

EIR

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Soviets launch crash SDI-fusion program?
Lawrence Walsh indicts 'Project Democracy'
Enemies of the Constitution in Justice Dept.

**Large-scale water projects
for a thirsty world**



What do the Russians think of *Executive Intelligence Review*?



**"Dirty, dirty
magazine."**

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From the Editor

There are no ifs, ands, or buts about it—the latest actions to attempt to shut down the publications linked to Lyndon LaRouche, this magazine's founder and a 1988 candidate for President of the United States—originated in Moscow, precisely as signaled by Moscow's recent revival and rehashing of the most preposterous slanders against Mr. LaRouche. The question really is, whether in this Bicentennial Year of the American Constitution, enough citizens are going to stand up on their hind legs and defend the Constitution.

This week's *National* report has a fairly extensive review of the state of the battle between the Project Democracy crowd and its efforts to bring about a one-party fascist dictatorship here with Moscow's blessing; and the defenders of the Constitution, which means right now: the defenders of Lyndon LaRouche and his associates from the most flagrantly unconstitutional effort to shut down political advocacy in United States history.

An equally important facet of the fight to recover our Constitution is seen in the cover *Feature*, in which Nicholas F. Benton gives a panorama of the kind of great infrastructural projects in water development which will be indispensable to restarting the world economy. The article is accompanied by a plea by former U.S. Senator Frank E. Moss for the urgency of implementing these projects.

The world financial system is unraveling faster than our weekly *Economics* lead articles—while well ahead of the “news” in other media—can report, and in exactly the way Lyndon LaRouche has been predicting. This financial collapse is accompanied by an ecological breakdown whose most frightful manifestation is the AIDS pandemic, reported on by several articles in this issue. (See the “AIDS Alert” section of the Table of Contents for references to all items related to that topic.)

On page 64, historian Anton Chaitkin begins a new series in our “American System” department, which brings back to life the battles around the Constitution 200 years ago, when the first American patriots were fighting against the policies of Adam Smith.

Nora Hamerman

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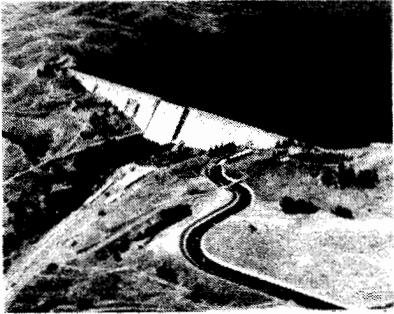
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Which way will Washington panic?

by David Goldman

Washington's supposed policy-debate over whether to support the dollar by crashing the U.S. economy, or crashing the dollar by supporting the U.S. economy, fell to pieces on April 29, when the nation's largest securities firm, Merrill Lynch, put more pressing issues on the agenda: it announced a \$250 million loss for the preceding trading week, due to crashing mortgage-bond prices. Bond prices responded by crashing more than 2%, wiping out gains registered earlier in the week, when traders covered short positions in the off-chance that visiting Prime Minister Yasuhiro Nakasone of Japan and President Reagan might come up with some accord.

Mortgage-backed bonds, a trillion-dollar market, have lost 12 to 15% of their total value since late March, and stand to plunge much more, wiping out the entire thrift industry, as well as their market-makers.

Since the entire U.S. financial system has lived off borrowing cheap short-term money and buying long-term bonds for the past three years, it doesn't matter which alternative Washington chooses. If the Federal Reserve continues to raise short-term interest rates, the cost of short-term money will blow out the thrift system, dumping a \$100 billion charge in the lap of the bankrupt Federal Savings and Loan Insurance Corporation. If the Federal Reserve keeps short-term money cheap, which it can do in the short term, the dollar will continue to crash, and the foreign-financed long-term bond market with it. The value of thrifts' portfolios and security dealers' inventories will crash.

A smoking crater now gapes, where Washington's financial policy once stood. Those who argued that some slight degree of monetary manipulation would stave off the crisis, at least for some weeks, may complain that the passage of the Gephardt amendment to the House trade bill April 29 ruined the impact of the Fed's slight tightening. Gephardt's

amendment mandates automatic reductions in the trade deficit through punitive tariffs. It was accompanied by a further proposal by Rep. Don Riegel (D-Mich.) to ban Japanese securities firms from primary dealerships in U.S. government securities. That did not inspire U.S. bondholders, who count on Japanese purchases of \$100 billion per year to maintain the present level of securities prices.

Since the U.S. government currently has *no* policy for the reduction of a trade deficit now barreling along at a \$170 billion per year, it has no moral authority to attack the stupidity and destructiveness of the Democrats' trade-war program. The prospect of financial collapse, perhaps triggered by Japan's refusal to continue financing the American budget deficit, has persuaded the U.S. government to back off from the trade-war stance embodied in the mid-April imposition of punitive tariffs on Japanese electronics goods. Special Trade Representative Clayton Yeutter's leash has been tightened, and he has suddenly discovered that the Japanese have begun to comply with the terms of the disputed Japanese-American semiconductor agreement.

It will be recalled that the trade-war policy represented an act of desperation, following the collapse of the Administration's effort to correct the trade deficit by devaluing the U.S. dollar. Now that Treasury Secretary James Baker III has admitted that crashing the dollar will not reverse the deficit—it only raises the dollar price of a diminished volume of imports—the Administration has nothing to say on the subject at all. The Treasury's alter ego, the editorial page of the *Wall Street Journal*, was reduced April 30 to demanding that the Japanese open their markets in order to stimulate American exports, forgetting to enquire whether the U.S. can still produce anything that the Japanese might want to purchase. In effect, the Wall Street viewpoint boils down to

agreement in principle with the liberal Democrats, despite the apparent disagreement about means.

Another Columbus Day Massacre?

A Western statesman once commented that that Communist parties are capable of only two kinds of actions: a right turn, and a left turn. The Federal Reserve has an analogous problem. It knows how to loosen, and to tighten. For the past three years it has loosened, bringing interest rates down to the 6% range for Federal funds. Now it is tightening. Federal Reserve Chairman Paul Volcker admitted April 30 that the Fed has conducted "some slight snugging" of interest rates to support the dollar. He told the House Banking Oversight and Investigations Subcommittee, "In recent days, we have been a bit more cautious in the Federal Reserve in providing reserves the market. . . Perhaps we could be described as having a somewhat less accommodating policy, reflecting in part the weakness of the dollar—a slight snugging approach, in the some of the market jargon."

In October 1979, the last time the dollar faced an uncontrollable crash, the same Paul Volcker flew back suddenly from the ongoing annual meeting of the International Monetary Fund in Belgrade, Yugoslavia, to announce what became fabled as the "Columbus Day Massacre," putting interest rates on a track to the 20% range by December of the same year. The nudging-up of U.S. interest rates in the last week of April, complemented by another nudging-downward of Japanese interest rates, will impress no one. Having failed once, Volcker is most likely to repeat the exercise. Alan Reynolds of Polyconomics, a consulting firm with strong ties to the Jack Kemp camp in the Republican party, now predicts that the Federal Reserve will make an additional such gesture, by raising the discount rate.

Reportedly, Volcker is terrified of the consequences of higher interest rates; perhaps Federal Home Loan Bank Board Chairman Edwin Gray has told him what 8% Federal funds would do to the savings system. It cannot be ruled out that Volcker will "fly forward" into the guns, and repeat his 1979 performance.

The creditors' demands

Now, America's creditors are demanding that America adopt a "crisis-management" approach, i.e. a drastic austerity program, involving huge budget cuts, and reductions in consumption: in short, the Brazilianization of the United States. That was the message delivered to the U.S. government by the Organization for Economic Cooperation and Development, whose stark warning about the expansion of the U.S. budget deficit April 22 marked the beginning of the end of Treasury Secretary James Baker III's political career.

Baker's roasting on the front page of the *New York Times* April 29, the day of the Merrill Lynch debacle, has nothing to do with the former Dallas real estate lawyer's performance as such; it marks a decision on the part of America's foreign creditors that the day of the credit-financed consumer bubble,

and the phony "Reagan recovery," are over, and that the U.S. must enter a drastic period of austerity. Since Baker was associated with this policy, Baker must go, the creditors demand.

The notion that monetary and fiscal austerity can lower the budget deficit deserves nothing but contempt, for one reason that should be obvious enough: the U.S. government has pledged its "full faith and credit" behind a trillion dollars of repackaged home mortgages, another trillion dollars worth of savings deposits, and numerous other "off-budget" guarantee categories. Pull the plug on the U.S. economy, and the guarantees will be activated.

According to an analysis to be presented in *EIR's Quarterly Economic Report* for spring 1987, the direct effects of higher interest rates, plus their indirect effects, i.e. the triggering of such guarantees through the collapse of the savings system will bring the budget deficit up to the \$328-\$398 billion level. On the basis of conventional budget calculations, the deficit cannot be reduced below the present projected annual rate of \$185 to \$190 billion, i.e. \$80 billion above the President's target. However, this and previous Administration's policy of pumping air into the consumer sector, through off-budget financing, is coming back to haunt it, through the massive funding requirements of the Federal Savings and Loan Insurance Corporation (FSLIC), the Federal Deposit Insurance Corporation (FDIC), the Farm Credit System (FCS), and the various mortgage-guarantee agencies operating under the Federal Home Administration, including the Government National Mortgage Association (GNMA) and the Federal National Mortgage Association (FNMA).

The present state of the budget

Virtually all of the reduction of the deficit from last fiscal year's \$230 billion level is due to tax reform, the supposedly "revenue-neutral" program adopted by the Administration last year; all the increases were front-loaded into the earlier years of the program, and all of the decreases left for later years, where they will not be noticed in any event. That swindle has brought in new revenues at an annual rate close to \$20 billion. The largest part of the "revenue dividend" associated with tax reform was concentrated over the December-April period, as corporations completed repayment of now-forbidden investment tax credits claimed in 1986, and individuals pay taxes on the rash of capital gains taken late last year. That is to say, most of the payments came direct out of corporate capital formation, to which many analysts attribute the miserable performance of capital investment during the past six months.

So much for the reduction of the deficit thus far. For the past three years, the International Monetary and the Bank for International Settlements have proposed, in effect, that the U.S. undertake not merely a politically-impossible domestic austerity program, but unilateral disarmament. As matters stand, their prescription includes the side-effect of uncontrollable fiscal chaos.

Bankers oust architect of Brazil's debt moratorium; weaken President

by Mark Sonnenblick

Dilson Funaro, the man behind Brazil's Feb. 20 declaration of moratorium on most of its \$110 billion foreign debt, announced his resignation as finance minister on April 26. His replacement, Luis Carlos Bresser Pereira, is a compromise between the bankers who pulled the rug out from under Funaro and the ruling Brazilian Democratic Movement Party (PMDB).

The PMDB remains hostile to the bankers' recessionary policies or International Monetary Fund (IMF) intervention in Brazilian affairs, and are powerful enough to exert enormous pressure on President Sarney. Therefore, Brazil's creditors will not win a dramatic, quick reversal of the debt policies enunciated by Funaro and Sarney himself.

What is likely to go out the window, however, is the fortitude with which Funaro defended Brazilian national sovereignty and his patient insistence on world-wide financial reforms which would permit debtor countries to grow. Funaro's principled stance on debt was mocked as "messianism" by the mouthpieces of international usury. The *Washington Post*, for instance, described him April 29 as a man "who promoted the moratorium in a fruitless effort to win new world lending mechanisms."

Bresser Pereira, in contrast, embodies the *pragmatism* celebrated by Brazil's elites, a quality which has helped Brazil become the AIDS capital of South America. Bresser comes out of the São Paulo business circles which helped bring down Funaro in order to press for an accommodation with international creditors. In an interview with the daily *O Estado de São Paulo* April 26, he gave a glimpse of his flexibility toward creditors. "We must make a plan very close to what the IMF recommends," Bresser said. "We now need to cool off growth to restore a trade surplus of around \$9 billion [this year] so that we can pay more or less 50% of the interest due on medium- and long-term loans from banks. I think the creditors would consider this percentage reasonable," he continued.

Bresser said that in order to rack up that kind of export performance, there would have to be some kind of big devaluation and Funaro's 7% economic growth target would have to be cut in half.

An international effort

Funaro's ouster came as no surprise: The Brazilian press has been proclaiming for weeks that he would be put out of office "soon after Easter."

Ever since President Sarney went on all channels of Brazilian TV last Feb. 20 with a powerfully clear declaration of moratorium on all medium- and long-term debts owed private banks abroad, the creditors have been striving to get rid of Funaro, whom they feared would stick to his guns and make Brazil, along with Alan García's Peru, the axis around which an Ibero-American creditors cartel could be built. Almost every week, another dirty operation to dislodge Funaro was launched. The most effective one was the ultimatum for Funaro's dismissal delivered April 7 by São Paulo Gov. Orestes Quércia. As documented in *EIR*, Quércia's gambit was apparently orchestrated by the U.S. State Department, including George Shultz's personal Brazilian criminal connections and by Charles Z. Wick of the U.S. Information Agency.

Another international maneuver was run through Argentine President Raúl Alfonsín. Alfonsín's envoy threatened bankers at the April 8-9 International Monetary Fund-World Bank interim meeting in Washington that he would join Brazil's moratorium if they did not give him token improvements on debt renegotiation conditions; they did. "He [Funaro] lost by our doing this Argentine deal. That was his last chance; it left him isolated," a senior U.S. banker told the *Wall Street Journal*.

Brazilian media, run by Brazil's powerful oligarchy, created confusion about the moratorium and then amplified a hundredfold every complaint against Funaro. If reality were determined by what one reads in the press, it was a daily miracle that Funaro remained in his post so long. Almost every Brazilian media pronounced that the only reasons Funaro remained was that PMDB president Ulysses Guimarães insisted upon it and that President Sarney was "loyal" to his friend Funaro.

Sarney resisted the pressures to fire Funaro, but he never lifted a finger against the easily identified authors of the attacks. It was notorious in the press that the "palace guard,"

headed by Sarney's son-in-law and personal secretary Jorge Murad, was the source of almost daily assaults on Funaro. Murad teamed up with Sarney adviser Rubens Ricupero—who worked diligently behind the scenes to keep Brazil internationally isolated—and they brought young economists inspired by IMF monetarist gnome Alexandre Kafka into the palace in March to discuss alternatives to Funaro and then filled the headlines for a week with scandal stories about an “alternative economic plan.”

Murad caused the ultimate embarrassment to Sarney on the day of Funaro's resignation, by inducing the President to call in Citicorp's candidate for finance minister. On April 27, Tasso Jereissati, the 37-year-old governor of the northeastern state of Ceara, arrived at the palace, accepted being finance minister and accepted the staff which Murad had assembled for him: Kafka's economists, André Lara Resende and Persio Arida, to make policy, and Miguel Ethel to implement it. Ethel was the best man (“godfather” in Portuguese) at Murad's wedding to Sarney's ambitious daughter Rosana, and was promoted for the job by Citicorp international director Mario Simonsen. Simonsen was Brazil's planning and finance minister in the 1970s; and he still holds the dubious honor of having increased Brazil's foreign debt faster than any other minister.

