-94, and the Bank Regulatory Reform Act of 1993-94.

Though Senator Riegle is a Democrat, the proposed banking "reforms" originate with Wall Street and the City of London, and in particular, with George Bush. It was Bush who, as vice president in 1982, headed a task force on financial reform which drew up most of the current proposals. When Bush served as President from 1989-93, he had Treasury Secretary Nicholas Brady head a commission on "Modernizing the Financial System," which brought the original Bush task force proposals up to date. *Those proposals are the heart of the Riegle Senate banking reform package.*

Senator Riegle is also putting forward two important measures: the first, a tacit agreement to allow banks to sell insurance; the second, an idea to allow commercial banks to count their huge Treasury bill holdings as part of bank capital. If passed, this plan would totally gut bank capital standards.

Some "mickeys" will be fooled by antics in the Senate Banking Committee, respecting particular pieces of legislation. But those who are knowledgeable will recognize in the current "reforms" a long-standing City of London war plan to create a globalized banking system, dominated by a handful of mega-banks. That war dates back at least as far as the 1875-79 Specie Resumption Act and the 1913 creation of the Federal Reserve Board.

Mega-banks and trade war

Highlights of the current pieces of legislation are:

- *The Interstate Banking and Branching Act of 1994.* The McFadden Act was passed in 1927. Many states, especially in agricultural and industrial areas, were fearful of "monopoly banks," and because of this enacted strict limits which prohibited banks from any one state to branch into a neighboring state. The current legislation shreds the McFadden Act, and opens the way to interstate banking. Although this has already been going on for a few years, the bill will accelerate the pace.

Under this bill, a state is assumed to be in favor of interstate banking, and the only way it can get out of the arrangement is if the state legislature votes not to be in the system. The bill states that a bank holding company "may not by acquisition gain control over 25% of a state's insured deposits (without a waiver) or 10% of the nation's insured deposits (without a waiver)." That means, under the bill, that four banks could own 100% of the banking system of a state, and 10 banks could own 100% of the American banking system. Under the bill, the United States will be dominated by a handful of banks, similar to the British banking system. In 1984, the United States had 14,946 banks; in 1993, it had only 11,081, a loss of 26% in less than a decade.

The March 11 *Wall Street Journal* reported that the toppling of the McFadden Act is likely, and "many small and medium-sized banks probably will be swallowed up." Goldman Sachs partner Christopher Flowers gloated, "A lot of clients on both sides of the Mason-Dixon line are examining their new opportunities."

● *The Fair Trade in Financial Services Act of 1994*. This act, according to a summary of the bill provided by the Senate Banking Committee, "is designed to give U.S. trade negotiators new leverage to open foreign financial markets." The bill is an extension of the secret financial accords surrounding the North American Free Trade Agreement, which *EIR* exposed in our Oct. 8, 1993 issue. Trade Representative Mickey Kantor, a key player in NAFTA, had a role in drafting the current bill. If a country refuses to open its market to American "financial products," then reprisals of varying intensity can be applied. American "financial products" include derivatives, junk bonds, and other speculative investments. The bill might better be called the Financial Trade War Act.

The January tour by Treasury Secretary Lloyd Bentsen, a prime sponsor and drafter of the bill, shows that it is part and parcel of the International Monetary Fund's destructive thrust to globalize world markets, especially using the dollar. Bentsen travelled to Russia, Japan, Taiwan, Thailand, and other Asian nations, attempting to get each country to open up financial markets to speculative U.S. financial services and dollarization.

More power to the Fed

● *The Bank Regulatory Reform Act of 1993-94*. This will create a single regulatory authority, called the Federal Banking Commission. The FBC will assume the regulatory and examination responsibilities now spread over four federal agencies: the Office of Comptroller of the Currency (OCC) and the Office of Thrift Supervision (OTS), both of which are housed in the Treasury, and which together have primary responsibility for supervising banks and thrifts, with 62% of the nation's banking assets; the Federal Deposit Insurance Corp. (FDIC), which has primary responsibility for supervising banks with 23% of the nation's banking assets; and the Federal Reserve Board, which has primary responsibility for the remaining 15% of the nation's banking assets.

Many money-center banks have championed the call for bank regulatory reform, complaining that they are being over-regulated. But many small banks, associated with the Independent Bankers Association of America, have denounced the new proposal. They are terrified that the newly proposed FBC will diminish their influence with regulators and lead to their being swallowed up.

The regulatory bill, unlike the other bank reform bills, has seemed to generate disagreement. In a commentary in the Dec. 15, 1993 issue of the *Wall Street Journal*, Fed Chairman Alan Greenspan complained that the current regulatory reform plan, which is also sponsored by Bentsen,

would reduce the Fed's role in regulation, and make it harder for the Fed to exert "hands-on" control of banking policy. This is widely interpreted to mean that it would reduce the Fed's ability to carry out behind-the-scenes bank bailouts. A bank regulatory source told *EIR* that though there is some real friction, Greenspan's statements are largely atmospheric, and part of bargaining to get the Fed the best deal under the plan.

In March 1 testimony to the Senate Banking Committee, Secretary Bentsen gave the game away. *He stated that the Fed's share of regulation will double under the new plan.* Bentsen explained that the bill will allow the Fed to be the lead co-regulator of 10 of the largest 20 national banks, of the Fed's choosing, provided their assets do not exceed 25% of the nation's banking assets. Currently, the Fed has primary regulatory authority only over state-chartered banks that are members of the Federal Reserve System. These banks have only 15% of the nation's banking assets. The Fed does regulate bank holding companies, but it is the Office of Comptroller of the Currency that has primary responsibility for regulating the banks that are part of the bank holding companies. For example, in the case of Citicorp, the parent of Citibank, the OCC regulates Citibank, including its credit card division. That accounts for 90% of Citicorp's assets. Effectively, the Fed regulates what is left over.

During the 1991-93 Citibank/Citicorp bailout, the Fed had free rein to bail out the banks. An anonymous OCC source confirmed that the OCC had primary responsibility for monitoring Citibank's books, "and did not object to, and would not block or prevent anything the Fed was doing." This source stated, "No regulator wants to see a bank go under." When it was pointed out that the Fed leaned on the Federal National Mortgage Association (Fannie Mae) to buy \$943 million in Citibank mortgage paper, on a non-recourse basis, when no one else would touch the paper, this source said, "No one would object to the Fed leaning on agencies, if it is done quietly." *The source said that the new FBC would act according to the exact same principles as the OCC.* In fact, the Fed will have one of the five seats on the FBC board.

On March 1, Secretary Bentsen stated that by allowing the Fed to regulate some other banks as well, under the new plan the Fed would regulate banks with 30% of the nation's banking assets, which "would double the amount under [the Fed's] supervision."

The first enunciation of this bank regulatory reform came from the Bush task force study of 1984, "Report of the Task Force on Regulation of Financial Services." It was repeated and expanded on in the Brady task force report, "Modernizing the Financial System: Recommendations for Safer, More Competitive Banks," issued in 1991. The current Riegle/Bentsen proposal, with a few modifications, comes from this.

In reality, the danger posed by the package of bank reform bills is not to the Federal Reserve or Wall Street, but to the American people.

Beijing attempts to regain control of its looted, inflated economy

by Mary Burdman

The annual two-week session of the Chinese National People's Congress (NPC), which opened in Beijing March 10, is being used as a forum to announce moves toward a national controlled economy. Prime Minister Li Peng and other government leaders continue to call for "reform" and the "socialist market economy." Yet, following the prominent appearance of "ancient" but alert Communist Party (CP) leader Chen Yun, key rival to the senile Deng Xiaoping and his "fast growth at all costs" policy, on national television on the eve of the Chinese New Year Feb. 10, Beijing has enacted a series of measures coherent with Chen Yun's "bird cage" theory of economics.

Simply stated, Chen Yun's view is that the "bird" of the market must be kept confined to the "cage" of the planned economy, as the only way to prevent the "bird" from flying away. The adopted measures include the re-imposition of price controls on vital goods, rents, and energy; the announcement by Prime Minister Li Peng that this year's growth target will be considerably lower than last year's; a halt to approvals for new "development zones"; and an effort to eliminate corruption, which Li Peng equated with the spread of the "principles of the marketplace" to China's national government and institutions.

In his March 10 "Government Work Report" to the NPC, Li Peng said that corruption had doubled in 1993 from the year before. He called the "fight against corruption a matter of life or death for our nation. To apply the principles of the marketplace to the activities of government institutions, or to make deals with power and money, is to grossly distort the principle of the socialist market economy, and such conduct is absolutely impermissible."

This is only one instance of the public reporting of the disastrous effects of 15 years of Deng Xiaoping's economic "reforms" in China—an indication that Beijing is trying to bring the reform policy under control. These disasters include mass unemployment: some 100 million Chinese peasants wandering about the country, looking for work, and another 200 million are officially described as "underemployed"; an official figure of 60,000 fatal industrial accidents in the first 10 months of 1993; and the grim national financial situation. One-third of China's state enterprise industries are bankrupt;

agriculture and the armed forces urgently need funding, while national financial resources are in precarious condition. Crime and corruption are rampant.

Whether the measures will work or not is an open question. This is the second time in less than 12 months that Beijing has attempted to slow down the coolie labor-based export economy, only to be met with the irrepressible investment drives operating through regional potentates linked to outside investment. At stake, in Beijing's view, is the survival of the central government, and even the unity of China.

On March 8, the State Council—China's cabinet—re-imposed nationwide price controls on 20 of the most widely used goods and services, and took steps to maintain reserves of staple foods, the *Economic Daily* announced. The council order gives price departments the right, with the approval of local governments, to impose temporary ceilings on prices, and to carry out "appropriate interference" in the market. The items affected include basic foods, key agriculture supplies such as fertilizer and pesticides, domestic coal and natural gas, rents, water, public transport, and school and hospital fees. Funds were also set up to intervene in the grain markets. The council warned that anyone who did not abide by them would be "severely punished."

The *People's Daily* reported that Deputy Prime Minister Zou Jiahua said that a "massive price inspection" had been ordered by the State Council, which he called a "key and urgent task in China's drive to develop a market economy. To ease controls on some prices during economic reform does not mean that we should let all the prices go adrift." State Planning Commission Minister Chen Jinhua will investigate unauthorized price increases of goods and services by state-owned enterprises, private businesses, and government institutions since last June. Some enterprises had taken advantage of financial, tax, and exchange-rate reforms in late 1993 to "arbitrarily" raise prices of products and services in violation of government regulations. Unauthorized price rises going back to June 1992 will also be investigated.

Zou told governments at all levels to stop market demand from expanding too far, the *China Daily* reported March 8. Price reforms must be carried out strictly according to the State Council's schedule, in order to "reduce any shocks for

consumers.”

Two days later, in his “Government Work Report,” Li Peng called for controlled economic growth. Li said that a 9% growth rate—down from the official 13%-plus of recent years—“will ensure the sound development of China’s economy,” the official *China Daily* reported on March 11. At the 9% rate, “the government expected to strengthen its economic control and curb inflation.”

Li said that agricultural production, especially of grain and cotton, must be strengthened, and he called on local and national authorities to “create a favorable business environment for large- and medium-sized state enterprises.” Starting this year, state enterprises will be exempt from payment of energy and transportation development funds—i.e., taxes—and special funds will be allocated for the reorganization of bankrupt enterprises, the *China Daily* reported.

Repeating warnings made often over the past few years, Li said that “some conditions for the current economic growth are tending to become tense. Bottleneck restrictions and inflationary pressures have increased. Reform also needs a more relaxed environment.” Li Peng also imposed a halt to approvals of new “development zones.” “The central government does not intend to issue too much currency and credit this year,” he announced. Priority will be given to projects already under construction in transport, telecommunications, energy, raw materials, and water management. “Projects to

be supported should be selected on the basis of overall national interest,” the *China Daily* reported.

Growing unrest

There is very good reason for the tensions in Beijing. In 1989, popular unrest was far more widespread in China than has occurred in Russia, for example. Unrest is spreading again, spurred by one positive reform of the Deng era: the fact that the population is now far more mobile than before. A report in the March 15 *International Herald Tribune* said that worker militancy is spreading across China, and Beijing’s fear of unrest led to the public crackdown on dissidents before the visit of U.S. Secretary of State Warren Christopher. Beijing openly defied all U.S. demands on human rights, despite the threatened loss of Most Favored Nation trading status, because the potential for internal upheaval is far greater than any economic effects of possible loss of U.S. export markets.

The official All-China Federation of Trade Unions has reported that there were 15,000 strikes, protests, petitions, and acts of sabotage by Chinese workers in 1993. Lee Chukyan, himself an official of the Hongkong Confederation of Trade Unions, told the *International Herald Tribune* that “independent labor unions are far more dangerous than calls for democracy” in China. “Workers’ problems and rights are something deeply rooted in daily life. In 1994, the Chinese

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are more worried about labor unrest than anything else.” A Hongkong analyst said that “at first, we did not understand why China would deliberately provoke the United States. It appears now that horizontal linkages between labor activists around the country are what Beijing is really worried about.”

The extent of the concern was shown by Vice Premier Zou Jiahua’s call on March 10 for a nationwide campaign to protect workers because of the “horrific” increase in industrial accidents last year. On a national teleconference on industrial safety, Zou said that, in an “unprecedented” toll in lives and damage, more than 60,000 people had died in “thousands of incidents” in China between January and October, the *China Daily* reported. The rise in deaths was particularly marked in foreign-funded firms and collectively run mines, he said. Zou called for new laws on industrial safety, and punishment for firms which endanger workers. He said that safety inspections should be carried out regularly, and should target “accident black spots” such as foreign-funded or township enterprises. Zou also said that the press will highlight major accidents which claim many lives or cause severe damage.

Dissidents speaking out

China’s very small but courageous dissident movement is speaking out in a manner not seen since the national demonstrations and protests in spring 1989. Repeated detentions and harassment in the last weeks have driven Wei Jingshen—the leader of the Democracy Wall movement crushed by Deng Xiaoping before Deng launched his “reforms” in 1978—Tiananmen Square leaders Wang Dan and Zhai Weimin, and others from Beijing; yet despite this, several groups have presented petitions to the National People’s Congress. Their demands include not only free speech, but also the protection of the rights of China’s working population, both in the countryside and in industry.

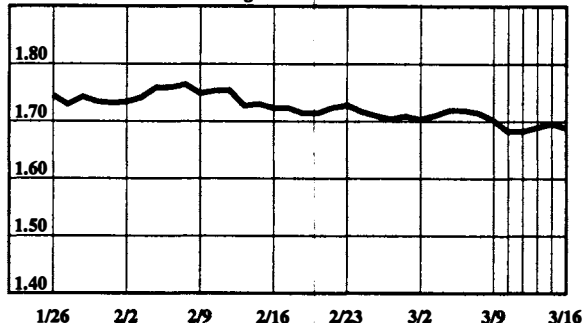
On March 10, seven leading scientists and intellectuals, led by Academy of Sciences historian Xu Liangying, who is one of the translators of Albert Einstein’s works into Chinese, submitted to President Jiang Zemin a petition stating: “We appeal to the authorities to bravely end our country’s history of punishing people for their ideology, speech, and writing, and to release all those imprisoned because of their ideology and speech. We think that only after human rights are respected and all kinds of rights that a citizen should have are secured, will society have true stability.” At the same time, a new Association for Protection of Labor Rights, with 120 signatories nationwide, applied to the Civil Affairs Ministry to set up a nongovernmental group to protect workers, including giving them the right to strike.

Other indications of a gathering of forces against Deng Xiaoping include a report in the *South China Morning Post* of Hongkong that the “leftist” wing of the Chinese CP is preparing to expose Deng Xiaoping’s direct responsibility for the Tiananmen massacre.

Currency Rates

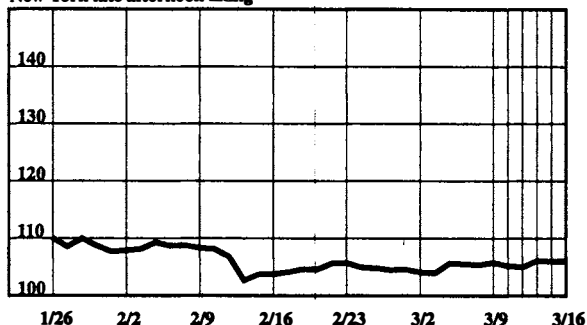
The dollar in deutschemarks

New York late afternoon fixing



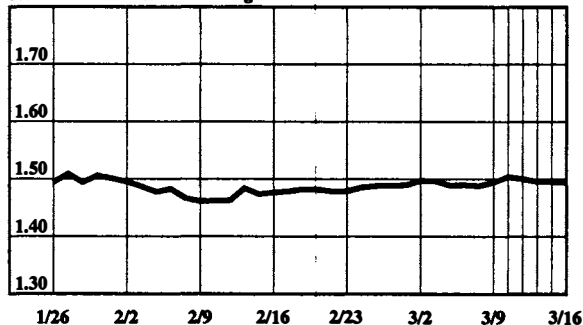
The dollar in yen

New York late afternoon fixing



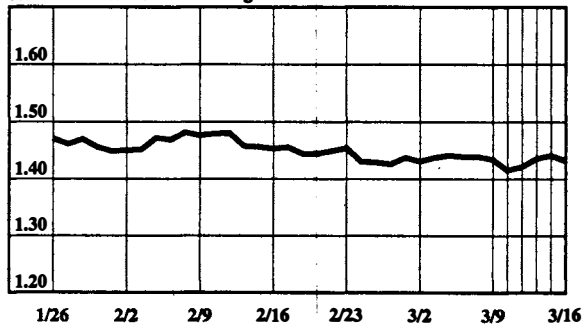
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Greenpeace founders: 'We created a monster'

by Rogelio A. Maduro

Greenpeace, the media's darling environmental organization, is not faring too well these days. In the past six months, several founders and former leaders of the group have denounced the extremism and the "anti-human" attitudes of its present leadership.

On Nov. 14, 1993, Denmark's TV-2 aired a documentary called "The Rainbow Man," a damning exposé of Greenpeace's financial misconduct and connections to international terrorism. The documentary was co-produced by internationally renowned Icelandic filmmaker Magnus Gudmundsson, who had previously made two film documentaries showing the unsavory money-making activities of Greenpeace. "The Rainbow Man" opened with an interview with Brian Metcalfe, founder of Greenpeace and its leader during the first decade of the organization's existence. (For more information on this film, see *EIR*, Jan. 21, 1994, "Greenpeace Accused of Bribery, Terrorism").

Metcalfe said, "When I think back over the years of the Greenpeace story, how it developed from the way we started it and the way it is today, I often see myself as a kind of Dr. Frankenstein, who created a monster that now has a life of its own."

Extremism and intolerance

Not long after that documentary aired, Patrick Moore, another co-founder of Greenpeace, penned a commentary in the Feb. 2 *Vancouver Sun*. He attacked the "anti-human" and "anti-civilization" bent which the organization has acquired. "More than 20 years ago," he wrote, "I was one of a dozen or so activists who founded Greenpeace in the basement of the United Church at 49th and Oak in Vancouver. The Vietnam War was raging, and nuclear holocaust seemed closer every day. We linked peace, ecology, and a talent for media communications, and went on to build the world's largest environmental activist organization. By 1986, Greenpeace was established in 26 countries and had an income of more than \$100 million per year."

After 15 years of leading Greenpeace, Moore decided to retire, believing that the environmental movement had achieved power, and that it was time to collaborate with governments and industry to solve the world's problems. Unfortunately, he said, "in the name of 'deep ecology' [some environmentalists] took a sharp turn to the ultra-left, ushering

in a mood of extremism and intolerance. As a clear signal of this new agenda, in 1990, Greenpeace called for a 'grassroots revolution against pragmatism and compromise.'

"The fall of the Berlin Wall contributed to this left turn," Moore continued. "Suddenly the international peace movement had a lot less to do. Pro-communist groups in the West were discredited. Many of their members moved into the environmental movement."

Moore wrote that "as an environmentalist in the political center, I now find myself branded a traitor and a sellout. My name appears in Greenpeace's 'Guide to Anti-Environmental Organizations.' Even fellow Greenpeace founder, Bob Hunter, refers to me as the 'eco-Judas.' Yes, I am trying to help the forest industry clean up its act so we might be proud of it again. Why shouldn't I make a contribution to environmental reform in the industry my grandfather and father have worked in for more than 90 years?"

The problem, according to Moore, is that "the new variant of the environmental movement is so extreme that many people, including myself, believe its agenda is a greater threat to the global environment than mainstream society."

An assault on science and reason

Some of the features of "eco-extremism" named by Moore include:

- It is anti-human. The human species is characterized by Greenpeace and other ecological extremists as a "cancer" on the face of the Earth. The extremists propagate the belief that all human activity is negative, whereas the rest of nature is good. This results in alienation from nature and subverts the most important lesson of ecology: that we are all part of nature and interdependent with it.

- It is anti-technology and anti-science. Eco-extremists dream of returning to some kind of technologically primitive society. Horse-logging is the only kind of forestry that these people can fully support. They see all large machines as inherently destructive.

- It is anti-democratic. This is perhaps the most dangerous aspect of radical environmentalism, in Moore's view. The very foundation of our society, liberal representative democracy, is rejected as being too "human-centered." In the name of "speaking for the trees and other species," we are faced with a movement that would usher in an era of eco-fascism. The "planetary police" would "answer to no one but Mother Earth herself."

- It is basically anti-civilization. Eco-extremism rejects virtually everything about modern society. We are told that nothing short of returning to primitive tribal society can save the Earth from ecological collapse. No more cities, no more airplanes, no more polyester suits. This is a naive vision of a return to the Garden of Eden.

Moore calls for "all environmentalists to resist the path of ever increasing extremism" and to "reject the anti-human, anarchistic approach."

Iran is caught in an economic straitjacket

by Adam East

On Feb. 11, Iranians celebrated the 15th anniversary of the Islamic revolution. Tens of thousands of Teheranis chanted the usual slogans, "Death to America, Death to Israel." But in recent years, the slogans sound more hollow and the people seem less enthusiastic. The clergy-led revolution brought with it the promise of justice and equality to the masses—its main base of support. But after 15 years, the standard of living of the average Iranian citizen has declined by 50% compared to the days of the Shah.

The minimum wage in Iran is less than one-third that which people need to live, a fact recently disclosed by the country's labor minister, Hossein Kamali. Inflation is running at about 30%. Since the unification of the three different exchange rates in March of last year, which resulted in the devaluation of the currency, the Iranian rial has gone from 70 to the dollar to over 1,700 to the dollar—a staggering fall of over 2,000%.

The Islamic Republic's attempt to introduce slave labor in its "free trade zones" has not produced desirable results, either. The government is going all-out to sweeten the pot for foreign investors. Earlier, investors could only own a maximum of 49% of the shares in a business or commercial activity. But now, "all hurdles are clear," as a senior adviser to President Hashemi Rafsanjani put it. He announced that foreign investors can now own 100% of their economic concerns. The Islamic Republic is also allowing foreign banks to operate in the free trade zones without "any restrictions."

Iran's foreign debt, which up until 1988 stood at almost zero, because Ayatollah Khomeini had no desire to be indebted to "unbelievers," is now pushing the \$30 billion mark. Payment arrearages on external debt are about \$10 billion. Iran's biggest trade partners (Germany and Japan), who are now reportedly working on rescheduling Iran's short-term debt, are under continuing U.S. pressure to reduce trade in order to "isolate" Iran. Germany, especially, which has been frequently put in the spotlight, in January issued a mild warning to Teheran to improve its record on "human rights." Bonn took this action, of course, solely to please Uncle Sam. But while the United States is discouraging others from trading with Iran, the United States itself is doing the opposite. Over the past three years, the total volume of American trade with Iran has seen a considerable rise, and more U.S. companies

are involved in trading with Iran.

Iran's main problem, however, has been the continuing drop in the price of crude oil, which has created very unstable and shaky conditions for the Iranian economy. Iran has been trying hard to get the OPEC countries to agree on a fixed, lower-than-usual quota in order to boost the price of oil. Iran has even tried to "normalize" relations with Saudi Arabia, the other major oil-producing country in the region. But efforts to persuade the Saudis to lower their production level have so far proven futile.

Iran has failed to make any dent in lessening its dependence on oil revenues, which account for 85% of its foreign exchange. It is estimated that every \$1 fall in the international price of oil results in a loss of \$1 billion in Iran's annual revenues. In 1993, Iran saw its revenue from oil exports drop to \$11.5 billion from the previous annual average of \$17 billion due to the drastic decline in oil prices.

Government apes the IMF

There is mounting criticism of the government's economic policy among some of the ruling mullahs and the general population. The government's austerity measures are being compared to those which the International Monetary Fund forces on its victims. Privatization and reduction of subsidies are giving way to unprecedented levels of anger and dissatisfaction among the population. Many basic necessities have either vanished or can be found only at prices which are about 30% inflated. Those who are on fixed incomes and those below the poverty line are being hit especially hard. Ali Akbar Nateq-Nouri, the speaker of the Iranian Majlis (parliament), recently admitted that the legislature wanted to postpone the start of the second five-year plan for a year "because one cannot study a plan in crisis."

The Teheran-based *Keyhan International*, in an editorial late last year, made no bones about the alarming state of the country's economic woes. It said that the situation will get worse, not better. "Galloping inflation, open mismanagement of the economic sector, indifference toward the common strata who are the main supporters of President Rafsanjani, [and] decline in the international price of oil will all get together to make life intolerable and miserable for this nation of over 60 million people." In a veiled reference to the way things were during the last years of the Shah, it added, "Of course the affluent and the influential need not worry about [Finance Minister] Adeli's decisions. The value of their properties, movable and immovable, is appreciating in a manner unprecedented in recent memory."

It also questioned the regime's constant rhetoric about justice and equality. The entire concept of social justice in Iran was never considered an easy venture, the editorial said. "Off and on, our political leaders do express their 'wish' to work selflessly for that cause. But it seems that justice is last in the queue." If current trends are any indication, it warned, "the turn for social justice may never come."

French fishing crisis sparks social unrest

by Katherine Notley

This article was adapted from a report in the French weekly Nouvelle Solidarité by Marc Jolivald.

The French fishing industry, which employs 120,000 people, is on the verge of total collapse, and the crisis has turned into one more flashpoint of social explosion.

During a Feb. 5-6 visit to the city of Rennes in Brittany, France's prime Atlantic fishing province, Prime Minister Edouard Balladur was confronted by the sight of fishermen protesting foreign dumping being driven back by tear-gas in the public square where he was speaking. The Feb. 10 issue of the weekly *L'Événement du Jeudi* lampooned Balladur's efforts at appeasing the fishermen, whose livelihoods he had destroyed by opening the door to free trade under the General Agreement on Tariffs and Trade (GATT): One cartoon showed "Captain Balladur" piloting his ship out of the storm and declaring, "The worst is behind us," as the stern fills up with water. A second shows him pouring water into a half-full fishbowl whose only inhabitant is a fish skeleton.

Between Jan. 1 and Feb. 1, 1994, the sale price of sole dropped by 27%; whiting dropped by 31%. In a protein-starved world, one-third of France's catch is unsold and must be destroyed or ground into fish meal. Forty percent of the fleet is in debt. Recently the government announced \$51 million in subsidies, of which half are credits. It is also moving to reduce 50% of the social security withholdings and to unblock \$29 million for troubled enterprises. None of these steps gets at the root of the disease, the British-style "free trade" embraced alike by President François Mitterrand's socialist regime and its "conservative" rivals, now sharing power since Balladur became premier.

Since 1983, there have been eight plans to "save" the industry, for a total of \$5.8 billion. Yet, as the president of the Marseilles fishing commission said, "We don't want hand-outs. Compensatory payments like those to the farmers are the beginning of the end."

The 120,000-person fishing sector comprises captains and sailors, seamen and wholesalers, owner-operator fishermen and industrial fishing, each with a different social regime. The 23,000 seamen are generally paid on the basis of splitting the proceeds of the sale. For example: the catch brings \$13,800 at auction. But, once deductions are made—

\$5,170 for diesel fuel, \$1,700 for port taxes, living expenses for 15 days at sea, ice, oil, and use of the equipment (levied by the boat owner)—the rest is divided by the number of sailors, say, 10. That's \$517 per sailor. Take out about a third for social security withholdings, that leaves for \$258-344 for two weeks' work at 17 hours a day—hardly a living wage in an advanced-sector country where living costs rival those of the United States. Even then, a small fish catch or a drop in the quoted price can diminish or wipe out this payment. Moreover, social assessments are based on lump-sum wages divided into five categories.

The free-trade poison

One problem the French fishermen face is cutthroat competition among countries, which is the result of globalization of the market, for instance, under GATT. The submission of poor countries to International Monetary Fund shock therapy forces them to slash social costs and increase exports in order to service the debt. Korea has a fleet whose seamen are prisoners working off their sentences. In order to meet their quota, they have to operate completely illegally inside Guyana's territorial waters. Unless France works to break up the insane GATT "free trade" framework and impose a rational organization of world markets and fish catches that assures a fair price, its fishing industry will soon die.

Secondly, the industry inside France suffers from local "free trade" chaos, and begs for re-regulation. Every elected official in Brittany wants his port to have its own little dockside auction, with the result that the wholesale purchasers are atomized. Hence, when a fisherman makes a large catch, he cannot sell it, because the dockside wholesaler is unable to buy it all. Every increase in the catch brings a drop in the price, with the fish being undersold; and this happens not only to that fisherman and his crew, but also to everyone else who brings the same species into port. The wholesalers, who "corner" the fishermen, are "cornered" in turn by the national distributors. Whereas the distributor can choose his supplier from any country in Europe, the wholesaler, with no financial resources, is stuck in his home port.

Finally, the "auction," the method of selling to the highest bidder, doesn't allow the price to be set in advance—but that's the iron law of the system of medium- and large-scale distribution, which accounts for 50% of consumption and 60% of the wholesalers' sales. Reducing the number of auctions and putting them on a rational footing would let the fisherman with a large catch look for a purchaser who is not systematically "breaking" his prices.

And, complain the fishermen, "There aren't any more fish." True: The seas are becoming depleted from overexploitation. That is one reason the fleet is too large and so deeply in debt. Yet if the free-trade straitjacket were thrown off, the solution even to this problem is at hand: France is in the vanguard of fish-breeding technologies, which is so vital to restocking the oceans and genetically improving species.

Soros is bankrupting Mexico

The derivatives market that lured Mexico's top companies is falling, and taking the economy along with it.

Mexico's speculative financial sector and stock exchange have been suffering instability for a month now. Officially, it is said that the situation is temporary and that the "mini-cracks" are due to the U.S. Federal Reserve's announcement of a hike in U.S. interest rates. This supposes that a portion of the investments in Mexico are returning to the United States, where they will obtain similar or higher yields. Other analysts are trying to find internal explanations: conjunctural instability due to the election process, the events in Chiapas, etc.

However, the chronology of the Mexican speculative debacle reveals other elements that need to be taken into account. The speculative instabilities did not begin on Jan. 1, the day of the "uprising" in Chiapas by the Zapatista National Liberation Army, but on Feb. 14, when George Soros's Quantum Fund, the world's largest speculator in financial derivatives, lost \$600 million betting on a devaluation of the yen against the dollar. Because of the trade conflict between the two countries, the yen revalued instead.

Then came Feb. 21, when Federal Reserve Chairman Alan Greenspan announced an interest rate hike. This produced a generalized fall on the international bond markets, which had already been hit by the losses of Quantum Fund and by the rumor that either Goldman Sachs, or one of its main clients, had gone bankrupt on the French markets.

Contrary to what some are saying, foreign capital in Mexico was not frightened by the Chiapas affair. In fact, by the end of February, the fi-

ancial authorities had registered an inflow of nearly \$2 billion in stock market investments alone. Described as an "excess of liquidity" in dollars, this enabled the Mexican government to manipulate its bond interest rates downward.

Due to Mexico's "worst political crisis ever," interest rates reached a historic low of 8.81% for 28 days. "The recovery is starting to be felt," pronounced Finance Minister Pedro Aspe. He and the bankers announced a restructuring of overdue agricultural and manufacturing loans. Single-digit interest rates "will begin to take effect" at commercial bank windows, insisted President Carlos Salinas de Gortari. But the party lasted just two weeks. By March 9, the 28-day interest rates had already risen to 9.30%, and 91-day interest rates to 9.71%. Six-month rates broke the single-digit barrier, reaching 11.02%, and one-year rates 10.99%.

There is also capital flight. Since Feb. 24, the Mexican stock exchange has suffered five consecutive declines, losing all the gains accumulated in January. Some analysts observe that this is occurring in an environment of very reduced buying and selling of stocks.

At the same time, a large number of banks suddenly reported a liquidity crisis and began to make unusual purchases of dollars, the currency that began the process of revaluation with respect to the peso, although still within the "limit" of daily devaluations established by the government. (In a single day, the peso was devalued by figures equivalent to the accumulated slide of all of January. Estimates are

that a huge devaluation would require some \$10 billion to flee the country.)

These phenomena still have no explanation: significant falls in the stock exchange in a practically stagnant market, and banks that report "shortfalls" in an ocean of dollars. What is going on?

As far as the banks are concerned, they are probably facing financial warfare from the foreign institutions that will presumably be setting up shop in Mexico shortly.

On Feb. 21, the brokerage house Goldman Sachs issued a report for its clients on seven Mexican banks. According to press reports, "at least seven institutions used legal technical maneuvers to hide the amount of their lost loans" and this mechanism has already been detected by foreign institutions, the report states. Goldman Sachs explains to its clients that "the Mexican banks which . . . operated inefficiently will sink, given that Mexican banking is still underdeveloped." The banks named are Banco Mexicano, Serfin, Mercantil-Probursa, Bancreser, Banco Union, and two smaller ones. However, also reporting "shortfalls" are the two largest, Banamex and Bancomer.

In the shifting sands of the stock exchange, what has these companies paralyzed are George Soros and his Quantum Fund. Almost nobody knows it, but for some time the 15 principal companies that control the Mexican stock market have been making investments in financial derivatives on the international markets, with the result that they too are being affected by the fall on the international bond market. Some of these companies have already been publicly named: Alfa, Apasco, Cemex, Cifra, Comerci(banco), Desc, Femsa, Grupo Carso y Telmex, Gigante, G-Video, ICA, Liverpool, Tolmex, Vitro, and Banacci.

No friend of the farmer or the hungry

The Hudson Institute says we can produce more food, but it is backing cartel demands for free trade.

There is a contrived debate being staged, aimed at public opinion and conducted through the media, on Capitol Hill, and through pseudo-scientific journals, that poses the question: Can the world's population feed itself?

The real food crisis that we face is that the world economic depression is destroying essential infrastructure and ruining family farmers, to the point that agricultural output potential is being destroyed globally, placing the world on the path to famine. What is required is an emergency mobilization to reverse destruction of the physical economy and produce more food at increasing rates of yield.

Instead, there are political and financial interests backing cynical, incompetent position-taking on the so-called food issue, while they move privately to maintain policies of food and population control.

The contrived arguments are that 1) population should be cut because the natural resource base and technology limits for the earth's "carrying capacity" for humans has been reached; and, its pseudo-opposite, that 2) wonders expected from agricultural biotechnology will be the basis for billions more people, as long as free trade and "comparative advantage" prevail globally.

We refuted the first argument in the last issue of *EIR* (March 18), in a review of a recently released book, *State of the World 1994*, by the most publicized advocate of this viewpoint, Lester Brown, founder and director of the Washington, D.C.-based Worldwatch Institute. Brown claims that

world resource limits for agriculture have been so exceeded, that governments should be required to eliminate their "unsupportable" people.

What is the alternative? "Billions more people can easily be fed," says the Hudson Institute, the loyal opposition to Worldwatch, Brown, et al. But a look at a recent Hudson Institute conference shows what a sham their pro-population, pro-technology position is.

Called "The Greatest Opportunity in Farming History," the conference was held in Indianapolis, Indiana, the headquarters of the Hudson Institute since it moved from New York, where it was founded in 1961 by Herman Kahn, known as "mega-death" Kahn for his advocacy of the usefulness of nuclear war. The official host groups were the Competitiveness Center and the Center for Global Food Issues of the Hudson Institute.

The financial sponsors of the conference included food cartel companies now dominating food processing and trade and, since at least the late 1970s, the policies of the U.S. Department of Agriculture: Cargill, Inc., ConAgra, Sunkist, AGP Cooperative, Inc., Countrymark Cooperative, Inc., DowElanco, Miles Laboratories, and others.

The theme of the conference was that free trade must be expanded (beyond even the North American Free Trade Agreement and the General Agreement on Tariffs and Trade, or GATT), which, it was argued, will allow international "competition" in farming, through which, from interventions of selected biotechnological

and other high-tech inputs, plenty of food will be produced for future billions of people. Believe that, and we'll shovel you some more.

The conference keynote, "American Agriculture as a Growth Opportunity," by former Vice President Dan Quayle, called free trade the friend of the U.S. farmer.

So much for the propaganda. What about the reality?

The world loss of farmers, drop in output, decline in infrastructure (e.g., lack of repairs and expansion of the upper Mississippi levees and river improvements), and increase in starvation and malnutrition all show concretely the disaster of free trade. Yet, the speakers at the conference—Paul Faeth, economist from the World Resources Institute; Dean Kleckner, head of the American Farm Bureau; and many former USDA officials—all made special pleas for the food cartel's right to operate outside national controls.

The biotechnology propaganda is an even more transparent hoax. The technology itself, for genetic intervention in plant and animal life, is beneficial. However, what the Hudson Institute crowd is backing are sweeping patent rights and exclusive "intellectual property" rights, to be enforced under the GATT Uruguay Round, to control innovations in food and fiber from seed to table.

For example, the cartel company W.R. Grace, in October 1992, received patent rights to all genetically engineered cotton, of any type, by any means, produced in the United States until the year 2008. Grace is thus entitled to a royalty on any plant or seed of genetically engineered cotton, the fourth highest value U.S. crop, no matter how the genetic matter was introduced or by whom. Similarly, Monsanto has a sweeping patent for engineered wheat.

Business Briefs

Croatia

Economy must be revived, businessmen warn

Croatian business leaders warned in a meeting with Prime Minister Nikica Valentic in Zagreb on March 9 that steps must be taken to revive the economy. "We can't stand it any more!" they said.

They claim that the stabilization of the Croatian dinar is not enough for the economy to recover. Most business losses come from dealings with foreign countries because the dinar is overvalued. To be successful, they said, the value of one German mark must be at least 4,000 dinars, and not the current 3,600. Some even suggested 5,000 dinars to one mark to cope with inflation and to stimulate production.

Croatian economists accused the government of creating an artificial shortage in the supply of dinars, which affected its value. One consequence is that it is impossible to see clearly how big the Croatian monetary reserves are. Another problem is the spreading black market which is tolerated by the financial police. This is leading to the Croatian economy becoming a speculative economy. In 1993, real production in Croatia was falling by 5.9% in relation to 1992, but by December 1993, it fell by 11.9% in that month alone.

Prime Minister Valentic said that the "greatest light of hope for the Croatian economy is coming from international monetary institutions."

Labor

Brits push USAir to confront unions

"The Brits . . . don't believe the guys at USAir have religion yet. They want them to really confront the unions," one analyst, who asked not to be identified, told the March 10 *Philadelphia Inquirer* in describing the latest asset-stripping program of wage cuts and layoffs announced by USAir.

In USAir's hub in Pittsburgh, which employs 12,000, county officials have hired a law

firm to figure out how to keep the new airport terminal open if the carrier declares bankruptcy. Meanwhile, the USAir labor coalition, whose members have already accepted large cuts in pay, layoffs, and "improvements in productivity" over the past two years, met in Washington on March 15 to try to counter the airline.

A British Air cash infusion of \$386 million last year gave it 24% of USAir stock and effective, if not actual, control of the company. But British Air is refusing to put in any more money, while USAir announced a \$200 million loss in first quarter 1994, caused primarily by matching cuthroat fare cuts by Continental Airlines.

Phil Valenti and Lewis du Pont Smith, associates of Lyndon LaRouche, have pointed out in a White Paper on Minnesota Attorney General Hubert "Skip" Humphrey, that Frank Lorenzo of Continental Airlines is a cat's-paw of Carl Pohlad of the ADL's "Minnesota Mafia," which in turn is a controlled asset of the British establishment. In other words, the British are running both ends of the asset-stripping squeeze.

Finance

Expensive money is not our culture, says prof.

Since St. Thomas Aquinas, expensive money does not fit with our culture, Jean Paul Fitoussi, a professor at the Political Science Institute of Paris and director of the French Foreign Trade Bureau, stated in the French economic weekly *L'Expansion* in early March. "Mass unemployment is the worst imbalance of a democracy in times of peace," he said, and one of the major causes of unemployment is high interest rates. "High interest rates mean, on the one side, that the revenues of financial capital are favored relative to those of work and company activities: Effort and its remuneration are thus devalued." Fitoussi concluded that the precondition for stronger growth is the return to lower interest rates.

"Soft growth has not been prejudicial to all," he said. "It resulted in a vast distribution of revenues and wealth. In fact, the fortune of some of the actors improved even more during

the last years of relative stagnation than it had during the preceding decades."

This is worrisome, Fitoussi said, because it means that certain economic agents are no longer interested in pursuing a generalized growth of the economy. "If the revenues of a fraction of the population can grow through redistribution of a fixed volume of wealth, rather than through the growth of that volume, the society becomes less of solidarity, and a common front in favor of growth disappears. . . ."

"Each country then tries to corner a more important part of the market. What is lost by one is gained by the other. In the same vein, each actor tries to increase its control over the national revenue."

Development

Fund supposedly set up to aid infrastructure

Former World Bank and International Monetary Fund executive and former Pakistan Prime Minister Moen Qureshi announced on March 7 the establishment of the first large-scale international investment fund which will exclusively target infrastructure projects in China and other developing countries, Agence France Presse reported.

The AIG Asian Infrastructure Fund, originally promoted and invested by the insurance conglomerate American International Group (AIG), is to provide equity financing for major Chinese infrastructure projects in the transportation, telecommunications, and energy sectors. "We have also been specifically asked to consider the expressway that links Beijing with the capital of Hebei province, Shijiazhuang, and four or five power projects," Qureshi said. Railway links and pilot projects aimed at opening up China's telecommunications sector will take up half of the fund, while the other half will be concentrated on the members of the Association of Southeast Asian Nations (ASEAN), he added.

AIG was headed by Hank Greenberg, who played a role in many CIA operations in collaboration with such other Asia hands as former CIA Deputy Director Ray Cline, former U.S. Ambassador, to Beijing James Lilley, former

Pentagon covert operations director Gen. Richard Stilwell, George Bush, and Bush's former aide Donald Gregg.

The 'American System'

Revive List, says former governor of Fed bank

William M. Burke, a retired vice president of the San Francisco Federal Reserve Bank, called for a revival of the "American System" economic policies of Friedrich List, in a column in the Feb. 28 *San Francisco Chronicle*. List's writings are again gaining currency among even some American policymakers, he said.

"Writing in *The National System of Political Economy*, published in 1841," Burke wrote, List "argued that policymakers can assure national greatness only by supporting their industries with a system of tariffs, subsidies, and other protectionist policies. List argued that protectionism was especially necessary for countries trying to reach economic maturity, particularly if they wanted to catch up with other countries that had reached maturity at an earlier time. In any event, List and his theories were involved in all three of the great economic success stories of the past century—America, Germany, and Japan."

Burke claimed that some of President Clinton's policies show influences of Listian ideas, and cited John Kenneth Galbraith, who he says favors a revival of List's protectionist policies. "All of this suggests that we will hear much more about Friedrich List in future years," he wrote.

Poland

Strikes greet IMF austerity budget

The Polish Sejm (parliament) approved a new budget on March 4 which was arranged with the International Monetary Fund, which poses strict limits on state subsidies to state-sector industries. A strike wave has been organized

by Solidarnosc in protest, which may have repercussions upon the policy and composition of the government, should the OPZZ, the former communist labor federation which has so far been loyal to the government, join the protest.

On March 8, workers in 70 iron and steel plants were on warning strikes on the second day of action by the 2 million-member Solidarnosc movement. Workers in the energy, state railways, coal and copper mines, and telecommunications sectors are expected to join the nationwide protest.

"This is like a snowball—every day, a bit more, until the budget is withdrawn and changed," Marian Krzaklewski, chairman of Solidarnosc, declared in Warsaw. The labor action is aimed at convincing President Lech Walesa that he should veto the austerity budget and force a review of it.

Economic Policy

Lemelson calls for invention and innovation

Jerome Lemelson called for a national economic program which emphasizes "invention, innovation, and creativity," in an ad in the Feb. 9 *Washington Post*.

Lemelson attacked the so-called post-industrial society. "We forgot that the service sector alone cannot sustain a healthy economy. Real wealth comes from putting ideas into production," he wrote. "Services alone cannot support us, and neither can the raw materials and finished goods that made the United States the world's richest nation. In a high-tech environment, the most powerful competitive advantage is a work force that invents and innovates. The critical resource is brain power."

Lemelson works with the Massachusetts Institute of Technology and Hampshire College. His project has reintroduced the World War II concept of the E-Awards for excellence, which were designed to stimulate productivity in support of the war. It is projected that E-teams will be created at all schools amongst the 4.5 million college students in the United States, thus sustaining "scores of 21st-Century Silicon Valleys," through Hampshire's National Collegiate Inventors Alliance.

Briefly

● **BACTERIAL** infections are increasingly difficult to fight, according to Professor Bitter-Suermann of the University Clinic in Germany. Antibiotics have been relied upon while other control measures such as vaccinations or isolation have been neglected, and some diseases have developed agents that are resistant to more than one antibiotic in 60% of cases.

● **THE EUROPEAN** Commission will allow 26,000 tons of chlorofluorocarbons to be imported, *Libération* reported March 9. The EC decided in 1992 to stop production of CFCs by the end of 1994. The imports will come from India, China, Russia, or countries which, under the Montreal Protocol, have the right to produce CFCs until 2006.

● **RABOBANK**, a Dutch bank known in the United States for speculating on farm loans, is planning to become one of the leading agribusiness banks in Australia in the next three years.

● **COLOMBIA** signed an investment agreement with Britain, in which it will guarantee British investors treatment equal with its own nationals, no exchange controls, international jurisdiction over disputes, and other benefits.

● **THE BANK OF ENGLAND** and City of London are the ones preventing any action against derivatives," a German financial source told *EIR* on March 9. "The only area left where Britain is a global player in the aftermath of 12 years of Thatcherism and deindustrialization, is in global finance. So long as London refuses to act, controls elsewhere are utterly impotent," he said.

● **ROBERT REICH**, the U.S. secretary of labor, attacked "some central bankers and finance ministers" for believing that their policies simply amounted to "the freedom to fire workers," according to the March 11 *International Herald Tribune*. That would not result in better living standards, Reich said.

Can the collapse of Africa be reversed?

by Linda de Hoyos

From Algiers to Capetown, from Monrovia to Mogadishu, the continent of Africa is being wracked with crises which are determining in the short term not only whether millions of people will live or die, but whether entire nations will slide into a nearly irretrievable economic and social devolution, a devolution the rest of the world would be foolhardy to believe it can escape if current policies are not reversed.

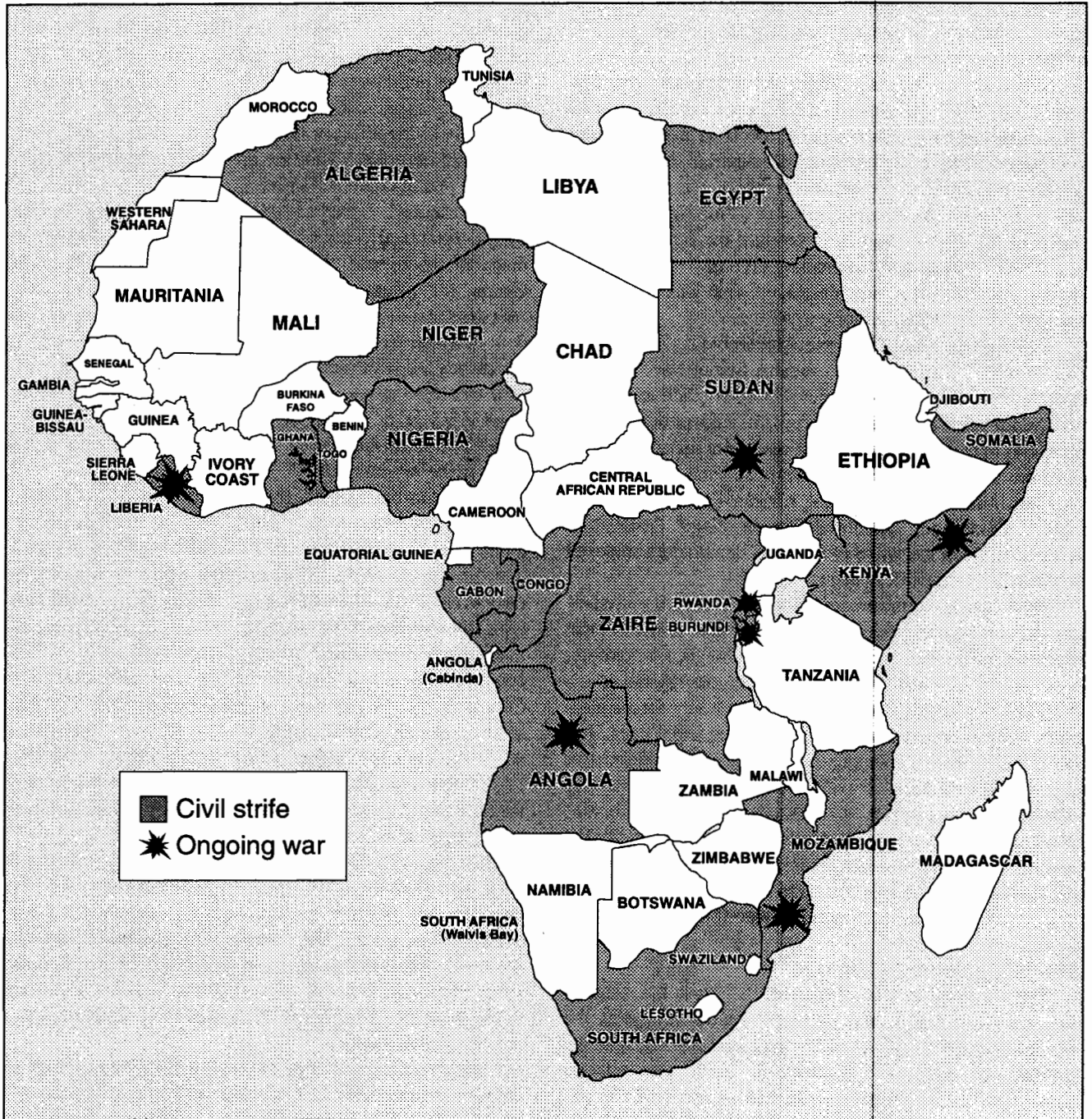
African leaders are not unaware of the problem. The problem lies primarily in three factors: first, extreme and unrelenting economic stress imposed on the African nations from colonial powers that created the International Monetary Fund (IMF) and the World Bank and handed Africa over to their malevolent dictatorship; second, the social and political disintegration of nations as the inevitable byproduct of economies' collapse below subsistence levels; and third, the nurturing by the former colonialists of an African elite permitted to keep its grip on power only on condition of its corruption. Often, if an African leader attempts to buck such conditions, he is either physically or politically removed forthwith, or the nation is threatened with total financial embargo at the hands of the IMF and donor (colonial) countries.

The authors of the reports presented here on Somalia and Zaire are from Africa. Dr. Mohamed Osman Omar is an eminent diplomat of Somalia, speaking from decades of experience in northwest Africa. Lawrence Eyong-Echaw is a longstanding journalist in Cameroon. The point is not insignificant; for the most part, the post-colonial set-up has acted to prohibit Africans speaking to one another.

The road to zero

The title of Dr. Osman Omar's book, reviewed by our New Delhi correspondent Susan Maitra, starkly evokes the process that is now taking hold in more than one African country: the road to zero. "Zero" does not signify the intense suffering caused by a widespread but episodic famine, often the image of African suffering

Destabilization in Africa, 1994



presented in the western media. Zero is far worse: the obliteration of infrastructure and the rending apart of all social fabric, as if a country's physical and social structure had been smashed to pieces. As Dr. Osman says of Mogadishu, "Today if we want to have a conference there, we don't have chairs and tables, let alone microphones."

As *EIR* has documented (see Jan. 1, 1993, "1990s Decade: Breaking Point for the IMF or for Africa?"), Somalia's demise was the end-result of a process imposed by western powers to remove Somali President Siad Barre (who in fits and starts had resisted the IMF's destruction of economic sovereignty), with the full knowledge that there was no na-

tional institution to take his place. Once Barre was removed, the western powers then pulled up stakes, leaving Somalia to its own collapse. Aid came only in the form of U.N. and U.S. troops, making of Somalia a precedent for the abrogation of territorial sovereignty as well.

Somalia is not the only country where the infrastructural underpinning to the population's existence has been devastated. Already, energy consumption levels in many African countries are only 1% of levels in the industrialized countries, so the term "zero" is not an exaggeration. Uganda was the first to go, with the coming to power of Idi Amin. Amin's ouster of the Asian community brought the economy to its knees; his brutality and the ensuing civil and regional wars during and after his regime destroyed what was considered the jewel of the British Empire in Africa.

Today, large areas of Angola, Mozambique, Zaire, Liberia, Burundi, Rwanda, and southern Sudan have become completely dysfunctional. Other countries, such as Nigeria and South Africa, are at the brink, if leaders do not take measures to brake the economic slide. Major dislocation now threatens the francophone countries—Senegal, Mali, Burkina Faso, Niger, Chad, Central African Republic, Congo, Gabon, Cameroon, Equatorial Guinea, Togo, Benin, and Ivory Coast—in the wake of the 50% devaluation imposed on the African franc in January.

Most African countries are already operating at such slender margins of stability, that it does not take much to push the country over the edge toward war. In Congo, for example, civil war broke out in January, between the regime of the President elected last year in Project Democracy-forced elections, and his opponents. The split is along tribal lines. The Jan. 27 *New York Times* quoted a Congolese economist as saying: "Democratic elections were the worst thing that ever happened in this country. It's unleashed a Pandora's box of tribal hatreds that may take generations to heal." With the nation's capital a battlefield, President Yhombi-Opango declared that relief would come soon when the IMF approves "his new belt-tightening program," according to Reuters.

Mortality rates on the rise

The approach to zero in the early 1990s is the result of the reversal in the decade of the 1980s of any gains the African countries had made since independence. Despite the International Monetary Fund-World Bank post-colonial framework, infant mortality statistics—one important barometer of the physical state of a population—register a steady decline through the 1960s and 1970s. Direct rule by the colonial powers had pushed infant mortality rates so high that average life expectancies in many countries were no higher than 29 years, in the late 1950s. The process of economic collapse in Africa began with the oil hoax crisis of the mid-1970s and the plunge of the terms of trade for most African export commodities in the 1980s, and the steady IMF-enforced devaluations of currencies, leading to rampant

domestic inflation and collapse of industry.

According to a 1993 study prepared by the National Research Council of the U.S. Academy of Sciences, "Demographic Effects of Economic Reversals in Sub-Saharan Africa," studies of pre-industrial economies showed that a "10% increase in grain prices leads to a decrease of approximately 1% in fertility and marriage and to a 1% increase in mortality." In the 1974 famine in Bangladesh, the study notes, "mortality kept close pace with the increase in the price of rice" that had precipitated the famine.

In Africa today, the Research Council concluded, mortality is definitely affected by economic reversals—contrary to many of the figures published by the United Nations. In Ghana, for instance, touted by the IMF as its showpiece, "declines in the terms of trade and in the world price of cocoa, both of which were severe in the late 1970s and early 1980s, are associated with increases in child mortality." In Africa, as a whole, "the pattern is for child mortality to be above trend in a year in which Gross Domestic Product per capita falls, to be below trend in the following year, and to be higher again in the year after that."

AIDS has emerged as another major factor in bringing down life expectancies. In addition to rising infant mortality, a study on HIV infection by the U.S. Bureau of Census shows that "as a result of AIDS, substantial increases in mortality rates occur in the adult ages, where relatively few deaths are typically expected. The cumulative effect of this increased mortality is substantial." Life expectancies in many African countries are only 50 years or below. The 1993 Bureau of Census study, "An Epidemiological Review of HIV/AIDS in Sub-Saharan Africa," estimates that the "net effect of this AIDS epidemic is to reduce urban life expectancy at birth by 17 years, or approximately 1 year decrease in life expectancy for each percentage-point increase in HIV prevalence levels in the population."

In short, under the current economic decline—which decline unleashed the AIDS epidemic to begin with—African countries are heading back toward the extreme physical depletion that marked the colonial period. Simultaneously, the hopelessness and desperation spawned by such economic stress fosters the reducing of populations' sense of identities to the most localist tribal levels and toward violence in the defense of that identity.

There is clearly no hope of braking this downward spiral unless the stranglehold of the IMF and "free trade" on the world economy is broken. That is a challenge not only for African leaders, but patriots everywhere. Even so, the threat posed to Africa's very existence today requires that Africa's elites take a hard look at the realities of post-colonial "independence" and break with the rules of power politics in Africa. A continentwide dialogue must begin to define political and economic solutions that Africa's people so desperately require and deserve, and to forge the political will to carry them out.

Development and freedom are the same

At a conference of the Schiller Institute and the International Caucus of Labor Committees on Feb. 20, 1994, Lyndon LaRouche responded to questions from African participants on the prospects for their nations.

Q (leader from Cameroon): I have two questions: Which in your opinion should come first, economic development or political freedom? Two, I'm acquainted with some of the programs that you have designed for Africa. If your economic policies for Africa cannot be known because of the existence of authoritarian regimes that refuse to allow freedom of thought and expression, such as the freedom of the press, how can Africa under the present circumstances build constitutional, democratic, and economically viable republics?

LaRouche: First of all, the situation is not hopeless in terms of authoritarian regimes. Take the case of the government of Nigeria, which has recently come into conflict with the International Monetary Fund in particular. Let me compare this with the case of Central and South America, which we know very well as well.

Today as you know, the U.S. government, or a faction of it associated with Luigi Einaudi (a long-term consultant to the State Department) is backing, through the Inter-American Dialogue organization, terrorism throughout Central and South America. The Sendero Luminoso [Shining Path], the terrorists of Peru, are backed by the International Monetary Fund (IMF), the Security Council affiliates, and the Inter-American Dialogue. They are backed also by sections of the U.S. State Department. It's a fact! One of the reasons they give for backing them, as they do in Chiapas province, which is an external-internal operation aimed at destroying Mexico—it has nothing to do with Indians; that's a fraud—is to destroy the military of all of the countries of Central and South America: Brazil, Mexico, Venezuela, Colombia, Peru, Bolivia, Chile.

Why do they wish to destroy the military?

Once they got rid of Juan Perón and his friends in the 1950s, effectively by overthrowing the government of Argentina, what remained were military regimes which generally were willing, at the point of bayonets, to enforce the requirements of the London and New York banks. The military was essentially the debt collector for the New York and London banks.

Now, why do these people wish to destroy the military? Because the military in the present crisis, has functioned as a patriotic force of resistance against the total destruction of those nations.

I have been watching coups in Nigeria which are like a fast-spinning revolving door for a great number of years. Why suddenly does a new military regime come in to attack the IMF? The same phenomenon. Nigeria is the most populous of the sub-Saharan countries; not the largest, Sudan is the largest, but Nigeria is the most populous. It is the Brazil of black Africa. If it does not resist, all black Africa is destroyed. It is resisting. Why? Because they are decent people on a certain level. They are fighting against a force that is trying to obliterate their nation. More power to them!

They are not hopeless. There are no really hopeless people. Wherever a human being is, there is the spark of *imago Dei*; and wherever that spark exists, we must find a way to address it. Because that's the only force we've got, the force of ideas connected with the fact that every human being is potentially in the image of God; and you must touch that. Without that, you won't succeed.

Now let's look at this situation in another way. There are two questions. Freedom and economic development are interdependent; they are the same thing. What is economic development? Is it "having" something? Economic development is utilizing the principle of the human mind. *The only power that humanity has, lies within that which makes man individually in the image of the Creator, the power of creative reason.* The only thing that differentiates man from an animal is *reason*, the power to make scientific and artistic discoveries, to develop man's behavior through these conceptions, these discoveries. The only power and the greatest power in the temporal universe is the power of ideas. Not formulas, not recipes, not force, but ideas. It is the only reason the human race has survived what it has survived.

The power of economy lies entirely in ideas, in scientific and related discoveries which give man increased power over nature. There is no possibility of development without the freedom to generate, to transmit, to assimilate, and to practice better ideas. You can't have freedom in a zero-growth society. You have only dictatorship, the suppression of ideas.

Why didn't the Bolshevik system work? Because it didn't have a market? That's a fairy tale! We've got a market system, and the whole thing is collapsing. Obviously the lack of a market was not a virtue of the Russian system. They put a market in there, and look what happened; it is worse than ever. You've got a cold and they give you cancer; that's not a cure.

The failure of the Russian system is called the peasant problem, at least from all the literature I've studied for many years on the Russian question. You couldn't get a lot of the Russian population to accept technological progress. And in many parts of the world, people don't accept technological progress; they want to go back to the old ways. They don't



LaRouche answering questions at the Washington conference, Feb. 19.

want to be pushed. You see, it's the great genius of western civilization that we did solve that problem. That's the gift of Christian civilization: the ability to organize technological progress. Until we discovered it, no other civilization, no other part of the planet, was able to do that in the entire history of mankind. That's our gift; it belongs to all humanity. Deliver the gift.

Development and freedom are the same thing, because they both involve the freedom of ideas for change. Not libertarianism; not the right to change your sex ten times a day, but the right to use your mind, to assimilate, develop, and apply different choices of idea to improve human practice, morally and physically. That is what economic development is, which requires infrastructure. You are not going to develop a desert by sitting there and having ideas; you must have water. Therefore you must use reason to get yourself water. You require power; you must have power. You must have sanitation, you must have all these other things. So you apply the power of reason with ideas to give your country development.

Q: How do we get this message through to the people in Africa when there is no freedom of thought and expression? How do we do it?

LaRouche: I'm telling you, I've been through this. The first time we got into Africa significantly was with a dear friend of ours, the late Honorable Fred Wills, who was the foreign minister of Guyana. We fought a war together. It was together with our friends from Peru and other countries, which led into the August 1976 Colombo, Sri Lanka conference of the Non-Aligned nations. The proposal which we had designed, for which we had fought over the preceding several years, prevailed at that conference. The forces of London and New York overthrew every government which played a leading part in supporting that resolution. It overthrew the host gov-

ernment, that of Mrs. Bandaranaike, promptly. It overthrew the [Indian] government of Mrs. Gandhi a little later, with help from Moscow. It overthrew the [Pakistani] government of Mr. Bhutto. It not only put Mr. Bhutto in prison, but killed him, because he offended them by supporting that policy. It overthrew the government of Peru, the Velasco government, using Kissinger agents in the Peruvian government.

The same process has happened in Africa: Every government that got on to this has been crushed. It has been crushed by African forces which have been hired and which accepted the pay to overthrow a government that moved in the national interest.

One of the governments that is now resisting is the government of Sudan, and the government of Sudan is marked for extinction by the Church of England, which is leading the pack in the determination to unleash genocide in Sudan, and has so far been unable to secure, even with the help of forces in Egypt, the people who are capable yet of overthrowing the government of Sudan.

We have to understand that there is an inner problem in Africa, because they are not well-educated; because people who are educated and have power have a tendency to behave like yuppies, to live at the expense of people less fortunate than they are, rather than uplifting them; who would rather be accepted in London and not be executed the way it happened in Congo, when it was Belgian Congo, in the time of [Patrice] Lumumba. They would rather live in safety and have a nest egg in a London or Swiss bank, and be tolerated by the metropolitan countries. They are not going to fight for their people. And if the people themselves are illiterate and don't know, how are they going to fight?

In South America and elsewhere, in the United States, in the British Isles and on the continent of Europe, in Russia and in eastern Europe, and in China, and elsewhere soon tomorrow, around this world people are faced with the reality that what has happened cannot continue. And they are looking, and *will* be looking for ideas. There are people I know throughout black Africa who are very well aware of what we are doing and who would respond, who have tried to respond in the past, but they are terrified. My being in prison didn't give them any courage either. Because they said: "Look at that fellow—he's the only fellow in the United States who is for this, and they stuck him in prison. He's finished. There is no one to turn to," they said.

I'm free. I may be dead tomorrow, but I'm free today. We know how to win, and we shall win. But we do not have the almighty power to decree when victory will occur. We must do what we should do to bring about victory, and have confidence that the opportunity will be presented to us. We will have the opportunity; let us be prepared; let us be persistent; let us work through frustrations and defeats; let nothing deter us. We will fight, and we will fight until we win because that is our duty, and that is our hope, and that will become our victory, whether we live to see it or not.

Ambassador documents the anatomy of political failure in Somalia

A book review by Susan Maitra

The Road to Zero, Somalia's Self-Destruction

by Mohamed Osman Omar
Haan Associates, London, 1992
213 pages

This slim volume is must reading for anyone concerned with the fate not just of the battered and bloody nation of Somalia, or the strategic Horn of Africa, but of the whole of Africa and the world. As Dr. Oboth Okumu, Ugandan High Commissioner to India, wrote about the book: "If only the word Somalia was taken away . . . the contents could be true of many African nations today. The work should encourage all those who read it to contribute to the political histories of their countries." Osman Omar has succeeded in showing us from the inside the step-by-step process of Somalia's descent from the optimistic expectations of independence on July 1, 1960—overshadowed as they already were, however, by the tortured legacy of competing colonial rulers—to the fratricide into which the country plunged with the overthrow of Siad Barre on Jan. 27, 1991.

Osman Omar's direct and unassuming style in these "personal reminiscences" is a refreshing departure from the typical insider accounts of historic events. There is no doubt that throughout the period, as one of the relative handful of educated and qualified Somalis, he had an excellent vantage point on developments. Born in 1937 in Mogadishu, he began work as a civil servant at the Post Office and then transferred to the Constituent Assembly during the preparations for independence. Following independence in 1960, he worked first as a journalist and then as a diplomat in London, Beijing, Teheran, Dar-es-Salaam, Khartoum, and Belgrade, the last two as ambassador. In between, he served a total of six years as chief of protocol in the Foreign Ministry. He is married and has seven children. He speaks six languages, including Arabic, Italian, and Mandarin Chinese.

Presently Somalia's ambassador to India, Mohamed Osman Omar begins his story in Mogadishu in 1950, when we

see through his youthful eyes the transfer of power from the British Military Administration, which had seized this part of the Somalia territories from Italy in World War II, back to Italy, which had been designated by the United Nations to "prepare the territory for independence within ten years." We appreciate the cruel arbitrariness of this exercise—the fourth time in living memory that Somalia's ownership was being changed—in the personal dismay of the young Mohamed Osman, and his apprehension over the loss of his English teacher and his English education, an apprehension fired by his father's stories of the brutality of the rule by the Italian Fascists prior to 1941.

"Now that Mrs. Geeran and what she represented had gone, and the English language was buried, we began learning everything over again, in Italian," writes Osman Omar. "All office correspondence was now to be in Italian. And we were in a hurry, because in ten years time we had to be able to run our country."

The book then gives a retrospective account of the often incomprehensible maneuvering among the world powers of the day, and between them and the nascent political groupings in Somalia itself over U.N. Resolution 289, which determined Somalia's fate, including the country's continued fragmentation. This subject runs as a powerful undercurrent through the rest of the book, and could well be a book or several books in its own right—a case study in the geopolitical gamesmanship that has wreaked havoc with the nation-building effort in Asia and Africa in particular.

The problem is engraved in the flag of independent Somalia and embedded in the Constitution. The flag is a white star on sky-blue background: The five points of the star represent the five Somali territories, namely former Italian Somaliland, British Somaliland (Somali Republic), the French Somali Coast (now Djibouti), the Northern Frontier District (NFD), and the Ogaden, the last two controlled by Kenya and Ethiopia. On July 1, 1960, only the first two were "freed" and united, but the goal of uniting all the Somali territories was enshrined in Article 6 of the Constitution. Unlike in the many cases where colonial rulers enjoyed diverse ethnic and cultural groupings with which to play their game of divide and rule, the Somali territories are uniquely homogeneous ethnically, culturally, linguistically, and religiously.

Yet, years before Somalia's independence, and just after a losing fight against the other major powers for uniting the territories under the Bevin Plan, Britain, between 1948 and 1955, had handed over the Ogaden, Haud, and the Reserved Area to Emperor Haile Selassie of Ethiopia. The emperor and his patrons evidently believed that all of the Somali territories belonged to him, and the "Lion of Judah" began military harassment of the young republic soon after independence. Then, in 1963, Britain gave the NFD to Somalia's other neighbor, Kenya, in a high-handed move that betrayed its own referendum findings concerning the NFD population's wishes, and set Kenya and Somalia at loggerheads. In 1967, in a similar operation, France tightened its grip over Djibouti.