The Citibank gambit blew up in the President's face, as will any other effort to impose IMF-style policies on Brazil. PMDB party chiefs found out about the plan, vetoed it, and delivered to the presidential palace a short list of acceptable finance ministers. One of the two names on it was Bresser Pereira, who had cultivated his image as what he calls a PMDB “social democrat” for the past decade.

After this widely reported incident, it is not surprising that Sarney feared to appear at the next day's press conference.

Brazil still can't pay

Brazil's creditors are celebrating their recovery of some leverage over Brazil, just as their entire dollar system breaks out of control. Brazil itself will not be able to pay more than half of its interest bill, even if the PMDB were to accept Bresser's program for sacrificing domestic economic growth and real wages for the sake of export promotion.

PMDB Sen. Albano Franco countered Bresser on April 28 by stating that the new finance minister's 3% economic growth target was “excessively low.” The senator, who is also president of the powerful National Confederation of Industries (CNI), observed, “Three percent would be achieved solely with the growth of agricultural production, with the record harvest, meaning almost zero growth for industry.”

Franco offered Funaro a job as president of the CNI's Economic and Social Policy Council; and Funaro accepted. Funaro will keep his team of policymakers together as a counterpole to Bresser's policies, the daily *Gazeta Mercantil* reports. The debt policies Funaro designed are the policies of

the PMDB, its president Ulysses Guimarães repeatedly states. A united Funaro group orienting the PMDB would prove a potent obstacle toward changing those policies.

In his last press conference as minister April 27, Funaro showed he was ready to keep fighting, and would not be trapped into “lower sentiments” like resentments, when his country was at stake. He pledged, “I will continue debating our country's problems in every corner of my country.” He analyzed his ouster: “I want to say that I fought hard for changes in Brazil. And you know that I fought hard to change

Brazil's creditors are celebrating their recovery of some leverage over Brazil, just as their entire dollar system breaks out of control.

relations between rich and poor in Brazil. The changes are not easy because those who enjoy privileges and benefits try to hold on to them; and most of the time, the have-nots, lack communications power held by the most privileged.” He lamented, once again, that Brazil is “a nation of impunity” for crimes committed by the oligarchy.

A few days before he was toppled, Funaro dared to challenge the financial oligarchy, which has controlled Brazil's economy for centuries, with few interruptions. Funaro announced that the days of usury inside Brazil were over. The banks would not be able to continue extorting from their borrowers interest levels 10-50% above the interest they paid depositors. The government limited large banks to spreads of 4% and small banks to 5%. At the same time it reduced debt burdens for farmers and small businessmen and provided credit to state governments. The bankers went wild, threatening to do their lending only under the counter.

Finance Minister Bresser Pereira gives lip service to “controlling bank commissions.” But he joins Brazil's foreign creditors in wanting high internal interest rates. “The domestic interest rate cannot be very low, or you will have flight capital,” Bresser Pereira told *O Estado*.

President Sarney is now weaker than ever. Leaders of his PMDB party, such as House Majority Leader Luis Henrique, who fought off efforts from radicals of the left and right for immediate direct elections for a new president, are now considering the idea. The PMDB-dominated Constituent Assembly has the power to decide the question. If Sarney rushes to please creditors by accepting austerity programs and giveaways of Brazilian assets along the lines sought by the IMF and the World Bank, his presidency could well abort. In any event, the Brazilian situation remains volatile.

Does Helmut Schmidt really want to back Manuel Ulloa?

by Gretchen Small

Preparing the overthrow of Peru's President Alan García, was a major agenda item at former West German Chancellor Helmut Schmidt's Inter-Action Council meeting in Malaysia April 19-21. This was announced by a participant in the meeting, former Peruvian Prime Minister Manuel Ulloa, on April 26 in his weekly column in his Lima paper, *Expreso*. We in Kuala Lumpur have reached a "consensus" that Latin America's debt crisis is the "most dangerous" in the world today, because, while the debt problems of countries such as Nigeria or the Philippines are serious, their problems affect only themselves, and do not threaten to take on "demogogic" overtones, nor become a regional issue, Ulloa wrote.

Peruvian President García's debt policies are based on an "illegal juridical framework," Ulloa declared, while his internal policies are leading to economic dictatorship. The coup threat followed. "Why copy the model of the seven-year-term [of nationalist Gen. Juan Alvarado Velasco], which brought the country to disaster and which forced a military intervention in 1975 to bring about a total change in economic program?" Ulloa asked.

Ulloa, a former Wall Street banker who owes his business career to J. Peter Grace's family company, was a key player in the preparations for the overthrow of Velasco, a coup run by then-Secretary of State Henry Kissinger, with the support of Cuba's Fidel Castro.

Was this the consensus adopted by the Inter-Action Council? It joins together some 70 "former dignitaries"—including such Project Democracy operatives as the Democratic Party's Robert Strauss, together with Socialist International leaders and a couple of Soviet representatives. The announcement that, at that same Malaysia meeting, Ulloa was named president of the Council's new International Debt Commission indicates not only that such was the consensus adopted in Malaysia, but that Ulloa was handed increased international backing for his anti-García campaign.

The striking silence in the United States during the April 2-4 Air Force rebellion against García gave the first warning that a new phase of overt warfare against the García government has been decided upon by the bankers. Not only did Washington remain silent, but the news of the rebellion itself was blacked out of the American press. The contrast with the

hourly State Department statements of support for Argentine President Raul Alfonsín when a military grouping rebelled there only 10 days after the Peruvian rebellion, speaks volumes.

Alfonsín's government has been Project Democracy's special project in the region, turning "democracy" into a weapon to impose ever-harsher International Monetary Fund programs. By contrast, the danger posed by García's nationalist government to Project Democracy's plans to institute a kind of corporatist "bankers socialism," only grows as the international economic collapse worsens.

Ulloa returns

Immediately after the aborted Air Force rebellion, Ulloa returned to Peru, after a several month trip to Europe and the United States. Not only did he now sport Yugoslav Princess Elizabeth as his new wife, but he immediately launched into repeated public diatribes against García's debt policies as "demogogic" and short-sighted, threatening to isolate Peru from world markets in the long run. While Ulloa and García had been declared political enemies for years, until his return Ulloa had maintained a public posture of support for García.

Ulloa's spouting of the "economic dictatorship" line identifies the Project Democracy hand behind the threats to overthrow García. That is the line championed with increasing vociferousness by Lima's Liberty and Democracy Institute (ILD), the leading institution financed by Project Democracy's U.S. National Endowment for Democracy. Advocates of untrammelled liberal economics, the ILD demands that the "black economy" be legalized, a program which has been denounced around the continent as a scarcely disguised call for legalization of the narcotics trade. The tremendous publicity and promotion given the ILD around the continent by Project Democracy, has helped catapult the ILD into the leadership of a growing "new right" movement in Peru, which aims to replace García with some form of a corporatist state.

Speaking before a conference of the Peruvian Institute for Business Administration (IPAE), ILD ideologue Jurgen Schultz threatened that if García does not reverse his "economic dictatorship," the opposition is prepared to unleash "the other *sendero*" against the government. The ILD named its

most recent book, *The Other Path*. The name of Peru's worst terrorist group is Shining Path. Therefore, the ILD's threat was clear enough.

The decision to use Ulloa to head up an international campaign against García's debt policies—particularly any campaign to call them “illegal”—is, however, the weakest flank in Project Democracy's schemings. The way things are going inside Peru, Helmut Schmidt and his Project Democracy friends may soon find themselves with a convicted criminal as the head of the Inter-Action Council's International Debt Commission!

Even as he was meeting with his co-conspirators in Malaysia, Ulloa was the central subject of a congressional investigation into charges that he and Carlos Rodríguez Pastor, a top Wells Fargo executive who succeeded him as economics minister in 1983, willfully defrauded the nation of some \$200 million, in a scheme cooked up between the leading U.S. and European banks, their local banking buddies, and the implicated government officials. The investigatory committee established by the Chamber of Deputies has announced it will release its findings by May 15. If judged guilty, Peru's Congress will vote to lift the parliamentary immunity which Ulloa now enjoys as a senator, so that he can face criminal prosecution in the courts.

The case stems back to the 1983 collapse of the Commercial Bnk of Peru, known as Bancoper. Bancoper was one of Peru's largest banks, and its president, Luis Bertello, was a former president of the National Banking Association. As London's *Latin American Newsletter* pointed out when Bertello fled Peru in 1983 after he was charged with fraud and banking mispractices, Bertello was a “blue-eyed establishment boy,” sitting at the top of local private banking oligarchy.

The case is simple: Bertello's bank failed, due to a combination of political intrigues, and bad banking practices. Specifically, Bancoper took out foreign loans, and lent most of the money to companies owned by Bancoper's president, i.e., the Bertello Group. Many of those companies, in turn, were shells, only existing on paper as vehicles for speculation and capital flight. In the fall of 1982, Economics Minister Ulloa met with Bertello, local bankers, and Central Reserve Bank officials, to propose that a consortium of local and state banks, and the government be formed to bail out Bancoper. The consortium was formed, and some several hundreds of millions of dollars was pumped into the bank. Shortly thereafter, however, Bancoper declared bankruptcy, Bertello and more than a dozen top bank officials fled the country (some say, with their suitcases full of money), and the government which had guaranteed the whole deal, was left holding the bag.

Last fall, Costa Rica agreed to extradite Bertello to face trial in Peru for his role in the bank's collapse. Despite his best efforts to argue that a man of his social standing should not be obliged to sit in jail, Bertello is still currently in jail awaiting trial.

Ulloa's role

Ulloa's role in the matter came back to the fore on April 9, when Peru's Supreme Court published its decision, that the state's Banco de la Nación, must pay back to the private banks their share of participation in the bail-out consortium, because the government had guaranteed the loans—plus interest earned since 1983! On April 11, the Banco de la Nación published an advertisement in newspapers throughout the country, announcing that it had been forced to guarantee the consortium “as a political decision by the economics ministers of the last government,” that is, Manuel Ulloa and Rodríguez Pastor, who replaced Ulloa in January 1983. Further, those same ministers had forced the state bank to deposit over 30 million soles to bailout Bancoper. “The Banco de la Nación requests of the political authorities that the pertinent responsibilities be established, and for the good of the democratic health of the country, the corresponding sanctions be applied against those who did not know how to protect the economic interests of the state and Peru,” the ad stated. The decision to request action followed a meeting between Economics Minister Luis Alva Castro, Justice Minister Carlos Blancas, Attorney General José Ignacio Tello, and the Executive director of the National Bank, Adan Seminario, they reported. The congressional investigatory committee was immediately established.

Ulloa called a press conference on April 14 to deny any wrongdoing and charge that officials of this government had done the same thing, and were merely trying to cover up for the failure of their own economic policy. Thinking blackmail could call off the hounds, Ulloa declared, “We had not wanted to enter into this ground, but they have obliged us to do so. The investigations will begin, and will continue until those who fall, fall.” He promised to comply fully with the investigation, but then promptly flew off to Malaysia, from whence he sent a telegram announcing that his new responsibilities on the International Debt Commission obliged him to postpone his testimony!

The jet set's frog prince

During his absence, increasing evidence of the bank fraud emerged. Ulloa justified his bailout, on the basis that the “savings” and small stockholders of the Peruvian people had to be defended. But Humberto Cino, president of the minority stockholders, testified to the congressional committee that the majority of the original 30 billion soles was used to pay off Bancoper's foreign creditors—even though those loans were not guaranteed by the state. Wells Fargo Bank, for whom Rodríguez Pastor worked before and after serving as economics minister, received a quarter of the money, he stated, a fact which investigators in Miami could quickly prove.

Economics Minister Luis Alva Castro, and Central Bank head Leonel Figueroa reported that Ulloa had lied in his press conference—and they had the documents to prove it. National Bank official Seminario testified that Ulloa, personally,

had ordered the operation.

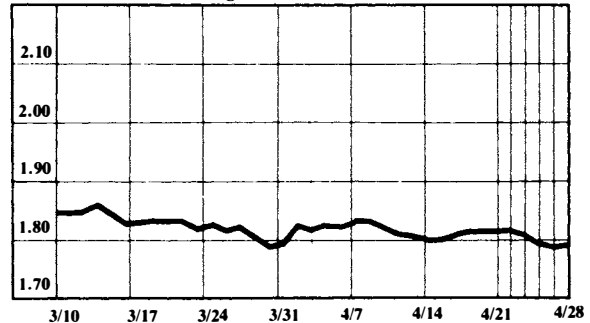
The local press began calling Ulloa "the frog prince," after his latest wife announced to the press that marrying Ulloa was like the fairy tale; she kissed a frog, and he became a prince! A "Wanted—For Defrauding the Nation" poster for Ulloa, published by *Solidarid Iberoamericana*, the newspaper of the Peruvian Labor Party, has been sought all over Lima.

Returning from Malaysia April 28, Ulloa gave a press conference announcing that his lawyers were preparing suits against those who had "defamed" his "name and his family." But as Lima's *El Popular* reminded its readers that day, when Ulloa sued the Peruvian Anti-Drug Coalition last year for slander, Ulloa lost both the suit, and his appeal. The courts ruled that it was not slander to state that Ulloa's economic policies had fostered the growth of the drug trade in Peru.

Currency Rates

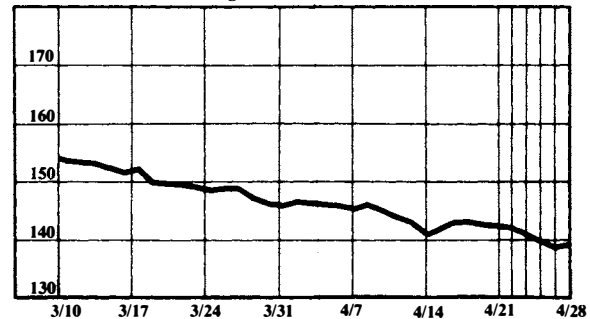
The dollar in deutschemarks

New York late afternoon fixing



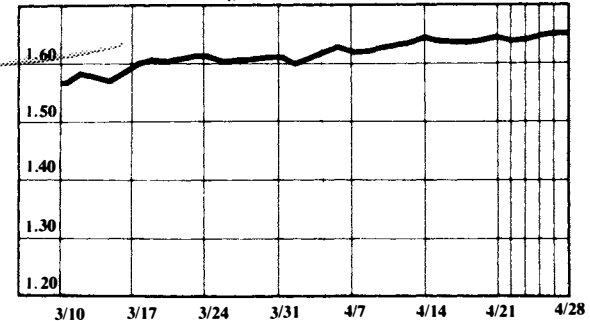
The dollar in yen

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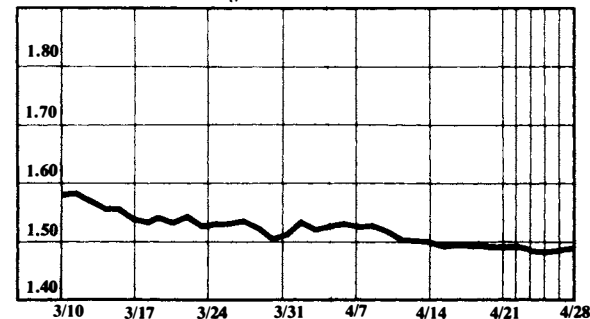
The British pound in dollars

New York late afternoon fixing



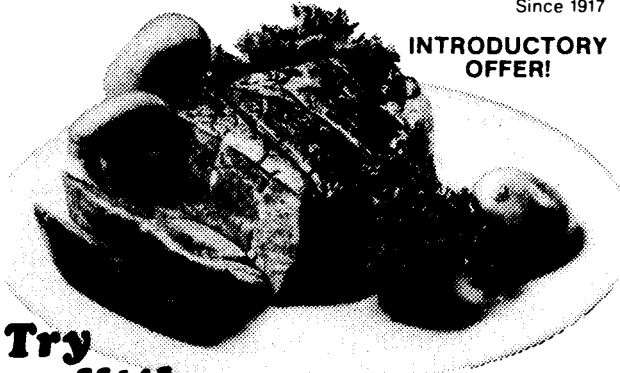
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AIDS is triggering a new TB epidemic

by Jonathan Tennenbaum

Tuberculosis, the “killer of the 19th century,” is returning to ravage the cities and towns of America, in what threatens to become the greatest epidemic of that disease in any advanced-sector country in the postwar period. After declining steadily into the early 1980s, the number of new TB cases failed to decline in 1985, and actually increased by 3% nationwide in the course of 1986. Now reports are coming of explosive outbreaks of this classical, aerosol-spread lung disease, in New York and other major cities of the United States. In New York alone, TB cases increased by more than 20% in 1986.