Extreme backwardness

This situation would present a formidable challenge to the most experienced national leadership of an otherwise strong and vigorous nation. But at the time of independence, Somalia was a portrait in dependence and backwardness. In 1957, after seven years of Italian-directed preparation for independence, Somalia had only two men under training in the diplomatic field. Just 160 students were enrolled in the Higher Institute of Law and Economics, the only institution of higher education in the Somali Territory, and some 37 Somalis were pursuing university studies in Italy. It was expected that in 1960 a mere 27 Somalis would receive university degrees in Italy.

Moreover, the whole business of the nation was being conducted through the medium of foreign languages—Italian in the south and English in the north—with English required to conduct foreign relations. Lack of educated and skilled personnel made the country dependent on foreign expertise even for the daily running of the administration. And, since throughout the colonial period no effort had been made to improve or build up the country's infrastructure and economic production, dependence on foreign assistance in that sphere too was virtually total. After ten years of Italian tutelage, there was still no potable water in Mogadishu: Drinking water was brought to most households in used petrol canisters on the backs of donkeys, Mohamed Osman tells us. Illiteracy was very high.

The main employer in the country was the government, but the country didn't generate enough revenue even to cover the salaries of its civil servants: The nation's budget was funded by foreign aid, mostly from Italy. There were other foreign aid pipelines, but almost nothing went into economic investment. Osman Omar tells of imported tractors that went to rust because an aid donor convinced Somalia's leaders that "it would be cheaper to import grain from our country than grow it yourself."

Meanwhile, the national preoccupation with uniting the Somali territories received no strategic or material support from Somalia's erstwhile benefactors among the western powers. In 1963, the government of Prime Minister Abdi-

rashid Ali Shermarke rejected a western offer of \$10 million in heavily conditioned military aid in preference for a Soviet aid package reportedly three times bigger. The tilt had no impact on domestic affairs, where corruption, nepotism, and tribalism continued to prosper, and also proved no solution to Somalia's strategic dilemma. Ties with Great Britain were severed and then repaired, but by the end of the decade of independence the goal of reuniting the territories was further away than ever. The population was desperate for any change that offered the hope of improving conditions.

Barre's 'bloodless revolution'

Enter Maj. Gen. Mohamed Siad Barre, leader of "the bloodless revolution" of Oct. 21, 1969, who promised to restore justice and equality before the law, the right to work, fair distribution of the nation's income, eradication of hunger, disease, and ignorance, and elimination of the system of tribalism. Barre's more than two-decades-long rule took Somalia into the Soviet orbit and straight out again, as geopolitical maneuvering erupted anew in the Horn of Africa, and finally brought the nation to its knees. Osman Omar provides windows onto both the international intrigue and the internal workings of the Barre dispensation, from the author's successive diplomatic posts as well as his tenure as chief of protocol in Mogadishu. In particular, the ups and downs of Somalia's liaison with the former Soviet Union are interesting.

The author's dispassionate treatment of Barre brings into focus the general's accomplishments during the first ten years, including taking the difficult decision to give the Somali language a script, and the vigor of the young regime's commitment to the nation's welfare and its participation in African and world affairs. Similarly, the last ten years of Barre's slide into despotism and paranoia comes across starkly, and we are made to ponder the truism that "power corrupts" anew, and consider where the mistakes were made and why.

Somalia is among the ten least developed nations on this planet. The country's plight was virtually unknown in the West until the BBC and CNN brought live coverage of the civil war and starvation into the living rooms of television viewers around the world, and the need for a major rescue operation was recognized. The country had literally reached "zero"—the political, economic, and social institutions that make a nation had been shattered, and the population was threatened with extinction. Somalia has become the most extreme expression of the tragic abortion of the premise of independence and economic development that afflicts much of Africa to date.

Now Somalia needs help—the constructive help of outsiders and, most of all, the informed, energetic, and constructive help of its leading citizens to comprehend the past and chart a path for the future, to rebuild and fulfill the promise of independence for its long-suffering people. *The Road to Zero* is a most valuable contribution in this regard.

'Other newly independent countries should learn from Somalia's mistakes'

His Excellency Mr. Osman Omar, the ambassador of Somalia to India, was interviewed by Susan Maitra and Ramtanu Maitra on Jan. 27 in New Delhi. The review of his book, which is discussed in the interview, appears on page 21.

EIR: Your book tells the story of independent Somalia, its first 30 years—from the heady optimism of independence in 1960, to the civil war of 1991, to the present. What is the current situation on the ground? Is there any prospect for peace?

Osman: Today we enter the third year without stability. We pray that there will be peace. The prospect is always there. The hope never dies. We have seen big problems, difficulties, and the country has suffered, the people have suffered. And the perspective is that, we say, we believe that every bad thing is followed by good things. So we don't give up. When we see bad we say, "Thank God," then we pray for good things. I only pray that those who are involved in making peace will come to the conclusion that the time has come when the country must be given a chance to get back on its feet again.

EIR: The United States is leaving soon; the U.N. force is staying. Has the foreign intervention helped?

Osman: Yes. I say yes because the civil war was also coupled with drought. So the country had two disasters together, and many people have died. We have seen people dying from bullet wounds, for lack of food; we have seen houses, properties, schools, hospitals, offices destroyed. Definitely, the intervention has helped to ease that suffering. The food has come. The civil war, the random shelling of heavy guns has stopped. The people have started talking to each other. I have seen personally in the streets of Mogadishu, patrolled by U.N. forces, the people come to the market place; they have started selling things in the streets, although big business is still missing because millions are outside the country. They have run away from the country because of the fear of death. Somalis have suffered a lot. Somalis have taken to the sea, to the roads. You may have heard the news that hundreds died in the Indian Ocean, just off the shore of Kenya. Then,

60 or 70 people died while sailing to Yemen. So the civil war caused a nightmare for the nation, and the intervention has helped. The multinational forces have really helped at least those innocent people who were not involved in the power struggle.

As far as the U.S. withdrawal is concerned, this is a decision being made by the U.S. government. But I think that they will remain with the U.N. forces, as part of the multinational forces, not as a separate U.S. contingent. Lately, the U.N. has been organizing limited forces to help work on humanitarian projects, and this is important. Our country is devastated by civil war and famine, and therefore external assistance is a necessity if the suffering of the people is to be alleviated.

EIR: Will they be able to have any influence on a political solution, or are the U.N. forces primarily laying the ground for the people to begin talking?

Osman: In any country today you can have differences among yourselves. You can have differences in the family. Then, if the family members start quarrelling or fighting, neighbors will help mediate. That's why Ethiopia, Kenya, and Uganda are all now trying to help us to solve our differences. It's necessary to have regional organizations, international organizations, the U.N., the OAU [Organization of African Unity], the Arab League, the Islamic Conference; you need them. Even if they only help us with logistics, it's important. It may sound impossible, but today if we want to have a conference in Mogadishu, we don't have chairs or tables, let alone microphones. The only decent conference hall, in the People's Assembly (Golaha Ummada), has been stripped of all facilities. No one gave a thought that the country would need it tomorrow.

To make it work, you have to try to make use of the assistance given by others, and it depends on you how you make use of it. The international organizations can help us, organize a forum for us, or an individual country can organize or give us a forum. That is necessary. Otherwise, if we trust ourselves and we can sit together and talk without outside help, it's much better.

EIR: Somalia is the tenth poorest nation in the world. What in your view are the priorities for a national reconstruction program?

Osman: The priority is stability. Peace. If we have stability and peace then the rest comes.

We are among the 10 least developed countries. Maybe we are today number one, or below that, because some time ago we were "least developed," an LDC; but today, I think, if there are LLDCs, then we go down below that because we have destroyed the little we had. We have to first reestablish stability, and then with the help of others we can raise our own heads again from the ground—start producing food, developing fisheries, raising livestock, which is our main lifeline. Due to the civil war, we have today nearly a million children who need to be rehabilitated. Then, God willing, we will arise again as a nation.

We are told that we are a rich country. Some sections of the world press were commenting that we have petrol. We are happy with it. But as long as we cannot bring peace, stability, and faith in our nation, then we will be not only below the 10 but will be nothing. That's why I called my book *The Road to Zero*. When I say the road to zero, it means that in the last 30 years, all our actions were just going to zero. You know, we never raised our heads. We had corruption, problems, nepotism, dictatorship, then all these things happened, and today we are where we are—zero. Tell me if there is in any part of the world, any country which has no President, or government, or ministries, schools, hospitals. It doesn't exist! Literally, we are zero because we don't have anything. We are rich with two things: talks without useful results and guns. So when they ask me, "What do you represent?" I say I represent the Somali nation. I always pray that the Somali nation exists, and I work for the nation. I try to play my part to keep the flag flying.

EIR: As a diplomat you had experience in wider African issues, beyond Somalia, and you refer to this occasionally in the book. What is your view of the situation in South Africa now?

Osman: The whole of independent Africa since 1960 has been supporting the people of South Africa. We spent millions of hours in talks. Each African country has given some sort of moral or material support, and some trained the South Africans in one form or another. We have done it. Somalia was among the first to assist the freedom fighters. We wish that the day will come that the black majority will succeed. We always said that this country has to have a democracy, a democratic solution for their problem. That means we blacks also should not be racists like the whites. I hope that our efforts of the last 30 years will not be in vain.

We have seen the release of Nelson Mandela. There is no country in Africa or in the world that was not calling for that, and we succeeded. The government of South Africa realized the trends, that they had no choice but to release him and to

make a change. F.W. de Klerk has made a change. He is a very courageous person. He has changed the situation in South Africa. He knew that his decision was suicidal, but chose to go down in history as the man who ended the centuries-old white supremacy. Now, if you are saying that you are not going to be racist, then you should say the country is for all Africans, for blacks and whites, for whoever lives in that place. The blacks have the majority, but they are divided. There is a group of white extremists, and there is a group of whites who would like to see change. I wish that all of them would come together and whoever has the political power to win the votes, to win in this democratic election that's forthcoming—because not only in South Africa, in all Africa, in my country, a genuine democratic political process is essential if everyone is to survive and have a chance.

Once Siad Barre's dictatorship was defeated I hoped that the groups would say, "Okay, we have defeated dictatorship. Here is, now, the key for the nation. You, the people, decide what to do with it." They did not say that; instead, they started fighting each other for power, until the seat of power itself had been destroyed. They behaved like the cowboys we saw in the films, who when they found a gold mine began killing each other for its possession until all perished.

Somalia became virtually synonymous with disaster. In Afghanistan, they used to say, "We don't want to be like the Somalis." But when those who were fighting against the [communist] regime of Mohammed Najibullah won the war, they started fighting each other. Somali groups were fighting against Siad Barre, then they won the war; now they fight for power against each other. They fought a war which everyone lost. They reduced the country to rubble and brought only misery to the people. They said they were fighting against bad government, but we now realize that bad government, as we say, is better than no government. At least you have an image as a nation. Look at Ethiopia, our neighbors. They were fighting the same type of regime. Before they took power, they said, "We should not be like the Somalis." They were very careful not to dismember the country like we did. In Liberia, the same thing is happening. They fought against the regime; they fight each other now.

Are there not enough examples that we can learn from? If somebody thinks he is the majority, I want him in the ballot box. I want to see the man who has the majority of votes to win in the ballot box, not with bullets. The one who uses a gun is only a coward; he has no trust in his political power. If you have political wisdom, political courage, you are not afraid.

EIR: If you have some plan for the country, some program, some vision—

Osman: You have to have vision. If you are going to be a leader, you must have vision for your people, your country. One has to think of the nation, its economic and social progress. I hope, I sincerely pray, that the leaders of the various

groups in South Africa will place the national interest before their own. What I see is people walking around with firearms, swords, and other dangerous items; it is really frightening. It seems that for us Africans, life has no meaning. Look at Somalia, Liberia, Angola. In Mogadishu we say, "Everything became expensive except the life of the person." Prices are high, but not the price of a life, because one can shoot anyone. No one asks why. We should understand that power is a poison. It kills you. It is a suicide when you are getting it by force, because there will be some who will not let you live with it in peace.

EIR: I want to ask you about some other situations in Africa. Nigeria, Algeria, and Egypt come to mind. It seems to me that there is a very palpable economic crisis that's underneath the political problems.

Osman: Yes. In Africa, anywhere, the basic thing is economy. If a man has bread he will not come to bother you. If a man has schooling, the child goes to school. If men have jobs, your government can live forever, provided you follow a democratic process. Economy is the basis either for peace or for crisis. I call the countries you have mentioned some of the richest countries in Africa. Algeria, Nigeria—they have petrol, they have gas, they have everything that their country needs, including well-educated people. Egypt is the center of education for most of the Arab world; it has a good industrial base; the people are hard-working. So why is there a crisis now?

Generally, we blame others, such as the International Monetary Fund, the World Bank, capitalists, and so forth, for whatever bad thing we do. We blame them, but we never blame ourselves. Why do countries such as Nigeria and Algeria, with all the wealth they have, have to go anywhere to get loans or to beg from others? Why don't they organize their economic program according to what they have? As the prices of their products are not stable, they have to be very careful. Take Zambia. It used to export copper. During the past years, whenever they had a problem with former Rhodesia, now Zimbabwe, the international capital used to punish it by bringing the price of copper down in the world market.

If you take money from the world organizations, you have to pay. You know the trap. We know countries which cannot even pay the interest, let alone the capital. Then you are forever in their hands. They tell you what to do. They even guide your policy. You may say, "What about Somalia?" Somalia needs to take their help. But those nations which have enough money, such as Algeria, Nigeria, should not take loans. They must spend only according to what they have. Bad management and corruption must be eliminated because these are like a cancer in any system. These countries have petrol, and the people have to queue for petrol! The crisis has come because of mismanagement; it's as simple as that. Mismanagement of the politics and economy of the country cause the trouble. This is the money of the nation. I

would distribute it to the people through good services such as schools, hospitals, infrastructure, housing.

Why did the Shah of Iran have to fall? Because 35 million at that time, now maybe 60 million—I don't know how many thousands were living on the streets. He could have built a house for each family. He could have given them 35 million apartments. They would have kissed his feet. He could give. He didn't. The same thing is happening to these leaders. But, of course, for their wrongdoings they blame others.

A more important thing is that they feel like the country is their property. It is not. The country is the property of the nation; the government is the property of all.

It is a sad story. We have people who, once they come to power, stick to it. They don't understand that the longer one sticks to power, the more he becomes addicted and in the end he is destroyed by that power.

EIR: But isn't it true that even the few of those who had a vision were put against the wall, and a lot of resistance came from the West? What I have in mind is Kwame Nkrumah, for example.

Osman: Yes, it is true. It was the game played by the former colonial powers. They did not want Africa to develop. They want to keep Africa that way so that they can keep control. All our things depend on the former colonial powers—all telephone communications, all telexes, all our banking goes through [London, Paris, New York]. We have developed a kind of complex. We love their civilization and not our own; if we do not speak English or Italian or French, we are nothing.

People like Kwame Nkrumah were put against the wall and sometimes even eliminated by the enemies of Africa. But the worst thing is that the enemies' plan is executed by the local people. East and West used local puppets to topple the man they disliked.

Three years ago in New York I met a friend of a newly independent country, and I told him: "Be careful and learn from the mistakes we have made!" He said, "How?" I said, "When we started we only tried to stick to power and make money. Then we could not leave the power. Start to be honest with your people and do not let power carry you away. If there is a vote and you lose, stay at home. At least you can go to your farm or do your own business peacefully. But if you are a dictator, you may enjoy a few years, but sooner or later you'll be forced out of power, and in some cases forced to leave the country. You'll run away, you'll abandon your country, you'll abandon your people."

Look at Siad Barre. He is now somewhere in Niger. If he would have given the people a kind of democracy, he could have stayed among us. [Ethiopian President] Mengistu, the same thing. [Zaire President Sese] Mobutu is in the way. See, every one of them. It's unfortunate that we blame the past, we blame someone else instead of learning from the past.

Zaire: the hoax of independence

Eyong-Echaw Lawrence analyzes the historical legacy that has left Zaire, with its abundant resources, one of the poorest countries in the world.

Since 1990, when the usefulness to the West of Zairean potentate President Mobutu Sese Seko had plummeted with the fall of the Berlin Wall, the West has carried out a policy to pull the plug on Zaire, a nation of 39 million people in central Africa. Disturbances in the country in 1991-92 prompted most of the Europeans and other westerners to flee the country. Since the western mining companies have systematically refused to train Zaireans to run the mines and associated infrastructure, the withdrawal of Europeans has brought about the complete collapse of the country.

Because Mobutu has refused to accede to Project Democracy demands for a conversion to pluralist democracy, the United States, France, and Belgium have cut off most aid to Zaire, despite the enormous poverty of its population. In January 1993, the World Bank ceased all operations in the country, cutting the pipeline of cash for the nationalized Gecamines company operating in Katanga province, the heart of Zaire's vast copper resources. Zaire's export earnings from copper and cobalt fell by nearly 75% in 1993, as Gecamines shut down operations. "Without Gecamines, they're back in the Stone Age," commented a Belgian businessman.

Bringing Zaire to its knees is but the latest episode in the systematic looting of the country that began with King Leopold of Belgium's pronouncement that the Congo was his private property. Zaire is by all rights one of the richest nations in Africa: It has about 60% of the world's reserves of cobalt, along with vast reserves of copper, cadmium, gold, silver, tin, germanium, zinc, iron, manganese, uranium, and radium. Instead, as the boxed figures show, it is one of the poorest. This is not simply because of a "corrupt government," as western media assert, but is due to a corruption enforced by the post-colonial system that was imposed from outside. Zaire today is a case study of the hoax of independence.

Joseph Desire Mobutu came to power in Zaire in November 1965 in a military coup, which was greeted with relief by western nations that had seen their multinational interests threatened by the chaos that followed the accession of Congo-Leopoldville to independence in June 1960. In the last 29 years, Mobutu has accrued a fortune estimated at \$10 billion,

while the pauperization of the Zaireans has rendered the country virtually ungovernable. To forestall handing over government to opposition forces, Mobutu has been playing one political party against another (there are 300 parties), one tribe against another (there are 254 ethnic groups speaking 400 dialects), one region against another, and one prime minister against the other.

In March, the National Assembly, a grouping under Mobutu's control that was forced to merge with the High Council of the Republic that emerged from the opposition-supported National Conference, will appoint a new prime minister charged with overseeing the transition to democratic rule. Mobutu's strongest opponent is Etienne Tshisekedi wa Mulumba, who has held various portfolios in Mobutu's cabinets. It would appear that he has the broadest support among the Zairean people. He controls the capital city of Kinshasa, having virtually chased Mobutu to his home town Gbadolite—another sign of the increasing fragmentation of the Zairean state.

Congo: private royal property

In 1855, when Belgium was just 28 years old as a nation, the young King Leopold was already obsessed with an unquenchable imperialist urge. Africa was still a *terra incognita*, with the Royal Society of Britain financing exploratory expeditions between 1857 and 1875. King Leopold convened an International Geographic Conference in 1876 in Laeken, to which the most reputed explorers were invited. On Oct. 30, 1879, Leopold entered into an agreement with an American journalist and explorer, Henry Morton Stanley, who was later to become notorious among the Congolese for his trigger-happy attitude to shooting down like game, any "natives" who crossed his path.

The invaders used the same method of conflict mediation and protection that the United Nations and other western powers are using today against Africa. As Father A. Roeykens wrote in *White Paper on Leopold II and the Colonization of the Congo*, Leopold contrived to have the commanders of his stations to cause the indigenous chiefs to choose them as arbiters in their conflicts with other tribes, and to place themselves under the protection of the African

Association to defend them against attacks from other tribes. In exchange, they had to cede part of their territory to Leopold directly.

Taking advantage of the rivalry among Britain, France, and Portugal in Africa, Leopold II imposed himself as an arbiter and made his association the guarantor of free navigation in the Congo basin. The Berlin Conference of 1884-85 among the powers thus created an Independent State of Congo which was King Leopold II's personal property. As Zairean historian Elikia Mbokolo wrote, "The juridical monstrosity which made a European king the owner of a huge piece of African territory on which he had never set foot, gave Leopold the leeway to build a veritable system of slavery based on expropriation and generalized violence." This odious system was later to be denounced by Leopold's own subjects.

One of the most dedicated crusaders against the inhuman treatment dealt the "natives" was Daniel Van Groenweghe, who in his work *Du Sang sur les Lianes (Blood on Lianes)*, quoted the district head of the Equator region as saying, "For me as well as for all other people, Central Africa was just a land of terror. My mind had been made up to accept the words of our ancestor that his African education started in the sound of gunfire as well as the burning of villages 'to bring the villages to reason.' In a nutshell, it was a life of force, with all its excesses."

Leopold's tyranny over Congo was unmatched anywhere in Africa for its brutality. A letter written by Leopold II to all his agents in Congo on June 16, 1897, and quoted by Hubert Galle and Yannis Thanassekos in *Congo—From Discovery to Independence*, says, "I am aware that in barbarous countries, there is need for a strong authority to oblige the indigent to adopt the manners of civilized society which they have not been so far used to."

Consequently, villagers who did not extract enough rubber had their arms amputated. The most recalcitrant villages were burned to the ground. The agents of Leopold's administration received huge bonuses for their extortions. The African-American George Washington, who came to the Congo in search of his roots in 1890, published a horrifying report on the "policy of amputated arms." British missionaries reported cases of natives recruited from British colonies and taken to work as slaves in Leopold's Congo. Daniel Van Groenweghe also quoted the secretary general of the Congo writing to Leopold II: "I think your Majesty should not be reticent in taking decisions which are unavoidable. The system of hostage-taking is considered as an odious practice by those who do not think. The villagers themselves now accept the fact that corporal punishment is necessary to make debtors pay promptly. Women are the most frequent victims. They are incarcerated, until such a time that their families or villages are able to furnish the required quantity of rubber."

In 1906, under pressure from the United States and Brit-

FIGURE 1

Zaire: approaching zero

Total population (1990)	38.6 million
Life expectancy	53.0 years
Infant mortality (per 1,000 live births)	96
Population with access to safe water	34%
Population with access to sanitation	14%
Children reported dying before age 5 in 1991	211,000
Under-five mortality rate (per 1,000 live births)	130
Maternity mortality rate (per 1,000)	70
Population per doctor	13,540
HIV infection in low-risk urban population	5%
Percentage of urban population	40%
Food import dependency ratio	37%
Per capita energy consumption (kg of oil equivalent)	71 kg*
College graduates as % of college-age population	0.2%
Total debt as % of GNP	141%
Debt service ratio	15.4%

* For comparison, U.S. per capita energy consumption (kg of oil equivalent) is 7,822 kg.

Sources: UNDP and U.S. Bureau of the Census

ain, the Belgian parliament took over the running of Congo as a full-fledged colony. But the excesses of the Leopold administration were only to intensify. The Belgian colonial administrators pushed their brutality to such extremes that they publicly flogged the corpses of people who had not yet paid all their taxes when they died.

The scars of racial discrimination that the Belgians imposed during the colonial period have remained indelible. In most of the principal cities, the living quarters of Europeans and Congolese are strictly separated. The European quarters are referred to as the "Ville," and the shanty towns are for the Congolese who return to their "Soweto" from their menial jobs in the "Ville."

Pseudo-independence

In 1955, Professor Van Bilsen proposed the gradual emancipation of Congo with the final objective of creating a federation with Belgium in 30 years. But by the next year, there was a blossoming of ethnic and culturally based associations, which served as the basis for the political awakening of Congo. Among these was the Association of the Bakongo (Abako), created in 1950 by Joseph Kasavubu; the African Conscience of Joseph Ileo and Joseph Albert Malula; the National Congolese Movement of Patrice Lumumba; the Party of African Solidarity of Antoine Gizenga; and the National Katangan Congress of Moise Tshombe.

In 1960, Belgium organized Round Table discussions in Brussels, to determine Congo's political future. During these

talks, it was agreed in principle that all economic assets which belonged to the Belgian Congo should simply be transferred to the independent state of Congo. But Congo was curiously asked to pay all the debts incurred by the Belgian state for projects in Congo—including a huge debt of \$5 billion to be paid to the World Bank. However, out of \$120 million borrowed from the U.S. government for road infrastructure in Congo, \$80 million had already been spent without any construction work having begun.

Between May 11-25, 1960, elections were held in Congo. The results showed a convincing win for Patrice Lumumba, whose National Congolese Movement was the only national party and which had emerged as the strongest party both in central and provincial elections. Lumumba himself had been present at the 1958 All-African Peoples Congress in newly independent Ghana, under the leadership of Kwame Nkrumah.

The independence of Congo was abrupt. By 1960, the training of the Congo population was so poor, that the country had only 20 university graduates.

There was more to come. Only 12 days before the proclamation of independence, the Belgian parliament voted up a bill transforming all Belgian companies operating in Congo, into Belgian companies to be headquartered in Brussels by law, to prevent them from being absorbed by the nationalist government of Patrice Lumumba. It soon became evident that Belgium had never really intended to release its stranglehold on the country's rich agricultural and mineral wealth.

Independence was finally proclaimed on June 29, 1960, and a "Belgian-Congolese Friendship Treaty" was signed stipulating that the Belgian troops stationed in Congo could only be used with the express consent of the Congolese government. But within two weeks, mutinies and riots had erupted in various parts of Congo, due initially to provocative statements from the Belgian commander of the Congolese troops. Panic-stricken Europeans began leaving the country, as Belgian troops intervened, seizing the Matadi and Leopoldville (Kinshasa) airports. Moïse Tshombe, a protégé of the Belgian mining companies, declared the secession of the mineral-rich Katanga (Shaba) province. By July 12, the Congolese government appealed for United Nations military assistance against Belgian aggression.

The story of the U.N. intervention into Congo is a sorry tale of imperialist manipulation which culminated in the murder of Patrice Lumumba by Belgian puppets such as Moïse Tshombe, the president of the self-proclaimed Republic of Katanga, thereby siphoning off the prime revenue earner of the newly independent country. U.N. forces refused to intervene against Katangan secession. Sometime between November 1960 and January 1961, Lumumba was murdered in Katanga. Assured of the firm backing of the United States and other NATO allies, Belgium adamantly refused to withdraw its troops from Congo.

In the same period, the CIA, which was deeply involved in Congo, discovered Mobutu, commander of the Army. The United States used its influence to get money from the U.N. for Mobutu to pay his troops and the mercenaries recruited for him. They also ensured that Mobutu's superior, General Lundula, suspected of being loyal to Lumumba, was barred from returning to the capital at the critical moment.

Not until the end of 1962 did U.N. troops, still in Congo, intervene to shut down the Katangan secessionist operation, in a deal which made the Belgian favorite Tshombe himself prime minister of the reunified Congo.

The 1964 Stanleyville revolt brought Tshombe down. The revolt may perhaps be the most dramatic instance of CIA intervention in Congo. Cuban Bay of Pigs veterans were contracted to fly vintage B-27 bombers, and mercenaries were recruited by the Agency in South Africa and Rhodesia. The revolt was crushed, though not before 50 European hostages were killed by the rebels in the wake of U.S. bombing and the Belgian-U.S. airdrop on Stanleyville. Ten thousand Congolese were killed by the Belgian-U.S. troops.

In late 1965, General Mobutu succeeded in a bloodless coup in taking power, where he has operated under the tutelage of his western sponsors until the 1990s. In 1967, President Lyndon Johnson was quick to send in arms to help restore order during an anti-Mobutu mercenary-led coup. Mobutu also functioned as a key western asset in the wars in Angola. And in 1977-78, Mobutu himself had to depend on his western allies to repel the invasion of exiled Zaireans from Angola.

An example of Mobutu's compliance with western powers is his deal with the German firm Orbital Transport und Rohenthen Aktien Gesellschaft (Otrag). In the 1970s, Mobutu signed a contract leasing out a piece of Zairean territory three times the size of Belgium to Otrag. The lease was undertaken without seeking ratification from the Zairean parliament. Otrag is involved in the launching of rockets and installation of launching pads for nuclear satellites. Zaire, however, cannot claim that it is using Otrag for the benefit of its own technological progress, because Otrag is strictly segregated from Zaire's own economy.

Despite his abject compliance with western powers, Mobutu was not without personal pride. On July 13, 1966, he froze the accounts of the Belgian airline Sabena and requested the right to own shares in the business. In 1967, he declared Zairean subsoil and all its wealth the property of the state, and nationalized the mining companies, dissolving the Union Minière de Haute Katanga and the all-powerful Société Générale. In 1971, he launched his policy of a "return to authenticity," changing the country's name to Zaire. In 1973, he made the decision to nationalize most companies belonging to foreigners. However, as the profile of the economy demonstrates, the nationalizations did not result in increased wealth for the population, but a financial

rearrangement, as the money gained from the nationalized mineral exports continued to flow out of the country, either in the form of debt service or organized capital flight.

Economic dependence

Zaire is a glaring example of the western multinational companies' application of the politics of "bribe-block-break." This has permitted them to penetrate the state apparatus, to secure cheap minerals and other resource concessions, fraudulent contracts and commissions, over-generous fiscal incentives, soft tax laws and easy profit repatriation, ultra-cheap labor, and other material advantages. In return, the Zairean elite has taken advantage to secure political office and prerequisites such as lucrative jobs, foreign bank accounts, shareholdings, and executive positions in the subsidiaries of the multinationals operating there.

On average, western multinationals in Zaire pay their Zairean workers only 20% of what they pay workers in their parent companies and only 36% of the hourly rate of their subsidiaries in other countries. Most skilled jobs are held by foreigners, and there is absolutely no technology transfer to the Zairean work force.

More than 80% of the export earnings of the Zairean economy come from the mining industry. Of this amount, 90% is used to pay for manufactured products destined for the cities. Plantation agriculture, which has been encouraged by the western multinationals, expropriates most of the arable land for export crops. Thus in Zaire there is a scarcity of land for planting of food. This has aggravated rural unemployment and encouraged the exodus from the countryside to the cities. Despite its total lack of industrialization, Zaire's population is only 60% in the countryside. Already, the city of Kinshasa, with 6 million people, receives thousands more each day who are trying to escape the poverty and misery of the rural areas.

Furthermore, with a 37% dependency on food imports, Zaire spends \$200 million a year for the purchase of food, which could easily be produced in the country. Zaire's beef comes from the Republic of South Africa, and its rice from China, Pakistan, and Vietnam.

The degradation of production in Zaire has also caused massive inflation. Between 1969 and 1990 there was an increase in the price of all products from 100 to 2,507 zaires, an increase in the price of food from 100 to 3,053 zaires. A worker in a factory had to work for 100 days in 1990 to buy a loin cloth (imported from Holland), whereas he had to work for only three days in 1960 to buy the same item. In 1990, a worker had to put in 10 days to earn enough to buy a kilogram of fish, whereas he had to work only 2 days in 1960 to buy the same kilogram. In 1980, a laborer had to furnish 18 days' labor to earn enough to buy a bag of manioc of 50 kg instead of 3 days in 1960. In most Zairean families, the revenue is

not enough to buy food for a full week.

This extreme poverty has fed a tremendous rise in teenage prostitution. Girls age 16-20, who have been virtually abandoned by their parents who cannot afford to feed their families, have taken to soliciting foreign visitors in front of the main hotels in the capital, especially Europeans who pay in hard currency.

Profits from the exploitation of Zaire's copper are repatriated by multinational companies and the share of the state is used to import raw materials and intermediary products necessary for running the outward-oriented factories. All the mineral wealth of Zaire is shared between the western shareholders of the multinationals and the political elite who gravitated around Mobutu. Zaire is the only country in the region whose currency has been devalued 12 times since independence in 1960. Yet, today the inflation rate is almost 4,000%, while the annual per capita income has fallen to less than \$100.

Nevertheless, some people in Zaire live in magnificent wealth. For instance, my host there, publisher of a weekly newspaper, had a fleet of eight cars and was renting offices at the Continental Hotel in Kinshasa, where a room costs \$200 a night.

In September 1991, riots broke out in Zaire, which included looting and ransacking of commercial and industrial sites. Thousands of jobs were lost, as investors started pulling out of the country. French troops were brought in from their bases in Chad, Gabon, and the Central African Republic to restore order. Zairean soldiers, who had not been paid for months, looted and set fire to the headquarters of the People's Revolutionary Movement, Mobutu's ruling party. The United States, France, and Belgium suspended economic aid. The International Monetary Fund (known as the Instant Misery Fund in Zaire) declared that Zaire could no longer borrow funds because of its arrears, and the World Bank followed suit.

Mobutu has consistently tried to teleguide and manipulate the democratization process that he reluctantly announced in April 1991. Since then, he has switched prime ministers six times. His special Presidential Squad, dominated by Ngbandi tribesmen, has been fortified and equipped with ultra-modern weapons, to terrorize the opposition. More than 400 people disappeared in Zaire last year in politically related abductions.

After a National Forum held last year and presided over by a Catholic prelate, Archbishop Musengo, it was widely rumored that the end of Mobutu's reign had come, but he bounced back, destabilizing the tribally fragmented opposition. Mobutu has predicted apocalypse for Zaire if he is overthrown, threatening that when he leaves, the country will disintegrate into warfare among the tribal nations that were brought together under colonialism. The truth is: Unless Zairean and other African leaders are able to dismantle the system of post-colonial dependence and exploitation, Mobutu could be proved right.

Lines being drawn between ADL racialism and Judaism

by Our Special Correspondent

The Anti-Defamation League of B'nai B'rith in the United States will undoubtedly soon be feeling the negative reverberations of the wild behavior of ADL operative Leonard Dinnerstein at a conference on the Nazi Holocaust which took place in Berlin over March 13-17. Dinnerstein's explosion in a fit of rage, and disruption of a meeting of individuals involved in studying the Holocaust and its causes and effects, will likely produce an international backlash against the ADL thugs among Jewish and Israeli groups, Christian religious organizations, and others.

Dinnerstein's fit threw a rare spotlight on the U.S. patrons of the terrorists behind the Hebron massacre, at the same time as two American-sponsored Jewish Nazi organizations were being "spit out" and banned by the Israeli government on the very day that the Berlin conference opened (see story p. 32).

Dinnerstein, who came to Berlin from his teaching job at the University of Arizona in Tucson, was co-directing a working group of specialists on the Nazi Holocaust on the morning of March 14, on the second day of a conference entitled "Remembering for the Future II," held at Humboldt University in (formerly communist east) Berlin. The conference was co-sponsored by a number of American, British, Israeli, and German institutions, including the ADL on the American side. German sponsors included several leading academies and regional church associations of the Protestant (Lutheran, or Evangelical) Church of Germany, as well as some nationally prominent foundations and institutions. The official conference sponsor was former German Foreign Minister Hans-Dietrich Genscher. The vast majority of non-Germans among the several hundred who attended one or more of the plenary events, were American academics and others who are involved in what has come to be known in the United

States as the profession of "Holocaust studies."

At the March 14 working group, there were approximately 25-30 individuals in attendance, including figures of some prominence from Israel and the United States, and researchers from a number of countries including Poland, Nigeria, and, of course, Germany. Dinnerstein was eagerly purveying the thesis of his paper on the theme "Anti-Semitism among African-Americans," which repeats the ADL's familiar refrain that anti-Semitism is rampant among African-Americans, but adds Dinnerstein's own special inane spin, that it was Christianity that led African-Americans to despise and denounce Jews. Dinnerstein had earlier made a similar diatribe, at a Nov. 3-4, 1991 ADL-sponsored conference on "Worldwide Anti-Semitism," held in Montreal, where he proclaimed, "Educated blacks are the worst anti-Semitic group in the U.S., and blacks overall have been the most anti-Semitic group since slavery." He also attacked such African-American leaders as Booker T. Washington, Ralph Bunche, and W.E.B. Du Bois as anti-Semitic (see *EIR*, Nov. 29, 1991, "ADL Pushes Race War, Targets Nationalism").

Declaring himself in Berlin to be the world's leading expert on "African-American anti-Semitism," he boasted that his paper would constitute the 11th chapter of a book entitled *Antisemitism in America*, which will be released by Oxford University Press in the United States in April.

Dinnerstein was then challenged by a number of attendees, who drew attention to the rampant fallacies of composition, fraudulent misrepresentations, and distortions in his so-called thesis. At the point that Dinnerstein's claim to be the world's leading expert on "African-American anti-Semitism" was challenged, and one speaker identified a prominent African-American academic as Dinnerstein's "peer," the ADL thug went wild. To the astonishment of all in the room,

he suddenly stood up, shoved his desk forward, slammed his fist on the table top, and announced that he was taking over the meeting from his fellow co-director! This caused an uproar, with several attendees demanding that he stop his abusive behavior or leave the room, at which point he angrily gathered his documents and stormed out.

An American Jewish journalist then revealed, for the benefit of those non-Americans in the room, that Dinnerstein was a senior figure in the apparatus of the ADL (he was not identified as such in the conference documents). The journalist described the ADL as "a group that attempts to operate under the cloak of respectability, but which is notorious for its spying on black and other organizations in the United States and for other underhanded activities." What had just happened, he stressed, was typical of the behavior of the ADL. A prominent African-American in attendance nodded in agreement, thanking the speaker for his intervention.

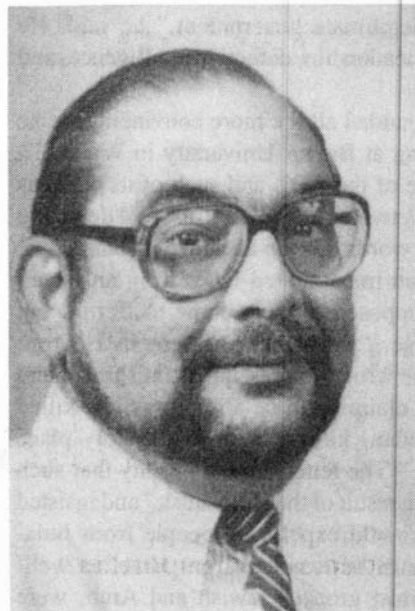
Word about Dinnerstein's scandalous behavior quickly spread throughout the conference, all the more so as the ADL was listed in conference documents as one of the official patrons of the event. One of the conference's main organizers, who had been briefed on Dinnerstein's behavior, told an inquiring journalist defensively that "the ADL only came in at the last minute, I can assure you, their role in this conference is marginal."

The specter of Baruch Goldstein

Dinnerstein's Baruch Goldstein-modeled behavior was, in a sense, a metaphor for the dilemma and tensions of the Berlin event as a whole. Unlike the first "Remembering for the Future" event, held in 1988 at England's Oxford University, the Berlin conference was overshadowed by the Feb. 25 massacre of Muslim worshippers at a mosque in Hebron and the ensuing outlawing by the Israeli government of the Kach and Kahane Chai ("Kahane Lives") organizations. More than one speaker in Berlin drew attention to the ominous parallels between the actions of the Nazis and the Hebron slaughter.

Hence, what is weakening is the ability of various ADL-type organizations to cynically exploit the reality of the Nazi Holocaust for purposes of fundraising, blackmailing Germany, slander and defamation of political opponents, psycho-cultural manipulation of the American population, and so on. Meanwhile, the ADL, as exemplified by the unstable Dinnerstein, is hyper-nervous that its role in protecting the Kach-Kahane savages will soon come to light, and the appellation "Jewish Nazis" will be employed not only against Kach fanatics but against leading ADL thugs as well.

Times indeed, have changed. The 1988 "Remembering for the Future" event had been sponsored by the late British publisher Robert Maxwell, whose self-professed concern for the future would seem dubious, at best, to those thousands of employees of his firms whose pension funds he systematically looted in order to amass his vast fortunes. At the 1988



Leonard Dinnerstein accuses African-Americans of being anti-Semitic, and says it was Christianity that made them so.

Oxford event, as publicized in British press accounts at the time, participants stridently insisted that the roots of anti-Semitism and the Nazi Holocaust against the Jews should be found, pure and simple, in Christianity.

In Berlin, Maxwell's French-born widow Elisabeth was still a prominent presence, and some speakers tried to promote the "Christianity is to blame" propaganda, but this time such propaganda largely fell flat.

'World Judaism should expel such people'

The tone for the event was set by the keynote of Dr. Franklin Littell. Littell was formerly a top U.S. officer in the post-World War II occupation of Germany, who was influential in reconstructing the postwar German Protestant Church. He has the highest connections in the German political class. He is also one of the creators of the profession of "Holocaust studies" in the United States, directing the work of the Philadelphia Center on the Holocaust, Genocide, and Human Rights.

Littell began by praising certain prominent Germans who had resisted Nazism in the 1930s. Then, proclaiming that the Nazis themselves had, first and foremost, been a terrorist organization, he insisted that the main threat facing the world today comes from terrorism and terrorist-related phenomena. He complained that the necessary fight against such threats is being diluted, and even sabotaged, by a perverse fixation on what are labelled "despised cults and sects." To underscore his point, he blasted the U.S. federal government's behavior in the slaughter of Branch Davidians in Waco, Texas. He accused federal agencies of committing acts of violence that had led to 86 innocent civilians being burned alive. "The Branch Davidians posed no threat to anyone, yet they were treated as an invading force coming off a submarine flotilla from outer space. What happened in Waco was an

illegitimate act by a legitimate government," he said. He attributed this to "poor leadership, defective intelligence, and confusion."

Littell's critique sounded all the more convincing, as he himself is now working at Baylor University in Waco. To those aware of the role of the ADL and such of its allies as the Cult Awareness Network in cooking up the "defective intelligence," Littell's words take on an added meaning.

He next read out an impassioned letter from an Israeli colleague who was supposed to have come to Berlin, but decided not to because, "since the massacre in Hebron, my heart is broken," he wrote, expressing astonishment and dismay that "a person claiming to be a religious Jew killed 50 Muslims on Ramadan, killing them in the holy place where Abraham lived." The letter drew the irony that such an action was a "terrible result of the Holocaust," and insisted that "world Judaism should expel such people from Judaism," and that they must be expelled from Israel as well. Warning that if extremist groups, Jewish and Arab, were not stopped, "there will be terrible bloodshed worse than anything that has happened before," he made a desperate appeal to those attending the conference in Berlin. "Please help us!" he wrote.

Littell insisted that religion today must act to bring about a "disciplined standard of ethics and morals," to strengthen the kind of "civil discourse" based on the notion of "government of the people, by the people, and for the people." What had to be reinforced was the concept of "love, what the Christians call *agapē*," as well as the notion known in German as *Menschlichkeit*, or humanity.

This message was not exactly what some of the more hysterical attendees in Berlin wanted to hear, and murmurings of dismay could be heard in such quarters.

Littell was followed by Genscher, who gave a *pro forma* speech about the growing dangers of nationalism and ethnic conflicts in Europe. Then came the turn of Israeli Consul General Mordechai Levy. Here, too, there was an interesting effect. While insisting that there was no connection between the Nazi Holocaust and what had happened in Hebron, Levy took pains to announce that, on that very day, the Israeli government had outlawed Kach and defined its members as terrorists. This announcement drew an enthusiastic round of applause.

In the next days, plenary speakers continued to draw the parallels between the Kach fanatics and the Nazis, even in speeches that might otherwise have had profoundly irrational elements. The oft-repeated reminders of the "Jewish Nazis" short-circuited the usual discussions on "German collective guilt," "the unique German crimes of this century," and so on. It was in such an environment, where reality intruded into deliberations that in the past were most often characterized by hysteria, mudslinging, and mindless emotionalism, that ADL thug Leonard Dinnerstein could not keep himself from cracking up.

Israel bans Kach Party as terrorist

by Adam East and Dean Andromidas

The Israeli cabinet, in a unanimous decision on March 13, announced the banning of the Kach Party and the Kahane Chai (Kahane Lives) organizations. The ban came in response to the Feb. 25 Hebron massacre, in which over 50 Palestinians praying in a mosque associated with the Tomb of Abraham were gunned down by Baruch Goldstein, a leading member of the Kach organization. The move is an opening step by the Israeli government against an operation initiated by Anglo-American circles committed to derailing the peace process and throwing Israel and the region into chaos.

EIR has documented (see *EIR*, March 11) how these organizations were created, deployed, and systematically protected since 1963 when their founder, the late Rabbi Meir Kahane, began working as an informant for the FBI. The patrons include the Anti-Defamation League of B'nai B'rith, and are connected with the British networks in the United States known as the "neo-conservatives."

Israeli Prime Minister Yitzhak Rabin, on the eve of his trip to the United States for talks with President Bill Clinton, denounced the two Kahane groups as "terrorist organizations" which, he said, are "just like the Palestinian terror groups." Israeli Attorney General Michael Ben-Yair described the two groups as being on a par with the Islamic Hamas movement.

Rabin, who led the cabinet's action, told reporters that "we must condemn them and spit them out." On Feb. 28, while addressing the Knesset (parliament), Rabin, in attacking the actions of Goldstein and his followers at Hebron, made an unprecedented attack on the American networks behind the Hebron massacre. (Goldstein, a Brooklyn transplant, was a Jewish Defense League/Kach leader from the settlement of Kiryat Arba in the Occupied Territories.)

Said Rabin, "To [Goldstein] and those like him we say: You are a foreign implant . . . an errant weed. Sensible Judaism spits you out."

What the ban does

The ban by the Israeli attorney general's office was in response to a government request to "examine and propose possible ways of declaring the Kach and Kahane Chai organizations to be illegal." According to an official statement, the attorney general "was convinced" that these groups constitute "a group of individuals who in their activities employ violence, and are liable to cause death or injury, or who threaten



The late Meir Kahane at a demonstration in New York in 1982. Speaking of Kahane's Israeli terrorist friends, Prime Minister Yitzhak Rabin said, "We must condemn them and spit them out."

such violent acts" and therefore constitute a "terrorist organization." Under the Prevention of Terrorism Law of 1948, "those who are members of a terrorist organization, who perform functions in it, or who verbally, actually, or financially support these organizations are guilty of an offense whose punishment is imprisonment or the imposition of a fine. The state is authorized to confiscate the property of the organization, and the police inspector general is authorized to order the closure of any place which is used by a terrorist organization or by its members." The judgment is not narrowly confined to these organizations, but applies to "any organization carrying out the goals of those organizations," and "the establishment of a theocracy in the Biblical Land of Israel and the violent expulsion of Arabs from that land will also be considered a terror organization."

The ban took effect immediately in Israel, and in the Occupied Territories once the Israeli Army commanders issued the orders. The law provides for jail sentences of up to 20 years for members and/or financial fines for individuals and other organizations that support them.

Thus, the judgment gives the government authority to take action against the so-called moderates in the broader opposition who show solidarity with these movements. More importantly, the outlawing of these groups enables the Israeli government to approach U.S. authorities to take legal action against the networks in the United States which have been extending massive financial and logistical support. Ac-

cording to Israeli government sources, such an approach has been made.

In a separate resolution, the Israeli government announced that it "reaffirms its commitment to promote maximum security" for the Jewish and Arab populations in the Occupied Territories, and promised to "act with full authority to prevent a recurrence of any acts of murder." At the same time, the Israeli Army changed what had been a standing order prohibiting Israeli soldiers from firing on Jewish settlers in the Occupied Territories, even if the settlers were engaged in indiscriminate firing on Palestinians. Now, Israeli soldiers can fire on settlers.

Within Israel, the government has closed and sealed the offices of both organizations, made several arrests, issued warrants for others who have gone underground, and has disarmed others. It has also arrested Rabbi Moshe Levinger, a founder of the Hebron settlement, although not an official member of either organization. Levinger was indicted on a relatively minor charge and was released on bail, but the move is seen as a warning to other extremist organizations. Several years ago, Levinger was convicted for the killing of a Palestinian.

Kahane groups rave

In a statement, the Kach Party expressed its "disgust at the fascist decision of the government," calling it "a surrender to PLO demands." Michael Guzofsky, leader of the U.S.

branch of Kahane Chai, called the ban "an obscene, anti-democratic, anti-Jewish, anti-Zionist witchhunt." After the bloodletting at Hebron, Guzofsky had warmly praised Goldstein, whom he called "a good Jew, a healthy Jew who understood that the Arabs of Israel want to destroy the state of Israel and drive the Jews into the sea."

In Tel Aviv, 30,000 right-wing demonstrators clashed with police at a rally denouncing the government on March 15. Such developments underline fear of broader radicalization of the settlers movement, whose leaders are threatening the government with the specter of a civil war in the territories and the launching of an armed opposition movement modeled on France's extremist Secret Army Organization. The Anglo-American-backed OAS attempted to assassinate and overthrow the government of Charles de Gaulle during the Algerian war for independence.

Hebrew University professor Aviezer Ravitsky, an expert on these organizations, expressed fear in recent interviews that the Gush Emunim will become even more radicalized. Gush Emunim, which interfaces with Kach, is much larger and one of the principal organizations in the settlers movement. Its supporters number in the tens of thousands and are represented in the Knesset through the National Religious Party.

Playing into right-wing Jewish provocations, the militant Islamic Hamas movement issued a warning to the 13,000 settlers in the West Bank settlement of Ariel and four other settlements in the West Bank and Gaza to move out or face attacks in revenge for the Hebron massacre.

Saving the Gaza-Jericho accord

Israeli supporters of the peace process underscore the need for the government to act quickly if the peace process is to be saved. One Israeli professor involved with the peace process pointed out that PLO Chairman Yasser Arafat needs all the support he can get, and that implementation of the Gaza-Jericho accord should be accelerated as quickly as possible. Another Israeli from a joint Israeli/Palestinian political research institute said, "On the ground the situation is very tense. The Occupied Territories have been beefed up so much that it looks like one huge military camp." He added that everyone is expecting acts of retribution by both Jews and Palestinians. He pointed out that a 24-hour curfew is still in effect in Hebron and the territories still remain closed, barring Palestinians from their jobs in Israel. While this source believed all the settlements should be dismantled, he pointed out the necessity to immediately dismantle the Kach stronghold in Hebron, an obvious flashpoint once the curfew is lifted.

Although Rabin continues to act cautiously on the settlements, this source reported that public opinion would support the government if it acted forcefully. He pointed out that over one-third of the settlers would leave the territories if offered compensation for their investments.

South Africa faces bloody times ahead

by David Hammer

The events of March 12-15 in the black homeland of Bophuthatswana are a harbinger of things to come in the "new, democratic South Africa." The government of President Lucas Mangope had decided not to participate in the April 27 national election, deeming it "illegitimate." The African National Congress threatened Mangope that unless he decided to participate, he would be overthrown. In a joint deployment by the ANC and the South African government, in which dozens were killed, he was overthrown.

Periodically throughout the negotiations on a new constitution, which took place during 1992-93 at the World Trade Center in Kempton Park, the African National Congress had threatened to "send in the tanks" to Bophuthatswana as soon as they had the power. On Dec. 6, the ANC became co-rulers of the country through the Transitional Executive Council. After various meetings and negotiations with Mangope, ANC head Nelson Mandela declared on March 8, "It seems I'm talking to a stone. I think we've given him enough time. . . . If he continues to be arrogant, we will have to take action against him, it's a matter of time."

Mangope forced out

The "action" began Thursday afternoon, March 12, after an "all-clear" signal delivered by South African Foreign Minister Pik Botha, who announced on radio that Pretoria "would not rescue [Mangope] again," but would intervene only if South African lives were threatened. Civil servants began demonstrating with a series of impossible demands, such as immediate salary increases of 50% and full payment of pensions before April 27, while students from the University of Bophuthatswana took to the streets. It was generally acknowledged, particularly in the South African electronic media, that the ANC had orchestrated the events. Widespread rioting soon broke out, led, according to some accounts, by cadre of the ANC's armed wing, Umkhonto we Sizwe (MK).

Amidst chaos and the defections of part of his police force and army, Mangope fled the capital the night of March 12. The South African government sent in the South African Defense Force to "restore order." Despite Mangope's announcement on the evening of March 13 that he had agreed

to the elections, the South African government appointed a caretaker, Tjaart van der Walt, to replace him. "The interim government was established," noted Reuters on March 14, "at the insistence of Nelson Mandela's African National Congress."

Free and fair elections?

Bophuthatswana was overthrown to help force the Freedom Alliance, of which it is a member along with the Inkatha Freedom Party, KwaZulu homeland, and the Afrikaner Volksfront, to participate in the election, so that the most likely outcome of the election—an ANC government—could be stamped "free and fair." But until the very last minute to register for the elections, a date which has been repeatedly pushed back, Alliance members had refused to do so.

The Alliance's reasons for nonparticipation were that 1) the ANC and the National Party government had entirely dominated the negotiations process on a new constitution under which the country will be ruled after the election, ignoring anyone else's proposals, specifically for a federal system; and 2) the ANC, the probable new government, is dominated by the South African Communist Party (SACP), and the SACP and ANC have a very bloody track record of suppressing dissent, including within their own membership. Unless they were given a significant degree of autonomy, both in financial and in police and military functions, reasoned Alliance members, they would be sooner or later slaughtered. Three hundred and fifty of the IFP's leadership have been assassinated in the last few years.

The SACP domination of the ANC is hardly a secret. The ANC's election slate reflects this fact, as even the South Africa correspondent of the pro-ANC London *Times* recently noted:

"Argument is currently raging about how many communists there are in the top 50 places on the ANC election list. Some analysts say it is as high as 27, but nobody doubts that the Communist Party, as the most cohesive and disciplined group within the ANC leadership, will continue to act as the main initiator of African National Congress policy.

"Voting for the ANC list also means supporting some notably illiberal spirits, including Umkhonto officers accused of atrocities against their own men in the Angolan camps, [and] radicals who openly call for other parties to be prevented from campaigning in the townships."

Longstanding British-Soviet assets

A hard core of SACP leaders around Joe Slovo, for decades the SACP's general secretary and now a senior ANC official, have been longstanding joint assets of British intelligence and Moscow. And whereas some leading ANC members, including some who were SACP members as well, had recently offered to concede a great deal of autonomy to Zulu and Afrikaner-majority regions in order to avert the likelihood of a bloody civil war, Slovo's faction repeatedly nixed

such compromises, as per British policy, à la Bosnia, to provoke civil war.

And it was Slovo who was the acknowledged mastermind of the entire years-long negotiations process, including the drafting of the new constitution. As Slovo crowed in his report to the SACP Central Committee, as reported in the SACP journal *The African Communist* (No. 136, Fourth Quarter 1993), "The negotiated package that was finally signed on the night of Nov. 17-18 at Kempton Park is a famous victory. . . . It represents . . . the culmination of decades of struggle."

Slovo stressed that the key to this victory was the complete "bilateralism" of the ANC and National Party negotiators, which enabled them to "completely demoralize" all opposition.

That the elections will not be free and fair was acknowledged even by a spokesman for the Project Democracy apparatus, known as the "secret, parallel government," in the United States. Patricia Kiefer of the National Democratic Institute told the *Washington Post* already last November, "I don't think by any standard it is going to be free and fair—there's too much intimidation and violence already in the political culture." South Africa's current President, F.W. De Klerk, cannot even campaign freely—his security forces recently had to use tear gas and rubber bullets to stop an assault on him by ANC supporters during a campaign appearance. Meanwhile, whole areas of the country are off limits to one or another party at the risk of their lives. Ballots for the April 27 voting are being printed by a British company which reportedly has ties to the ANC, according to several sources in South Africa.

Troubles just beginning

Though they have ostensibly won their liberation struggle, the SACP and ANC's troubles are just beginning. The African National Congress has promised to build 1 million new homes, provide water, sewage, electrification, and health services for all South Africans, provide ten years of free education, and other things. In order to meet the tremendous expectations aroused by these promises, South Africa's physical economy would have to grow dramatically.

However, the initial moves the African National Congress has made on the economic front—negotiating an \$800 million loan with the genocidal International Monetary Fund, pledging to shut down the country's only nuclear reactor, and to drastically cut back basic scientific research—augur disaster. Under conditions of International Monetary Fund-ensured economic collapse, dissent will grow rapidly. Barring the sort of large-scale infrastructure and industrialization program funded by a Hamiltonian national bank of the sort proposed by Lyndon LaRouche, the new South Africa faces one of only two possible scenarios: either a brutal, police-state crackdown on the growing dissent, or a rapidly escalating civil war.

Federation, or a new Yugoslavia?

by Paolo Raimondi

On March 31, the mandate of the U.N. peacekeeping (Unprofor) forces deployed in the Serbian-occupied regions of Croatia (East Slavonia, Krajina, and Dalmatia) expires again. The next step will reveal whether western pressures for a new Balkan confederation are genuinely motivated, or are just a revived version of Yugoslavia in a context of a "little Yalta" with Russia. At the end of September 1993, when the Unprofor mandate expired, the U.N. refused to change its role of tolerating the Serbian occupation, and ignored completely the Croatians' concerns.

Either the United Nations will change its mandate and decide to deploy the Unprofor troops at the historic borders between Croatia and Serbia before the Serbian aggression, or it will maintain the status quo of tolerating, i.e., protecting, the Serbian occupation. Deployed at the border, the Unprofor troops would finally fulfill their original mandate: to create the preconditions for restoring the occupied area to Croatian jurisdiction and returning refugees to their homes. They could also prevent Serbian military infiltration and transport of weapons and heavy artillery, used to consolidate the occupation and to launch attacks against Croatian positions. If this shift is not made, all the ongoing negotiations will become irrelevant.

Hitler at the negotiating table?

Let us take a sober look at the present federation-confederation talks between Croatia and Bosnia-Herzegovina. A political and military agreement between the so-called Bosnian Muslims and the so-called Bosnian Croats is long overdue. The internationally recognized independent and sovereign nation of Bosnia-Herzegovina in spring 1992 was militarily attacked by the Greater Serbian communist Chetniks of Milosevic and Karadzic, and was victimized in a brutal Nazi-communist manner. Then it was Lord David Owen's partition plan, combined with effective British intelligence psychological warfare, which ignited a conflict between those Bosnians of Herzegovina whom the chauvinist Mate Boban induced to split away and join Croatia, and the other Bosnians in the territories not occupied by the Serbs (Muslims in majority) who insisted on their national integrity.

To get out of this British trap, these two parties should agree to a cease-fire (which has been done) and set up an effective military alliance (which is in the works) with the intent of immediately relieving the long victimized, neglected, and starved population in the war zones, and freeing the

Serbian-occupied territories. Politically, the two sides would agree to a federal solution, based on national unity, while guaranteeing regional administrative autonomy. What the international community, including the United Nations, should do, is support this process with a clearly stated recognition and support for Croatia's and Bosnia-Herzegovina's territorial integrity and the lifting of the military and general embargo against Bosnia and Croatia.

Bosnian Serb leader Radovan Karadzic is toying verbally with taking part in this federation. But meanwhile, the Greater Serbians are escalating their attacks everywhere in north and central Bosnia, in Bihac, Maglaj, Tuzla, and Ussora. Even after the U.S. downed four Serbian military jets, Karadzic is testing the will of the West by defying the no-fly zone and using his air force. Any talk of letting the aggressors join the federation negotiations would discredit the entire process and expose it as a plan to create a new Yugoslavia. It is clear that the Serbian population must be involved in the peace process and have a place in the future Bosnia. But it is just as morally and politically impossible to invite the criminal leadership to the negotiating table, as it would have been in 1944 to invite Hitler to sit down with the League of Nations to discuss a confederation with Poland and Czechoslovakia as a "peaceful solution." To pretend to discuss any arrangements in Bosnia with Milosevic and Karadzic is a covert way to propose reviving Yugoslavia under the dominant military aggressive influence of the Greater Serbians, giving them politically what they were not able to achieve militarily with three years of slaughter.

Confederation talk is premature

The question of the confederation, as discussed these days between Croatia and the Bosnian federation in formation, may sound good and may reflect good will by some people, but it leaps over a necessary process and concrete military and political steps which must happen first. Croatia and the Bosnia-Herzegovina Federation, without Karadzic, should form a political and military alliance to reconstitute the full territorial integrity of both states, as independent and sovereign republics. They should work together to rebuild their economies and establish peace in the entire region. Before any treaty of confederation is signed, the respective Croatian and Bosnian people, who have to accept such an important change in their constitutions, must be consulted. Any mention of Milosevic's Serbia in such a context not only offends reason and the memories of the hundreds of thousands of dead and suffering people, but it betrays the British-sponsored plan to revive Yugoslavia.

As Lyndon LaRouche underlined in his March 6 interview with the Croatian daily *Slobodna Dalmacija*, to stop the war in the Balkans as well as other regional wars in the making, one has to identify and eradicate the causes of this aggression, the masters of both Milosevic and Karadzic: the British plan of geopolitics of destabilization.

Anti-Catholic oligarchy reinforced after the elections in Italy

by Claudio Celani

When this article reaches the *EIR* subscriber, it will be a few days before the Italian general elections on March 27. We cannot predict who will win the elections, but we can already announce who will lose: the Christian Democratic Party (DC), which has ruled the country since 1946, first alone and then with anti-communist coalition partners. The DC, renamed the Italian Popular Party (PPI), is credited with percentages ranging from 3 to 10% nationally. In the worst case, it could even fail to reach the threshold (4%) necessary to make it into the national Parliament. Main contenders for the victory are the "progressive" bloc centered around the former Communist Party (PDS) and the "moderate" bloc led by media magnate Silvio Berlusconi, which includes also "former" neo-fascist MSI (renamed into National Alliance) and "former" separatist Northern League.

In both cases, the influence of the Catholic Church in Italian politics will be dramatically reduced, even if parts of the old DC joined the "moderate" bloc, and despite the fact that the MSI will collect a thick slice of Catholic votes. Although this is the result of the unprecedented economic crisis and of the austerity policies of the recent governments, the change in Italy's political landscape is also a product of foreign manipulation. Leading the assault is a Venice-centered oligarchical group, which is represented by the powerful Assicurazioni Generali international reinsurance cartel, allied to the City of London. In a recent *EIR* article, we identified representatives of this group, such as Olivetti manager Carlo De Benedetti, owner (together with the Caracciolo family) of the largest Italian daily *La Repubblica* and the largest weekly, *L'Espresso*. Other members of the group are former finance minister Bruno Visentini, also a Venetian, and Luciano Benetton, who has recently promoted an organization called "Club of Entrepreneurs" in order to push for a victory of the "progressive" bloc. This week, we run two exclusive interviews with representatives of the group: Marina Salamon, "spokeswoman" of Benetton's club, and Aldo Mariconda, a nephew of Bruno Visentini.

As the reader will see, the Venetian oligarchy is well placed both in the "left" and in the "right" factions of the political spectrum, i.e., they control both sides. The way

they do it, is by controlling the ideology, which is based on variations of a basic theme, called "free market economy." Both Salamon and Mariconda, who ran against each other in recent local elections in Venice, favor a deregulated economy, outside the control of state institutions. They agree that national institutions must be dissolved into a supranational, "globalist" utopia. To carry out their project, they need to demolish the power of national institutions and of political forces representing national interests: hence the idea of "launching" the League phenomenon, a localist political movement, based on ethnic ideology, which collected protest votes in northern Italy thanks to a populist tax-revolt program. The League ideology was launched in conferences sponsored in Venice during the 1970s, and the first League organization was founded in the Veneto region. Chairman of the Northern League (the umbrella organization of all League formations) is Franco Rocchetta, the founder of the Venetian League (Umberto Bossi being the charismatic leader).

One has to read Salamon's and Mariconda's interviews bearing in mind that they are the "visible" aspect of the financial oligarchy, and that their apparent disagreements may be real as long as they reflect alternative choices to implement the same austerity policy. Mariconda admits that the Venetian oligarchy has a "homogeneous" philosophy and that their disagreements are "tactical." The strategic aim is the destruction of the republican Constitution, which will be implemented by introducing forms of so-called federalism, i.e., decentralization of decisions in matters of tax and investment policies.

While Mariconda's assignment has been to "moderate" the League's often wild image, Marina Salamon's assignment is to make sure that the "left," the PDS, abandons old "statist" policies, i.e., protection of the internal market, and opposition to large-scale privatizations, and layoffs. When we asked her a key question, what her group intends to do against financial speculation, Salamon rejected any action by insisting that *all* major industrial companies today are involved in "derivative operations." That is, of course, not true; however, it is true that the Benetton and the Olivetti group are heavily involved in derivatives. Salamon also

avoided answering a question on George Soros: Not accidentally, Soros's main Italian partner is Isidoro Albertini, Italy's number one stockbroker and intimate friend of Carlo De Benedetti.

As we are writing this, a Northern League delegation is in London, invited by Schroeders bank for a "road show" before City bankers. They are undergoing testing to see how good their program will be for international speculators. Last week, the City hosted Achille Occhetto, PDS secretary general, while another PDS leader, Giorgio Napolitano, was meeting with George Soros in New York. The next invited guest of the City is Silvio Berlusconi. After Berlusconi, a delegation of the PPI is expected.

Making fun of such a procession, journalist Filippo Caccarelli wrote in the daily *La Stampa*: "For sure, the tour abroad of Italian politicians, at important moments, confirms with old and not really very noble traditions. Nevertheless, the geographical change of destination is symptomatically newsworthy. For years, according to seemingly immutable schemes, the Italian premier 'had' to make a pilgrimage to the White House, while the DC secretary general 'had' to be received at the Vatican. In a totally mirror fashion, and therefore with the same ritual character, the PCI [Italian Communist Party] secretary general 'had' to go to the Kremlin, to the CPSU secretary general. . . . London was evidently cut out of this historical triangle. . . . In these political trips [England] is the nation of surviving Friedmanite purism . . . dispensing super-free-market notes and visas."

Italian political leaders are propitiating the game-masters of international destabilization. They are blind to the fact that their power is based on a collapsing paper castle, and that Italy's lack of an independent role in the Mediterranean and in the Balkans will contribute to the British geopolitical schemes which are leading to a replay of World War I.

Interview: Marina Salamon

Marina Salamon runs Replay, one of the companies of the Benetton group, which has a large market in Germany as well as Italy, and is the spokesman for the Club of Entrepreneurs, an association of New Age businessmen. Among the club's members are famous names like Luciano Benetton, Paolo Marzotto, Franco De Benedetti (whose brother Carlo did not join because he has legal problems), Aversa (bitters), Lino Romano (the head of the Neapolitan businessmen), and Claudio Buzziol (co-owner of Replay with Salamon). Marina Salamon told us she belongs to a very old Venetian oligarchical family, which had a Doge, Salamon di Centranigo, back in 1052, and is not related to the American Salomon family of financiers. The Venetian Salamons never moved out of the island city, nor have they intermarried with other European

houses, in order not to lose their oligarchical privileges. When the Venetian Republic fell at the end of the 18th century they took refuge in Istria, an island in the Tyrrhenian Sea near Capri, and they came back to Italy when the Republic was proclaimed after World War II. Today Marina is in the municipal administration, led by philosopher Massimo Cacciari, which she defines as "beautiful and harmonious," and which has just gotten over the shoals of a referendum which threatened to split the city three ways. Marina's father is the manager of Doxa, Italy's main opinion poll outfit.

The Club of Entrepreneurs has lined up with the left, and Marina, reached on her cellular phone at Rome's Fiumicino airport, explains why, in an interview granted to Claudio Celani on Feb. 8.

EIR: How can it be that businessmen are lining up with the left?

Salamon: For two basic reasons: Because we need an austerity policy which takes people's needs and solidarity into account, insofar as we say no to the pure free market; secondly, because [Northern League chief Umberto] Bossi and the new right do not represent the market.

EIR: Strange that the left could give more assurances to the market than the right.

Salamon: No, because in Italy the market has to be created. We have had a protected market up to now, and Berlusconi, who represents the right, has many anti-market forces behind him, such as the PSI [Italian Socialist Party] and the other governing parties.

EIR: And on privatizations?

Salamon: The left offers all the guarantees.

EIR: Even selling the state holdings to George Soros?

Salamon: We have to distinguish between what is not strategic, like snack bars, which should be sold of course without any constraints to foreign capital, even if that means facing consequences in terms of immediate job loss (which later would be reabsorbed), and between strategic productive industries like the Nuovo Pignone with high added value, where we need guarantees that the plants should stay in Italy.

EIR: How do you see the process of globalization of the financial markets and world economic integration, including the moving of production from North to South?

Salamon: I see it as inevitable. We have to think in terms of manufactures like textiles, which will entirely be moved out of Italy, and to keep inside Italy the places of production of ideas.

EIR: What do we do with the unemployed?

Salamon: We need to take an intelligent new look at the social shock absorbers. A different environmental policy is

required: The environment, together with tourism, is a sector which offers enormous possibilities for absorbing the labor force.

EIR: Some economists, such as Romano Prodi, suggest that we should respond to the "American challenge" of the NAFTA treaty by enacting a similar free trade agreement between eastern and western Europe. What do you think?

Salamon: I think it is idiotic to close the European markets, and we need a greater integration of them. For example, EFTA, which includes the Scandinavian countries and Switzerland, ought to be immediately integrated into the European Union.

EIR: One criticized effect of the liberalization of the financial markets is the excessive development of so-called derivatives. What can be done to regulate them? Some people propose taxing them.

Salamon: I am against any provision taken by individual nations. Today the use of these tools is part of corporate practice, hence the problem has to be taken on globally, at the international level.