A computer model of the interaction between AIDS and the spread of other infectious diseases, developed last January at the request of U.S. presidential candidate Lyndon LaRouche, explains exactly why tuberculosis is spreading out of control at this time.

TB is a disease classically associated with weakening of immune systems. Typically, a person infected with the TB bacillus carries the microbe in their lungs in an “inactive state.” The TB bacilli are “walled in” by the host’s immune system, and can remain so for an entire lifetime. However, if for some reason the individual’s immune system is weakened, then the bacillus can break out of control, leading to potentially fatal destruction of lung tissue and sometimes of other organs. In this acute phase, TB becomes infectious, spreading especially rapidly in areas of overcrowding and poor hygiene.

Thanks to vigorous public health measures going back more than a century, and thanks to the development of antibiotics, tuberculosis was on the way toward being totally wiped out in the United States and Western Europe. Whereas more than 70% of the population in urban areas of Europe at the turn of the century were already infected by the time they reached adolescence, in those areas today, even inactive TB is only found in a few percent of mostly elderly persons. A similar situation prevailed in the United States, until recently. Now, AIDS and the effects of economic collapse threaten to generate a holocaust of TB in America’s major cities.

By progressively destroying the immune system of its

victim, AIDS serves as the ideal “detonator” for TB in any individual already infected with the TB bacillus. Although still a small fraction of Americans are inactive carriers, medical reports from around the country already cite TB as a common “opportunistic infection” among AIDS victims. In numerous cases, acute TB is actually the *first indication* of AIDS infection.

The author’s AIDS modeling group in Wiesbaden, West Germany considered four types of interactions between AIDS and TB:

(i) The weakening of immune defenses of an inactive TB carrier, by the effects of the AIDS virus, will activate the TB bacillus and lead to acute TB.

(ii) Like all diseases which stress the immune system, TB will accelerate the progression toward full-blown AIDS in a person infected with the AIDS virus.

(iii) An AIDS-infected individual suffering from active TB, may become *highly infectious* for AIDS. The lesions caused by TB in the lungs provide favorable sites for large quantities of AIDS virus and AIDS-infected immune system cells to escape from the body. Infectious material coughed into the air by such an individual, if inhaled by another person, might infect that person through the macrophage cells which line the lungs and are “targets” for the AIDS virus.

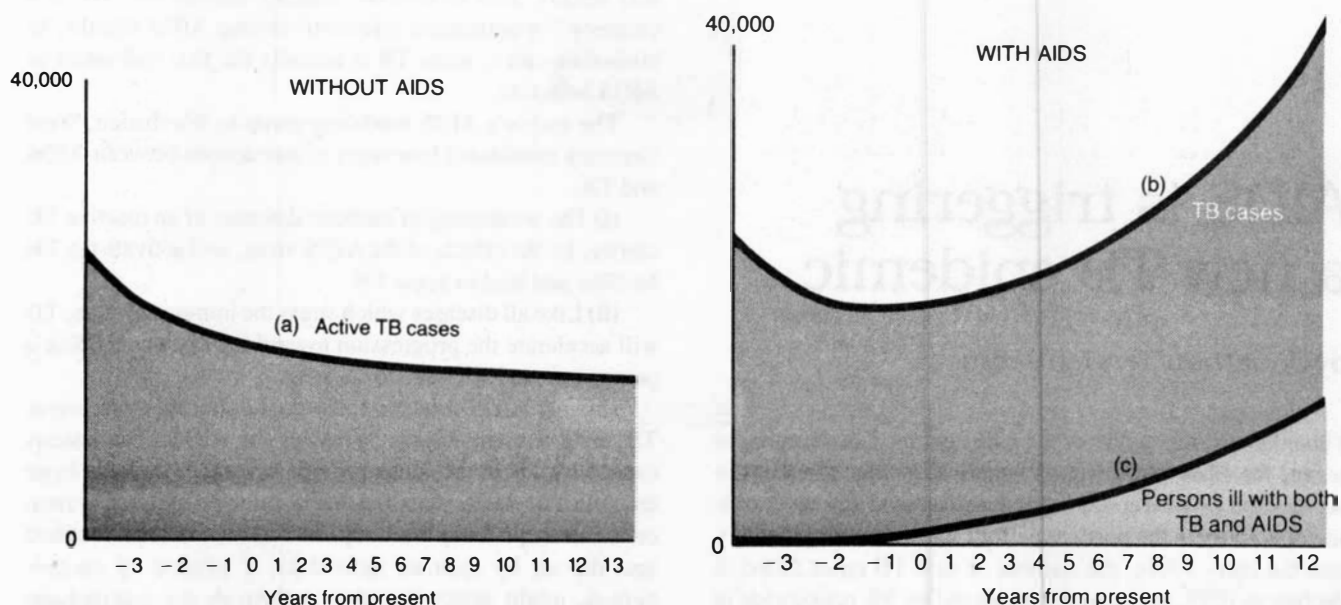
(iv) An individual suffering from both AIDS and TB may also be extraordinarily infectious for TB, due to the abnormally high amounts of TB bacillus produced in an immune-suppressed individual.

Of these factors, (i) and (ii) are already borne out by clinical evidence, while (iii) and (iv) are highly plausible, but not yet documented. It is quite significant that the leading French AIDS researcher, Luc Montagnier, pointed to exactly these mutually-amplifying interactions of AIDS and TB in an interview in the March 15 issue of *Journal International de Médecine*. Montagnier said, “In Africa, tuberculosis can promote AIDS infection, which in turn accelerates the tuberculosis. . . . TB suppresses the cellular immune reaction and accelerates the spread of the AIDS virus.”

Figure 1 shows the results of a computer model-run which simulated only the impact of factor (i) alone—detonation of TB by AIDS—for the United States. The first curve (a) shows an extrapolation into the future of the downward tendency of new TB cases, based on the 6.7% per year decrease prevailing during the early 1980s. In other words, the effect of AIDS is omitted. Curve (b) shows the projected impact of the AIDS epidemic on new TB cases, in terms of interaction (i) above. This takes into account, of course, the fact that persons contracting active TB will spread the TB bacillus to others. We see exactly the trend now being observed: TB cases begin to rise again in 1986, and continue growing out of control into the 1990s. Curve (c) represents the projected number of persons contracting both TB and AIDS.

This computer projection is highly conservative for a number of reasons. In calculating the spread of TB, a constant

FIGURE 1
Detonation of TB by AIDS



level of health care, nutrition, and living standard is assumed, corresponding to that prevailing in the 1970s. With adequate medical care, for example, acute TB cases are usually discovered early, and antibiotics are immediately administered which render the patient no longer infectious to others. Unfortunately, the level of medical care has collapsed catastrophically in many areas of the United States, including overcrowded "inner city" areas where the danger of TB spread is especially acute. There, it is common to find open TB cases roaming the streets, and we find the same kinds of conditions which prevailed in European cities in the 19th-century, when TB was the major cause of death in the population. Only the low prevalence of TB infection in the United States today, as compared with 19th century Europe, has prevented an otherwise overdue TB epidemic in the United States so far.

What our preliminary, highly conservative computer projections demonstrate, is that AIDS will act as a "detonator" in this explosive situation, transforming the potential for a major TB epidemic into a combined holocaust of TB and AIDS.

The implications for developing countries are even more devastating: an estimated 50% of the world's population are carriers of the TB bacillus. Only a full scale War on Disease, including immediate measures to improve housing and nutrition worldwide, can save humanity from the growing avalanche of multiple epidemics which AIDS is now setting into motion.

Author's note: Details of the AIDS-TB model are provided in a major article originally scheduled to appear in the Fusion Energy Foundation's magazine, *Fusion*. Unfortunately, publication of the relevant issue of *Fusion* has been

banned by the U.S. government as part of a blatantly unconstitutional move to shut down the FEF and other organizations associated with Lyndon LaRouche.



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AIDS holocaust enveloping Africa

The rate of infection and illness has now reached such proportions, that the very survival of Africa is threatened.

Exactly as *EIR* and leading AIDS authorities such as Dr. John Seale, insisted over two years ago, a full-blown AIDS holocaust is now enveloping the African continent.

According to the German review *AIDS Forschung*, AIDS is killing increasing numbers of children and pregnant women in Africa. The article, by a specialist who wishes to remain anonymous, presents the following picture: "It is a not-unreasonable worst prediction that 70% seropositivity in all sexually active adults could be reached in Africa in the next decade. At that rate of seropositivity, progression among the sexually active males will be 7% to AIDS related complex (ARC) and 0.7% to AIDS per annum; for fertile women 30% to AIDS within a five year period; and for infants 24% to AIDS within two years of birth with another 24% infected with the virus. These predicted figures are appalling, but are all supported by our present knowledge of the progress of the epidemic and the development of the disease in men, pregnant women, and neonates."

The author goes on: "[Infant] mortality of 55% before reproductive age is in excess of what can be replaced by the apparent maximum female fertility and the population will decline. It is predicted that AIDS will increase both infant and childhood mortality beyond this critical level and also drastically reduce female fertility. . . . We are still only at the beginning of this disastrous epidemic in Africa. Africa today foretells the future of all other continents, unless there is

an effective worldwide strategy for prevention."

In Uganda, where 10% of the population—1.4 million people—are already infected with HIV, the situation was described in a March 21 article in the London *Economist*. "Almost every adult in Kampala will have the AIDS virus within ten years. It is estimated that 16,000 people in Kampala are already infected, but this is not even the worst-hit area in Uganda. In the area of the South-West, bordering Burundi, Rwanda, Eastern Zaire, and Tanzania, one-third of the people are already infected."

A previous article in the *Guardian* of Feb. 4 described the situation in Uganda "The situation is bad, very bad," one doctor from Kyoterra is quoted. "At the beginning it used to be a young man's disease, but now it is no longer age specific. My landlord has lost four people in the last year, three brothers and a nephew. People have stopped working. Their job is burying every day." Dr. Wilson Carswell, working at a hospital at Mulago, stated: "Next year we'll see the apocalypse. Come back to Kampala then. . . ."

The problem of getting accurate information is typified by Zaire, one of the epicenters of the Central African "AIDS belt." While some researchers estimate that 30-40% of the population is infected, according to the Feb. 14 *Süddeutsche Zeitung*, Zaire does not report its AIDS cases to the WHO. At one large hospital in Kinshasa, AIDS patients are discharged immediately after diagnosis, and beds

are given to other patients who may recover, according to the "Panos" Report "AIDS and the Third World."

Yet the government of Zaire was one of the first African governments to react in terms of research. A three-year-old program, called "Project SIDA," is based in Kinshasa and staffed by 15 Zairian, European, and American doctors and 15 Zairian technicians. The research, which started in 1984, is largely financed by U.S. sources, the Centers for Disease Control (CDC), and the National Institutes of Health. According to Dr. Robert W. Ryder, the American director of the project, the project can follow thousands of AIDS victims—which would be difficult and prohibitively expensive in the United States—because of low labor costs in Zaire.

The project is looking at three study groups: AIDS carriers, AIDS carriers who are pregnant, and couples in which one partner has AIDS and the other does not. The team hopes to detect the risk factors that cause a healthy carrier to come down with the disease. "According to some theories, a little syphilis or a little gonorrhea can activate the virus," Dr. Ryder said. He hopes to announce preliminary results at the Third International Conference on AIDS to be held in Washington, D.C. at the beginning of June.

While this sort of research is a useful start, it is quite obvious from the extent of the problem that any useful results will be too little, too late unless a massive crash program is rapidly implemented in the area of general public health and sanitation in Africa and in the United States. Since the 10% level of infection of the population of New York City, reported by health commissioner Dr. Steven Joseph, approximates that of countries such as Uganda, Dr. Carswell's apocalyptic predictions for Uganda may have somewhat wider applicability.

U.S. farms being 'de-energized'

The decline in inputs per acre will reduce the population potential of the United States—and the world.

There will be significant reductions in crop planting in the United States this summer, due to the farmers' inability to get credit, the deliberate government policy to cut output, and the mass rate of farm failures. Less obvious is the decline of energy inputs per acre that is taking place. This "de-energizing" constitutes a degradation of agriculture that will reduce population potential for the United States, and for large parts of the world.

Federal commodity programs call for an acreage reduction of 20% for feedgrains (plus an additional 15% for corn), 35% for rice, 27.5% for wheat, and 25% for cotton. The March 31 USDA crop projections estimated that 17% fewer acres of corn will be planted than last year—but this is a low estimate. In 1986, there were reportedly 76.7 million acres of corn planted. This year there will be less than 65.6 million acres. Perhaps 10% fewer acres of soybeans will be planted this year than last. In 1986, there were an estimated 61.5 million acres. This year there may be 58 million.

This scale of acreage reduction ensures that there will be reductions in farm use of fertilizers, pesticides, fuel, and other inputs. However, to cut costs, farmers are also cutting out the level of inputs on the land that they are cultivating, because they do not have the funds to farm at the higher energy-levels (of tillage, pest controls, crop preservation, and other methods) they would prefer. The following is a survey of the decline in categories of farm inputs, as reported by the U.S. Department of Agriculture, Economic Research Service.

U.S. fertilizer use will decline from June 1986, to June 1987, by at least 5%, following a 10% drop the year before. Nitrogen, phosphate, and potash use are projected at 10, 3.9, and 4.8 million tons, respectively. Fertilizer prices this spring may still average 10% lower than last year, but it won't matter to farmers who can't afford them, or who are not farming anymore.

Domestic pesticide supplies are down 4%—in line with falling use. Farm pesticide use in 1987 will range from 405 to 445 million pounds of active ingredient, compared with 475 million pounds last year.