Interview: Aldo Mariconda

Aldo Mariconda, the former Northern League candidate for mayor of Venice, is the nephew of Bruno Visentini, the "grand old man" of the bankers' Italian Republican Party, who recently lined up with the "progressive" cartel for the upcoming national elections in Italy. Like Uncle Bruno, Mariconda comes out of the Olivetti Corp., for which he worked abroad for ten years. We asked Mariconda how it occurs that he is on the "right" of the political spectrum whereas his uncle is on the "left." "But in reality I have a lot more affinities with him than with the present politics of the League," he responded in his singsong Venetian accent, telling us that he has been a member of the Republican Party (PRI) since 1992, and that he ran on the Northern League slate "with the hope of causing the movement to grow in the direction of the lay-liberal alternative we were all hoping for. I am afraid this is not going to succeed."

Mariconda is especially rankled that the League missed the chance offered by the Agnelli Foundation, which in mid-December organized a convention on federalism, "a theme which has always been dear to the PRI; I recall [the late PRI leader] Ugo La Malfa's battle to abolish the prefectures," referring to the local authorities answerable to the central Italian government. The Agnelli Foundation proposal was for dividing Italy into 12 regions in a confederacy, but Northern League head Umberto Bossi snubbed the meeting. As is well known, the League was at that time reaching its decision to

ally with media magnate Silvio Berlusconi, perhaps pushed by certain forces which some Northern Leaguers see as dominated behind the scenes by Socialist Party leader and long-time former premier, Bettino Craxi.

Disappointed by Bossi, Mariconda stands in the wings. He says the League should "shed its protest image," a retooling which would not require a change in leadership, but could be carried out by a "staff which would flank Bossi."

Having asserted that the League has gone down the wrong track, Mariconda launched into a paean for Achille Occhetto, the head of the renamed Communist Party or Democratic Left Party (PDS). "I must say on the other hand that the program presented by Occhetto is a shift. It is a truly liberal program, which gives flexibility to labor, which allows us to get past the excessive union ties. In effect, the recovery can only come from the left." As for Left Refoundation, the splitoff of hardline communists from the PDS, "they are from 'Jurassic Park.' They want to save jobs with the property tax. But it looks as though, fortunately, Occhetto seems to have given up on that." (Only days after we talked, however, Mariconda's Uncle Bruno relaunched the property tax.)

I asked Mariconda if there is no difference of opinion inside the De Benedetti-Visentini-Benetton group, which my interlocutor at first refused to call "Venetian" ("De Benedetti is not from Venice") but then accepted the label in the cultural sense. "Well, yes, we are a quite homogeneous group, within which there are tactical differences. We are forces which cut across the lines. For the moment I am a spectator. What is happening in Italy is not pretty, this McCarthyism, this Manicheanism."

Doesn't it bother you to have George Soros, who recently lined up with the "progressives," as a fellow traveler? Mariconda asked to have the name repeated twice and then said, "I am worried that the left is trying to get control over the mass media."

I asked his opinion of the "progressive" Venetian city government headed by his ex-rival Massimo Cacciari. "It's not working badly. There are problems in the functioning of the municipal machine, because 4,800 employees are too many. We need to rationalize." And what does he think of Cacciari's spokesman, Marina Salamon, who also speaks for the Club of Entrepreneurs? "I know her. We had an unhappy encounter on TV. She is very aggressive, but then we cleared things up and she apologized. I think she is all right after all."

What does he think of the proposal made by one member of the Cacciari administration to reintroduce the infamous old Venetian system of "secret accusations" to catch Venice's tax evaders? Mariconda prefers severe controls. He cited the model of Chioggia, a nearby city where the municipality got the Tax Police to authorize them to check low-income housing and see who is living there illegally, usually because they are no longer needy and don't qualify for the subsidized quarters they continue to inhabit.

Half-truths on Moro kidnap on German TV

by Paolo Raimondi

On Feb. 19, German television viewers watching a program on the 1978 kidnapping and assassination of Italian Christian Democratic party chairman Aldo Moro must have been stunned to hear that the statesman might have been eliminated by a "conspiracy," ranging from Henry Kissinger to "parallel" networks of the secret services. Everybody seeing this program on the Hesse 3 channel must have asked: If this is true for the Moro case, might it also be valid for prominent German assassination victims Hanns-Martin Schleyer and Alfred Herrhausen?

The program, which was produced by a Westdeutsche Rundfunk team and aired by the WDR network on Nov. 28, 1993, opened by reporting that Kissinger had made repeated threats against Moro and his policy. Moro's widow, Eleonora, testifying in court in 1983, reported the fears that her husband had confided to her after his meeting in Washington with Secretary of State Kissinger. Kissinger told Moro, who was then Italian foreign minister: "Sir, it is better that you cease carrying out your political plan to involve all the political forces of your country in a direct collaboration. Either you stop it, or you are going to pay dearly. It is up to you."

Moro was so shocked by this exchange that he felt sick and, uncharacteristically, he reported the incident to his wife and told his personal secretary that he was considering leaving politics for a few years. In September 1974, a week before Moro's visit to the United States, Kissinger advised President Gerald Ford to admit that the United States had intervened in Chile over 1970-73 to overthrow Salvador Allende. "We have done what the United States does to defend its interest abroad," Kissinger said. In his memoirs, Kissinger did not hide his dislike for Moro and his policy of national unity. He caustically wrote in his book *The White House Years*, that "the powerful Moro was preparing in his indirect, almost imperceptible manner the fundamental changes that were to bring the Communist Party close to the seats of power while the Christian Democrats were seeking to pull its revolutionary sting."

Moro's national unity plan

Aldo Moro's "national unity" policy envisaged the creation of a government in Italy which involved all the mass-

based parties around a policy to protect national sovereignty and independence. This implied the involvement of Italy's second-largest electoral force, the Italian Communist Party (PCI) of Enrico Berlinguer, who was leading the party out of Moscow's sphere of influence. The plan was a continuation of the policy for national independence of Enrico Mattei, the head of the Italian state oil firm ENI who was killed in 1962 because he had challenged the interests of the Anglo-American oil companies, the infamous "Seven Sisters," and the post-War World II Yalta division of the world.

Moro's plan was strongly supported by the Vatican. Pope Paul VI's 1967 encyclical *Populorum Progressio* had laid the basis for overcoming the division of the world into two blocs and for the development of the Third World. Moro's policy cohered with Gen. Charles de Gaulle's vision of an alliance of sovereign European states "from the Atlantic to the Urals."

Thus, the realization of Moro's national unity government would have shaken the grip of the Yalta agreement, and may have anticipated the 1989 fall of the Iron Curtain by a decade, in the context of a renewed policy of economic development and cooperation in Europe and with the developing sector.

Kissinger, the Anglo-American establishment, and their Moscow counterparts hysterically opposed this possibility. Former British Prime Minister Margaret Thatcher boasted in her memoirs that she had done everything possible with her friends in the West and East before 1989 to maintain the Iron Curtain and the cynical carving up of the world which Churchill and Stalin had carried out with the compliance of the deathly ill Franklin Roosevelt in 1944 at Yalta. One result of this British policy is the ongoing war in the Balkans and the destabilization of Europe. Kissinger confessed his support for this British policy in a speech he delivered on May 10, 1982 at Chatham House, the headquarters of Royal Institute for International Affairs.

This is why Moro had to be stopped at all costs. On March 16, 1978, shortly before 9 a.m. in Via Fani in Rome, a team of assassins from the Red Brigades attacked the two cars which Moro and his five bodyguards were riding in, and carried out an incredibly sophisticated terrorist attack. The five policemen were killed immediately, while Moro, miraculously unwounded, was whisked away. Moro was on his way to the Chamber of Deputies, where a new Andreotti government, which had emerged from a programmatic agreement between the Christian Democracy (Moro and Andreotti's party) and the Italian Communists, the leading opposition party, was to be voted on that morning. It was the moment for which he had worked for many years.

Moro was held for 55 days in a "people's prison" and interrogated till his murder on May 9. Symbolically, his body was left in a car in Via Caetani in downtown Rome, between the headquarters of the two parties. With Moro died his "national unity" policy.

Lapses . . .

Unfortunately, the WDR film does not follow up on the international networks behind the terrorist operation, though it does identify some important elements. First, the attack was carried out with military precision, as in the cases of industrialist Schleyer in 1975 and Deutsche Bank head Herrhausen in 1989—which could not have been performed by the pumped-up sociology students who formed the Red Brigades cadres. If these students and civilians were involved, they received professional training of a level that can only be provided by some military or secret service. The training of the Red Brigades has never been clarified.

Second, all the various investigations and trials of the Moro assassination have revealed a staggering mountain of evidence and circumstances which indicates that there was no intention to track down the terrorists and free Moro. A few examples: The photos taken by a local resident a few minutes after the attack vanished (it is said that they may have revealed the presence of key eyewitnesses who could have put the investigation immediately on the right track); the terrorist safehouse on Via Gradoli in Rome, where the “head” of the Red Brigades lived, was known, but the lead was never pursued; the Red Brigades’ printing press used to produce all the communiqués during Moro’s imprisonment was previously owned and operated by the secret service (special “Rus” units) of the Defense Ministry. The Gladio networks—the special units of the “Stay Behind” plan in case of military attack, invasion from the Warsaw Pact, or takeover by the communist parties, which came to light in the late 1980s—were under the Rus. There are indications that Gladio-linked individuals may have played a negative role during the Moro kidnapping.

Immediately after the kidnapping, a “Technical-Operational Committee” was created to coordinate the investigation. The members of this committee were: Adm. Giovanni Torrisi, chief of staff of defense; Gen. Giuseppe Santovito, head of military intelligence (SISMI); Gen. Giulio Grassini, head of civilian intelligence (SISDE); and Generals Raffaele Giudice and Donato Lo Prete, who were in command of the tax police (Guardia di Finanza). Later, in 1981, all of these persons were discovered to be members of the secret Propaganda-2 freemasonic lodge of the Scottish Rite, directed by Grand Master Licio Gelli. The P-2, which was involved in vast corruption operations, came under the Grand Lodge of London, i.e., the English royal house, and was connected with Kissinger, Alexander Haig, and sections of the Pentagon and U.S. intelligence community, in what was labeled as the U.S. “secret government” during the Iran-Contra scandal.

This is the Yalta faction which opposed Moro, who was fraudulently labeled the “Italian Allende.” Gelli and his P-2 were operating along the lines of his 1975 “Plan for Democratic Rebirth,” aimed at some kind of coup against Moro’s project. It is not surprising that the committee did nothing

useful to secure Moro’s freedom.

A second “Parallel Committee” was created in the Interior Ministry to “advise” the psychologically confused Francesco Cossiga, then minister of interior and later President of Italy. A key adviser was Steve Pieczenik, an undersecretary in the U.S. State Department, head of its anti-terrorism office, and a close friend and associate of Kissinger. His main advice was that in that moment of destabilization one should demonstrate that “nobody is indispensable to the life of the state.” This line was echoed by the *Washington Post* in a March 17, 1978 editorial calling for “a very different style of government” to emerge from the crisis in Italy.

. . . and false leads

The WDR program also implied that Pope Paul VI may have abandoned Moro to his death. Quite apart from the close friendship between the two, this is not only proven false by any careful examination of events, but the innuendo suggests a possible masonic contamination of the reportage, with a clear intent to sling mud at the Catholic Church. The WDR film’s fixation on implicating only the Italian secret services in the sabotage and coverup is also misleading, because it leaves out the “international conspiracy” aspect that is the motor of the terrorist operation.

Italian journalist and secret service confidant Pecorelli, who knew too much and was later killed, put it this way: “Yalta decided the operation of Via Fani.” WDR should know better, especially given the recent revelations of the links between the Red Army Faction—Germany’s counterpart, and also coworkers, of the Red Brigades—and the Stasi, the dreaded secret services of communist East Germany.

WDR alleged that the current scandals which are destroying the Italian Christian Democracy are the result of the role the party played during the Moro kidnapping. On the contrary, it is well documented that months before Moro was seized, the U.S. State Department had begun to circulate the lie that Moro, under the code name of “Antelope Cobbler,” had received a \$1 million bribe from Lockheed to sell 18 Hercules airplanes to Italy. After the State Department’s dirty role was exposed, the Italian Constitutional Court cleared Moro from any wrongdoing in the Lockheed affair.

Thirteen days later, the Red Brigades kidnapped him. If the operation had fully succeeded then, Italy’s entire postwar political leadership would have been wiped out in 1978, not 15 years later.

While the existence of corruption in the Italian political system is indisputable, one should not be too naive in accepting all the political reasoning and maneuvering which have liquidated in less than two years the entire political leadership that emerged from World War II. Like the assassination of President John F. Kennedy in the United States, the Moro killing leaves questions that must be posed persistently all the way to the highest levels “above suspicion,” in order for a nation to regain its national sovereignty.

Pakistan's efforts to beat up on India fail

by Susan Maitra

The last-minute withdrawal of the four-point resolution, accusing India of human rights violations in Jammu and Kashmir, introduced on Feb. 25 before the United Nations Commission on Human Rights (UNCHR), on March 9, after deferring the voting process for three hours, is widely considered a slap in the face for the Bhutto government in Islamabad.

The resolution, which Pakistan had introduced, contained, among other charges, its demand that a U.N. mission be sent to Kashmir to make a field evaluation of the situation there. As it became evident to Pakistan that the resolution had few takers, Islamabad diluted the resolution by eliminating its demand for the U.N. mission. But the Indian diplomatic offensive, a cool response from the Organization of Islamic Conference (OIC), an American whisper campaign to other nations to abstain from voting, and active efforts by China and Iran to quash the resolution were too much for Islamabad to buck. Giving up the resolution minutes before it was scheduled to be presented for a vote, Pakistani Foreign Minister Sardar Assef Ahmed Ali told newsmen that with the advice of Pakistan's best friends, China and Iran, in mind, Islamabad had agreed to withdraw the resolution and give India "another chance" to improve its human rights record in Kashmir.

A day later, however, Pakistan changed its tune. Citing a British Broadcasting Corp. report, Foreign Minister Sardar Assef Ahmed claimed that India had indeed agreed to allow an OIC team to go to Kashmir on a fact-finding mission as a condition, and on this basis the resolution had been withdrawn. Indian Foreign Secretary K. Srinivasan denied that any such deal had been agreed to and called the assertion a lie. Subsequently, Pakistani Prime Minister Benazir Bhutto has threatened to bring up the Kashmir issue before the U.N. Security Council in retaliation for the renegeing on the alleged deal by the government of Indian Prime Minister Narasimha Rao.

The U.S. role

Empty rhetoric and swallowing of hurt pride aside, the intensity of lobbying and posturing that followed the affair has itself no doubt worsened bilateral relations between the two countries. Firstly, it was incomprehensible to anyone why Pakistan, which is widely known to be running terrorist

camps along the line of control aimed at the Indian part of Kashmir, and has also been accused of widespread human rights violations inside Pakistan by the self-appointed guardians of human rights, would bring such a resolution to the U.N. in Geneva unless the United States was behind it. But soon enough, it became clear that Washington was distancing itself from the resolution in a sneaky way by planning to abstain from voting. This tactic of Washington pleased neither the Indians, who demanded that the United States must oppose a resolution on human rights violations pushed by a nation which sponsors international terrorism, nor the Pakistanis, who found out that Washington not only left them in the lurch but was quietly telling other nations to abstain from voting, too.

Secondly, Pakistan went to the UNCHR with much fanfare just after holding a round of talks at the foreign secretary level to resolve various bilateral issues, including the dispute concerning Kashmir. Although that round of talks in early January did not break any ice, it was assumed that the talks would be resumed and that there was a mutual understanding that bilateral talks is the only way to resolve the various disputes. The subsequent antics by Prime Minister Bhutto and her government officials made it evident that the shots were being called from outside, and that she was going along for her own survival.

Indian position hardens

As a response to the Pakistani-tabled resolution, the Rao government of India hardened its position and passed a unanimous resolution in the Indian Parliament which categorically said that Kashmir is an integral part of India. The tone of the resolution and the manner in which it was passed clearly told Pakistan that the time to talk was over. At the highest level in Pakistan, one senior correspondent from Karachi noted recently, the Indian parliamentary resolution had conveyed the message: prepare for a war. Even if that is true, neither Pakistan nor India gave any signal to that effect and instead plunged into high-pitch lobbying.

In this milieu, two things worked for India. First, a meeting between the foreign ministers of India, Iran, and China in Teheran in early March set the stage for a full-court press on Pakistan. This became all too obvious in Geneva when the Iranian delegation had practically given an ultimatum to the Pakistanis by asking Islamabad to withdraw the resolution or face its defeat on the floor. China had already conveyed to Pakistan that Beijing considered such a resolution at the UNCHR, to browbeat another nation for human rights violations, as wholly unacceptable. It is obvious that both China and Iran feared that a similar resolution could be brought against them, and that Washington might use that route in due time. Pakistan also saw that the votes were simply not there, and that all the major nations were either against it or had walked away with the ladder after placing Islamabad on the roof-top.

Abstainers win Colombian election

Less than 30% of the electorate turned out to choose a new Congress and a Liberal Party presidential candidate.

Only 5.4 million Colombians, out of a total electorate of 17.5 million, went to the polls on March 13 to choose 102 senators, 163 congressional representatives, and the ruling Liberal Party's official candidate for President. Low voter turnout, the worst in the history of Colombian democracy, throws into question the legitimacy of the entire Colombian political elite, and demonstrates the serious apathy of the population toward institutions which they feel no longer function.

The lowest turnout was among younger adults who have been educated under criteria of the new world order, according to which a defense of national sovereignty, love of one's country and of God, is old hat. They have also been corrupted by New Age educational practices which teach that personal and immediate gratification is what counts, and that what cannot be touched, smelled, or tasted doesn't exist, and therefore is of no importance.

The M-19 Democratic Alliance, the group of narco-terrorists notorious for the 1985 Justice Palace massacre but who were legalized as the result of a "peace" agreement, has now practically disappeared from the political scene. The M-19 won 17 delegates to the national constituent assembly in 1990 with 20% of the vote, and captured nine Senate seats in the 1991 elections. This time, the M-19 did not win a single Senate seat, and barely held onto a mere two representatives to the Chamber of Deputies, despite backing from the Social Democratic International, the United Nations, and

the Colombian presidency.

The vote for the M-19 following its "legalization" can now be understood as little more than a "reward" for its having laid down its weapons. The population has had four years to watch the M-19 enjoy the privileges of ministerial, congressional, and bureaucratic posts within the government, and they have proven as corrupt and do-nothing as the traditional political parties.

The Colombian Communist Party, with the full backing of the narco-terrorist Revolutionary Armed Forces of Colombia which forced peasants at gunpoint to vote for the Communists in areas under their sway, barely elected a single senator.

These losses came despite the fact that in 1991 the M-19 and the Communists managed to alter the national constitution, changing the procedure for electing senators from statewide to nationwide representation. In this way, it was hoped that the legalized guerrilla groups and other minority parties could add their scattered votes from all over the country into sufficient numbers to capture senate seats.

At the same time, the traditional political machines of the Liberal and Conservative parties, historically based on the buying and selling of favors, are in the dumps. For example, Liberal Sen. Alberto Santofimio Botero—whose movement used to include the late drug trafficker Pablo Escobar Gaviria—had managed after 20 years to buy up 200,000 votes in the department of Tolima. And yet, on March 13, Santofimio garnered only 25,000 votes, the bare minimum re-

quired for a senatorial seat.

This decline in the fortunes of the Liberal Party chieftains can be attributed to a ban that was placed on congressional "slush funds," which cut deeply into the vote-buying apparatus. A clear case of this can be seen in the recent jailing of Senate candidate Rafael Forero Fetcua, a partner of drug trafficker Gilberto Rodríguez Orejuela in the Workers Bank, during the 1980s. He built up his electoral machine by selling cheap or giving away land for housing construction, even though the land was frequently located in unauthorized construction zones.

One week before the March 13 elections, Forero's home was raided by police, and a box was discovered containing the registration cards for some 2,500 voters. Apparently, Forero had been holding onto the cards in order to guarantee that the votes he had bought would be cast for him. In the election, Forero came in 5,000 votes short of a senatorial seat, thereby losing his immunity from prosecution.

The issue of the slush funds is symptomatic of the population's general loss of confidence in ruling institutions. Corruption is rampant.

But in the midst of this general skepticism, a civil-military coalition of movements has emerged—without money, without an electoral machine—to offer an alternative. The alliance includes the Ibero-American Solidarity Movement, the National Participation Movement, and the Alliance of National Reserves. The alliance won a deputy's seat with 10,000 votes, and won 4,200 votes for its senatorial slate, 20% of the minimum required for a senator's seat. The alliance's program is defense of national sovereignty and of the national armed forces, and use of the country's oil wealth to industrialize Colombia.

Perfidious Albion adores Brazil

Initiatives designed to restore Great Britain's old dominance of the Southern Cone are under way.

Britain has launched an ambitious diplomatic offensive to return Brazil again to its sphere of influence within the Southern Cone, in hopes of recovering the privileged position it maintained throughout the last century in the La Plata region. From time to time, the "tripod," made up of the monarchy, the old banking houses, and British Masonry, attempts to live out its fantasies about the old days, when England, especially through the Rothschild banking house, dominated Brazil's economy and politics.

Perhaps this time Perfidious Albion will try to derive some benefit from its ongoing dispute with the Clinton administration, which has turned out to be not quite the puppet the "tripod" had imagined; the British offensive precedes the trip that U.S. Vice President Al Gore will shortly be making to Argentina and Brazil. Until now, neither Gore nor the British have been able to offer their would-be ally anything more than the same tired prescriptions for more free trade.

In the first week of March, British Treasury Secretary Michael Portillo arrived in Brazil and, in adulation of Itamaraty (the Brazil Foreign Ministry which serves as a repository of British tradition inside the government), declared, "Brazil will be a major player in the world of the future, and whoever believes in free trade, as we do, cannot ignore a power like Brazil." Portillo also backed the economic program of Finance Minister Fernando Henrique Cardoso, and celebrated the possibility of a long-awaited Brazilian

deal with the International Monetary Fund (IMF).

Portillo headed a high-level delegation whose members, which included bank representatives from Baring, Kleinwort Benson, Rothschild, and Schroeders, and business representatives from British Gas, Northwest Water, and others, were all ready to invest in Brazil's privatization program.

There was no need for any secret meetings aboard the royal yacht *Britannia*, as occurred when the British were pressuring for the privatization and dismantling (i.e., looting) of the Italian state, to transmit the message that the British want to get their hands on Brazil's vital telecommunications sector. Yet, the possibility of privatizing that sector still triggers furious debate inside Brazil's Congress.

In late March, London will be the site of a seminar by the president of the Banco Nacional de Desenvolvimento Economico e Social (BNDES), the entity in charge of Brazil's privatization program, which may also be attended by Finance Minister Cardoso. Ever since the rule of former President Fernando Collor de Mello, the British have been ecstatic over their possible involvement in Brazil's privatization drive, and have sponsored a number of seminars and business trips, the last headed by Prince Charles himself.

But now, British offers are more daring: On March 11, the chief of staff of the British Air Force, Sir Michael Graydon, arrived in Brazil to offer joint ventures with the Brazilian weapons industry. Foreign Minister

Douglas Hurd will be visiting Brazil in April, and has already hinted that he may announce the restoration of long-term credit operations with Brazil. Those credit lines were suspended back in 1983, at the outbreak of the debt crisis, when the British were more than a little displeased by Brazil's lukewarm support for Argentina during the Malvinas War. Now it has been announced that Britain's ministers of trade and agriculture will be following Hurd to Brazil in the coming months.

The British star in the geopolitical game toward the Southern Cone is, however, Margaret Thatcher. She will arrive in Brazil on April 16 for a conference sponsored by the Banca Garantia. In an interview with *Veja* magazine, Thatcher attempted to defend her neo-conservative revolution, without being able to cite a single concrete instance to back up her claims of a British "economic recovery." In response to one question on the rise in British unemployment, Thatcher could only lash out at her neighbors: "Look at France, which has a higher index than ours, or Germany, where unemployment grew despite the unification with East Germany."

She also insultingly reasserted British claims on the Malvinas, and warned: "If someone starts to say that every island at a certain distance from their shore belongs to them, be sure we will have many wars."

These aggressive British initiatives have not fallen on deaf ears in Brazil. Apart from Itamaraty, the British also have the support of Finance Minister Cardoso. In fact, when he visited England last year in his capacity as foreign minister, Cardoso made clear in several meetings with British authorities that he wanted to reestablish the special relationship that had existed between the two countries in the 19th century.

Voters reject ecology agenda

Closer contacts between Germany's two big parties may open the door to a "Grand Coalition" government.

The results of the March 13 elections for state parliament in Lower Saxony, the first of 19 campaigns in this super-election year, have a signal character for the political scene on a national level: the momentum toward a "Grand Coalition" between Christian Democrats (CDU) and Social Democrats (SPD), the two biggest parties, after the national elections on Oct. 16.

This prospect may not seem plausible, given that the CDU lost 5.6% of the voter strength it had four years ago in Lower Saxony, and that the SPD of incumbent Gov. Gerhard Schröder suffered no losses at all. But the election victory of Schröder's SPD in Lower Saxony nevertheless helped the CDU—not in that state, but rather on a national level. How so?

Germany now has more than 4 million officially reported jobless (the actual figure is over 7 million without regular employment), and at least another 450,000 new jobless are expected in the government's official projections for the end of this year. Combined with a great strategic crisis looming in the East that may be transformed into a major conflict between Russia and the West soon, parts of the German policymaking elites are preparing for a "grand consensus in the event of a big national crisis," to ensure that the country is not paralyzed by big labor strikes.

This is already happening. The much-awaited big labor walkouts in the engineering sector and in the public services sector (which contain about 50% of all organized labor un-

ionists) were suddenly called off in the first two weeks of March, in a surprising "spirit of agreement" between the two opposite sides of those wage negotiations.

Since the labor unions are mostly SPD-linked, their agreement to an early settling of the wage conflict means that the SPD was part of that understanding. And since the entrepreneurs' associations and a good part also of the state and the public administration are under the firm control of the CDU, it means that there was also a CDU side to the rapid agreement.

Another unusual phenomenon was in the Lower Saxony state elections: A considerable part of the CDU membership and constituency showed a preference toward the SPD's top candidate, Schröder, over their own top candidate, Christian Wulff. Stranger still, the national CDU leadership in Bonn never made any really serious effort to stop this erosion of support for Wulff. This lack of national-level action appears all the more absurd, given the kind of tactical and dirty maneuvers which the established parties' leaderships usually set into motion to secure control of their party machines—especially during election years.

The answer to this riddle is that Schröder's election victory on March 13 fit with the national moves of the CDU to improve relations with a specific current inside the SPD: Those Social Democrats who place pragmatism over ideology, who are willing to talk about concessions on questions of labor policies, state support of vital

high-technology areas, and essentials in foreign and defense policies.

Gerhard Schröder is one of those SPD pragmatists. He has been the most prominent Social Democrat to question the party's rejection of nuclear technology, and to propose a modification of the SPD's nuclear power policy to create "certain conditions" for the construction of one new power plant by the turn of this century.

Issuing permits for one single new power plant, at a time when 20 new ones are needed before the decade is out, is not what one would call a fundamental change of views; but even this was too much for the SPD leadership, and the Schröder initiative was voted down in the fall of 1993. For the CDU, on the other hand, Schröder's move was a clear signal that on certain aspects of industrial and technology policy, he offered himself as a partner for talks with the Christian Democrats.

Schröder's defeated opponent Wulff, on the other hand, belongs to a new "young generation" of CDU politicians who immersed in the ideology of radical environmentalism.

Schröder's election victory has now strengthened his position inside the SPD, and has provided the CDU with an option for "grand consensus" talks between the two big parties. Moreover, the fact that Oskar Lafontaine, the green-ecologist guru of SPD economic policies of the past 10-15 years, has recently been shunted more into the background by Schröder's pragmatist co-thinkers, will favor efforts for a "grand understanding" among SPD and CDU, which may in turn provide the launching pad for a full-fledged Grand Coalition in Bonn later this year. On the condition that radical-ecologist currents in both parties are kept under tight control by the pragmatists, the potential would then exist for a real program against the economic depression.

International Intelligence

Slovakia's premier loses confidence vote

Slovakian Prime Minister Vladimir Meciar lost a no-confidence vote in the parliament on March 11, with a margin of 2 votes over the required absolute majority of 76 votes. There were 2 votes against the motion, and 70 abstentions. This means that should all efforts to form a new government within the mandatory transition period of 30 days fail, Slovakia will face another election this spring.

The deepening economic disaster, indicated by an official jobless rate of close to 15%, is at the center of this power struggle, with neither the government nor the opposition offering any solutions.

The last early election brought a big increase of votes for the post-communist party of Meciar, turning that party into the biggest single group in the parliament. The opposition, usually split but united in the recent no-confidence vote for the first time, can't be sure of defeating Meciar in early elections: Seven out of the 85 members of the opposition bloc didn't vote against Meciar.

Russian-Kazakh crisis takes ominous new turn

Since the March 7 parliamentary elections in Kazakhstan, French newspapers have been warning of a split-up of the country, with a Russian ethnic-separatist movement taking off in the north of the country.

The Russian authorities, with support from the Conference on Security and Cooperation in Europe (CSCE) observers who watched the elections, are charging electoral irregularities, saying that the Kazakh government's aim was to ensure that the ethnic Kazakhs would receive a greater percentage of seats than merited by their percentage in the population, relative to the ethnic Russians. The head of a Russian Duma "observers' mission" for the elections, Konstantin Zamulin, said, "In my capacity as representative of the former tutelary power of the

Soviet Union, I would advise the Kazakhs to be more tolerant toward their ethnic minorities." The Kazakh government has also been criticized by Andranik Migranian, a member of Russian President Boris Yeltsin's Presidential Council, who had recently written an article demanding a "Monroe Doctrine sphere of influence" for Russia in the areas of the former Soviet Union.

The daily *Le Monde* warned that the Russian majority living in the resource-rich north of the country, where strategic missiles and the Baikonur Cosmodrome are located, could decide to proclaim themselves independent and linked to Russia. *Le Monde* noted that "the specter of a division of the country, which Aleksandr Solzhenitsyn had raised in his 1991 book as a means of 'reorganizing Russia' in new frontiers, should continue to haunt the country, despite the contrary assurances given by Boris Yeltsin."

The daily *Libération* cited a western defense attaché in the capital city Alma Ata, that the most likely scenario now is that Kazakhstan would split up, with Russia acting as "policeman," and with Kazakhstan thereby re-entering the Russian sphere of influence.

Bonn downgrades anti-crime bureau

The German government has announced a "reform" of the Federal Anti-Crime Bureau (BKA) that will certainly be to the liking of organized crime and terrorists. Minister of the Interior Manfred Kanther decided early in March that the status of the BKA director would be downgraded and that the agency's directorate be replaced by a "collegial body" that would be "less hierarchical" and "more in tune with the federalist structure of the Federal Republic." This measure goes along with budget-cutting attitudes that are sold under the slogan of "long-overdue streamlining of the bureau."

The government's plans have met strong resistance among the anti-crime authorities. BKA officials delivered a note of protest.

BKA director Hans-Ludwig Zachert, they said, has been picked as a "scapegoat" for the failures of a security policy that the politicians have not yet been able or willing to define.

Bonn's conflict with the BKA will add to the sentiments that are building against the German government and the political establishment in general, among the police, which has repeatedly charged policymakers on the federal and state levels with incompetence and readiness to look for scapegoats rather than for efficient and meaningful legislation against crime and terrorism.

Israeli professor: Jews aren't immune to Nazism

It is perfectly justified to call the Kach movement fanatics "Jewish Nazis," said Hebrew University professor Ze'ev Sternhell, Israel's leading expert on the origins of fascism, in an interview with the French daily *Libération* published on March 9.

Libération asked: "You speak of 'Jewish Nazis' in regard to the Kach movement of the late Rabbi Meir Kahane, to which Dr. Baruch Goldstein belonged. Isn't there an inherent contradiction in this terminology?"

Sternhell responded: "Not at all. There is no gene which immunizes Jews against various forms of racism, of xenophobia, of the cult of violence, and it is that which we find in 'kahaneism,' an exacerbated nationalist fanaticism that is combined—and this was not the case with the Nazis—with a religious fanaticism. Kahaneism seeks to purify Israeli society from all foreign elements, not only by expelling all Arabs from the land of Israel, but also by preventing mixed marriages. We find, in this, the essential elements of Nazism. If there was a kahaneist majority in the Knesset, the laws which it would promulgate would not be different from those of Nuremberg."

Sympathies for Hebron killer Baruch Goldstein, according to Sternhell, come mostly from religious circles—the rabbis of the yeshivas and various religious parties. This is "a world in which fundamen-

Briefly

● **THE RUSSIANS** arrested an alleged spy for Germany's foreign intelligence service, the BND, according to Itar-Tass news agency on March 10. No details were made public by the Russian counterintelligence service, except that the person is a Russian citizen. German Chancellor Helmut Kohl's spokesman refused to comment in a Bonn press conference.

● **FRANCE** and Israel have signed their first military cooperation agreement since the 1967 Arab-Israeli war. The agreement deals with military technological research and development.

● **CHILE'S** outgoing President Patricio Aylwin on March 11 released three leftist terrorists who were jailed for an assassination attempt against former President Gen. Augusto Pinochet in 1986. The three were immediately given asylum by Belgium. Aylwin's successor, Eduardo Frey, was sworn in as President on the same day and promised to continue Aylwin's policies. He is expected to attempt to put the Armed Forces, which are run by Pinochet, on a tighter leash.

● **ALEKSANDR RUTSKOY** will run for President of Russia, he told the March 6 *Sunday Express* of London. Rutskoy was jailed by Boris Yeltsin in October 1993, during Yeltsin's assault on the parliament; he was released in February under an amnesty declared by the new Duma. "The state continues to disintegrate," Rutskoy said, adding that he was opposed to "shock therapy."

● **KING HUSSEIN** of Jordan was snubbed by Saudi King Fahd during a visit to Mecca this month. U.S. authorities had reportedly promised the Jordanian king that they would intercede on his behalf for a meeting with his Saudi counterpart, but this apparently did not succeed. Relations between the two countries, always fraught with difficulties, have been particularly strained since the Gulf war.

talist nationalism mixes with religious fanaticism, the worst cocktail that one could imagine. The only advantage: It is relatively limited in Israeli society. The highest estimate would be not more than 12% of the population. On the other hand, the milieu that look on [Goldstein] with a certain benevolence is much larger." This current of "active and passive sympathizers" could reach 25%, which "is sufficient to become a political factor."

Sternhell charged that most of the dangerous operatives come from Brooklyn, New York. In the United States, they can't take up a gun and wear a uniform, and act out ideas of racial purity against blacks and Puerto Ricans. So, they come to Israel to act out these emotions against the Arabs.

Rao foresees end of Sino-Indian conflict

Indian Prime Minister Narasimha Rao said on March 9 that India and China are likely to achieve a breakthrough soon in ending eyeball-to-eyeball confrontation between the two armies on the border.

Speaking to both houses of parliament on Sino-Indian relations, Rao said that action is being initiated to implement the agreement on maintaining peace and tranquillity on the Line of Actual Control signed last year during his visit to China.

"We want to remove eyeball-to-eyeball confrontation in a very short time. We will be able to make a breakthrough," he told the Lok Sabha, the lower house, according to the Chinese news agency Xinhua.

Look out Argentina, here comes the MI-6!

The head of the Argentine State Intelligence Service (SIDE), Hugo Anzoreggi, has agreed to have British intelligence services train Argentine intelligence agents in the art of "intelligence analysis." Anzoreggi met in London early in March with the directors of both MI-5 and MI-6 to discuss the ar-

rangement. David Spedding, the new chief of MI-6 (foreign intelligence), will travel to Buenos Aires shortly for a three-day visit. Spedding was stationed in Santiago, Chile in the early 1970s.

Anzoreggi told the daily *Clarín* that he was "astounded" by the knowledge which the heads of MI-5 and MI-6 had about Argentina's anti-subversive war of the 1970s. It was as if, he said, "the mind of a military officer had merged with that of a guerrilla."

Other matters discussed during the London meetings included nuclear nonproliferation and Argentina's scenarios for potential regional conflict. Anzoreggi said he referenced Argentina's excellent relations with Chile, making no mention of several points of conflict with that country in which British involvement is also a factor.

OAS wants to form a hemispheric army

Military experts, diplomats, and defense authorities of the Americas were scheduled to meet at an Organization of American States forum in Argentina March 15-18 to discuss military means to back up such integration measures as the North American Free Trade Agreement, said Argentina's ambassador to the OAS Hernán Patino.

According to the Caracas daily *El Globo* of March 6, the forum was to elaborate proposals for the OAS General Assembly that will meet in June in Belén, Brazil, for the eventual creation of a supranational OAS military intervention force.

Such a force, a long-standing project of the Anglo-American oligarchy and its stooges such as Venezuela's Carlos Andrés Pérez and Argentina's Carlos Menem, until now had been prevented from coming into being largely because of opposition from Mexico. However, as a result of the insurrection in Chiapas, Mexico has now abandoned its absolute commitment to non-intervention. Luis Donaldo Colosio, the presidential candidate of Mexico's ruling PRI party, said that he would welcome international observers in the presidential elections in August, Reuters reported.

Boris Yeltsin's team shows signs of panic

by Viktor Kuzin

The political faction of Russian President Boris Yeltsin is in a deepening crisis. Yeltsin showed frazzled nerves during former U.S. President Richard Nixon's mid-March visit to Moscow, when Nixon met leaders of the opposition to Yeltsin, including Aleksandr Rutskoy. Rutskoy was vice president of the Russian Federation until he resisted Yeltsin's abolition of the Constitution and Parliament last Sept. 21; arrested on Oct. 4, Rutskoy was only just released from prison under an amnesty on Feb. 26. Upon hearing of Nixon's planned schedule, Yeltsin cancelled his own meetings with Nixon and stripped him of Russian government-provided transportation and security; the security-stripping decision was then reversed.

Nixon's approach was encouraging, because only regular contacts with representatives of the whole political spectrum in Russia can show western politicians what is happening there. By the end of his visit, Nixon had conferred with five likely candidates for Yeltsin's job—Rutskoy, Vladimir Zhirinovksy, Grigori Yavlinsky, and Sergei Shakhray, who head other factions in the new Parliament, and Communist leader Gennadi Zyuganov—but not with Yeltsin or members of his government. Yeltsin's staff, meanwhile, announced on March 14 that the President would be absent from Moscow for vacation and medical treatment for stretches of time during the next six weeks.

Ever broader layers of society are realizing that Yeltsin's "October Revolution" of 1993 did nothing at all to solve the problems Yeltsin and his inner circle wanted it to solve. The October bloodshed, when Army troops kept Yeltsin in power by shelling the parliament (Supreme Soviet) which he had

unconstitutionally abolished, brought no political consolidation of society around democratic reforms. In fact, as the elections to the State Duma and the referendum on the Constitution showed in December, the prestige of democratic values has plunged.

Now not only the West, but also the people of Russia are beginning to realize that they have been deceived by the Yeltsin team, and that with the elimination of the Congress of People's Deputies and the Supreme Soviet—the institutions Yeltsin maintained were the main obstacles on the road to reform—the situation in the country has not only failed to improve, it has not even stabilized and is continuing to deteriorate.

The government has virtually no control over economic processes in the country. Minister of Labor Gennadi Melikyan has reported that protests are coming in from many regions, from whole branches of industry, and from numerous enterprises, demanding payment of back wages and threatening decisive reprisals if this demand is not met. A new feature of these recent protests is that they have been endorsed not only by trade union leaders and work collectives, but also by factory directors.

The end of the voucher

While visiting the city of Kaluga early in March, Chairman of the State Property Committee Anátoli Chubais announced that as of July 1, privatization vouchers will cease to be valid. (A voucher was issued to each citizen of the Russian Federation in late 1992, which entitled him to buy shares of stock in newly privatized firms.) From that day on,

enterprises will be privatized for money, through the sale of these companies on the market. Until now, citizens had not rushed to use their vouchers (by exchanging them for shares of stock in privatized companies or selling them), calculating that the very low price of a voucher (10,000 rubles) would have to rise. It did rise almost threefold during the past year, and was at approximately 23,000 on the eve of Chubais's announcement; but this was still very low, considering the real purchasing power of this sum, which is just half the monthly subsistence minimum for one person (40,800 rubles) at the present time.

The voucher, mind you, is the document that was supposed to embody the citizen's right to a share of state property as it was privatized. In other words, Anatoli Chubais let it be known that the voucher would not be honored as an obligation of the state to the citizen, meaning that the majority of citizens will be left with neither money nor property. On the other hand, after July 1, all these enterprises will be for sale, cheap, to the holders of speculative capital (commercial banks, the mafia, bureaucrats who have gotten rich on bribes, etc.).

"There has been a total criminalization of the economy," said Prof. Yakov Gilinsky of the Petersburg Institute of Sociology (Russian Academy of Sciences) at a conference on "The Black Market as a Political System," held at the Russian State University for the Humanities. The conference concluded that "in most countries, organized crime runs only the criminal sources of income: drug traffic, gambling, weapons sales. In Russia it runs *the entire economy*."

Yeltsin has not succeeded in dumping the blame for this on the Supreme Soviet, which he disbanded, since everyone knows that the Supreme Soviet harshly criticized Yeltsin's policies for robbing the population and encouraging organized crime, including in the highest echelons of power. Consequently Yeltsin and his closest supporters bear the responsibility.

A recent poll surveyed how residents of Moscow think their lives have changed since 1991:

- 82% think that "people have become meaner"
- 54%—"there are fewer opportunities to live properly"
- 54%—"we have taken even further leave of our senses"
- 53%—"vouchers will be used by the minority to rob the majority"
- 45%—"it is in the West's interest to weaken us"
- 25%—"the West has an interest in helping us"
- 29%—"Russia should try to restore the [Soviet] Union"
- 7%—"there is more hope for things to get better, after the Dec. 12 elections"
- 44%—"there is less hope for things to get better, after the Dec. 12 elections and the changes in the government."

This survey of 2,000 citizens of Moscow, the city where Yeltsin has always had his greatest support, clearly shows people's negative reaction to the results of his so-called re-

form policy. On several points their responses went well over the 50% mark.

Leaving a sinking ship

Yeltsin is in a panic. He and his cronies are afraid of being swept aside by a powerful social explosion and being held responsible for what they have done.

The more prescient members of Yeltsin's group are trying to distance themselves from him. These include former Deputy Prime Minister Yegor Gaidar and former Finance Minister Boris Fyodorov. Moscow Mayor Yuri Luzhkov came flat out and told an audience of *Afgantsy* (Afghanistan war veterans) that he "never was a democrat."

It was fear of having to take responsibility for the mass murders done on his orders in October, that prompted Yeltsin to accept the State Duma's amnesty of those arrested on Oct. 4 and thereafter for resisting his *coup d'état*. The *quid pro quo* was that there will be no parliamentary investigation of those events.

Yeltsin also proposed that all parties sign an agreement on civic peace and accord; he wants to draw them all into one vicious circle with himself. But this is a trap, since it is not any party or parties that make people oppose Yeltsin's regime, but rather the unbearable conditions of life. Parties that sign such a document will be compelled to support Yeltsin's punitive actions against the people or risk being accused as opponents of civic peace. How absurd!

Yeltsin's immediate entourage is now comprised of pronounced careerists, cynical people with no principles. Prosecutor General Aleksei Kazannik had something to say about them in a recent interview with *Moskovskiy Novosti*. Talking about the President's national security aide Yuri Baturin, presidential aides Georgi Satarov and Aleksei Ilyushenko, the chief of the President's security service Aleksandr Korzhakov, and Minister of Internal Affairs Viktor Yerin, he said: "If I had such advisers, and if they even once gave me advice like the advice these people give, I would tell them: 'God be with you—and the door is over there. I don't need advisers like this.'"

These advisers had in effect urged Kazannik to ignore the law on amnesty, to violate the Constitution—and this time it's not the Constitution slandered as "red-brown" and abolished, but Yeltsin's own new Constitution. Kazannik resigned, rather than follow their advice to violate the law.

This all speaks eloquently to the point that the question is not the Constitution, but the essentially lawless bent of Yeltsin's people. It is not to be excluded that there is an intense fight going on for influence over Yeltsin, among various groupings within his apparatus, one of which was using Kazannik against the others.

One thing is certain, and that is that Yeltsin has manifested no intention of departing from his policies, even though he has publicly admitted that they do not correspond to the

interests of Russia or the majority of its citizens.

The ruinous impact of these policies on the nation and the people provokes a self-defense reaction in the form of growing popularity for patriotic leaders, which Yeltsin has noticed. He is trying to adopt and exploit their slogans. Foreign Minister Andrei Kozyrev has done this. Even that ideologue of corruption, "shock therapy," and "globalism," former Moscow Mayor Gavriil Popov, has lately come out as an opponent of all these things. This is the latest ploy of a certain segment of the pro-Yeltsin "democrats." They are waiting in the shadows, feigning criticism of the regime, making themselves out to be friends of the people, so that tomorrow, at the next elections (less than two years away) they might come to power disguised as oppositionists and in reality continue the line of the International Monetary Fund in Russia.

The menace of collapse

The complete collapse of Russia as a nation, however, may breed a fascist dictatorship sooner than that, since people who experience nothing but hatred and despair, history shows us, will succumb to that. There are indications of the preconditions for establishing a fascist dictatorship, both from the President's camp and in the extreme opposition. Both are exhibiting a growing tendency to criminal thinking and behavior, and a potential to move in the direction of the armed seizure of power.

Thus Gen.-Col. Vladislav Achalov, recently freed from Lefortovo Prison in the amnesty, spoke openly about the option of seizing power by force. "Today we have a situation," he said, "where [presidential guard chief] Korzhakov, [Defense Minister] Grachov, and [Internal Affairs Minister] Yerin might remove Yeltsin from power" (*Moskovskiye Novosti*, March 6-13). Former Prosecutor General Kazannik, meanwhile, told the Spanish paper *El País* that Yeltsin's close associates "might ignore the law, issue illegal decrees, adopt blatantly criminal decisions, and impose them on Yeltsin" (*Sovetskaya Rossiya*, March 15). It is noteworthy that here we had approximately the same evaluation published on the pages of newspapers representing quite opposed political orientations.

Aleksandr Barkashov is leader of Russian National Unity, whose swastika-clad cadre acted as provocateurs during the September-October crushing of parliament. *Sovetskaya Rossiya* of March 5 reported his remarks after his release from jail in amnesty: "The fighters have become tougher. There is an influx of new people into our organization. A lot of young people. Workers from a lot of the Moscow factories sympathize with our views, and we're setting up our first RNU factory cells. . . . We have comrades in arms among the ex-generals, too." Barkashov is not putting it on this time. Even a casual observer can see steady growth of interest in the publications and activity of his and other such organizations in Moscow.

A colonial system

by Stanislav Govorukhin

The author is a prominent Russian filmmaker, known for his documentaries on the impoverishment of Russia under the Communist regime in the 1980s and now under Boris Yeltsin. His latest film is The Great Criminal Revolution, under which title he also published a book (Andreyevsky Flag, 1993). It deals with the looting of Russia's economy during the past two years, the rapid rise of a new criminal class, and the violent destruction of the Russian Parliament by Yeltsin's forces. Having completed The Great Criminal Revolution just after the Oct. 4 burning of the Parliament but before the Dec. 12, 1993 elections (when Yeltsin was stunned by high votes for Vladimir Zhirinovskiy's Liberal Democratic Party, the communists, and independent opposition figures), the author wrote the present article in February as an epilogue for the second edition and for foreign-language editions. On Dec. 12, Mr. Govorukhin was elected to the Duma, the lower house of Russia's new Parliament, on the Democratic Party of Russia slate. We are printing this chapter of The Great Criminal Revolution as a guest commentary, with the author's kind permission. It is slightly abridged and subheads have been added. Rachel Douglas translated it from the Russian.

Thank God, I was wrong. The new Parliament is not two-thirds made up of the henchmen of organized crime. The party whose base is the new class of "men of property" lost at the polls. Despite having all the money, all the mass media, all the power in their hands, they lost big!

They were all set to win. My evaluation was not off the mark. But as I've said, my book was written before Oct. 4. I made my evaluation without taking into account the events of that day.

Oct. 4, the Parliament in flames. . . . That upset all calculations. It was a boon for some and for others a misfortune.

A month before the elections, the result could be foreseen. People who toured the country and met with voters could see it. They saw how the population had changed, consolidated in its united loathing for the murderers. But the murderers themselves did not see it. They understood their country and their people not at all. Two weeks before the elections, their sociologists were still publishing prognoses that in Moscow [the pro-Yeltsin slate] Russia's Choice would get 37%, in St. Petersburg 38%, in Mukhosransk over 50%. A lavish television show, a real Political Ball, was organized

takes hold

in the Kremlin for the night of Dec. 12. Champagne goblets in hand, they were gazing at the big board where the figures recording their victory would appear.

The first election returns, from the Far East and Siberia, sent them into a state of shock. Television captured the moment very well—their frightened, confused eyes fixed on the electronic board. One ideologue, drunk as a skunk (he had started to celebrate too early!), staggered onto the stage and, clutching at a microphone so as not to fall, cried to the entire country, “Russia, how stupid can you get?!”

Aha, you say *Russia* has gotten stupid, not you—the one who gave the order to your cannons, “Fire!”? For it was you and other “artists” like you, who gave the order: “Fire on the Parliament!” You’re the ones who called for the President to take decisive actions against the Parliament. You advised him: “Hit your ideological opponents about the ears with candelabra!” At the very moment when the tanks and APCs were rolling to their combat positions, one well-known writer, foaming at the mouth, shouted on television, “Crush the reptiles!” Radio Russia broadcast at a shriek, “Riff-raff, rabble, murderers, wild mongrels . . .”—meaning those who were being killed like cattle at the slaughter, at Ostankino and in the White House [Parliament building]. One lady uttered a real gem, in a widely circulated newspaper: “They [the defenders of Parliament] are guilty of forcing us to kill them.” There’s Satan in a skirt for you!

No, Russia has not become stupid; she is just coming to after a bad dream. People had barely unstuck their eyelids and were shaking off the trance, when the shouting began: “Everybody to the elections!” “What for? Why such a hurry? Let us at least read the Constitution!” “No! To the elections, on the double!” And so in haste, they voiced their preference for the one who seemed to be the antipode of the authorities, the one who promised to restore justice the very next day, to punish the guilty, feed the hungry, and cure the sick. Well, it will be all the more difficult for that person to deceive the people a second time, when it becomes apparent that he was unable to do any of that, did none of it, and had no desire to do it.

Russia has not become stupid, she has cried out in pain. She is one big bleeding wound. And the wound will not heal until the rot is cleaned out.

“We averted civil war!” That’s how the murderers justify themselves now. But no, blood never stopped a war. On the

contrary, blood demands revenge.

The blood has estranged people. Before even greeting a person these days, everybody looks twice: What kind of person is this? From which camp?

And they call that averting civil war?

The State Duma

Russia has had a new Parliament for two months now. In the eyes of the world she is a democratic country once again.

The Deputies of the Federation Council [upper house] and the State Duma [lower house] have yet to set eyes on each other. There is no place in Moscow for them to meet in joint session. How can that be? It has been quite a while since the district, municipal, provincial, and central committees of the Communist Party existed, or the central committee of the Communist Youth League, or the Soviet government ministries, but bureaucrats are sitting in all those offices. What is the cost of that to the taxpayers?

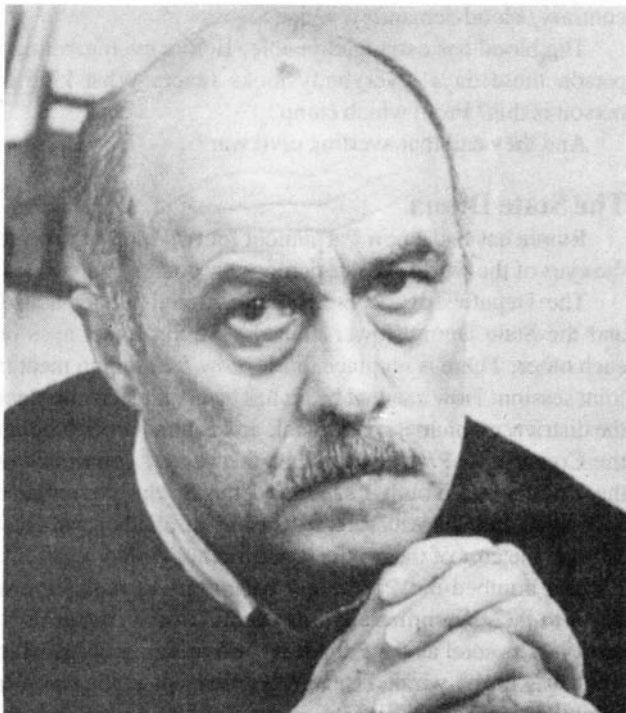
The bombed-out Parliament building was repaired and given to the government. It was handed over to the government just as soon as the President’s entourage got a whiff of what was in the wind: The new Parliament might not be a compliant pocket parliament as anticipated. So the government is there now. No, they are not haunted by ghosts of the dead. They are materialists.

The State Duma has been housed in the Mayoralty building. This a building that has not been repaired for 20 years. Not even all the windows were replaced after the fire. I went into one room to photograph it for the record. The temperature was 18°F below zero. It wasn’t warm by Celsius, either. The staff works with their fur coats on. There are commercial firms on every floor of the building, which have no intention of freeing up those offices.

Well, the President did what he had to. The cobbler should stick to his last. He showed the Duma its place. So that the people would know that he doesn’t give a whit for the Duma and no parliament is going to decree what he should do.

The Duma has no facilities, no budget, no fleet of cars, not even a tiny room with a telephone where a Member of Parliament might work. The mass media, meanwhile, are fanning real hysteria about the outrageous privileges of the Deputies. Their insanely high salaries, their five aides (while in fact, nobody has a single aide), their apartments (not a single newcomer has gotten one), the personal vehicle each one has. . . . The methods for discrediting the Parliament are the same old incredibly primitive (but effective!) ones that were used before, and the purpose is the same—to provoke ill will among the population and push it to its logical conclusion: “What does Russia need a Parliament for?”

I would like to ask the reader to exercise caution with regard to today’s newspapers and television. Don’t be fooled! However bad this Parliament might be (and it is not at all worse than the previous one), and no matter how expensive



Stanislav Govorukhin: "This new regime is becoming amazingly like the old. It may be recalled that Beria, the bloody butcher of the Soviet people, also began with an amnesty of criminals."

it were to maintain (so far it has cost nothing), the price will still not be too great, because a Parliament is the only guarantor of democracy in our country, a stone in the road, a rock. Blow it up, open cannonfire against it . . . and the road to a one-man dictatorship, to an authoritarian regime, to a shameful colonial future will be wide open.

The amnesty decision

It is difficult to characterize this State Duma with certainty. It is a diverse body. It is split into two camps. Like all Russia, it was divided by blood.

It is difficult to adopt any serious decision, since one side or the other will always find enough votes to block it. Essentially everything then depends on Zhirinovskiy and his faction. The side that faction joins in a debate will prevail.

Zhirinovskiy is the master of the Duma. He has proved it more than once already. Say the question of a commission to investigate the October events is under discussion. Russia's Choice, naturally, opposes the investigation of the causes and circumstances of the tragedy. Their position is quite understandable. But Zhirinovskiy? He secured the votes of [deposed Vice President] Rutskoy's supporters, promising to get to the bottom of the matter and answer all questions for the people. . . . But his faction sabotaged the first two attempts. Only on the third try, after long discussions in the corridors to persuade Vladimir Volfovich [Zhirinovskiy], was the matter forced onto the floor. Yet it is more important

than ever. The investigation by the prosecutor's office cannot answer a single one of the main questions tormenting the population of Russia: What was the political underpinning of those events? What was the scale of the tragedy? How did the country react to the events? Was there any discernible role of the West and western secret services (a far from idle question)? What was the role of the paramilitary units of organized crime? And so on, and so forth. . . . Big questions and little questions, but there are no answers to any of them.

Nor will there be, now. The would-be investigatory commission had to be sacrificed to obtain amnesty for the political prisoners. Fear of an investigation of the causes and circumstances of the October events made even some of the President's partisans vote for the amnesty.

Now that the amnesty law has gone into effect, the mass propaganda has raised a ruckus: "They set free the guilty parties in the October tragedy! Now there will be civil war again. . . ."

The guilty parties in the slaughter were not in jail. The guilty parties won in October, and victors are generally not jailed.

As for the Anpilovites [supporters of communist Viktor Anpilov's "Working Moscow" group], they of course are back on the streets and are once again working for the President by tarnishing those in opposition to him. Looking at these people who want to go back to the communist past, sane citizens will turn away, crossing themselves: "To heck with those guys! We're better off with Gaidar and Yeltsin."

It was the President who submitted the law on amnesty to the Duma. It was meant to be the first law the State Duma would adopt. The President's draft affected only criminal [not political] convicts.

This new regime is becoming amazingly like the old. It may be recalled that Beria, the bloody butcher of the Soviet people, also began with an amnesty of criminals.

The new Russian regime is continuing to bolster itself, seeking (and finding!) support exclusively in the criminal layers of the population. Or among those who are rapidly becoming criminalized. As in the old days, criminals are a social element in close kinship with the regime. There was not a word about dissidents or political enemies in the presidential draft of the law on amnesty. There was not even mention of the accused in the August 1991 coup, whose two-year trial has become a comic spectacle.

Naturally the Russian Parliament immediately proposed to amend the President's draft with the addition of a point on amnesty for political prisoners. Passions flared. The President's partisans could not dream of Khasbulatov and Rutskoy (who evidently have a lot on them) going free. The majority (223 votes) needed to pass the law with this amendment would never have been secured, if somebody hadn't gotten the idea of sacrificing the commission: "You pass the law, and we will stop the parliamentary investigation of the October events. Thus we offer you peace and accord, let's work

together and pass laws that can alleviate the people's suffering."

I repeat: It was fear of the investigation and what it might reveal that made even some of the President's supporters vote for the amnesty. Zhirinovskiy's faction also voted for it and worked for it. But no more actively, and of course no more effectively, than other factions and independent deputies.

When the prisoners were released from Lefortovo, Vladimir Volfovich rushed to be the first one there, to collect his dividends. "See, I promised to free them, and I did it."

To a certain extent he is right. If the Liberal Democrats on orders from the boss had voted "against" or even just abstained, the law on amnesty would not have passed.

And thus we have the Master of the Duma. You won't get anywhere without Zhirinovskiy.

Zhirinovskiy's scheme

Vladimir Volfovich is not a simple person. When I meet with voters, I am constantly asked: What do you have to say about Zhirinovskiy?

What can you say about him? Especially in two or three phrases. To define means to delimit. But Vladimir Volfovich is boundless—from the Arctic Ocean to the Indian.

Judging by his words, he would seem to be an ardent foe of the authorities.

Judging by his deeds, he's the President's man.

Judge for yourself. He did not protest [Yeltsin's] Decree of Sept. 21. He did not condemn the October slaughter. He accepted the new Constitution. (Without him and his supporters, would they have forced through a Constitution that nobody had read, but which gave the President of Russia more powers than Czar Nicholas II had?) He freed Yeltsin from the threat of a new presidential election this year. (You will recall that this question was under discussion, and the President himself had set the presidential election for June 12, 1994; who dares bring this up again now? "Are you out of your mind?" people will demand, "Do you want Zhirinovskiy?")

For the President and his party Zhirinovskiy is a panacea, the salvation from all their troubles. They say so practically in so many words, "Sure we're bad, we're so-and-so's. . . . But if not us, then Zhirinovskiy!" And people believe them. They are really scared.

The politicians from Russia's Choice should be carrying Zhirinovskiy on their shoulders, so much has he done for them! But you see, they're squeamish so they welcome him on the sly. Behind him, don't you see, are the rabble.

And where would they be now, if that rabble had not voted up the new Constitution? They would have had to live according to the old one. Does that mean punishing those who trampled it under their feet?

Yes, Zhirinovskiy is a complex person. But not so complex that it's impossible to figure him out. And when you do figure him out, it turns out he isn't so complex after all.

His position is the following: Do not hinder this regime from proceeding on its chosen course, because the regime is mediocre and its course is a road to ruin. The sooner it reaches the edge of the abyss and plunges in, the better, and the sooner the people will reach up to me, pleading, "Pull us out of here!"

Thus Zhirinovskiy's position is, the worse the better. The Bolsheviks took that line in 1917. And they came to power.

I haven't even mentioned the fact that it is immoral to help prolong the people's suffering. Moral considerations do not enter into it.

Zhirinovskiy's calculations are wrong. The regime he so despises is a Bolshevik regime, and it cannot be tricked. As for Zyuganov's party, they themselves acknowledge that the teachings of those gentlemen, Marx and Lenin, are not decisive for them. That party should have been renamed the Social Justice Party. The real Bolsheviks stayed [with Yeltsin] in the Kremlin. One hundred percent Bolsheviks, Leninists. But they are even more frightening, because they are werewolves! Their morals, or rather their lack of morals (on Oct. 4 they violated the fundamental moral laws on which human society is based), and their methods are purely Bolshevik. "Let 90% of the Russian people perish, if just 10% live to the happy future (capitalist now, rather than communist)." There's a Leninist thought for you. What necrophiliacs! What do they care for the suffering of the people, as long as they have their lofty goal: "We will build capitalism in a single five-year plan!"

Zhirinovskiy's hopes that power will fall into his hands of its own accord are absolutely unfounded. The regime needs him now, for the sake of maintaining "the threat of Zhirinovskiy," but later on. . . . On the eve of elections, he will be banned as unneeded, having done his job. But most likely there won't even be elections. We know how that is done. When it is announced in, say, late 1995 that there will be no elections, nobody will dare say a word. By that time the regime will be as strong as the Bolsheviks were in the early 1930s, on the eve of the repressions.

How is it spending its energy, this regime? Only to consolidate its power. It has subjugated the judiciary, disregards the Parliament, is creating mobile military units directly under the President, and is disbanding unreliable agencies. . . .

On Dec. 21 of last year, the Ministry of Security was disbanded. Not because it harbored "heirs of the NKVD." No, the heirs of the NKVD are alive and well elsewhere. They have gone off to guard the new businessmen. Thus the KGB has purged itself during these years.

That agency has undergone strange metamorphoses. How much grief it inflicted on the people! But the years passed and suddenly it emerged that the KGB was the least corrupt of all the armed ministries. In the year I spent making *The Great Criminal Revolution*, I had a lot of contact with staffers from this agency, both with young ones and some older people. I found people who were honest and dedicated

to their country.

That is why it was disbanded. The October events showed that the security men would not act against the people and carry out criminal orders. (I have already mentioned that the Alpha and Vypmel units of the KGB conducted themselves honorably during the storming of the White House.)

That was reason enough to do away with those units.

Furthermore, the Ministry of Security was dissolved at the very point that it began to tackle the gravest form of

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crime, the one most damaging to the country—economic crime.

A colonial future?

Politicians who are basing their calculations on the expectation of a speedy catastrophe are very wrong. There will not be a catastrophe and no cataclysms are forecast.

Who said that at the end of the road we are traversing there is an abyss? I said it, for one—in the first part of this book. "Like the blind led by the blind, we are heading straight for the edge of the abyss." I wrote that four months ago. The world has changed since then. My eyes have been opened to many things. Both I and my vision of the world have changed. This happens. Tolstoy said that a man must change his convictions and strive for something better.

I doubt that my convictions have changed for the better, but I would not say the same thing now.

We are not being led by blind men, but by experienced, sighted guides who know the road very well. And it is not an abyss up ahead, but a comfortable valley, suitable for living in. It is quite tolerable to live there. There are sneakers in the store and enough Pepsi to drown in. There is the necessary minimum for human existence. There is even some art, who cares if it is Americanized, because who among those who will live there (society is growing younger) will remember that there existed a great spiritual nation called Russia?

The name of this valley is: Colony.

The reforms have succeeded. The country is working in a colonial system. We have rejected culture, science, and high technology in favor strictly of raw materials extraction. We have no reliable defense. The only people who live well in this country are those who steal or those who have gone to work for foreigners (the exception proves the rule). An insolent class of comprador bourgeoisie has sprung up, well defended by its own combat units.

Of course there will still be some popular unrest. But have no doubt, that will be put down swiftly.

That part of the intelligentsia that has not prostituted itself, but is truly the conscience of the nation, had better get ready for repressions.

That is how democracy in Russia died during its difficult birth.

A letter from Kolyma

My son sent me a letter. From Kolyma [location of prison camps in the Stalin period—ed.]. My wife and I joke that "Seryozhka has gone on a scouting mission. We'll be moving there pretty soon."

I wanted to offer the reader a few excerpts from this missive, but then I thought again and decided to give the letter in full.

"Dear Papa!

"I've been in Kolyma for a month. I don't know when I'll get out of here. The village of Yagodnoye, where I am, is totally frozen. The sewage system is also frozen, so the village has a most unpleasant appearance. I am renting a cot to the left of the stove in the two-room Khrushchov-era apartment of a mechanic from the local ore-refining plant. The mechanic lives on the right. Today they brought water and we were able to get a bucket each. So there is some chance of a light bath and some laundry. Sometimes I dream about hot soup, but less and less often.

"Here is how we sleep: We put bricks around the stove and at night we lay the bricks on top of our blankets. The bricks hold the heat a long time. Outside it is 54°C below zero.

"Almost all the children have been evacuated to the mainland. During the first days of the freeze, before more stoves were set up, a lot of people died—mostly old people and children—in the sad tradition of our Time of Troubles.

"Gloomy prospectors wander around Kolyma like ghosts. A new season starts soon, and the state hasn't paid them for last year. They would like to go home, but to get a ticket! . . . A ticket from Yagodnoye to Magadan costs 42,000 rubles. This would be half of the monthly wage that they haven't been paid yet.

"Speaking of Aeroflot. It took us four days to fly from Moscow to Magadan. The reason was simple: They were trying to find an airplane. Ultimately the passengers from four flights went at once. There was a real crush on the plane and a lot of distress. The stairway crashed. Luckily nobody was hurt.

"They fed us plenty on the flight. They said it was chicken. I got a wing of this indeterminate bird, which had evidently died some time before I was born. I calculated the cost of the meal and was amazed: 672 rubles, while the ticket cost 352,000. Russia really does have two eternal woes: fools and the roads. That includes the air routes. . . .

"The airplane was more or less like a flying supermarket. The stewardess went up and down the aisle with a cart with the frequency of a trolley that's running on time. It was loaded with everything you could imagine, from pomade to Chinese-made Parisian toiletries. . . .

"But back to Yagodnoye, since that's where I am.

"The local inhabitants are not being paid either (their last salary was in October). People settle accounts as follows: Goods are issued against future wages through government agency channels, the population carries them to the store, where they are then sold at an even lower price for cash.

"This would all be funny, if it weren't so sad. It reminds me of something: the war maybe, or the blockade, or Kolyma when the camps were here. . . .

"We came to Kolyma with a concrete assignment from our office—to mine a gold deposit. Well, there is gold in Kolyma. Lots of gold. Silver and tungsten, too. Every meter of Kolyma land is a huge deposit of ores, especially precious metals. . . . But it turns out that mining gold is the least profitable enterprise today. I repeat: gold! The maximum profitability, given huge investment, is 10 to 15%. But that's in theory, without taking into account the headlong inflation and the government's lagging 3 to 4 months behind in settling with the gold-mining companies, which reduces the profit virtually to zero. Then Magadan strangles you with a 32% tax on profits, in violation of all laws of the Russian Federation, according to which a producing enterprise is not supposed to be taxed on its profits for the first two years.

"But the Americans feel absolutely free and unfettered here. English has become a familiar sound to people's ears in Kolyma, while the directorate of Severovostokzoloto [Northeast Gold] more and more resembles an office of the state of Alaska. That's lawful. The Americans have a green light in Kolyma. Russian entrepreneurs can buy licenses to exploit deposits with a maximum content of 3 grams of gold per cubic unit of gold, while the Americans get licenses for deposits with approximately 75 grams per cubic unit. The excuse for this is that it takes enormous hard currency investments to develop gold deposits.

"But that's not the real point. It's that we are temporary people in our own country, while they are here for good.

"They built a church here. Seventh Day Adventist. It's quite large. They opened a free stomatology office at the church for people who attend regularly. Fine fellows, those Americans.

"Where the Americans build a church, the local population begins to die out gradually, but with their teeth in good shape.

"Wages in Kolyma are comparable with Moscow, only the prices are 2 or 3 times higher. There's also talk in the air about termination of the already paltry tax credits and coefficients for living in the North. That's quite correct, since the Americans don't care about our tax breaks.

"Nobody can leave for the mainland. A three-room apartment in Magadan costs an average of 10 million rubles. In Moscow, you won't buy even a room for that. No new housing is being built. One-third of Kolyma is housed in barracks from those immemorial times. And those are gradually sinking into the earth, following after the people who built them.

"People are dispirited. Nobody believes in anything. Not in the government, not in the State Duma. Especially not in the latter. Zhirinovsky enjoys relative trust. Only here did I come to understand the phenomenon of his popularity—his schizophrenic optimism embodies the hope that dies last. There is nothing else to hope for.