Large quantities of grain in storage are becoming unusable due to the lack of proper conditions. The banning of ethylenedibromide (EDB) in recent years, has meant that the density of pests has practically gone out of control. Experts report that as of April 1987, the level of infestation in midwestern facilities is at rates never before seen. Wisconsin Power Co. has a pilot program to burn corn, along with coal, because so much grain has become unusable. Irradiation of grain-for-storage would solve the problem, and provide wholesome grain reserves for the entire world, but the method has not been applied.

Expenditures for new and used farm machinery in 1986 dropped by 25%, from \$5.6 billion down to \$4.5 billion. In September 1986, national inventories of over-100 horsepower two-wheel drive and four-wheel drive tractors, and of self-propelled combines fell 3%, 33%, and 30%, respectively, from year earlier levels.

Farm fuel expenditures are dropping. Farm fuel use fell 4% in 1986, and will likely fall a similar amount in 1987. The dollar value of the decline last year was \$1.4 billion.

Overall, what these statistics show is that the energy throughput per acre of U.S. farmland is being drastically cut back. Millions of acres are going out of cultivation, and back into grass, or weeds and brush. Past *EIR* studies have documented that in the case of corn acreage, for example, the increasing yields per acre over the last 150 years correlate measurably with the increase in energy applied per acre in successive phases of the "Agriculture Revolution."

First, there was a switch from draft animals to internal combustion driven equipment, to allow for timely tillage and harvesting. Then there was the chemical revolution, which provided soil nutrients and pesticides. Genetic research provided improved seeds and high yield hybrids.

The agriculture revolution-to-come will permit the use of man-directed energy to enhance photosynthesis at the molecular level.

However, the current degradation of farming in the United States is preventing new developments, and subverting past achievements. In the face of the known disastrous consequences of these federal farm policies, both the USDA and private channels have stepped up their propaganda about "small farms" and non-chemical organic farming, to help farmers "adjust" to "alternative" agriculture. The USDA has set up a new office for "Small Farms." The USDA library in Beltsville, Maryland—the world's largest agriculture library—has created an information retrieval system to serve the perceived new requirement for "alternative agriculture" information.

Will Japan bail out the Euromarkets?

The U.S. pressure for "opening of markets" hopes to hook a siphon into Japanese markets.

Japan's bitter resistance to the American call for the "opening of its financial markets" is less than surprising, considering the intent of the proposal.

According to Washington consultant Richard Medley, who organized a congressional visit to Japan early in April, the object is to siphon the monetary excess from the Tokyo financial market into offshore markets.

The delegation was headed by Senate Banking Committee ranking Republican, Jake Garn of Utah.

Japanese investors put \$100 billion into the U.S. securities markets during 1986, but at their own discretion.

Although the Japanese lost massively on dollar investments, through the American currency's devaluation, the government of Prime Minister Nakasone encouraged such investments, as a means of buying America's continued support for Japan's strategic defense.

Now the United States is demanding much more: that the Japanese run an extremely loose monetary policy, and permit American firms to borrow the excess at will on the Tokyo market, and invest it in American securities.

All the talk about "trade in services," i.e., letting Merrill Lynch earn brokerage fees to compensate for Chrysler's import-payments for compact cars, has nothing to do with the grim urgency with which the U.S. Reagan administration, and congressional visitors such as Senator Garn

and Rep. Charles Schumer (D-N.Y.), are pushing for the "opening."

As matters stand, the Japanese will not loosen monetary policy, because they already fear the result of the Tokyo stocks and real-estate bubble.

Opening the market will make it easier for money to flow out, in other words, into the Euromarket, and make it easier for the Japanese to expand their own money supply, Medley explains.

The Tokyo stock market, where some price-earnings ratios have risen to the incredible level of 1,000, has already experienced wild swings; after falling by a record 850 points on the Tokyo Dow-Jones Index, panic selling on April 28 caused the Tokyo market to lose over 1,000 points.

The market stabilized later that day, and closed down only 182.55 points at 22,889.86.

A projected crash of the Tokyo market has been cited frequently by financial commentators as a potential detonator for a crash of the financial system in general.

However, the prospect of opening its well-protected banking system to the U.S. international banks and brokerage houses runs precisely counter to Japan's attempt to stabilize its own financial institutions.

Japan is unlikely to agree to anything more than such symbolic gestures as permitting foreigners more seats on the Tokyo stock exchange. On the contrary, Japanese banks have been taking measures to insulate themselves from threatened financial chaos since last December, when they

began to unload so-called perpetual floating-rate notes, i.e., the undated paper issued by British and American commercial banks.

The Japanese have disengaged from their previous role as buyer of last resort of other banks' paper; their withdrawal from the market led to the virtual freezing of the entire \$200 billion market in floating-rate notes.

Subsequently, Japanese banks created an offshore corporation, frankly described as a "trash can" in some bankers' press statements, to offload their loans to developing nations, following the write-off of uncollectible Third World debts by the Swiss and other European banks.

Medley concedes that "there is enormous resistance in the bureaucracy," including "deeply ingrained monetarist sentiment at the middle-level of the bureaucracy." In short, the Japanese don't want to print money.

Asked about Japanese fears of increasing the offshore exposure of their banking system, he added, "Yes, the currents do run counter to each other."

It appears that the Japanese want to retain political control over their own financial system. Medley adds that the plan offered by Japan's former Foreign Minister Shintaro Abe, during his recent Washington visit, to provide \$30 billion in aid to developing nations over three years, is "not altruistic."

"The Japanese want to secure their Asian and also their Latin American markets. They don't have to put any strings on the aid. If they go in there and say, 'Here's a billion dollars, enjoy it,' and then their trading companies go in to make a sale the next day, what do you think the Brazilians are going to do?"

"Obviously, they want to make sure the Japanese will put another \$1 billion in next year."

Business Briefs

Development

Japan offers Filipinos loans for real growth

The Export-Import Bank of Japan April 27 offered the Philippines a large loan, on conditions directly opposite to those of the World Bank and International Monetary Fund. The money must be used for development of the physical economy.

The \$300 million loan offer requires that the funds be used for specific development projects, and not for budget support or what the IMF and World Bank are fond of calling "structural adjustment" in the economy—i.e., austerity.

According to London's *Financial Times*, Philippine Finance Minister Jaime Ongpin had wanted the Japanese loan to be used, along with a \$300 million loan from the World Bank obtained last month, to support the Philippine government budget.

Precious Metals

Peru and Mexico coordinate on silver

The heads of the Peruvian and Mexican central banks met in Lima April 24 to coordinate their actions on silver. The countries are leading world producers.

Mexico intends to diversify use of silver and use it to back up the issuance of currency and treasury bonds. Peru will suspend overseas sales, but offer silver freely in the country to stimulate domestic savings.

Silver prices continue to rise on international markets and are now at \$9.45 an ounce.

Peruvian President Alan García says that if the price merely stays at that level, in a year Peru will have saved \$240 million, the equivalent of what Peru has spent in the last three years for imports of wheat.

García also stated that the suspension of foreign sales of silver was a "sovereign and anti-imperialist decision similar to that adopted two years ago on the foreign debt," and shows "how a small country with a nationalist vocation, and in defense of its in-

terests, can generate movements in the international markets. If a country submissively and silently accepts the laws of the world market, it will be enslaved by that market, and sell cheaply the effort and sweat of its workers; but if, in a nationalist and Latin American manner, it imposes conditions, it can make the work of its citizens worth more in the world."

He warned that Peru has the means at its disposal to counteract any effort by the OECD nations to manipulate the price back down.

Trade War

Baker stays home for Nakasone

Treasury Secretary James Baker cancelled his scheduled trip to Australia at the end of April because of "pressing business" at home, presumably the visit of Japanese Prime Minister Yasuhiro Nakasone, according to Reuters April 26.

The wire service quotes an unnamed Treasury Department spokesman, who said: "I would not draw any conclusion from the cancellation. . . . I would just say it's the press of business." He said that that Nakasone was "part of the press of business," but denied that the cancellation was linked to current turmoil on financial markets.

Baker was to have left for Australia April 30 and returned May 6 on what was described as a "purely ceremonial" trip.

The Debt Bomb

Journal admits Vatican role in crisis

The *Wall Street Journal* editorialized, seemingly favorably, on the Vatican's late January statement on the debt of developing nations, saying the document an "immediate effect on public policy."

Says the *Journal*: "The statement by the Pontifical Commission for Justice and Peace proposes measures aimed at 'relaunching

growth' and reducing protectionism." It quotes the Vatican document: "Improved growth rates will make it possible to meet foreign debt commitments"; "the creation of wealth is to be encouraged in order to ensure a broader and more just distribution among all."

"There are interventionist arguments in the essay with which one might seriously disagree," the *Journal* continues, "but to cite them would miss the statement's real significance. The point is that the Vatican has decided to join the real debate. . . . This statement makes it clear that the Vatican and the U.S. Conference of Catholic Bishops are walking different paths on the role and purpose of economics. . . . It's clear that the professional staff producing ideas and congressional testimony for the U.S. bishops is working from a model committed to government-led redistributions of economic wealth."

The *Journal* then makes the curious claim: "The Vatican's staff . . . is moving toward the center, trying to integrate its goals with the obvious success of market-based economies."

"The importance of the Vatican's new emphasis could be considerable. Many heavily-indebted countries—Argentina, Brazil, Chile, Mexico, the Philippines—have large Catholic populations whose bishops play leading roles in forming attitudes toward public policy. . . . John Paul is now preaching something different [than 19th-century socialism]. Instead of a hindrance to economic progress, it sounds helpful."

Public Health

U.S.S.R. launches mass AIDS testing

Some 105 cities in the Soviet Union have set up laboratories with special equipment to test for AIDS, and 300 such test centers are planned by 1990, according to a *Financial Times* correspondent, reporting from Moscow April 26.

He quotes from the Soviet medical weekly, *Medizinskaya Gazeta*, in which Russia's Dr. Khlyabich, deputy health minister, admits that many Soviet leaders are

worried that their country's endemic lack of disposable syringes adds to the risk of catching AIDS.

"It is not unknown for Westerners seeking blood tests at Moscow hospitals to take their own disposable syringes with them, only to have them pocketed by the doctor who uses the re-usable kind on them," says the *Financial Times*.

Disease

AIDS scare hits Mexico

Panic over the spread of AIDS is beginning to spread in Mexico. Among the items recently reported by wire services are:

- The two leading mid-day newspapers in Mexico City devoted their lead headlines: "AIDS: CNC [National Peasant Confederation] demands clinical exams of Simpson-Mazzoli deportees," and "AIDS is already corrupting us. Mexico is on the high-risk line."

- *El Sol de Mexico* says health officials are maintaining total secrecy about rumors of 718 cases of AIDS in the vast, densely-populated Nezahualcoyotl section of Mexico City: "Leaving aside contagion from homosexuality, AIDS can present itself through manicurists, barbers, hair stylists, acupuncture, ear piercing, etc., . . . improperly sterilized dentists instruments, as well as vaginal and nasal secretions, throat infections, sweat, saliva, and maternal milk."

- The health director of the notorious Acapulco jet-set resort on Mexico's Pacific Coast has declared that the town is AIDS-free—but hasn't been able to convince anyone of that unlikely fact.

Comecon

Soviets unhappy with economic results

Soviet leaders have been expressing their displeasure with the economy's poor performance so far this year.

The April 26 *Pravda* carried a lead article with statistics, released April 24 by the Central Statistical Board, showing a very poor first quarter economic performance. *Pravda* extensively criticized economic results, a theme which has been picked up lately by traveling Kremlin leaders.

Moscow Party boss Boris Yeltsin, speaking in Sofia, Bulgaria, denounced the "failures and shortcomings" of the Soviet economy, and was also critical of Bulgaria's economic performance.

Soviet Politburo ideology boss, Yegor Ligachov, speaking in Budapest, Hungary, had nothing but praise for the Hungarian economic model, and its "utilization of methods of economic leadership . . . and the financial, banking and price formation system of Hungary." Hungary has recently been offering its services to Western speculators as a "deregulated" banking system available for dirty-money laundering.

Technology

Big breakthrough in gamma laser

A major advance in the gamma ray laser project has been reported from Texas. Laser researcher C.B. Collins, a physicist at the University of Texas at Dallas, reported a big step forward in the development of the gamma ray device at the spring meeting of the American Physical Society in Toledo in mid-April.

The technology is one of the lines of investigation being pursued for anti-missile weapons in the President's Strategic Defense Initiative program.

A typical gamma ray laser, said Collins, would theoretically be able to produce a peak power output of three trillion billion watts. The total electricity-generating capacity of all the world's commercial power plants is only 2.3 trillion watts.

Collins and his associates also reported progress toward development of very intense sources of x-rays needed for the study of gamma-ray laser materials.

Ironically, the same meeting heard some scientists denounce mooted plans for early deployment of the SDI, saying it was not feasible in the near future.

Briefly

- **THE SOVIET UNION** has agreed to buy four million metric tons of bread-quality wheat this year, Agriculture Secretary Richard Lyng announced April 30. The sale is equivalent to about half of last year's crop in Kansas, and will be carried out under a subsidy program designed to recapture markets lost to subsidized competition, principally from the European Community.

- **SALLY SHELTON-COLBY**, wife of former CIA chief William Colby and an adviser to several American banks, declared during an April visit to Mexico that an "economic recovery" was in full swing in that debt-strangled country, thanks to President Miguel de la Madrid. Meanwhile, government figures showed first-quarter demand for steel down 17%.

- **RICHARD GEPHARDT**, presidential hopeful and author of the worst piece of trade-war legislation since the notorious Smoot-Hawley bill, told an audience in Iowa April 24 that the Reagan administration's "pursuit of arms" had "busted the budget" and "broken the back of American agriculture and many a basic industry. . . ." What the defense connection is, he did not make clear.

- **THE BANKS** that receive the most money from drug trafficking are Crédit Suisse, White Weld, Bank of Boston, and Merrill Lynch, Bolivian Sen. Daniel Cabezas told EFE, the Spanish press agency, in Rio de Janeiro. Cabezas is part of a Bolivian delegation touring Brazil, Argentina, and Peru to organize a Latin-American Parliament meeting to discuss drug trafficking.

- **THE TOKYO** Stock Market was hit with the largest one-day fall in its history, 850 points, on April 26. A London observer said this is a definitive signal "that the worldwide bull markets in stocks are over. We can expect now an overall bear market for a very long time to come."

Soviets launch crash SDI-fusion program?

Charles B. Stevens and Robert McLaughlin review recent developments which indicate possible initiation of a crash magnetic fusion program by the Soviet Union.

After a decade of dormancy, the U.S.S.R.'s magnetic fusion program has suddenly sprung to life with what can only be described as a crash effort to obtain fully ignited thermonuclear plasmas within the coming months, according to leading Western fusion specialists and Soviet official announcements. The program has both major direct and indirect applications to the Soviet "Star Wars" beam weapon ballistic missile defense effort. The Soviet program is focused on achieving a fully ignited magnetic fusion plasma with the T-14 compact high field tokamak within the coming year—a goal which will not be attained until the 1990s with the existing schedules of the U.S. and Western magnetic fusion programs.

Ironically, the high field tokamak concept was pioneered in the United States by Dr. Bruno Coppi of MIT in the early 1970s, though Dr. Coppi's proposals for a compact ignition fusion experiment were ignored until recently. But the United States is only discussing compact ignition tokamak designs while the Soviets are completing construction of theirs.

The primary potential application of the compact tokamak to beam weapon missile defenses is to provide a compact, low-weight source of high-density, high-power energy which can be utilized to directly power laser and particle beam weapons. One possible variant includes using the compact tokamak for efficient storage of high energy particle and antimatter beams.

'Surprising speed'

This year marks the 10th anniversary of the groundbreaking for the construction of the Princeton Tokamak Fusion Test Reactor (TFTR), which was the last major magnetic fusion research facility to be brought into operation within the United States of America, and possibly the year of the initiation of a Soviet crash fusion effort. Within a year of the groundbreaking for the TFTR, researchers working on the

Princeton PLT tokamak experimentally demonstrated, to their great surprise, the most optimistic scientific projections of a 1973 U.S. Atomic Energy Commission (AEC) study for a five-year crash program to realize a demonstration fusion energy electric power plant.

Since the 1978 PLT success of achieving reactor grade, 70 million-plus temperatures in a stably confined fusion plasma, the U.S. fusion program has been put on ice, while, nevertheless, ongoing experiments and technological progress have transformed the "high risk" projections of the 1973 AEC study into "off-the-shelf" capabilities. The magnetic fusion program has been frozen into constant, inflation-deflated budgets and an endless cycle of paper studies for an ever cheaper engineering test reactor (ETR), while the inertial confinement fusion (ICF: laser "pellet" fusion) program has been buried under a leaden cloak of security classification and secrecy.

Soviet breakout

The most shocking, and possibly sinister, recent development has been the sudden turn-around of the Soviet fusion program. Like the U.S. program, the U.S.S.R. fusion effort too went into a deep freeze in 1977, though for slightly different reasons. The plurality of leading posts in the Carter administration was populated by the authors of the New York Council on Foreign Relations' *1980s Project*, which advocated a strict anti-technology, malthusian program for the United States and the Western world. This tendency was clearly demonstrated when then Secretary of Energy James R. Schlesinger fired Dr. Stephen O. Dean, the DOE manager most responsible for the achievement of the Princeton PLT 1978 breakthrough, on the Monday following the public release of the Princeton scientific data.

In the case of the Soviet fusion program, the late 1970s marks the point where the U.S.S.R.'s "Star Wars" program

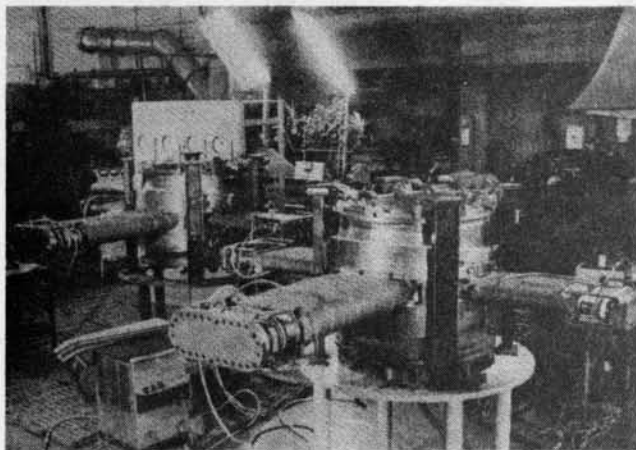
was accelerated into an all-out crash effort. This reallocation of scientific manpower and resources was confirmed in 1981 to Fusion Energy Foundation representatives by academician, doctor, Nobel Laureate, and Major General of Rocket Forces Nikolai G. Basov and his colleagues. At the time, Dr. Basov said that the reallocation was in response to the then-imminent deployment of medium-range U.S. missiles in Western Europe—the Pershing IIs and cruise missiles.

And indeed, the Soviet magnetic fusion program has gone into an even deeper freeze than that of the United States since that time. In 1977, the U.S.S.R. initiated their T-15 tokamak project—a far less ambitious machine than the Princeton TFTR, even though more advanced, superconducting magnets were designed into the T-15. The TFTR has been operating for several years and the T-15 has not yet even begun operation.

But the April 1987 issue of the *Executive Newsletter* of Fusion Power Associates carries a report of a complete turn-about in the Soviet fusion program by Prof. Daniel R. Cohn of MIT. Professor Cohn, who is a specialist in high field tokamaks, reveals:

“Moving with surprising speed on the construction of a new fusion experiment called T-14, the U.S.S.R. announced plans to operate the new facility by the end of the year. The compact, copper-coil device is designed to use deuterium-tritium fuel and to approach fusion breakeven conditions. . . . Compared to the almost ten years the Soviets have taken to complete the superconducting T-15 tokamak, a device still not in operation, the new T-14 device was conceived only two years ago.”

The photographs document the progress on the crash construction of the T-14, donut-shaped high field tokamak that accompanied Professor Cohn’s report.



Vacuum vessel modules for T-14. Each module will receive two TF coils, one on either side of the diagnostic ports. The two angled rings on each module are titanium support rings from which the vacuum vessel (0.5 mm nickel alloy) is suspended by a series of hooks. The titanium rings, in turn, are suspended from the TF coils. The vacuum vessel sectors are explosion formed.

What and why

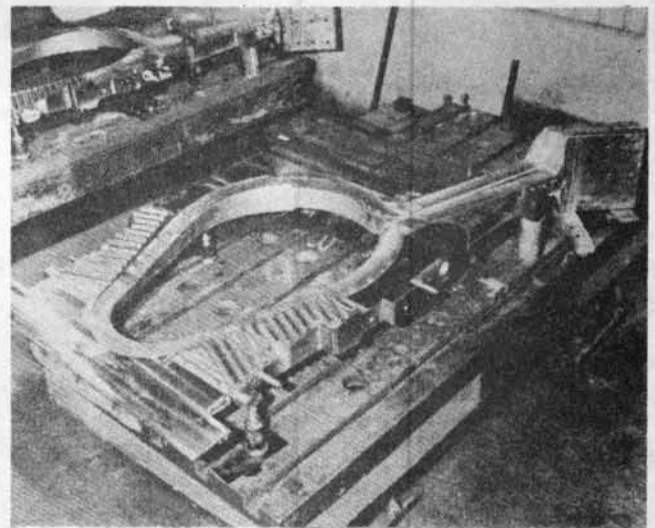
It is now widely accepted among senior U.S. defense planners that the U.S.S.R. is currently implementing “Plan B” of Soviet Marshal Nikolai Ogarkov. This Plan B was first revealed in the West in *EIR*’s July 1985 *Special Report*, “Global Showdown: The Russian Imperial War Plan for 1988.” As detailed there, Marshal Ogarkov’s Plan A called for a near-term success by 1988. Plan B was a backup to be implemented if the West initiated a serious missile defense effort like that of the Soviet Union and maintained a strong defense of Western Europe. It included a medium-term technological and scientific build-up to achieve a military success by the mid-1990s.

The sudden emergence of a Soviet crash fusion program and the T-14 in particular is quite ominous. It is most probable that the T-14 is directed toward realizing specific, near-term technological components for powerful beam weapons.

History of the high field tokamak

With the success of the Soviet-designed tokamak in the late 1960s, the United States and other Western countries built their own tokamak experiments. At this time, Prof. Bruno Coppi of MIT initiated a small, high-risk experiment which was designed to take the tokamak to its technological and scientific limits by utilizing the highest strength magnetic fields possible. This was the MIT high field Alcator tokamak, an experiment which was so small, it could virtually fit on a table top and had an operating plasma volume 100 times smaller than the largest U.S. tokamaks at Princeton Plasma Physics Laboratory.

Despite this, by 1974, the Alcator broke all experimental records by exploding through the previous theoretical limit



One of the 32 one-turn copper coils for T-14. Outer coil support shows teeth to react against over-turning moments. Scale size of the coil opening is of the order of 1/2-meter. Maximum field in the coil is 23 Tesla. Center of tokamak will be toward lower left in photo, electrical tabs at upper right will connect to inductive store below tokamak.

of tokamak plasma densities by more than an order of magnitude. Shortly thereafter, the Alcator approached the energy confinement time-density product needed for fusion break-even—the point where the plasma can produce more fusion energy than the heating energy needed to maintain the plasma at fusion temperatures.

These spectacular results were ignored for almost two years because of the small size of the Alcator. When program reviews finally woke up national fusion managers to the fact that the Alcator results were real, they responded by setting up a major, new Fusion Institute at MIT and removing Professor Coppi from management of the Alcator program.

On the basis of the early 1970s Alcator data, Professor Coppi designed an experiment to go all the way; that is, to produce a fully ignited fusion plasma. This is a fusion plasma in which not only net fusion energy is generated, but enough of the fusion energy output is absorbed by the plasma to keep the plasma above fusion reaction temperatures. At that time, the Coppi proposal represented a high-risk proposal costing tens of millions of dollars, to leap-frog the magnetic fusion program decades ahead of schedule. More conventional, low-field, larger-scale ignited tokamak experimental designs were estimated to cost in the range of \$500 million to \$1 billion.

Despite the fact that Professor Coppi's concepts were not followed through, other smaller experiments carried out over

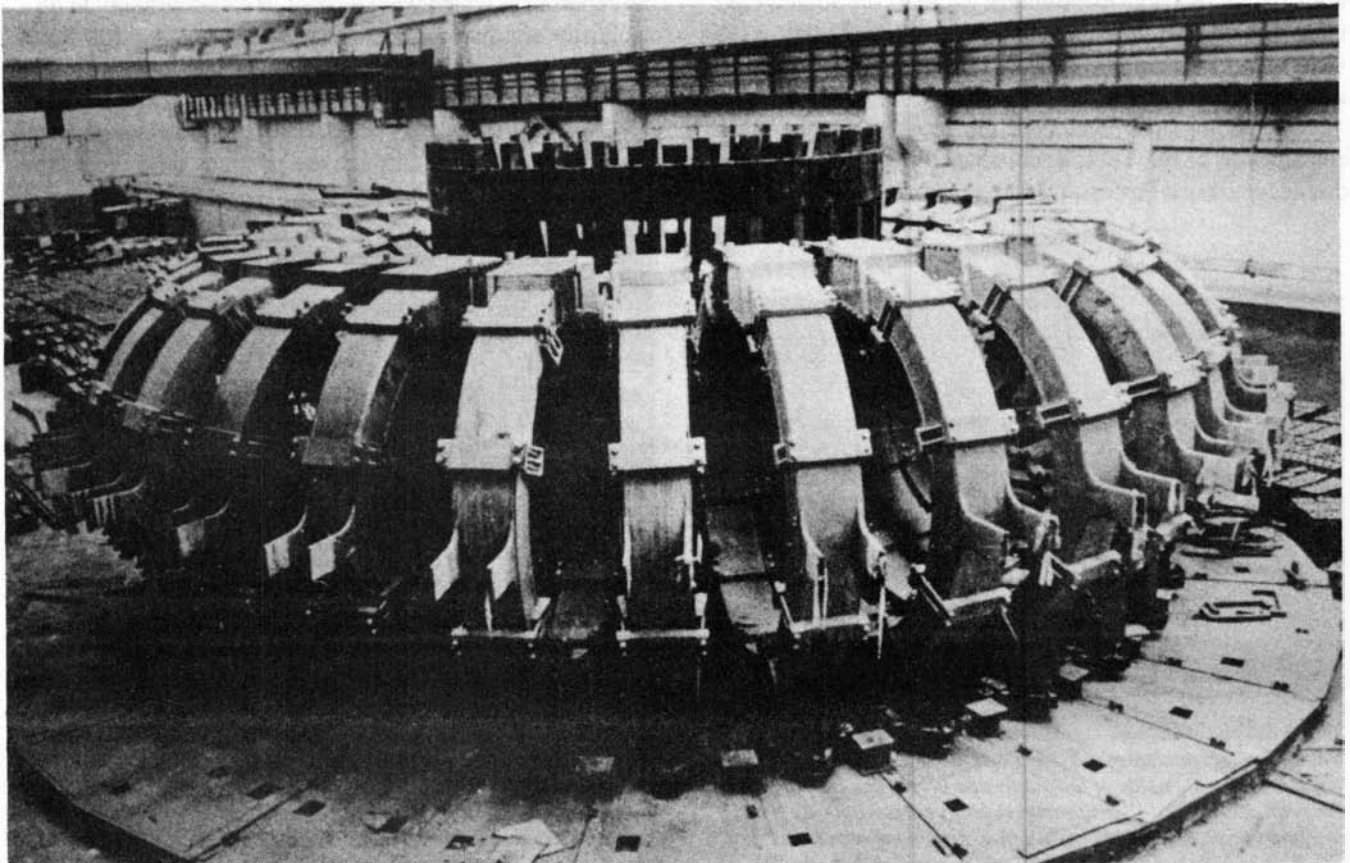
the last decade did essentially confirm all of his "high risk" projections. And now, the Soviets have carried through on Professor Coppi's ideas.

Potential SDI applications

I. Pulsed power and switching

One of the major requirements for effective anti-missile beam weapons is that of energy-dense power. It takes about one megawatt average power of beam weapon output to destroy one missile per second. And an effective beam weapon must be capable of destroying scores to hundreds of missiles per second. This requires scores to hundreds of megawatts of average power of beam output. And laser and particle beams generally need from 5-20 times more power input than they achieve as an output. Therefore, effective beam weapons require from hundreds to thousands of megawatts of average power input. And this power input must generally be delivered at peak powers ranging up to millions of megawatts and at extremely high voltages.

There are three existing ways to provide this energy input in a repeatable form: 1) chemical; 2) nuclear fission reactors; 3) stored energy (capacitors, flywheels, inductive magnet systems). Because a compact tokamak can produce bursts of hundreds of megawatts of high-voltage output in a device with a mass of tens of tons, it can outperform these three



Mock-up assembly of coils for the inductive energy store for T-14. The tokamak itself will sit on top of this inductive coil assembly.

existing methods by orders of magnitude.

Not only can the compact tokamak develop the required high power outputs needed to drive beam weapons, but it can do it in time increments most efficiently matched to the operation of the beam system itself. This is because the tokamak fusion plasma can be "turned on and off" in very short time increments and therefore can be matched to the excitation times of a laser medium, for example.

II. Lasers

The main output from a deuterium-tritium fusion plasma is that of neutrons. These neutrons can be utilized in at least

two ways to pump laser beam weapons. These fusion neutrons have an extremely high energy—14 million electron volts. More significantly, they have a large chemical potential because of their zero electrical charge. It therefore follows that these high energy fusion neutrons can be ideal for directly producing the atomic and molecular excitations needed for various types of lasers.

A second laser pumping scheme involves placing fissionable material in the laser medium. The fast fusion neutrons produce fission reactions and the resulting high energy fission reaction products excite the lasing medium.