"Father, we rarely write to each other. Each of us is swamped with work. I mainly have written to you as an official. And now? Something, at least. You, your party, and part of the Duma try to help Kolyma and the people, try to explain to the government that when the gold-mining industry becomes unprofitable, and the people mining gold can barely survive, there is nowhere to go. And Zhirinovsky certainly will not do anything for this region, using the well-known old methods.

"In hope, your son Sergei Govorukhin. Feb. 10, 1994."

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Voters give LaRouche major gains in Illinois primary

by John Sigerson

In a hotly contested Democratic Party primary in Illinois on March 15, candidates belonging to the LaRouche wing of the party polled a solid 11-16% in statewide races, 19% in one of the congressional races, and percentages ranging from 2-47% for Democratic Central Committee. They made these gains despite frenzied barrage of slanders coined by the same political circles who are being directed from Great Britain to topple President Clinton. As Lyndon LaRouche commented in an interview, the election results show that "the voters did a credible job, even with the relatively modest vote they cast for my friends. The voters are really coming to their senses, I think. So that's good for the United States."

The re-election of 16-term U.S. congressional Rep. Dan Rostenkowski, head of the House Ways and Means Committee who has been under attack for various charges of corruption, was likewise a significant step in the right direction, LaRouche pointed out, since it meant "a step back for those who are trying to impeach the President on whatever charges they could cook up." Rostenkowski won the primary by over 50% of the vote.

The amount of money and energy expended by the Illinois Democratic Party leadership clique, by the Democratic National Committee, and by circles around Illinois Senator Paul Simon, was not directed at the vote totals per se, LaRouche said, but rather, "at this time, people associated with me are on the 'comeback trail' and probably to much higher levels of influence than ever before. . . . Thus, they weren't really afraid that a couple of my friends were going to win; they were afraid that we were going to establish a strong position in the Democratic Party, which would mean that their gains would come to an end."

The results of the Democratic Party primary in the state included the following highlights:

Sheila Jones, who ran the LaRouche's flagship campaign for governor, received 2% of the vote, with approximately 22,000 votes. The current State Controller Dawn Clark Netsh won the primary and will go on to challenge Jim Edgar in the November elections.

Anthony Harper and former Cook County Commissioner Rosemarie Love both came in with 13% of the vote for lieutenant governor and comptroller respectively. Mark Bender won 11% for comptroller, and Tom Beaudette 16% for state treasurer.

In congressional races, LaRouche Democrat George Laurence won 19% in the 13th Congressional District, which is the area around Joliet; while John McCarthy kept Rostenkowski honest by winning 2% in his 5th C.D.

The top LaRouche vote-winners in races for Democratic Central Committees were: Maurice Johnson in the 1st C.D. (12.5%), Ruth Dickerson in the 2nd C.D. (47%), Tom Glosenger in the 6th C.D. (33%); Doug Heitz in the 8th C.D. around Elgin (17%); Barbara Goudeaux in the 10th C.D. around Waukegan (25%), Dominick Jeffrey in the 13th C.D. (31%), and Chuck Finch in the 16th C.D. around Rockford (15%).

Press hysteria

During the days leading up to the election, media outlets throughout the state were churning out dire warnings about a repeat of the 1986 Democratic primary, when LaRouche Democrats Janice Hart and Mark Fairchild swept the primaries for lieutenant governor and secretary of state. Adlai Stevenson III, who won the primary for governor and who viewed the Illinois governorship as a launching-pad for a presidential bid, was, as he admitted later, on the verge of accepting the two LaRouche associates on his slate, when

Sen. Paul Simon intervened and caused Stevenson to drop out of the Democratic campaign.

This time around, the state's Democratic Party sponsored two tours of the state featuring National Democratic Party head David Wilhelm, and spent more than \$100,000—of which \$30,000 allegedly came from national party coffers—in order to “educate” voters on how to distinguish the “real” Democrats from the LaRouche “extremists.”

Although their campaign obviously had some effect, much of their propaganda must have sounded downright strange to thinking voters. For example, the March 14 *Chicago Tribune* editorialized as follows under the title “Beware the Ides of LaRouche”: “Do you believe the NEA [National Education Association] is perpetrating a ‘Satanic attack’ on the nation’s children? Do you think free trade is a form of psychosis that is looting the world economy? Do you think the ADL [Anti-Defamation League of B’nai B’rith] is the real power behind the KKK [Ku Klux Klan]? Should Congress resolve the government debt by declaring a moratorium on its repayment?” the paper asked, as if no one in their right mind would believe those things.

Another example of the anti-LaRouche wing’s suicidal myopia was a press conference held on March 13 held by state party chairman Gary LaPaille, who reportedly told the audience that “If you believe in colonizing Mars, vote for the LaRouche candidates.”

Meanwhile, syndicated columnist Mike Royko penned an outright violent threat against LaRouche associates in the *Chicago Tribune*: “If your daughter brings one home, unleash the dog. Or hit him with a chair and fling him down the front steps.” Royko said that in response to “personal threats,” “I promised them that I have many large mean friends. . . . So Lyndon, Sheila, and the rest of you nasties—I still have the same big, mean friends. You don’t really want to go through life limping, do you?”

Many are wising up

But even the media could not suppress the fact that many voters were—perhaps for the first time—taking a close look at what the LaRouche candidates were actually proposing to solve the economic collapse which is so evident in this midwestern state. The weekly *Chicago Reader*, for example, noted that the LaRouche Democrats make “a lot of genuinely serious proposals,” such as the program for taxing speculation and rewarding productive activity, as well as abolishing the Federal Reserve Bank. LaRouche’s educational proposals, meanwhile, could have been “taken straight from the Great Books program.” Indeed, “sizeable chunks of the LaRouche program sound almost mainstream. Mayor Richard J. Daley, after all, was a cultural conservative who opposed the ERA [Equal Rights Amendment], gay rights, and changes in the schools, as well as a great builder who pushed big projects and public works and the employment that would result. While he probably wouldn’t have felt at home with

the LaRouche style . . . a lot of LaRouche’s conclusions would hardly have disturbed him. In that sense,” the article concluded with some insight, “this primary pits the Democrats of the 1990s against their own ancestry. And maybe that’s the best reason the party could give to vote against the ‘LaRouchies.’ ”

Such serious consideration has even split the family of the above-mentioned mad dog Mike Royko. On Election Day, his son Robert Royko issued the following statement:

“After re-studying a column written by my father, Mike Royko, . . . in which my father called for ‘retaliation violence’ against Lyndon LaRouche, Sheila Jones, and her campaign workers for an alleged threat, I decided to take a look at the LaRouche people.

“For starters, picking on people who have so much interest in getting drugs off the streets: It doesn’t take a genius to figure out that the only way to get cocaine truly out of our streets is to start at Capitol Hill and work your way down.

“I believe their book, *Dope, Inc.* will maybe give America a more truthful overall picture of why there is such a horrendous program in the United States. There is a doubt about the fact that the government has been involved in drugs being imported into this country in one form or another.

“I can understand why the LaRouche people have been attacked so much, when I think about their campaigns against drug money-laundering enterprises in the banking communities. . . .

“The LaRouche people are being attacked both by the media and the public. I think that before people cruelly attack the LaRouche organization, they should study up on the facts.”

The fight for Classical culture

One aspect of the campaign which even crept into the media coverage, was the insistence—especially by Sheila Jones—that there can be no fundamental change in the United States without a return to Classical culture, and a firm rejection of the values of the drug-rock counterculture. One radio show featured Mrs. Jones playing a Classical work on the piano, before she came to the microphone to be interviewed.

In Chicago, Mrs. Jones was instrumental in organizing ghetto children and youth into a performance of *Through the Years*, a play by long-time civil rights fighter Amelia Boynton Robinson. This was followed up on March 20 with a festive concert sponsored by the Schiller Institute, of which Jones is a member, as a tribute to the great American soprano Marian Anderson. The program featured mezzosoprano Joyce Carter, the great Metropolitan Opera baritone Robert McFerrin, and Dr. Raymond Jackson, director of the music department at Howard University, and included selections from Classical opera, German *Lieder*, Classical piano pieces, and Negro spirituals sung “the way they should be sung.” In her introductory remarks, she said, “We of the Schiller Institute have a dream that the children whom we now fear in the streets of America will be taught to sing.”

LaRouche Democrats in California quash effort to hide truth about ADL

Three candidates associated with Democratic presidential candidate Lyndon H. LaRouche, Jr. defeated legal efforts to prevent them from referring to the Anti-Defamation League (ADL) of B'nai B'rith as "racist" and "organized crime-connected." A California judge rejected an attempt by the California secretary of state to delete the statements from the state's official voter pamphlet. The judge's decision is a victory over political correctness and the ADL's "new McCarthyism."

The three Democratic primary candidates—Ted Andromidas for U.S. Senate, Mark Calney for governor, and Dave Kilber for State Superintendent of Public Instruction—had each submitted 100-word position statements for the state's voter pamphlet. In their statements, the candidates asserted that their opposition to the ADL and Michael Milken is part of their qualifications to hold public office.

Acting Secretary of State Tony Miller immediately filed a petition in California Superior Court seeking to have the references to the ADL and Milken deleted from the pamphlet because they were "false" and "misleading." Miller's attorney, Oliver Cox, later admitted that Miller had taken the action in consultation with the ADL.

Miller objected to Andromidas's statement attacking the opponents of two AIDS initiatives, Propositions 64 and 69, which sought to include HIV infection on the standard list of communicable diseases. Andromidas said, "If the Hollywood set and the organized crime-connected Anti-Defamation League had not spent millions in a campaign of slander and vilification to defeat it, millions of people who died would be alive today." Miller also objected to Calney's statement that, "as an historian, I have documented the racist roots of Hollywood's movie industry, including the role of organized crime and the Anti-Defamation League." Furthermore, Miller objected to Kilber's statement: "We must terminate all OBE [outcome-based education]-style programs including LEARN, the ADL's racist World of Difference, and Michael Milken-connected DARE programs."

The only evidence Miller submitted in support of his contention that the statements were "false" and "misleading," were self-serving declarations from ADL officials claiming without evidence that the ADL was not racist or involved in organized crime. Miller also submitted an affidavit from a DARE official claiming Milken had no official connection to DARE.

The three candidates, on the other hand, submitted over 2,000 pages of legal briefs and documentation to the court, backing up their statements. Included in those papers were documents showing the connection between ADL officials, including Edgar Bronfman, Theodore Silbert, and Kenneth

Bialkin, to organized crime, and the connection between organized-crime figures such as Moe Dalitz and others to the ADL. The papers also included documents showing the ADL's long history of spying, infiltration, and attacks on civil rights organizations, and its covert support for the Ku Klux Klan. The candidates also submitted affidavits from civil rights leaders Rev. James Bevel and Charles Greene, and Arab-American activist Yousseff Haddad, characterizing ADL programs as racist.

The candidates further argued that their statements were constitutionally protected free speech, and could not be censored by the state government.

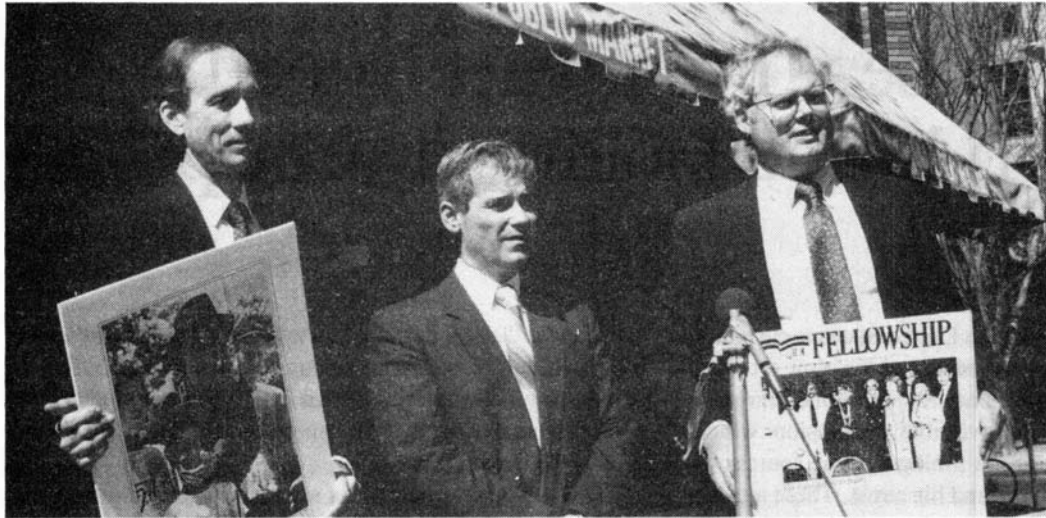
Under California state law, Miller could have had the statements excised from the ballot pamphlet if he could show by clear and convincing evidence that they were false and misleading. But on March 11, Judge Roger K. Warren ruled that the statements referring to the ADL and the World of Difference program as racist were opinion and not subject to censorship. Turning to the references to the ADL as "organized crime-connected," Warren stated that he had pages and pages produced by the candidates that tended to show a connection between the ADL and organized crime; yet all he had to balance against that was an unsubstantiated assertion by the associate national director of the ADL. Warren added, "The court is not suggesting in any way that the ADL is 'connected with organized crime'; that is not the issue before the court. The issue is whether there is 'clear and convincing' evidence that the statement is 'false' or 'misleading.' I have 500 pages" on one side, and "one sentence" on the other. "I'd have to ignore all the evidence," to rule for petitioner, Judge Warren concluded.

On leaving the courthouse, Andromidas said, "This is not just a victory for us, it is a victory for justice."

Documentation

Affidavit submitted by Rev. James Bevel to Judge Roger K. Warren:

1. I have been a leader in the movement for civil rights and equal justice for all men and women for more than 30 years. In the early 1960s I was member of the Student Non-Violent Steering Committee responsible for the Mississippi project of the Student Non-Violent Coordinating Committee (SNCC). I was also the coordinator of direct action for the Southern Christian Leadership Conference (SCLC) under the



The three California Democratic candidates who defeated efforts to hide the ugly truth about the Anti-Defamation League from prospective voters. Left to right: Dave Kilber, candidate for State Superintendent of Public Instruction; Ted Andromidas, candidate for U.S. Senate; Mark Calney, candidate for governor.

leadership of Dr. Martin Luther King. While working in close association with Dr. King, I initiated the Children's Marches in Birmingham, Alabama and the 1963 March on Washington. Subsequently I led the campaigns to outlaw racial discrimination in voting, housing, and all areas of life. . . .

3. I am familiar with the Anti-Defamation League's "World of Difference" program. The "World of Difference" focuses attention on the racial differences between people.

4. Any program which focuses attention on the racial differences between people like the ADL's "World of Difference" program, is inherently racist.

Excerpts from affidavit submitted by Jeffrey Steinberg, EIR Counterintelligence Editor:

3. In 1978, I directed a year-long research project on the origins of the international narcotics trade. The effort led to the December 1978 publication of a book-length study titled *Dope, Inc.: Britain's Opium War Against the United States*. . . .

4. Prior to the release of *Dope, Inc.* in December 1978, *New Solidarity* newspaper and *EIR* magazine published a number of articles based on the research into the illicit narcotics trade. As soon as these articles began to appear in print, I became aware of the fact that the Anti-Defamation League (ADL) of B'nai B'rith began circulating literature accusing Mr. Lyndon LaRouche and other contributing editors of *EIR* of being "anti-Semitic." In order to determine why the ADL was circulating what I considered to be scurrilous allegations, I directed several *EIR* staff researchers to obtain ADL literature and conduct a background investigation on the organization and some of its leading figures. That investigation has been an ongoing feature of *EIR*'s counterintelligence research and publishing since 1978. In January 1993, *EIR* published a book titled *The Ugly Truth About the ADL* which summarized the 15 years of research. I supervised the re-

search and writing of the book.

5. As the result of that investigation, it became clear to me that the ADL was closely linked to several of the people who had been named in *Dope, Inc.* For example, Edgar Bronfman, the chairman of the board of Seagrams, was a national commissioner of the ADL and a leading fundraiser for the group. Max Fisher was a major financial backer of ADL.

6. Our continuing research into the ADL also revealed a number of significant links to well-known figures in organized crime. For example, Kenneth Bialkin, who served during the 1980s as the National Chairman of the ADL, was involved with fugitive financier and accused narcotics trafficker Robert Vesco. In 1980, a federal judge ordered Bialkin's law firm, Willkie Farr and Gallagher, to pay millions of dollars to investors in a mutual fund who had been robbed by Vesco. A federal jury ruled that Bialkin and his firm had been wittingly involved with Vesco in the theft of hundreds of millions of dollars from Investors Overseas Service, Fund of Funds, and other related mutual funds. . . . Robert Vesco used the pilfered funds to set up marijuana- and cocaine-trafficking routes between Colombia and the United States via the Bahamas and other Caribbean nations. . . . Several years ago, Vesco was indicted by a federal grand jury in Florida for his role in the Medellín Cartel. Vesco is presently a fugitive, widely believed to be living in Cuba. . . .

9. In 1978, I received information from a journalistic source that James Rosenberg was a paid employee of the ADL, reporting to Irwin Suall, director of the Fact Finding Department. Using pseudonyms "James Anderson" and "James Mitchell," Rosenberg was a member of a variety of neo-Nazi and KKK organizations, functioning as an *agent provocateur* and informant for the ADL. On at least two occasions that I am aware of, Rosenberg was interviewed on television documentaries about racism in America. In both interviews, he delivered racist diatribes and failed to disclose his identity as ADL employee James Rosenberg. . . .

Drive to unseat President traced to London-based Hollinger group

by Edward Spannaus

The office of the presidency of the United States is currently being subjected to a campaign of destabilization directed from London by the friends of Henry Kissinger and Margaret Thatcher. This is the incontrovertible conclusion which emerges from the scrutiny of the timing and the sources of the attacks on President Clinton and his circle. These attacks have been dubbed "Whitewatergate" by those anxious to draw false parallels with the Watergate scandal which brought down President Nixon two decades ago.

The dossier on the Hollinger, Inc. group which follows on p. 62 should put to shame those opportunist Republicans and U.S. news media personnel who have become complicit in this foreign subversion of U.S. institutions of government.

Neo-cons telegraph their punches

The current effort to bring down the President of the United States was shifted into high gear in late December, with publication of the lurid January "Troopergate" issue of the *American Spectator*—a relatively insignificant U.S. "neo-con" publication with multiple ties to the British Hollinger Group. The *Spectator* story was quickly picked up by CNN and ABC News, and burgeoned into a national news story. Since then, the "Whitewater" scandal has escalated almost weekly.

This campaign of vilification of the President is being spearheaded by Hollinger's *Sunday Telegraph* of London, which on Jan. 23 announced its intention to force Clinton out of office "before the year is out."

However, the decision to go with this campaign was made no later than early October. On Oct. 3, 1993, Boris Yeltsin ordered Russian Army tanks to fire on the White House in Moscow, ending the parliamentary process and inaugurating a new period of instability. On the same day, statesman and physical economist Lyndon LaRouche issued a statement characterizing the Russia developments as a "new point of inflection—by no means limited to the former Soviet Union." He appealed to the Clinton administration "to dump the globaloney left over from George Bush."

On Dec. 16, Vice President Albert Gore made his now-famous statement in Moscow criticizing the International Monetary Fund and IMF conditionalities. Gore was accompanied in Moscow by now-Deputy Secretary of State Strobe Talbott, one of President Clinton's closest friends. On Talbott's return from Moscow on Dec. 20, he said that what was

needed was "less shock and more therapy." The IMF/World Bank and other institutions swung into action in an effort to prevent any U.S. policy shift; an IMF official argued to *EIR* investigators that the IMF was more powerful than the President of the United States.

This is when the barrage of scandals against Clinton seriously commenced. In late December, CNN gave extraordinarily prominent coverage to the forthcoming January 1994 *American Spectator* "Troopergate" story. The visible orchestrator of "Troopergate," as well as the earlier Jennifer Flowers scandal, was Arkansas lawyer Cliff Jackson—a sometime friend of Clinton who was a Fulbright Scholar in London at the same time Clinton was in Oxford as a Rhodes Scholar. On Jan. 8, the *Irish People*, the newspaper of the Irish Republican Army's supporters in America, identified Cliff Jackson as an agent of British intelligence, working directly for 10 Downing Street.

On Jan. 23, Ambrose Evans-Pritchard had a front-page lead story in the *Sunday Telegraph* claiming that a former beauty queen had been allegedly threatened by Clinton. The self-confessed collaborator with British foreign intelligence (MI-6), Evans-Pritchard, wrote 20 stories on Clinton from Nov. 21, 1993 to mid-March. His March 6 article crowed that "Panic Hits Scandal-Ridden White House: Clinton Crisis Deepens as Top Aide Quits."

The *Telegraph's* leading role has been flaunted by Emmett Tyrrell, the editor of the *American Spectator*, who on Feb. 11 lauded Evans-Pritchard as having been "particularly tireless in examining those scandals." The *Sunday Telegraph* ran a feature boosting Tyrrell in return. "There has always been a strong British connection" to the *American Spectator*, gushed the *Sunday Telegraph*, pointing out that its Washington bureau chief, Tom Bethell, is English, and that Sir Peregrine Worsthorne, the chief columnist for the *Telegraph*, is an active member of the *Spectator's* editorial board. Worsthorne himself praised his friend "Bob" Tyrrell, whom he described as "masterminding the campaign which is beginning to look like it might do for Clinton what the *Washington Post* did for Nixon."

Even as the controversy in the United States has begun to die down, and some U.S. press circles embarked on a round of self-reflection and self-criticism over their role in the orgy of media hysteria over Whitewater, the *Telegraph* continued the onslaught. The other major London papers were down-

playing Whitewater, but the *Sunday Telegraph* of March 13 was back on the case.

“Little Rock’s Mean Machine,” was the headline, and underneath was highlighted the following: “Ambrose Evans-Pritchard goes ‘underground’ in Conway, Arkansas, and finds a climate of bitterness and fear. The talk is of revenge, the targets are the President and the political system that nurtured his climb to power.”

The *Telegraph* article is based on information allegedly provided to Evans-Pritchard by Larry Nichols, a former low-level official of the state government in Arkansas when Clinton was governor. As early as 1991, Nichols had surfaced in TV and newspaper interviews making charges about then-candidate Clinton, including the Jennifer Flowers sex saga. Most reporters eventually concluded that Nichols’s information was unprovable or not as damning as he claimed. He fell off the radar screen even with some of the reporters who were doggedly pursuing every lead about Clinton—until Evans-Pritchard came to town and revived him.

In a second article, “Whitewater: The Flood May Be Still to Come,” Evans-Pritchard complains that “Washington has been slow to grasp the gravity of it all.” But, Pritchard reports wishfully: “Washington is paralyzed and is likely to remain so” until congressional hearings on Whitewater are held. What would the findings of such hearings do? “At best they will puncture the moral pretensions of this White House,” he proclaims; “at worst, they will lead to criminal indictments and bring down the whole administration.”

Wall Street Journal follows London

After Associate Attorney General Webster Hubbell resigned on March 14—over a matter not directly related to the Whitewater/Madison business—the *Wall Street Journal* sought out a new angle on the Clinton scandals. Having brought its previous five-part editorial series, “Who Is Webster Hubbell?” to a successful end, the *Journal* inaugurated a new series on March 15. In its lead editorial, “Who Was Webster Hubbell?—I,” the *Journal* boasted of its 12-month crusade against Hubbell, and disclosed its new excuse to continue its attacks on the Hillary Clinton group from the Rose law firm in Little Rock.

What most *Journal* readers may not have realized is that the *Journal*’s new angle is an old one—which was highlighted on the front page of the London *Sunday Times* on Feb. 13. On the *Journal*’s March 14 editorial page is a lengthy article on Iowa nursing homes deals which had been brokered by Rose law firm partner William Kennedy III. This reprints a *Des Moines Register* article from June 13, 1993, which is clearly where the London *Sunday Times* “Insight” team got much of their Feb. 13 article—a signal that the story should get more prominence. So now, the *Wall Street Journal* declares its intention to go after Associate White House Counsel William Kennedy, as a stepping stone to get at Hillary and then Bill Clinton. This should be no surprise: Webster Hubbell, William Kennedy, Vincent Foster, and Hillary Clinton

LaRouche: Geopolitics drives the assault

From comments by Lyndon H. LaRouche, Jr. in a March 16 radio interview:

The object of the operation is not merely to get Clinton out of office, but is to absolutely permanently damage the constitutional office of the presidency, that is, to damage the ability of the United States government to function.

There is a geopolitical reason for that. Pending the point that might occur, that Moscow might become a very serious thermonuclear adversary . . . we have a situation in which, without a superpower conflict, the major conflict is the economic crisis which the entire world is suffering. The only institution which has the power to very directly and simply turn this economic crisis around, is the government of the United States.

Not because we have economic muscle; we don’t have that any more. But we do have political muscle, and that political muscle could be indispensable in establishing a new international system of credit to replace the present IMF system, which is really bankrupt, in order to get the world economy moving again.

Now these guys in London—the Conrad Black types—who are running this operation against Clinton, are very well aware of that, and *they don’t want that to happen*. And they see the danger that if Clinton comes around to economic cooperation with Moscow, as the alternative to Moscow becoming a Third Rome military adversary, that Clinton will then have to take on the IMF; and if he takes on the IMF, the logical result will be to line up the United States, Japan, and western continental Europe in an axis of economic development cooperation to get the world economy moving again.

If that happens, then the last vestige of what was once called the British Empire, which now exists only in terms of financial and ideological kinds of forms, is finished. And one must remember that the British Empire organized two world wars (contrary to what some people believe happened in these two world wars), in order to prevent precisely that kind of cooperation. And whether President Clinton understands it or not, that’s what he’s up against.

were targeted for further attacks by the Feb. 13 London *Sunday Times*, which described them as “a clique inside the Rose law firm known as the Four Musketeers.”

Hollinger Corp. and the British Empire

by Scott Thompson

The "Whitewatergate" campaign against President Clinton was announced by the *Sunday Telegraph* of London on Jan. 23, when it called for Clinton's ouster from office "before the year is out" (see p. 60). Who and what are behind this treacherous operation?

The Telegraph Plc is the crown jewel of the Hollinger Corp., a media conglomerate at the center of the British imperial faction. Hollinger founder, chairman, and chief executive officer **Conrad Black** is a protégé of **Lord Beaverbrook's** collaborator **E.P. Taylor**, the head of Economic Warfare of the British Special Operations Executive (SOE) during World War II. Taylor, among his other credits, wrote the banking law of the Cayman Islands for offshore laundering of dirty money. Under Taylor, Hollinger was formerly called Argus Corp. It included on its board of directors **Arthur Ross** of New York City, who is alleged to be the longtime MI-6 station chief of that city and another protégé of Lord Beaverbrook. It was one among many corporate fronts through which SOE economic warfare personnel had ties to the assassination of President John F. Kennedy through **Maj. Louis Mortimer Bloomfield** and the Permindex corporate front.

The Hollinger Corp. owns 80 daily newspapers in the United States, not including its recent purchase of the *Chicago Sun-Times*. It owns over 100 weekly newspapers. The combined readership exceeds 5 million Americans.

Aside from the *Daily Telegraph* and the *Sunday Telegraph* in Britain, its flagship publications include: the *Jerusalem Post*, which has been turned into a mouthpiece for Gen. Ariel Sharon's efforts to destroy the PLO-Israeli accords; the *Financial Post*, which is Canada's equivalent of the *Wall Street Journal*; and the *Caymanian Compass*.

The individual believed to be the moneybags for many of these recent purchases, which sometimes cost several times the book value of the papers, is **Li Kai Shing**, who had been, until his replacement by his son, on the board of the Hongkong and Shanghai Banking Corp. The "HongShang" was identified by *EIR's* book *Dope, Inc.* as running the opi-

um, heroin, money-laundering trade in the "Golden Triangle" of China and Southeast Asia.

An imperial rogues gallery

Hollinger has a multi-tiered board of directors. The main board of directors includes: **Conrad Black**; **Peter Bronfman**, chairman of Edper, the Bronfman family's real estate conglomerate, which was built out of a bootlegging and prostitution fortune during Prohibition; **R. Donald Fullerton**, chief executive officer of Canadian Imperial Bank of Commerce, the SOE's flagship bank in Canada and the dominant bank in all of the Caribbean hot money centers; and Lady Thatcher's close friend **Paul Reichmann**, who became a manager of George Soros's real estate funds after the Reichmann brothers' Olympia & York went bust.

Hollinger's International Advisory Board lists: **Baroness Margaret Thatcher** of Kesteven as honorary senior adviser. Thatcher benefitted tremendously from Hollinger's takeover of the *Daily Telegraph* in 1985. The paper, the most widely read in the English-speaking world, was transformed immediately into a house organ for the Thatcher regime.

The rest of the Hollinger board includes: **Lord Peter Rupert Carrington** as senior adviser, a founding board member of Kissinger Associates, Inc. and one of the British imperial faction's controllers of **Henry Kissinger**; Kissinger, also a senior adviser, boasted in a May 10, 1982 speech to the Royal Institute for International Affairs that as Nixon's secretary of state, he had worked more closely with the British Foreign Office than with his American colleagues; Italian auto manufacturer **Giovanni Agnelli**; **Dwayne Andreas**, the chairman and CEO of the Archer Daniels Midland grain cartel, as well as the largest lifetime contributor to the Anti-Defamation League; former Carter administration National Security Adviser **Zbigniew Brzezinski**; *National Review* publisher **William F. Buckley, Jr.**; junk bond buyout bandit **Sir James Goldsmith**; **Lord Jacob Rothschild**, president of the Institute for Jewish Affairs, which combines the Anti-Defamation League and World Jewish Congress; **Sir Evelyn Rothschild**, who has extended his hold from N.M. Rothschild & Sons, Ltd. in London to Rothschild Bank in Zurich, Switzerland; and former Federal Reserve chairman and current North American Trilateral Commission chairman **Paul Volcker**.

Lord Weidenfeld, an old crony of Kissinger and a British publisher, is also a director of the *Jerusalem Post*, along with former U.S. Assistant Secretary of Defense **Richard Perle**.

Directors of the Telegraph Plc, a wholly owned Hollinger subsidiary, include: **Rupert Hambro**, managing director of Hambro Bank, an important SOE-linked bank during World War II and beyond, and the British interface to the Propaganda-2 (P-2) freemasonic apparatus in Italy; and **Henry Keswick**, chairman of Jardine-Matheson, the original Dope, Inc. trading company. The book *Dope, Inc.* traces the Keswick

family's role back to the Opium Wars, when Britain sought to establish control over China.

Another publication now owned by the Hollinger Corp. is the *British Spectator* magazine. The *British Spectator* includes on its board the *Sunday Telegraph's* senior political commentator **Sir Peregrine Worsthorne**, who is also on the editorial board of the *American Spectator*.

When the Thatcherites launched their effort to block the reunification of Germany, it was the *Spectator* that opened its pages to British Minister of Transportation Nicholas Ridley to rail against Germany as a "New Fourth Reich." Thatcher has since acknowledged in her memoirs that she was obsessed with preventing the reunification of Germany, even if it meant preserving the Soviet empire.

This grouping within the British imperial faction includes the Rothschild banking interests, which, through frontmen like **George Soros**, are rigging the world economy to blow sky high with derivatives speculation. Almost every Hollinger board member is a member of one or more of the elite policymaking institutions such as Chatham House, the Bilderberg Society, and the Trilateral Commission.

Neo-cons at the 'American Spectator'

The instrument of the British stealth attack on the presidency has been a "cottage industry" known as the *American Spectator*, which claims to have more than doubled its circulation to 258,000 by pushing Clintongate. The *American Spectator's* editor-in-chief is **R. Emmett Tyrrell**, who, in the Feb. 10 *Washington Times*, hailed the call by **Ambrose Evans-Pritchard** in the Jan. 23 *Sunday Telegraph* to topple the Clinton administration.

As part of this mutual admiration society, Sir Peregrine Worsthorne wrote on Feb. 1 in the *Sunday Telegraph*, after hosting Tyrrell in Britain: "Bob Tyrrell, editor and proprietor of the *American Spectator*—which is making the running in the Whitewatergate story—was in London recently. . . . He is masterminding the campaign which is beginning to look as if it might do for Clinton what the *Washington Post* did for Nixon. . . . One would have thought that the presence in London of such a newsworthy editor would have been of some interest to the British media. In the event he didn't receive a single call. . . . The well-researched stories of sleaze revealed by the *American Spectator* are at least as dramatic—and potentially as damaging—as those revealed in the *Washington Post* by Woodward and Bernstein."

The *American Spectator* is run by such neo-conservatives as: Washington correspondent **Tom Bethell**, a distant relative of Britain's Lord Nicholas Bethell; investigative writer **Daniel Wattenberg**; and **John Podhoretz**, son of *Commentary* magazine's Norman Podhoretz. Neo-conservatives on the editorial board include: Norman Podhoretz's wife **Midge Decter**, who ran the Committee for a Free World; former U.S. Ambassador to the U.N. **Jeane Kirkpatrick**, now at the American Enterprise Institute; former State Department



Henry Kissinger, a board member of the Hollinger Corp., along with a high-level roster of other British agents of influence.

official **Michael Ledeen**, whom former Secretary of State Alexander Haig used to cover up his and Kissinger's role in Propaganda-2 and who also showed up in Oliver North's "public diplomacy" efforts; Harvard's **James Q. Wilson**, and, of course, Sir Peregrine Worsthorne.

Not so very 'American'

While the *American Spectator* purports to be an American publication, there are numerous Brits, including Paul Johnson, Tom Bethell, Sir Peregrine, et al., who help set editorial policy. Tyrrell's pilgrimage to London in the midst of the "Whitewatergate" assault, to coordinate coverage, is indicative, as is his intimate working relationship with *Telegraph* Washington correspondent Evans-Pritchard.

Ambrose Evans-Pritchard is a pedigreed member of the British imperial set. The son of a leading figure in British intelligence's Arab Bureau, Ambrose, by his own admission, has worked on intimate terms with British MI-6 (foreign intelligence) in such hotspots as Nicaragua and central Europe. It would be a safe assumption that Ambrose Evans-Pritchard is functioning in the same fashion in his present assignment, that of bringing down the Clinton presidency. We'll have more on him in next week's *EIR*.

Memphis City Council puts a spotlight on Pike statue, Freemasons, and the KKK

by Anton Chaitkin

The City Council of Memphis, Tennessee debated and voted 6-6 on March 8 on a resolution requesting the removal of the United States National Monument honoring Ku Klux Klan founder Albert Pike from its position in Judiciary Square in Washington, D.C. In a politically charged atmosphere, the council heard testimony on the Pike question from 18 citizens. Excerpts from the discussion are given below.