Both applications have been demonstrated experimental-

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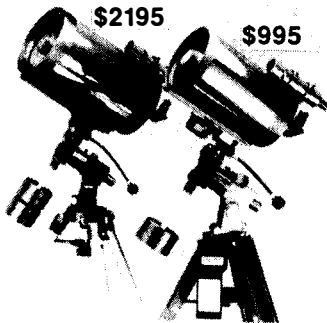
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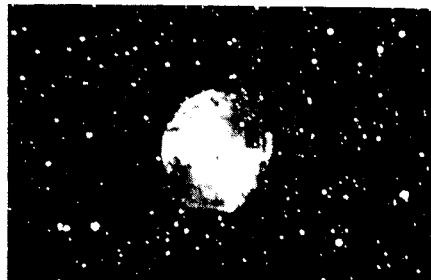
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ly. But only fusion has the potential to realize large enough fluxes of neutrons to make this a practical method of pumping laser beam weapons.

III. Particle beams

A more speculative application of the compact tokamak is that of providing an efficient means to store a high-energy, high-current electron beam. The Alcator's early experiments in 1974 demonstrated a new regime, termed the slide-away regime by Professor Coppi. In this regime, the tokamak plasma develops into two components: 1) a low-density, low-temperature plasma; 2) a high-energy, intense electron beam.

Prof. S. Yoshikawa of Princeton University has proposed utilizing this regime to produce an extremely efficient, very high-power compact electron beam storage ring. If successful, this approach would improve the total stored power of the electron beam a thousand-fold over existing, conventional storage rings. But in terms of stored beam energy per kilogram of mass of the storage ring system, the improvement could be much greater than a million-fold.

Existing storage rings are both large and inefficient. The plasma in the tokamak permits the electron beam to be stably confined in an extremely small space with great efficiency.

In order to be maintained, an electron beam moving in one direction must be matched by a positive return-current in the opposite direction. In conventional storage rings and accelerators, the return-current is carried along the inside wall of the vacuum chamber. This type of return-current setup experiences high resistances and thus produces significant overall power losses. In the tokamak, the positive return-current is carried in the plasma and the plasma has an extremely low resistance to the flow of the return-current. In this way, the tokamak could become an extremely efficient means of building up and storing a high-power electron beam.

Experiments at Lawrence Livermore National Laboratory over the past several years have demonstrated that plasmas are extremely efficient at focusing electron beams and curbing beam instabilities.

The resulting high-power beam could either be utilized directly as a beam weapon itself, or to energize another beam system, such as the free-electron laser.

IV. Antimatter

Leading scientists at Princeton Plasma Physics Laboratory in New Jersey, who have pioneered many of the concepts above, point out that the storage ring system could also have

Closing of FEF an attack on science

by Carol White

On April 21, the offices of the Fusion Energy Foundation (FEF) in Leesburg, Va., were sealed by federal marshals under a Chapter 7 involuntary bankruptcy law. A Chapter 7 ruling does not even apply to nonprofit foundations like FEF, but the Justice Department has summarily stopped publication of the FEF's 114,000-circulation magazine, *Fusion*, and its quarterly, the *International Journal of Fusion Energy*.

As readers of *EIR* are no doubt aware, the staff of FEF, myself included, have been frequent contributors to this magazine and have been involved in producing the *EIR Quarterly Economic Report*. The staff of FEF, and the scientists with whom we collaborated to produce *Fusion* magazine and the *International Journal of Fusion Energy*, have joined together to form a Committee to Defend Scientific Freedom, which will be bringing this arrogant abuse of judicial proceedings by the Justice Department, before the international scientific community, as well as to citizens in general, and to the two houses of the Congress. Appropriate action on the legal front is being taken as well.

In Europe, Dr. Jonathan Tennenbaum, director of the

Fusion Energy Foundation, Europe, is circulating a letter to the scientific community there, for endorsement. The following are excerpts:

"I am writing to call your attention to a monstrous violation of elementary rights of free speech and scientific enquiry, committed by the government of the United States of America in illegally taking over and shutting down an independent, nonprofit scientific institution, the Fusion Energy Foundation (FEF).

". . . In what U.S. Attorney Henry Hudson called 'the first move of its kind in U.S. history,' the 'involuntary bankruptcy' order was granted by a Virginia court in a secret (*ex parte*) proceeding without knowledge or representation of the FEF. The court order was granted and is being carried out in blatant violation of the elementary constitutional rights of the FEF, its employees and officers, and in spite of the fact that: 1) as an officially designated nonprofit organization, the FEF is legally not subject to the 'involuntary bankruptcy' clauses invoked; 2) the legitimacy of the fines in question is presently under appeal before a U.S. court which has agreed to hear the case; 3) no evidence was given of financial difficulties of the FEF which could justify bankruptcy proceedings against the Foundation.

"In the course of their actions against the FEF, Attorney Hudson and other U.S. Department of Justice officials have made no secret of the fact, that they are committed to shutting down the FEF by any means, regardless of constitutional and legal 'details.' The entire proceeding is being carried out in a manner typical of a totalitarian police-state.

". . . Suddenly and without warning, one of America's

major applications to the storage of antimatter. Again, the stored antimatter could either be utilized directly as a beam weapon or as a means of powering a second beam weapon.

Soviet plans

The three photos show the Soviet T-14 compact tokamak under assembly at the Troitsk site outside Moscow. According to Soviet scientist V. Golant, the T-14 should begin operation this year. The machine is under the scientific direction of Prof. Valerii A. Chuyanov of the Kurchatov Institute. Engineering of the machine is under the direction of Dr. Oleg G. Filatov of the Efremov Institute of Leningrad.

The T-14 follows the original specifications of Dr. Bruno Coppi. It has a minor radius of one-half meter and a major radius of slightly more than a meter. The copper magnet coils develop a maximum field of 230 kiloGauss.

Following the specifications developed at MIT—in particular, the Zephyr design developed jointly between scientists from MIT and West Germany—the T-14 will utilize plasma compression to achieve fusion ignition. This concept of plasma compression was first demonstrated at Princeton Plasma Physics Laboratory on the ATC tokamak in the early 1970s, and has since been explored on the Princeton TFTR.

The concept is to initially run the T-14 in a low plasma-density, low magnetic-field mode. This permits the plasma to be penetrated and heated by microwaves from gyrotrons set to the plasma electron cyclotron frequency. Once the plasma is heated sufficiently, the magnetic field is suddenly increased. This compresses the plasma column, causing further heating and an increase in density. This is projected to produce the conditions for full fusion plasma ignition—a condition where enough of the fusion energy generated is absorbed within the plasma to maintain the plasma at fusion temperatures.

The Princeton TFTR is currently scheduled to achieve simple fusion energy breakeven with deuterium-tritium fuel in about two years. The Western European JET tokamak is scheduled to reach the same goal also in about two years, and JET has the possibility of also achieving the more advanced goal of fusion plasma ignition. (Both TFTR and JET began operating several years ago.)

It is far more likely, however, that the Soviets will achieve both goals first, later this year. And the Soviets will have accomplished this with a machine whose design did not even exist until after TFTR and JET began operating, and 10 years after construction on TFTR and JET began.

few truly independent scientific institutions has been forced out of existence. Founded in 1974, the FEF soon gained wide recognition for its promotion of accelerated research and development of peaceful uses of fission and fusion energy, for its advocacy of applications of directed energy technology to antimissile defense and to new production methods in civilian industry, and for its detailed proposals for a revived U.S. space effort centering around the long-term exploration and colonization of Mars. The FEF is also noted for its opposition to the 'limits to growth' propaganda of the Club of Rome, and for its many published studies and scientific conferences devoted to applications of modern technology to agricultural and industrial development of the so-called Third World. The LaRouche-Riemann econometric model was elaborated by an FEF team of economists, physicists, and mathematicians, and applied to the design of economic development programs for a number of nations and regions of the world, including Africa, the Middle East, India, Mexico, and Peru.

"Most recently, the FEF has circulated detailed proposals for incorporating advanced biophysics methods into a scientific crash program to find a cure for AIDS. Through a series of private scientific seminars and public conferences, the FEF has played a pioneering role internationally in bringing together specialists in different fields of biology, biophysics, and medicine, to discuss the AIDS problem.

"Apart from these and other concrete accomplishments, it is the FEF's catalytic role in formulating and disseminating *scientific ideas* which has earned it the greatest recognition among researchers in diverse domains. Aided by extensive

studies of the history of science, the FEF pioneered the application of the 'phase-space geometric' methods of Gauss, Riemann, and Cantor to the mastery of nonlinear processes in physics, astrophysics, biology, and economic science.

"Support for the FEF's work has come from tens of thousands of subscribers to FEF publications, and supporting members of the Foundation throughout the United States. The FEF was granted and has maintained the official status of a nonprofit scientific organization, to which contributions are tax-deductible.

"The forced closing-down of the FEF is not an isolated event, nor merely part of a political witchhunt against one of its directors. These actions are a direct attack upon freedom of scientific research and freedom of speech in general. My colleagues in the United States have observed in recent months an ominous decline in independent scientific research. Laboratories and research programs, not fully controlled by government bureaucracy or giant corporations, are rapidly disappearing. Instead of free scientific enquiry and the fearless search for truth, it is increasingly peer-group pressure, fear of losing contracts, and compulsion to please the 'scientific mafia' controlling major research budgets, which determines the activities of American scientists. Unfortunately, this trend is not limited to the U.S. alone. Where scientific freedom declines, so does political freedom."

My former colleagues of the FEF, and I, are currently circulating a similar letter in the United States. Those of *EIR's* readers who wish to directly support our efforts, either financially, or through political action, may write to me in care of this magazine.

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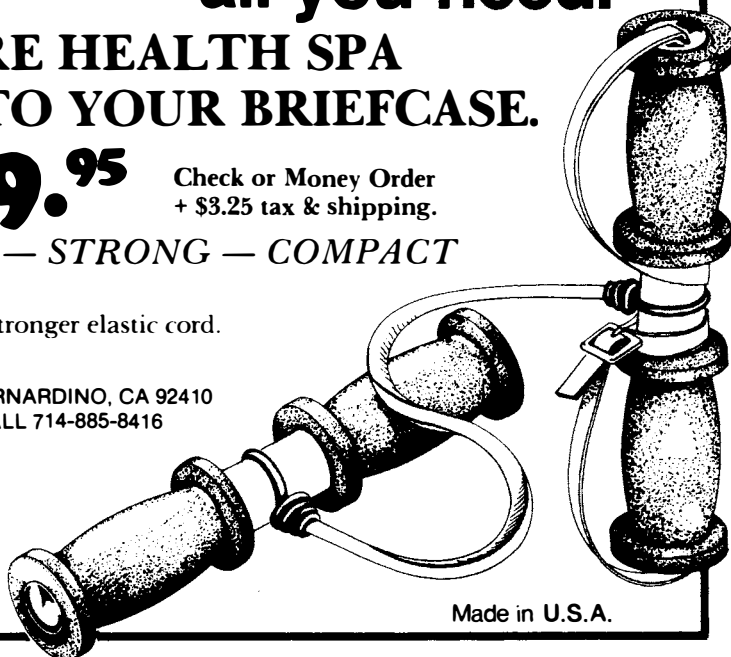
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Large-scale water projects for a thirsty world

by Nicholas F. Benton

The approach required to avert the catastrophic consequences of a global monetary collapse is that of the capital-intensive, large-scale development project. Credit and development policies modeled on the 1939-43 U.S. experience, empirical proof of the effectiveness of this method for pulling a nation out of depression, need to be applied to the peacetime objective of employing advanced industrial capabilities and millions in manpower, in completing major projects that will result in a qualitative transformation of the tangible wealth-producing capabilities both in the United States and abroad. For the United States, recovery would require involvement in such projects on top of efforts to overcome the over \$3 trillion deficit in existing national infrastructure that has developed since 1970.

It is devastating proof of the treachery of the dominant international monetary institutions of our era, that well into the second half of the United Nations' "International Drinking Water Supply and Sanitation Decade" of the 1980s, deliberate inaction on water development strategies has not only contributed to bringing the world to the brink of monetary collapse, but has extended conditions of mass famine on almost every continent of the globe.

It is not as if the urgent need for boldly addressing this indispensable resource—fresh water—hasn't been appreciated. That is why the U.N. devoted the 1980s to the theme of addressing the shortage crisis of this precious commodity. However, as has become clear, to date the U.N. has done nothing but act as the right arm of the International Monetary Fund and its cynical counterparts in the East bloc, to help convince the thirsty nations of the world to accommodate to, rather than cure, their problems.

The U.N., in fact, has taken it upon itself to persuade the drought-stricken nations of the Sudano-Sahel region of Africa that drought is a permanent condition of their climate, and that overuse of the land by man—in the form of growing populations denuding the woodlands—rather than underdevelopment, is the bane of existence there. This is the conclusion reached in a "Strategy for Survival" publication put out by the U.N. last year, which offers only population control and more efficient use of hearth stoves as solutions to the drought and desertification



NSIP/S Stuart Lewis

A creek floods its banks in Virginia. How can this precious resource best be harnessed, to allow worldwide industrial expansion?

conditions of sub-Saharan Africa. The document quotes freely from Lester Brown's genocidal Worldwatch Institute, which, in its policy papers on water, including "Water: Rethinking Management in an Age of Scarcity," condemns every form of large-scale water diversion technology as unworkable, from either a financial or ecological standpoint.

These arguments are frauds, thinly veiled malthusian excuses for the genocidal consequences of International Monetary Fund looting, which, under the Gramm-Rudman budget-balancing law, has extended from the undeveloped sector to include the United States, as well.

In reality, there is not a famine- or drought-stricken region of the world today where there do not exist blueprints for large-scale water diversion projects that could transform these regions. In many cases, these plans have existed for decades, and involve technologies not much more sophisticated than what it took to build the Erie Canal in the United States, over 150 years ago. As one example: Using state-of-the-art construction methods, diversion of the powerful Zaire River northward into the Lake Chad basin could be achieved within a decade, and could turn the region the U.N. has condemned to permanent desertification, into one of the most fertile regions of irrigated farmland in the world.

Similar "Great Enterprises" for water development exist for North and South America and Asia, as well as Africa. The Soviets launched such a program of their own, diverting the massive northern-flowing Ob River southward into the rich agricultural regions east of the Caspian Sea, and the People's Republic of China is renovating the ancient north-to-south canal system in that country.

The main projects of focus in this report are: 1) the Zaire River diversion in Africa; 2) the Brahmaputra-Ganges River canal in India; and 3) the North American Water and Power Alliance (NAWAPA) in North America. These three demonstrate the fundamental principles which apply to many other, similar Great Projects which can transform the economic potentials of whole regions of the globe.

In these projects, the issue of engineering feasibility is straightforward. By maximizing use of such modern construction technologies as PNEs ("peaceful nuclear explosives"), construction time can be vastly sped up. Questions pertaining to financing and political cooperation require more attention. Fundamental to approaching these matters, however, is the perception of the need to realize these potentials. Once that is understood, financial and political questions become matters for deliberative problem solving, rather than "insurmountable obstacles" which preclude any serious con-

sideration of the topic. We deal with the financing and political questions first, and the projects themselves last.

I. Financing large-scale development

Historically, water projects, famous as “internal improvements” in the history of the development of the United States, were financed through predominantly public means. It has been demonstrated by the experience of the United States, in particular, that the most efficient way to finance and rapidly complete such a project is through dirigist government financing. When completed swiftly and efficiently, well-planned projects pay for themselves quickly, and qualitatively transform the economic wealth-generating potential of an entire region. A prime example is the Erie Canal. Built with federal funds, it paid for itself in 11 short years, and was the critical transportation link between the developed Eastern Seaboard port cities of the United States and the interior of the North American continent—providing a transport link to the Great Lakes, resulting in the virtually limitless expansion of the American heartland, in the creation of great cities and industrial/agricultural hubs like Chicago and Detroit.

To the “free market” ideologues and colonial looters of the International Monetary Fund today, who use instruments like the Gramm-Rudman law in the United States to rule out such investments in development, such an approach is heresy. But history, including the material results of the Erie Canal and scores of projects like it, which transformed the United States into the greatest economic power in the world in less than a century, proved them wrong long ago. We, who are not such ideologues or evil men, have simply forgotten that lesson.

If credit’s genuine purpose is to distribute and reinvest wealth, then it can be called into existence upon the guarantee of the existence of such wealth, even if that wealth is in the future, as long as there is confidence that that wealth will be realized. Technically, instruments of credit dedicated to the completion of specific, wealth-generating projects can be created *de novo*, out of thin air as it were, and yet are more solid than if they were backed by gold, if the purpose for which they are created is realized; and they will have a long-term deflationary effect, since they will allow improvements in productivity, through improvements in technology—thus lowering the unit cost of production. And they will create more wealth and jobs, thus overcoming any initial deficits. The conditions are that the credit must be in the form of long-term, low-interest notes, so that the pay-back is derived from the yield of the completed enterprise.

Such long-term, low-interest instruments of credit must be shielded from secular inflationary tendencies, which are not caused by the increase of the money supply per se, but by the increase of “fictitious capital”; that is, demand on the money supply from non-productive, non-wealth-generating activity (such as speculation and black-market activity like drug trafficking). Therefore, putting the dollar back on the pre-1971 gold reserve system, in collaboration with our al-

lies, helps—when combined with an array of appropriate disincentives—to remove the inflationary element of speculation, which, combined with tough measures against drug-money laundering and related capital flights into “offshore havens,” makes the generation of the right kind of credit for large-scale development possible. Few people, except those who think they make the rules of the monetary games to ultimately profit the most, will complain about converting highly volatile high-interest, short-term credit into more secure long-term, low-interest, gold-backed credit—especially if the move serves to stabilize a global monetary system otherwise on the verge of an uncontrolled collapse.

These are “ABCs” of what was known in 19th-century America as the “American System” school of economics, which counted among its practitioners Alexander Hamilton, Mathew and Henry Carey, Friedrich List, and Abraham Lincoln. It is a science of economics, in stark contrast to the epistemologically-flawed British “utilitarian” school, out of which various breeds of monetarist “free trade” advocates have arisen. And the best proof of the superiority of the American System school, lies in the interrelationship between the development of the individual, through education and institutions of political freedom and morality; technological innovation; improvement of the land and instruments of production; population growth and increase of standard of living per capita—all as evidenced by the experience of the United States during most of the 19th century. There is no limit to this kind of growth, as long as new technologies continue to define new, more efficient use of resources. The present-day potential to break through to the “plasma age”—making full use of the technologies which will bring us the Strategic Defense Initiative and nuclear fusion energy—dwarfs anything achieved to date, in terms of our potential for future growth on this planet, and beyond.

There are a number of forms in which the generation of long-term, low-interest credit can be achieved, earmarked for specific large-scale projects. American System economist Lyndon LaRouche has proposed a number of approaches, both internal and external to the United States, such as his 1975 International Development Bank proposal, and his 1982 “Operation Juárez” proposal, which continue to receive close attention from Ibero-American governments looking for alternatives to the destructive influences of both the IMF and Moscow.

LaRouche has written extensively on emergency measures that can be taken domestically to turn the economy around. Another proposal comes from Masaki Nakajima, founding chairman of the Japanese-based Mitsubishi Research Institute. He has proposed a 20-year, \$500 billion global development proposal called the “Global Infrastructure Fund,” which would be used to construct a specific target list of projects including: the Zaire river diversion project; the Brahmaputra-Ganges Canal; a canal across the Kra Peninsula in Thailand; a barrier across the Bering Straits to keep the Arctic Sea waters from flowing into the northern Pacific;

A commentary by the Hon. Sen. Frank Moss

The author is the former U.S. Senator from Utah.

As a Democrat, and having served eighteen years in the United States Senate, I have been concerned with the need to protect, conserve and utilize our planet's marvelous supply of pure water. The absolute *sine qua non* on this globe is *water*. In a speech on the Senate floor, Sen. Bob Kerr of Oklahoma once said that the time would come when a barrel of pure water would be of more value than a barrel of oil. (Imagine that from an oil tycoon like Kerr.) Even then, 20 years ago, Senator Kerr foresaw an expanding population and the continuing degradation and loss of our supply of pure water. The world could be on a collision course to disaster.

Is it possible that any substance as universal as water (H₂O) could be in such short supply as to threaten famine and disease? The sad answer is "yes." A vast supply of this renewable resource is stored in ice caps or is flowing into salty oceans in many places, while enormous areas of our planet are desert, dry and inhospitable to life, human or mammal.

My home state of Utah has turned much of our landscape into beautiful homes and farms by diverting water from our mountains to our barren valleys. We started a hundred years ago. But we still need more fresh water.

My political efforts within my party and in the Senate have pressed for water conservation, diversion and use. The Democrats have a proud record in this effort. But it is not enough! We must raise our eyes and expand our scope.

My advice is: "Make no little plans."

With world population at approximately 5 billion people and with demographic projections of 10 billion people by the turn of the century and;

Plagued already with water shortages, spreading water pollution, desertification of vast areas of our planet—the only home on which homo sapiens can rely; and

With world hunger and overcrowding confronting us in several areas;

We must do something while there is time.

One course of action is to limit procreation. This is being done in some areas, but with limited to no success.

Another way is to improve food production with better seed, fertilizers and pest control. But this, too, makes for only limited relief in selected places.

Perhaps a third way is to abandon humanitarian and scientific efforts to terminate medical efforts to fight disease. Thus, we could invite back the diseases which in past ages swept away our children and whole areas of population. Thus, we might keep our world population to around 3 billion people. Of course, no sane human being should subscribe to this "solution."

The only reasonable and humane planning and action in the next decade is to conquer our desert wastelands, expand our areas of habitation, and expand our food production. This, we know how to do. Immense areas of our planet, now barren and desolate, will become habitable and productive *when we add water*.

Nicholas F. Benton has presented three vast water salvation and diversion projects. Any of these projects would demand our efforts for generations and change the lifestyle of millions of people yet unborn.

What is the cost to build these projects: *enormous!*

What is the cost *not* to build these and other water projects: *ghastly, unthinkable!*

We can and should explore other planets. But more urgently, we must conquer drought, desert, hunger, overcrowding and despair of our fellow human beings *on this planet*.

Our time is running out. We should begin at once.

Benton sets forward an agenda for the rest of this decade and several following decades.

When a person sets forth ideas and plans for water conservation, diversion and use, I give my support. NA-WAPA was one of the proposals on which I held public hearings in the 1960s. But no concrete action was taken. International vision was too limited. Later, however, the Canadians did build part of this overall NAWAPA plan with the James Bay project, impounding and using waters flowing toward salty Hudson's Bay.

International cooperation must come to Benton's gigantic proposal if we are to prolong and make better human life on earth.

a second Panama Canal, and so forth. Israeli Prime Minister Shimon Peres's recently proposed "Middle East Marshall Plan," calling for a \$25 billion regional development fund—bearing remarkable similarities to LaRouche's 1975 IDB proposal for that region—is another example of this approach. As expressed by Israeli Economics and Planning Minister Ga'ad Ya'acobi, the sum is \$25 billion over 10 years, involving participation of 18-20 countries for an "overall, regional economic development program," including a nuclear plant in the Sinai to be shared by Israel and Egypt, a coastline railway from Turkey to Egypt, and joint agriculture projects.

The final, not insignificant point identified at the outset of this report, is that measures required to finance large-scale development projects, worked in combination with debt reorganization and related policies, represent the only way out of the impending world financial collapse. Thus, the argument must be that, not only can this method work, it is the only one which can. Rather than being a net expense, or overhead cost, upon a national economy, such large-scale infrastructure projects massively increase the overall productivity of an economy. An *Executive Intelligence Review* team demonstrated the positive relationship between the reproductive ratio of an economy ($S/C + V$) and the infrastructure investment of the previous year in the U.S. economy in an article by Sylvia Brewda (*EIR*, April 6, 1982). The study showed that a crash infrastructure development investment could result in a doubling of the size of the overall national economy in 8 to 10 years.

II. The politics of large-scale development

The strongest political opposition to large-scale development projects comes from monetarist interests who covet the ability to "buy low and sell high," and are therefore interested in controlling supplies of natural resources—a control which is achieved through financial cartels, cheap labor resources, and malleable political conditions to optimize their power. They are not interested in producing wealth in the form of net increases of tangible product, but in wealth in the form of the margin of difference between their cost of obtaining something, and what they can sell it for, or get back in return.

This means they profoundly oppose the universal application of scientific and technological progress for the purpose of making cheap and plentiful basic commodities readily available to autonomous populations.

It was opposition by George III to just such progress that provoked the American Revolution. Because of that experience, whereas such interests had historically normally resorted to simple force to impose their will (and usually still do), they also take care to assert that the law of plunder (which they call the "free market") is a "natural law" which, if violated by sovereign nations seeking to protect themselves from plunder, will result in disastrous consequences.

They have constructed a whole school of phony monetarist economics around this notion, based on what they call the "hedonistic calculus" of the "marginal utility" between "supply and demand." This has more recently been augmented by the addition of the "environmental" component of their imaginary "natural law," whereby they heavily fund so-called "environmental movements" to interfere with and stop large-scale energy and development enterprises. Such obstructionism, together with currency and interest-rate manipulations, aims at making large-scale development "too expensive" as well as "environmentally unsafe," and this is how they hold back progress.

They further justify such obstructionism with racist arguments of "cultural relativism"—again defied by the experience of the United States, whose growth during the 19th century was based upon immigration from all parts of the globe. Technology is the fruit of the universally shared power of human Reason, and only someone who would argue that certain cultures inherently lack that power, can argue that the best technologies to economically transform a region are not the most appropriate. Educational deficiency among certain peoples simply presents itself as a component of the overall array of problems to be solved, but never as an insurmountable cultural or "cosmic" obstruction.

Understanding how the gamemasters of world finance capital run this operation, is the first step among autonomous nations to overcoming their differences on questions of shared large-scale projects. For example, this explains why Africa, after centuries of colonial exploitation, remained so underdeveloped. This is why the colonial powers in Africa made sure that a transcontinental rail system would be impossible on that continent, by constructing the rails in the different colonies at different gauges (widths), so they could never be interconnected. This is how one can see the extent to which the United Nations has become a pawn of this outlook.

Once opposition to development of this kind is removed as a factor to obstruct cooperation, then an environment for expedient talks among the relevant autonomous entities, centered upon their mutual and combined benefits from a particular proposed project, can occur. Contracts can be let to determine a choice of approaches to a desired project, and decisions can be made.

The fundamental methodological principle is that a specific development proposal serves as the basis for cooperation, rather than some generalized notion of concord or stability achieved prior to considering a development strategy. Israeli Prime Minister Peres's Marshall Plan strategy for the Middle East is an example of this: It reflects the basic understanding that mutually beneficial regional economic development is the best incentive for political concord.

For example, the architects of the NAWAPA water project for North America understood this well when they went to the American, Canadian, and Mexican people with this program, back in the 1960s. Tapping the enormous fresh

water resources of Canada and Alaska for multipurpose uses throughout the continent, provides an abundance of surplus resources to be shared by all three nations, and many of the provinces and states within the nations. This was made clear in the NAWAPA proposal: Eleven Canadian provinces, 35 U.S. states, and 5 Mexican states would enjoy an immediate positive impact from the project, thus laying the basis for an overwhelming consensus for its adoption.

The only reason NAWAPA was not adopted and completed by now, to bring 180 million acre feet of water annually to productive use on this continent, was obstruction by the international financial forces identified above. This occurred despite the fact that the friendship treaties for natural resources sharing between the United States and Canada do exist already, although technically reserved for times of national security crisis to either nation. However, since times are rapidly approaching when the North American water shortage crisis can properly be defined as a national security crisis, this treaty, dating back to World War II, can be an expedient way to realize this particular project for the general good. Such friendship treaties, after all, are not hard to arrive at and implement, when everyone, except maybe a few international financiers, stands to gain.

III. Three model water projects

From the following three specific development proposals, we can readily see the immediate potential to overcome the most fundamental problems associated with famine in the world today, within less than two decades. These projects can, virtually by themselves, increase food production so massively as to eradicate food shortage as a problem facing humanity. They are only three of a vast array of projects designed for almost every section of the globe, awaiting only the political will to realize them.

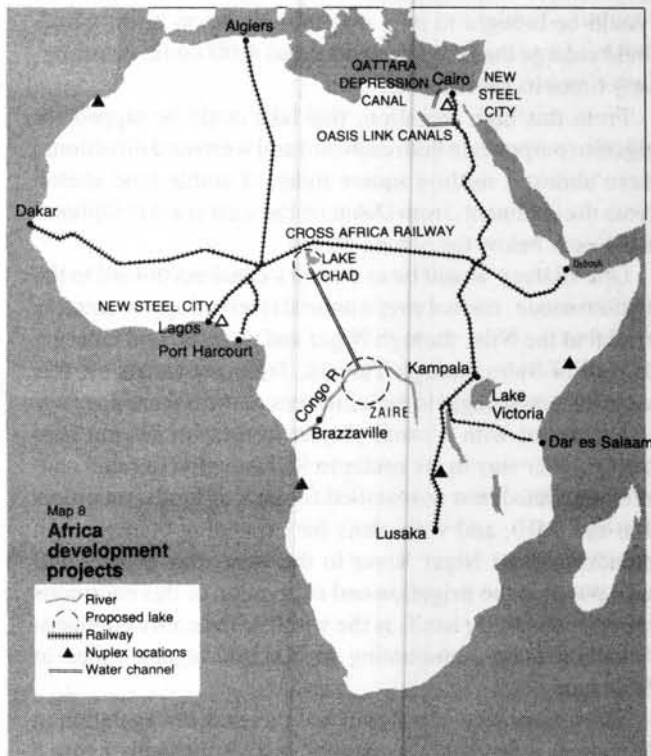
1) Zaire River diversion (Africa)

The continent of Africa contains a total of seven major river systems and more unused arable land than any other continent on the face of the Earth. By putting the water of those rivers onto that arable land, this continent would become among the richest agricultural producers on Earth. Outlined in the Mitsubishi "Global Infrastructure Plan," or GIF, the Zaire River diversion project proposes a "control of the flow of the Zaire River by building a dam to create a vast lake in the Congo, Central African Republic, and Chad regions of central Africa to improve natural conditions." The massive Zaire River is among the world's most powerful—containing 19% of all the world's hydroelectric potential in its flow. According to the estimates of this report, redirecting its flow into the Lake Chad basin would permit the cultivation of 800,000 square miles of arable land in the Sudano-Sahel region below the Sahara Desert.