The resolution had been introduced by Councilman James Ford, a member of a distinguished African-American political family with great experience in standing up to the political establishment. The councilman's brother is Rep. Harold Ford (D-Tenn.), who successfully defeated a politically motivated prosecution by the Justice Department under President George Bush.

In the two days prior to the council meeting, several radio programs and public meetings by former Democratic vice-presidential candidate Rev. James Bevel, Washington Pike campaign organizer Dennis Speed, and historian Anton Chaitkin brought the issue of the Pike statue and some explosive matters related to it before a wide audience in the Tennessee, Mississippi, and Arkansas region around Memphis.

Best known among the speakers opposing the resolution was Shelby Foote, who appeared as the "soft-spoken southern historian" in Ken Burns's television series on the Civil War on the Public Broadcasting System. In the Memphis City Council, however, Foote represented the Treason School of History, putting the satanic mass murderer and Confederate general Albert Pike on the same plane as President George Washington.

The spokesman for the Sons of Confederate Veterans threatened the council with "the consequences" they would suffer if they crossed the B'nai B'rith and voted to take down the Pike memorial statue.

The president of the local chapter of the United Daughters of the Confederacy, who is also the Shelby County treasurer for the UDC council and vice president of the Confederate Library and Research Center, denounced the resolution as an attack on her Confederate ancestors. She neglected to note that Pike was a Bostonian.

Speaking for the resolution, Rev. James Bevel also demanded a fair trial for James Earl Ray after 25 years in prison. Ray was convicted of the Martin Luther King assassination in Memphis, when the court and his lawyer contrived for him

to plead guilty, against his will. During the council meeting, the only time the entire audience, black and white, nodded their agreement, was when Reverend Bevel asked for justice for Ray.

Reverend Bevel amplified the demand at a well-attended press conference the day after the council meeting, telling TV and newspaper reporters that there could be no justice in America with Ray languishing in prison. Bevel compared the role of FBI Director J. Edgar Hoover to that of Albert Pike: Hoover, he said, was in effect the "chief judiciary officer of the Ku Klux Klan." Bevel and Anton Chaitkin pointed out that Hoover's FBI and the Anti-Defamation League of B'nai B'rith had Dr. King under surveillance and attempted to destroy him politically, prior to King's assassination. If Ray gets a trial, a very large can of worms will be opened.

The Memphis City Council's political brawl over the Pike matter will have an impact on politics well beyond Memphis. Though the council's tie vote kills the Pike resolution for at least six months, what came out in the meeting may result in the statue coming down before the council can reconsider its vote. A pro-Pike speaker, apparently out of sync with the lies told by Pike supporters in previous meetings in other cities, praised Tennessee historian Walter Fleming as beloved of the Tennessee and southern establishment. Previous masonic and Confederate speakers have tried to discount or disown Fleming, whose book exposing Pike as the principal founder of the Klan was published in 1905.

When a vote was called for, the presiding officer took a voice vote and quickly announced, "The nays have it." But Councilman Ford, backed up by the audience, requested a roll-call vote. The council members were forced to come out on the record. All six black members voted for the resolution. The six (of the seven) white members who were present voted against, and the tie vote killed the resolution.

The council's racially divided vote was a front-page story in the next morning's Memphis *Commercial Appeal*. The newspaper account quoted only from opponents of the measure. Among the documents presented to the city council members was a 1974 historical thesis by a Fisk University graduate student, detailing how Albert Pike used his ownership of that very newspaper to run his Klan terrorists and to intimidate Memphis police.



Rev. James Bevel (left) and Anton Chaitkin speak to the press in Memphis about the resolution before the city council calling for removing the statue of Confederate general and KKK founder Albert Pike, from its place of honor in Washington's Judiciary Square.

Excerpts from statements before the Memphis City Council

Except where indicated, the citizens who testified did not give their affiliations.

Steve McIntyre

I just want to come up to say my piece about General Pike. I think he's being slandered quite a bit. I don't know that Mr. Anton Chaitkin, who claims to be a historian, he produces—if he can produce any actual evidence that General Pike was a founder or member of the Ku Klux Klan. In this day and time, just bringing up the name Ku Klux Klan, associating a person's name with it, automatically condemns him.

In particular, one of the historical references that Mr. Chaitkin gave that associated General Pike with the Klan is from Walter L. Fleming. Mr. Fleming was a historian in the early part of the century who documented Reconstruction, indeed from a southern point of view. However, all historians since have credited Mr. Fleming with being extremely unbiased in his dealings with Reconstruction, both from the southern and northern point of view. W.E.B. Du Bois, who wrote the definitive history of Reconstruction from the black Americans' point of view, admitted himself that, while Mr. Fleming's treatment of Reconstruction was conservative, it was extremely unbiased.

Basically, having researched all of Mr. Fleming's, or Dr. Fleming's, published work, I can find no reference to General

Pike in any of his works. And I state again that Mr. Chaitkin has used Mr. Fleming as a source, a historical source linking General Pike to the KKK, and in all of Walter Fleming's works I could find no reference.

William Rolan

I represent the Sons of Confederate Veterans, and one of our main concerns is history. One of our most critical concerns is the distortion and the perversion of history for the sake of political motive. And I think that that's what we're dealing with here. I think it's unfair, under any circumstances, to take one portion of a man's life, no matter what that portion is—unless he was an outright criminal of some kind, like in the mode of a Jesse James or a Billy the Kid—but to take one portion of any man's life and emphasize that over the sum and the total of his life. And I think that's what's being done here.

And I think that, *more* inappropriately, it's being used to propel a resolution being put forth by an organization that has been called by the B'nai B'rith, for one, highly anti-Semitic, and holds what I would say were pretty peculiar positions. And I think that if the city council were to approve this resolution, that the repercussions, or the consequences, may come back, and that this resolution would be used as giving credibility to an organization which perhaps you do not want to endorse.

Once again I say our position is a historical one. In our research of Albert Pike what we have found [is] that he was a great friend of the Native American, the American Indian. He fought throughout his life before and after the war, to ensure that the treaties for the American Indian were kept by

the United States government. He was a noted jurist, a poet. As some of the councilmen—Councilman Moore knows. He was the editor of the *Commercial Appeal* at one time. And he contributed to this city, in his writings and so forth. He brought the newspaper back, whatever its editorial policy may have been, he brought it back to life when there was very little publishing being done here.

Shelby Foote

This Albert Pike handout has a paragraph that begins, “At this time in our nation’s history, when we are perhaps more deeply divided as a people than ever. . . .” There must be something wrong there. He’s overlooked a four-year interlude called the Civil War. And besides, I thought we were less deeply divided than ever. I think, I feel that we are closer together than we have ever been in our history, especially with relations of blacks and whites.

The subject this evening, though, is Albert Pike. Pike was a Confederate brigadier general for a period of about one year. He was a champion of the Indians all of his life. He was a masonic leader. He was president of the Tennessee Bar Association. He got many honors in his life, and was greatly revered by a great many people.

John Keats said once that “there’s no man who can’t be carved up on his wrong side.” You can take almost anybody in our history, from Andrew Jackson to George Washington on down, and give good reasons for tearing his statue down. I hope, fervently, that you won’t take the misrepresentations in such things as this sheet. [Lyndon] LaRouche sent some kind of flack down here named Anton Chaitkin, who came down masquerading as a historian. I hope you won’t pay any attention to him, either.

The tearing down of statues I think we ought to leave to the Russians. They do it quite well. We don’t do that, as a general thing, and I hope you won’t do it in this case.

Greg Todd

Let’s get on with our *good* relations, and not have people stirring up blacks against whites over statues.

Harry Bryant

There’s no evidence that Mr. Pike belonged to the Klan. And if he *did*, it’s still the statue that was put up by the Freemasons. And I’m not representing them, but I spoke to a very high-ranking Freemason here in Memphis. It’s their statue, they’re concerned too. And if Mr. Ford wants to pursue it, maybe it should come from his paycheck, because somebody’s going to have to pay for it.

Mr. Abdullah

There’ve been 30 city councils that have made a resolution to remove the Albert Pike statue. The Black Caucus of Tennessee has made a move to remove the Albert Pike statue. The Albert Pike statue is more than a statue. It’s a symbol of

oppression. This isn’t the 1800s, this is the 1900s, we’re going into the 21st century.

If the Masons would like to have this statue, let them have it. Let them pay for it. I don’t want my tax money paying for a symbol of oppression for my children, my grandchildren, and my great-grandchildren. So let’s send a message, that Memphis *is about to end its marriage with the Ku Klux Klan*.

City Councilman Shep Wilburn

I hope that we would go ahead and remove a symbol that represents something that inflames, that infuriates, and that indeed is an insult to a lot of people. If we don’t, I think that what we’re doing is perpetuating racial division not only in this country, in this city, but around the world.

Lee Miller

The city council should not want to associate themselves with Lyndon LaRouche or Louis Farrakhan or any of those others who have a *political* agenda behind tearing down statues.

Rev. James Bevel

I’m James Bevel and I’ve authored and executed the right to vote and the freedom rides, the Mississippi project of ’54, the Chicago Open Housing movement, and most of the actions that took place in the ’60s, using Christian principles to address constitutional violations and problems.

And, of course, I was here on April 4 when Dr. King was murdered. It was April 4 in 1898 that Congress, based on false information, passed the resolution [to] put up the Pike statue, because the information pertaining to this man’s life was not known. Not in relationship to anybody who has a problem with him, I did my own research in books . . . printed before the controversy came up depicting the life of Mr. Pike.

Now I don’t know whether these people [the previous speakers] are just misinformed, or just do not want to tell the truth. I have nothing one way or the other against this man. If you go to the library, pull out books on Pike, not by people who are against him, they explicitly point out he burned, murdered, and killed black people enforcing the policies of the Ku Klux Klan. It has nothing to do with any political agenda.

Now maybe that’s fine with you. We need to get that kind of issue cleared up. However, I will come back, because I want Mr. Ford to produce another resolution, which is to give James Earl Ray a fair trial, because it’s all a part of the same problem, when we don’t address justice. You see all of this violence in these children in the streets, comes because we’re always covering up and lying about our past. In our religion, in our nation, the way our nation works, is that you have to confess, repent, correct, forgive, and make a motion in the interest of the whole.

Anton Chaitkin

The National Council of Black Mayors, the city of Baltimore, city of Newark, city of New Orleans, Buffalo, many other cities have passed resolutions asking Congress to take down this statue. Why? Albert Pike was the principal founder, the chief strategist, of the Ku Klux Klan after the Civil War. He was the chief justice of the Ku Klux Klan. He was in charge of corrupting justice, corrupting judges, corrupting juries, corrupting police and sheriffs, corrupting the entire legal profession in the South. That was his job, as he saw it.

Pike was first exposed as the boss of the Ku Klux Klan by southern scholars, who approved of the Ku Klux Klan, and who defended Pike's role in the Ku Klux Klan. When Pike's defenders recently tried to say that Pike's statue should stay up—his own group—they said that the Ku Klux Klan was a good group and they circulated that nationally.

Now, what has just taken place here today, I assure you, *will bring the statue down*, without any doubt. I will show you. You heard [about] the principal southern historian, Walter Fleming, the dean of Vanderbilt University, a man who—I don't agree with his principles, but he is credited by pro-Confederate people with being *the* objective scholar. Period. You heard that, right? [Audience: "right"] You [Steve McIntyre] read the wrong version of the book, I guess. Because I'm going to give to the city council what's gone all over the world, a photograph of Dr. Fleming's book. It has—[bell rings, shouting, pandemonium while speaker holds up papers]. The largest picture in the middle is Albert Pike. And it has him as "Chief Justice of the Ku Klux Klan."

Dennis Speed

Let me read from Albert Pike. This is from Albert Pike, *Memphis Daily Appeal*, April 16, 1868:

"With negroes for witnesses and jurors, the administration of justice becomes a blasphemous mockery. A Loyal League of negroes can cause any white man to be arrested, and can prove any charges it chooses to have made against him.

"The disfranchised people of the South . . . can find no protection for property, liberty or life, except in secret association. . . . We would unite every white man in the South, who is opposed to negro suffrage, into one great Order of Southern Brotherhood, with an organization complete, active, vigorous, in which a few should execute the concentrated will of all," and then, very importantly, "whose very existence should be concealed from all but its members."

What Pike was organizing was the Klan. The Klan was a conspiracy which was a concealed conspiracy. It was because it was treasonous. Just as the charges that were made about the question of Pike are treasonous by the very people that made it here—they *know* they're lying. They know perfectly well they're lying.

And what really hurts me, is that, see, Pike is from Boston, Pike is a carpetbagger, Pike did not come from Mem-

phis. He came down here, and he formed the Klan, and the Klan was a carpetbagger organization. Now see, my parents come from Alabama. So, in order to defend the dignity of the South, I come here to try to say, take the statue down and stop saying that the South is Klan. And these fools continue to defend that organization.

I say the statue should come down. I think the Masons can have it. I'm not for tearing it down. Let the statue be moved down the street, to 16th Street in Washington, D.C. I would be glad to *organize* people to go see the statue. But I don't want it in Judiciary Square, which represents law in our country, and the Klan represents lawlessness.

Councilman James Ford

One of the gentlemen who spoke asked what was my motive for doing this. Prior to several months ago, I guess I was somewhat ignorant to it. I don't boast on being . . . any kind of historian. But I have done a little reading and a little research on this particular issue. I'm going to make some statements, and I'm going to make them very authoritative, because from my readings and my own opinion about this . . . this gentleman was definitely one of the founders and maybe . . . the Grand Dragon of the KKK. . . . I have no problems with statues of anybody. . . . But I have problems when statues are paid [for] by my tax dollars, to keep it clean. And this particular statue requires a whole lot of *guarding*. And we've got to pay the tax dollars to guard it . . . on a continuous basis. . . . I have another problem with this one, though, too. It stands in Judiciary Square! . . . I have a problem with that. [Pike was] somebody who probably was totally against all of those principles [of justice], no matter what the historians say. I'm just deducing from what *I have read* and what *I know* about this gentleman.

He did some good things. He organized the Freemasons. He wrote their rituals. He did a lot of positive things for the Indians. . . . One time there was a massacre when they killed so many U.S. soldiers, and he almost went to jail, and got indicted on that. He [was the Indians' attorney], and I'm sure there was a lot of money remuneration when you're an attorney. . . .

He wrote the ritual for the Masons, but there is some evidence that he even wrote the rituals for the Grand KKK too. . . . There are many municipalities, large and small, all across the nation, that have passed resolutions for this statue to be removed. . . . Most of these councils are not black councils; these are white councils, a majority of them. They have looked at the history and they have reached the same conclusions. . . .

This resolution . . . [is to have] the President and the Congress . . . [take the necessary action] to have this statue removed from where it is . . . so it is not paid for by our tax dollars. Now if that divides, if that polarizes, let it so polarize and let it so divide, and that's just the way the cookie crumbles!

Clinton budget passes House

The House voted 223-175 on March 11 to approve the outlines of President Clinton's budget. It projects about \$1.514 trillion in spending and \$1.338 trillion in revenue, leaving a deficit of \$175 billion.

Republicans offered an alternate plan. Rep. John Kasich (Ohio), the House Budget Committee's ranking member, said their plan provided additional deficit reduction as well as a tax credit of \$500 for each child in households with income below \$200,000 a year. The Kasich plan was voted down 243-165. Earlier, on March 10, the House had also defeated an alternative sponsored by Rep. Gerald Solomon (R-N.Y.), which would have balanced the budget within five years by reducing spending an additional \$600 billion. Although the Republicans have been using budget balancing for the maximum political gain, 114 of the 176 House Republicans voted against the Solomon amendment.

The Congressional Black Caucus proposed an alternative which would have made additional cuts in defense and boosted domestic spending in such areas as health care, aid to the homeless, crime prevention, housing, and education. It was rejected by a vote of 81-326.

Edwards urges counsel for death row inmates

Rep. Don Edwards (D-Calif.), chairman of the Civil and Constitutional Rights subcommittee of the House Judiciary Committee, on March 15 urged members of the committee to insert into an omnibus crime bill provisions to guarantee competent counsel to death row inmates and to permit them to use statistics to challenge their

sentences as racially biased.

Edwards cited a just-released report that showed that blacks and Hispanics constituted 33 of 37 defendants (89%) of the accused murderers against whom the Justice Department has sought the death penalty under a 1988 law, reversing an historical trend at the federal level. None of the defendants has been executed.

Between 1930 and 1963, when the federal government last put someone to death, 85% of executed inmates were white and 15% were black, according to the report. Wade Henderson, director of the National Association for the Advancement of Colored People's Washington office, said the subcommittee staff's report found "a racially tainted abuse of discretion by U.S. attorneys."

Leach continues demand for Whitewater hearings

On "Face the Nation" on March 13, Rep. Jim Leach (R-Iowa) repeated his demands for committee hearings to investigate the "Whitewater affair," which involves alleged wrongdoing by Bill and Hillary Clinton. Leach has been among the most vociferous among Republicans trying to breathe life into the British-choreographed "scandal" in an attempt to undermine the power of the presidency.

Leach has accused House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) of a "power move," because he will not allow Republicans to hold committee hearings on the Clintons' dealings with Madison Guaranty.

"All the minority ever requested was a hearing to lay before the American people a small scandal of multi-thousand-dollar dimensions which precipitated a multimillion-dollar loss to the taxpayer, and to put it before

the public and then to put it behind us, and that is being refused," whined Leach.

Gonzalez has set oversight hearings on the Resolution Trust Corp. on March 24, which Republicans hope to use to probe Whitewater. Gonzalez said, however, that he would not allow Republicans to grill administration officials who have been subpoenaed by special counsel Robert B. Fiske. On March 4, Gonzalez also ruled that Leach would not have access to any materials made available to the Banking Committee regarding Madison Guaranty.

Interstate branch banking gets boost

Prospects for nationwide banking got a boost on March 3 after the House Banking Committee approved by a vote of 50-1 a bill to overhaul decades-old regulations that curb the ability of banks to operate branches coast to coast. Lawmakers defeated two amendments that were backed by consumers but opposed by bankers. Bankers had threatened to kill the bill if the amendments passed.

Interstate branching would allow consumers to deposit checks or obtain a loan anywhere in the nation where their home-town bank has a branch. Bankers say the bill would save them millions of dollars by allowing them to consolidate banking units that must now operate independently into a single-branch network.

The bill would permit healthy banks to acquire any bank in any state one year after enactment. After 18 months, banks with subsidiaries around the nation could merge them into a unified branch system. State legislatures would have three years to adopt laws that would exempt their state from the plan. Banks could es-

establish branches in any state that allows such a move.

The last attempt to pass an interstate bill failed in 1991, but the lopsided vote in the House committee and passage of a similar bill in the Senate Banking Committee with White House endorsement last month is likely to boost its prospects. "This action . . . should put this bill on the fast track toward enactment," said Ed Yingling of the American Bankers Association.

The committee vote, in which only Rep. Bernard Sanders (I-Vt.) dissented, came after the defeat of two amendments opposed by bankers. One would have required banks that branch across state lines to cash government checks and provide lifeline checking. The other called on regulators to ensure that banks maintain or improve their lending records to communities if they do branch into another state.

Consumer and community groups vowed to fight the bill on the House floor. "As it is now, it's pure special-interest legislation with no basic protections for consumers or communities," said Deepak Bhargava of the Association of Community Organizations for Reform Now, or ACORN. Consumer groups and small banks worry that large banks will enter communities and drain deposits now in community banks.

Gonzalez demands accountability from Fed

In several statements on the House floor during the first half of March, House Banking Committee Chairman Henry B. Gonzalez (D-Tex.) decried attempts to undermine legislation which would place strict limitations on the Fed's regulatory authority.

"To understand what the Federal

Reserve is really talking about, I ask you to consider the scope of regulation in which the Federal Reserve is now embroiled," he said on March 8. "The Federal Reserve has complete authority to regulate bank holding companies, which are companies owning one or more commercial banks. This authority extends to banks with 93% of the assets in the private banking system."

Gonzalez is a key supporter of a Clinton administration bill which would bring the operation of the Fed under the purview of a Federal Banking Commission, and is the author of a measure which would allow greater congressional oversight over the Fed. "Accountability is the linchpin along with majority rule in our system of government since colonial times," he said. "Therefore, the Federal Reserve, having this awesome power, can decide in its secret open market committee whether or not a businessman will be able to live by having a line of credit that will not make him a servant. . . . So it becomes paramount that we have the information, and the reason why these decisions are being made in secret, so that the people, through their elected representatives and agents, will be able to establish the justification and the wisdom or folly of such policies."

Pell warns against change in ABM treaty

Liberal Senate Democrats warned on March 10 against any attempts to revise the 1972 Anti-Ballistic Missile (ABM) Treaty without Senate approval. At a Foreign Relations Committee hearing, Chairman Claiborne Pell (D-R.I.) complained that it looked like "the tail wagging the dog. . . . We're developing defenses that are outside the treaty, so we're attempting to adjust the treaty."

Under questioning from Sen. Paul Simon (D-Ill.), John Holum, director of the Arms Control and Disarmament Agency, admitted that without changes in the treaty, the United States could not deploy defensive weapons being developed by the Ballistic Missile Defense Organization (BMDO).

The Clinton administration is mooting such changes, and discussions have been under way for some time now with Russian counterparts to revise the 1972 treaty. The purpose of the revision has been to develop shorter-range systems to protect U.S. troops fighting outside the United States. "Concerted efforts are under way in several potentially hostile nations to enhance their tactical ballistic missile capabilities with longer-range missiles," Lt. Gen. Malcolm O'Neill told the committee.

The issue is whether mobile weapons systems aimed at intercepting such missiles in flight can be made compatible with the ABM treaty, which does not define the line between strategic defenses, which are prohibited, and "theater" defenses, such as those under development, which are permitted. The Pentagon is currently developing "upgrades" of the land-based Patriot and sea-based Aegis interceptors to use against short-range missiles, and the Theater High Altitude Area Defense (THAAD) program to find and stop longer-range weapons in flight. The Clinton administration has proposed to Russia that the treaty be changed to allow development of interceptors that could block incoming missiles with ranges up to about 3,500 kilometers.

Sen. John Kerry (D-Mass.), ignoring the fact that cost is expected to heavily favor the defense in systems based on new physical principles, reasoned that the proposed changes could be "counterproductive," because they would provoke hostile countries to beef up their arsenals to "overwhelm" the planned new defensive weapons.

National News

Novak wins \$1 million from British financier

Michael Novak, a free market economist from the American Enterprise Institute, has won the \$1 million Templeton Foundation Prize for Progress in Religion. The prize was begun in 1972 by a British financier close to the royal family, Sir John Templeton of Nassau, Bahamas. The award states that Novak "is widely considered a pioneer for a new discipline, the theology of economics."

Novak's brand of voodoo was analyzed in an *EIR* cover story on Jan. 29, 1993, titled "Anti-Christian Economics: The Case of Michael Novak."

Novak's prize will be awarded in a private ceremony at Buckingham Palace on May 4 by His Royal Highness Prince Philip, Duke of Edinburgh, who is patron of the Templeton Foundation. This will be followed by a public ceremony on May 5, when Novak will speak on economics at Westminster Abbey.

The Templeton Foundation is entirely run by Sir John Templeton, but its panel of judges includes many leaders of the Church of England and House of Lords. Among those this year was Lady Margaret Thatcher, who said of Novak's work in her memoirs that he "provided the intellectual basis for my approach to those great questions brought together in political parlance as 'the quality of life.'"

Fracas erupts over New York 'gay games'

A fight has erupted between New York's homosexual lobby and a member of the city's Civilian Review Board, Rev. Ruben Diaz, who had earlier denounced plans to hold "gay games" in the city. Despite massive pressure, Reverend Diaz has refused to resign his position on the board, and efforts to deprecate him have been deflated by his widely acknowledged social activism in the city's hardest-hit area, the South Bronx.

An article in the March 14 issue of the

New York Post praised the work of Diaz's community center in the Bronx, which administers to the needs of 5,000 people, many of them AIDS-stricken. All things being equal, wrote the *Post*, he would be hailed as an "angel of mercy," except that he committed the crime of voicing strong moral opposition to an event that celebrates homosexuality, on the grounds that it sends the wrong message to children.

Diaz is quoted: "They say the games bring millions of dollars to New York and we need the money. But should we sell our moral values for money?" He confronted the Bronx Democratic Delegation which appointed him to the Civilian Review Board and now calls for his resignation: "If what I have done is so bad, where were you when the gays invaded St. Patrick's Cathedral, interrupted a Mass and threw condoms all over the place? Where were you when the Gay Pride Parade featured nudity and public sex acts? Where were you when the North American Man/Boy Love Association marched in the Gay Pride Parade? The Bronx Democratic Delegation has never denounced anything the gays do, no matter how disgusting, but they have the audacity to come after me."

'Sex ed' pornographer being sued by students

The Rutherford Institute of Charlottesville, Virginia has filed a lawsuit on behalf of a group of Chelmsford, Massachusetts students, who are demanding \$3.5 million in damages from school officials who required them to participate in a pornographic "sexual education" performance by so-called AIDS educator Suzanne Landolphi, who conducts seminars nationwide.

According to the *Washington Times* of March 8, Landolphi delivered a 90-minute lecture "showing high school students . . . how to masturbate, ogle teen-age boys' groins, and lick a condom." According to the *Times*, Landolphi advised the teens not to take drugs, drink and drive, smoke tobacco, or engage in anal sex. What she did do was simulate masturbation and use lewd and lascivious language for body parts and excretory functions. She also graphically dem-

onstrated, with "audience participation," how to lick a condom.

Landolphi's defense attorney is Neila J. Straub, who is co-counsel with the Gay and Lesbian Advocates and Defenders. Landolphi, 43, founded the "Hot, Sexy and Safer, Inc." production company in 1987 and has given over 200 shows on campuses since then. She also hosted the Boston teenagers' show "Raparound," and co-owned the Condomania stores.

Justice criticizes mandatory minimums

Supreme Court Justice Anthony M. Kennedy, testifying at a House Appropriations subcommittee hearing on the Supreme Court budget, criticized the increasing use of mandatory minimum sentences for federal crimes, saying that the practice was unwise and often unfair.

In the past decade, Congress has mandated several mandatory minimum sentences for drug and gun crimes, and more are being considered as part of this year's crime bill. Many federal judges have complained bitterly for years that mandatory minimum terms tie their hands in sentencing decisions. Kennedy said, "I think I am in agreement with most judges in the federal system that mandatory minimums are an imprudent, unwise, and often unjust mechanism for sentencing."

Kennedy said the mandatory sentencing laws kept judges from adjusting defendants' sentences according to their actual level of culpability and expressed support for separate federal sentencing guidelines which would allow judges to base sentences on circumstances of an individual case.

City debate on Pike statue intersects Klan rally plans

The Indianapolis City Council has now set April 5 as the initial hearing date for a resolution to have the statue of Ku Klux Klan founder Albert Pike removed from Judiciary Square in Washington, D.C. The hearings,

which will be held by the Rules and Public Policy Committee, will be taking place at the tail end of rallies in Indianapolis planned by the Klan, for April 2-5.

The Pike statue was erected by the Scottish Rite Freemasons in 1901 as a tribute to the Confederate general who was the Masons' chief judicial officer. Opposition to the statue grew to nationwide proportions during the 1992 presidential campaign of Lyndon LaRouche and his running mate James Bevel, which has secured resolutions from city councils throughout the country.

In early March, Indiana Deputy State Commissioner of Administration Patrick Carroll approved the Knights of the Ku Klux Klan's application for a permit to rally at the Indiana Statehouse on April 2, Holy Saturday. Cathy Cox-Overby, executive director of the Indiana Interreligious Commission on Human Equality, told the *Indianapolis Star*, "It is rather ironic that on a weekend when the Christian community is celebrating a great message of love for all mankind, the Klan is going to want to come with their message of division." LaRouche activists are urging various organizations, churches, and individuals to attend the April 5 city council hearings on the Pike resolution.

Did Aldrich Ames tip off drug traffickers?

The most damaging aspect of the Aldrich Ames spy affair may have been his ability to sabotage the "war on drugs," by helping drug networks coming out of the former Communist bloc and Colombia, wrote London strategist Mark Almond in the *Wall Street Journal* on March 10.

Almond noted that Ames became head of the CIA's narcotics intelligence department for the Black Sea countries in 1991 after his service as counterintelligence chief for eastern Europe and the Soviet Union. He could have easily played a key role in the assassination in Georgia of the CIA's Fred Woodruff in August 1993, according to Almond. Ames was in Georgia one week before Woodruff was killed, and Woodruff was "allegedly investigating Georgia's role as a conduit of heroin from other ex-Soviet

republics to the West. . . . It is public knowledge in Georgia that the security forces of the Shevardnadze regime are involved in the republic's rampant drug business."

Almond points to the fact that Ames would have been coordinating first with KGB chief Vladimir Kryuchkov, and, more recently, with new Russian intelligence head Yevgeny Primakov. "The question comes to mind: Could one explanation for America's sorry record in the war on drugs be that its key intelligence was going to the other side?" One further factor, wrote Almond: "It seems reasonable to query whether [Ames's] visits to his second wife Maria's native Colombia might have given him access to another source of income in return for information about the CIA's anti-narcotics drive."

Michigan votes on school funding

Michigan voters went to the polls on March 15 to pass a complicated formula for school funding, after the legislature terminated property taxes as the means for school funding last July. The new proposal was the result of intense fights and negotiations between Gov. Jim Engler and the legislature.

Under the previous plan, districts varied widely in their funding, laying out as much as \$7,000 per pupil each year to as little as \$3,000. The new plan mandates a fixed amount for each student, \$5,000, but funding, given the economic depression, is even less stable than when it came primarily from property taxes. Large shortfalls are expected.

Voters were being asked to pass Proposal A, which includes an amendment to the state constitution, and funds schools primarily through an increase in the state's sales tax from 4% to 6%. Proposal A would allow local districts to levy 6 mills property tax without voter approval and 18 mills with voter approval on certain types of homes and businesses, to maintain or increase current levels of spending. Had Proposal A failed, a backup automatically would have gone into effect, which is to raise the state income tax with no sales tax increase.

Briefly

● **ALAN DERSHOWITZ** wrote a psychological warfare piece in the *Washington Times* on March 14, threatening that White House staffers may soon begin developing "independent relationships with powerful journalists" around the Whitewater scandal. "They will begin leaking, much like 'deep throat' and others did in Watergate."

● **THE WHITE HOUSE** named Vice Adm. Leighton W. Smith, Jr. as NATO's military commander for the region that includes the former Yugoslavia. Smith was director of operations for U.S. forces from 1989-91 and was the Navy's principal author of the new strategy in dealing with regional conflicts closer to shore, shifting from a Cold War emphasis on fighting the Soviet Navy.

● **THE PENTAGON** is preparing to upgrade U.S. military ties with China according to the March 8 *International Herald Tribune*. Possible ties may include joint peacekeeping operations in Asia or disaster relief efforts in areas such as Central Asia, the daily's sources said. Other steps include a Joint Commission on Defense Conversion and regular meetings at the ministerial level.

● **A 'LAROCHE SLATE'** of 28 candidates filed in Oregon in March for federal, state, and local elections, as well as for precinct committeeman in both Democratic and Republican parties. The primaries are set for May 17. Although from different parties, the candidates share Democrat Lyndon LaRouche's program to reverse the economic depression, and point to his longstanding record, using the slogan "LaRouche was right."

● **VIRGINIA'S SENATE** passed with large vote margins two bills approving prayer in public schools on March 8. The bills had already been passed by the House. One allows for voluntary student-initiated prayer in public schools; the other calls for the state Board of Education to develop guidelines on the particulars of such prayer.

Editorial

Six million new jobs

The March 14-15 Group of Seven job summit in Detroit afforded President Clinton the opportunity to raise the very real problem of endemic unemployment. This is useful, even though the conclusion that Clinton appears to have drawn about the nature of the problem is strangely askew. How, he muses, can it be that unemployment remains a problem, now that the U.S. economy is in recovery?

The answer is very simple: Far from being in recovery, the U.S. economy is sinking into a deepening depression. A tubercular person can appear to be radiantly healthy because of a feverishly rosy complexion; so too, the present speculative binge is masking the reality of the disastrous continuing decline in the real economy.

This is not just an American problem; in fact, the collapse in Europe, particularly in Germany and France, seems to be more dramatic, since it has been more sudden. Whereas in the United States many people have reconciled themselves over many years to reemployment from skilled industrial jobs to low-level jobs in the service sector, many skilled European workers are just now hitting the bricks. The International Labor Organization estimates that one out of three people in the work force globally is either outright unemployed, or making too little to support themselves and their dependents.

Neither the world economy nor the U.S. economy can afford to subsidize such a rate of unemployment over the long haul. This is the line of reasoning that has led President Clinton to propose that the U.S. unemployment insurance system be overhauled, in order to help reeducate the work force for employment at new jobs.

The question is, just what kind of new jobs does the U.S. President envisage will be created over the next period? He may be thinking that the so-called information highway is the road to future prosperity. One is reminded of the aphorism: The road to hell is paved with good intentions!

There is only one way to succeed: Lyndon LaRouche's program for reversing 30 years of "post-industrial" suicide. This means, first of all, that the

Federal Reserve System be nationalized, so that it serves the needs of the people of the United States, rather than the ten largest U.S. banks. The Fed must be stripped of its unconstitutional status as a quasi-independent corporation. What is needed is a National Bank which, as an instrument of the federal government, issues credit for industrial growth.

What is needed is something like \$300 million per year for public works projects, such as high-speed railways (including the development of a magnetically levitated rail system). This money is needed for flood control and ensuring water for drinking and irrigation; this money is needed as well to expand the overstretched energy grid. The right scale of investment could account for 3 million new jobs directly and indirectly, as moribund communities again become viable, and would also be a shot in the arm to basic industries, such as steel.

We must revitalize the space program, which will then act as a science driver for the entire economy. Under these circumstances, another \$300 million made available as low-interest credits could be absorbed by industry for development of high-technology areas. Here one thinks of aerospace, as well as the development of next-generation nuclear plants and replacement of fossil fuels by hydrogen as a fuel.

Not only can all of this be done, but only if it is done will there be some way of getting people off the unemployment rolls and back into productive employment. Conversely, the present worldwide contraction in agricultural and industrial jobs is not only creating endemic unemployment, but also the conditions in which millions are living in abject poverty, without sufficient food to put on their table, without clean water, without adequate housing. What is needed is a mission to eradicate oppressive poverty everywhere on this planet.

The task will not be an easy one, but if LaRouche's program to create 6 million new jobs is accepted by President Clinton, then the United States will have truly reassumed the world leadership role which is now required of it.

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