A dam would be built on the Zaire River north of Kinshasa, creating a gigantic lake, in what is now the Zaire

MAP 1

Africa development projects



Basin, of about 130 square miles. According to geologists, this basin was once a huge inland sea, hundreds of thousands of square miles in size, larger than the Black Sea, and, although it has shrunk over the centuries to about 130 square miles, it would be refilled with the fast-flowing waters of the Zaire River to approximately its original size, extending from Bangui in the north, to Kisangani in the east, to near Lubumbashi in the south, and near Kinshasa in the west, with a total surface area of almost 400,000 square miles. This would cover a huge swamp and tropical rain forest area virtually untouched to this day. This huge lake would be connected with spoke-like rivers and canal systems, becoming the axis of interior African transport, and the region's already enormous hydroelectric power potential would be doubled.

This gigantic Zaire reservoir would then be connected to Lake Chad by a canal north through the Central African Republic. The canal would run northward up the Ubangi River, a tributary of the Zaire, to its northernmost point near the city of Naji, and then be cut through a mountain chain of the northern equatorial ledge which regulates a watershed running into the Lake Chad basin.

The Lake Chad basin is a huge natural depression enclosed by mountains on all sides 1,400 feet above sea level. At its present level, Lake Chad, almost totally dried up through

evaporation, is at only 800 feet of elevation, and is one of the shallowest fresh-water lakes in the world. Augmented by the fast-rushing waters from the Zaire (amounting to four times the amount of water the Rhine River dumps into the Atlantic), it could be brought to its 1,400-foot elevation brim, which would enlarge the lake to an enormous 4,000-mile coastline, many times its present size.

From this high elevation, this lake could be tapped for irrigation purposes in both eastward and westward directions, where almost 1 million square miles of arable land stretch across the continent, from Dakar on the west coast to Djibouti on the east, below the Sahara Desert.

One strategy would be to extend a canal northward to the Mediterranean, carried over a natural riverbed approximately parallel to the Nile, through Niger and Algeria, and entering the Gulf of Sidra through Tunisia. Tributary canals off this extension could begin to reclaim areas of the Sahara directly.

Combined with a canal project to reclaim swamp land already under way in the southern Sudan region (a canal one-third completed, but now stalled for lack of funds, on orders from the IMF), and with plans for expanding the irrigation potentials of the Niger River to the west, this project will make possible the irrigation and cultivation of this enormous region—which, by itself, is the width of the entire continental United States, amounting to 800,000 square miles of arable land.

The appearance of a significant increase of vegetation in this area as a result of this project will immediately cause a dramatic shift in weather patterns, due to the exchanges between plant life respiration and photosynthesis, and the surrounding atmosphere. This will draw natural precipitation to the area, which will encourage even more plant life, and more rainfall. The net result of this will be a naturally induced reclamation of the Sahara Desert itself. The “desertification” process, in other words, will be reversed. Rather than growing every year, the Sahara Desert will rapidly recede. Augmented by advanced soil technologies, such as are being perfected in California’s Imperial Valley, even the most menacing regions of the Sahara would become susceptible to development.

This program gives the lie to the United Nations’ Sudano-Sahel “Strategy for Survival” report, which proclaims the growing “desertification” of the region as irreversible. Combined with a transcontinental railroad—east-to-west, and then north-to-south—and nuclear-powered industrial “nuplex” complexes along the coast lines, this Zaire River diversion project can unlock a virtually limitless potential for the development of the rich resources of the African continent.

Contrary to the U. N. argument of the need for population control, under the conditions of rapid economic development that would follow from this project, Africa would experience a manpower shortage—the effects of underpopulation from the ravages of decades of drought and famine. In the nations of the Sahel, for example, the land mass equals that of all

Europe west of the Iron Curtain, excluding Scandinavia. Yet, whereas that area of Europe has 330 million people, there are only 18 million people in the Sahel (thus the absurdity of asserting that the problems of the Sahel stem from overpopulation!).

A premium on education—in the way that President Lincoln combined the Land-Grant Colleges Act with his other legislation to open up the Western frontier in the United States—would be a priority component of such an economic development boom throughout this region.

2) Brahmaputra-Ganges Canal (India)

By virtue of the majestic Himalayas, the highest mountain range in the world, the Indian subcontinent is blessed with some of the greatest water resources in the world. However, the water originates in the high altitudes of the far north, and the arable land is far away. Second, the monsoon rain pattern turns the region’s rivers into deadly, flooding torrents, more a menace than a benefit to man during these seasons. Therefore, flood control and irrigation are both required to fully tap the water potential of this area for man’s use. The combination of the two can provide for a qualitative increase of food production on the massive arable portions of the region, allowing for a rotation system of three irrigated plantings annually, rather than one which is at present dictated by the whims of weather and the monsoons.

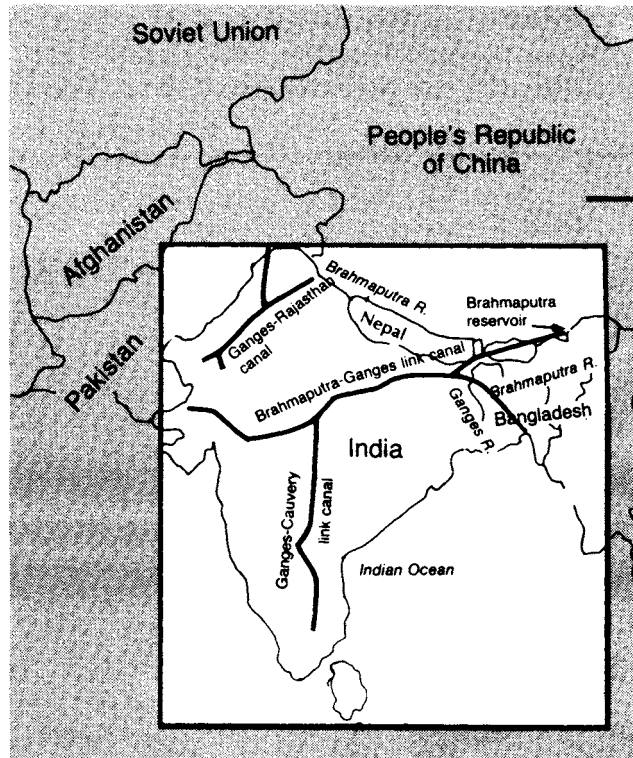
Also known by the name of the “Himalayan Project,” the Ganges-Brahmaputra Canal proposal, as conceived by the GIF, involves “damming the Sanpo River on the upper reaches of the Brahmaputra in the frontier area between China and the Indian province of Assam, to make it flow into India through a tunnel across the Himalayas,” and projects an annual hydroelectric-generating capacity of 240 to 300 billion kilowatt-hours. While the GIF proposal is excellent from the standpoint of flood control—taming the Brahmaputra from its uncontrollable, deadly flooding during the monsoon seasons—and hydroelectric power, this concept was expanded in a 1979 report on the development of India by the Fusion Energy Foundation (FEF), to include vast irrigation works for agriculture. Combined with fertilizer production, this irrigation could lead to a tripling of India’s grain output within two decades, making the country not only self-sufficient in food, but a major net exporter of food to the world.

The FEF’s work, in turn, drew on the concepts of Dr. K.L. Rao, once irrigation and power minister in India, who in 1972 drafted a comprehensive Ganges revitalization and Brahmaputra control plan. His plan looked forward to the production of an additional 1 billion tons of food grains annually, or, eight times the present level, with 130 million hectares of land under irrigation, three times the present level. He foresaw at least 40 gigawatts of new hydroelectric capacity, compared to 5 gigawatts at present.

The FEF conceived of realizing this plan in two 15-year stages, beginning with a canal diverting the Brahmaputra

MAP 2

Water development in the Indian subcontinent



near Dhubri to the Ganges near Patna. This canal would include outlets for irrigation releases to Bangladesh en route. A second diversion canal would be built from the upper Ganges and Yamuna rivers in Haryana (north of Delhi), with groundwater recharge and extraction facilities en route, to convey surplus water into the Sutlej Basin for delivery into the Western Desert, through an enlarged Rajasthan Canal.

Near Bikaner in western Rajasthan, a pump-lift canal facility would convey Himalayan water to the porous sandstone aquifers about 105 kilometers northeast of Jodhpur, as a regulating storage facility. That water now runs off, either through the Ganges tributaries or those of the Indus River. These canal systems would be augmented by groundwater recharge and extraction systems, using PNEs, required to impound the massive monsoon runoff during the July-October season, especially in the Ganges delta area, whence about 65% of all India's water runoff comes. Use of PNEs as well as radial wells can double the country's groundwater storage capacity. Finally, a seawater barrier at the mouth of the Ganges for flood control and improved navigability is a priority.

A master plan for this was prepared by the International Engineering Company of San Francisco 22 years ago, and is slowly being implemented by the government of Bangladesh.

Nonetheless, IMF austerity conditionalities prevented the Bangladesh government from purchasing, at the beginning of the decade, the dredges needed for flood control; that IMF dictate led directly to the loss of tens of thousands of lives in the floods of 1984. The seawater barrier, similar to the Zuider Zee reclamation project of the Netherlands, would maximize the fresh-water potential of the Ganges delta area, especially during the low-flow season, when salt water incursion becomes greater.

Stage Two of the FEF plan involves extending the canal system southward through the subcontinent—the so-called Ganges-Cauvery link canal. This canal would stretch along eastern India from Patna to the Cauvery River in the far south, with an ultimate capacity of 240 BCMY (billion cubic meters per year), 10 times greater than the original plan estimated by Mr. Rao—since it will be drawing from the year-round storage capacities of the Ganges and Brahmaputra achieved in Phase One, rather than only the monsoon surplus, and could be augmented with nuclear power for pumping. The canal would optimally be 60 feet deep and 1,500 feet in average width at the upper end, and taper down to a 350-foot width, with the same depth, at the lower end. Its total length would be 1,640 miles, all but 440 miles of which would be in gravity-flow canals or rivers. About 120 BCMY of storage is necessary for delivery regulation. In addition to irrigation, the canal would be a vital inland barge-transport system for ores, grains, and bulk products from south to north, turning Patna into a bustling seaport.

Estimates for the cost of the system are \$80 billion for Phase One and \$100 billion for Phase Two, including the pumping power plants. Since the facilities would be constructed over a 30-year period, the average capital requirement would be \$7 billion annually for the first 10 years, and about \$5 billion a year for the last 20 years. The installed power requirement is about 13 gigawatts after the first 10 years, mostly for groundwater pumping, increasing to 85 gigawatts over the next 20 years as the pump-lifts for the north-south Ganges-Cauvery canal become operative.

However, that canal will generate about 25 gigawatts of that power by itself, through hydroelectric turbine installations on it and on neighboring river systems. Estimates of basic materials include 40 million tons of predominantly construction-grade carbon steel and 190 million tons of concrete—requiring 23 million tons of Portland cement.

3) North American Water and Power Alliance (NAWAPA) (North America)

The conception of this project dates back to the last century, just as the vision of a Panama Canal was already present in the mind of Benjamin Franklin. It involves capturing the fresh waters of the northward-flowing Canadian and Alaskan rivers, and diverting them southward for productive use in Canada, the lower 48 states of the United States, and northern Mexico. This is no small amount of water we are talking

about: fully 26% of all the rainfall on Earth which hits land and flows off into the ocean, lands in Canada and flows northward into the Arctic Ocean, not utilized by man for any purpose.

Tapping this resource would achieve three immediate benefits: 1) It would immediately employ the idled industrial and manpower resources of the nations involved productively, a vital component for an economic recovery; 2) it would

alleviate the critical water shortage conditions threatening population-dense southern California, as well as the rich agricultural lands of the United States' High Plains; and 3) it would allow for new economic growth in the West beyond the imagination.

This project was given the name NAWAPA by the Ralph M. Parsons Company of Pasadena, California, which invested millions in private funds to draft a master plan proposal

MAP 3
The North American Water and Power Alliance



for maximum exploitation of this untapped water resource in the early 1960s. This became a hot issue through the mid-1960s, the subject of a report by the Senate Subcommittee on Western Water Development chaired by former Sen. Frank Moss (D-Utah), which was published in 1966, and was the subject of numerous debates and a book by Rep. Jim Wright (D-Tex.), called "The Coming Water Famine," which promoted the project.

However, the NAWAPA project became the victim of the "environmentalist" movement of the late 1960s, beginning with the move by the late Sen. Henry Jackson (D-Wash.) to pull Moss off his post as chairman of the Western Water Subcommittee. It was only in the late 1970s, when Congress realized that the Ogallala aquifer, the groundwater resource upon which 11 million acres of irrigated cropland on the High Plains depends for water, was drying up, that interest in the NAWAPA concept began to be renewed. However, "environmentalist" fixations of the Carter administration, a little-known provision in Congress' omnibus water legislation prohibiting even the study of inter-basin water transfers affecting the Columbia River, and fiscal constraints, prevented NAWAPA from being little more than a "pipe dream," until Lyndon LaRouche and the National Democratic Policy Committee (NDPC) began to make it a cornerstone of a national economic reconstruction program in the late 1970s.

By providing over 160 MAFY (million acre feet of water a year: one MAFY equals 0.89 billion gallons per day) for deployment throughout the continent, NAWAPA can address every major water crisis facing the United States, Canada, and Mexico—from the Great Lakes and the St. Lawrence Seaway to the Mississippi, to South California, Arizona, Texas, and the High Plains, to Mexico's Sonora and La Laguna regions, to Eastern Seaboard municipal reserves. Since virtually the entire system runs downhill in a free, gravitational flow, it can generate an enormous net yield of hydroelectric power above and beyond its own pumping requirements—thus, the term "power" in the NAWAPA name. The total surplus hydroelectric yield has been estimated at 70 gigawatts.

As an example of the magnitude of increase in water availability NAWAPA would provide, the entire state of California, the most populous and agriculturally dense (in terms of cash yield per acre under production) in the Union, today consumes approximately 37.4 MAFY during a normal year (of this, 5 MAFY is for urban use; 31.7 for agriculture; the remainder for power plant cooling and fish, wildlife, and recreation).

NAWAPA would augment this total for California by 12 MAFY, or 33%. NAWAPA would also provide 12 MAFY to Arizona, which would more than quadruple its total present usage. Mexico would receive 20 MAFY, and the Canadian provinces, themselves, 58 MAFY (including a navigable barge canal linking the Great Lakes to the Pacific Ocean).

The project in its totality is composed of over 350 dam

and canal projects, tapping a collection area stretching from the Yukon River to northern Montana. Of a total water runoff of 800 to 1,000 MAFY in this 1.3 million square mile area, NAWAPA would divert a total of 160 MAFY for consumption and waterway control. It would begin in Alaska, high in the headwaters of the Yukon, Susitna, and Tanana rivers, where, through a series of reservoirs, waters would be collected and diverted into the Fraser River—where the water would meet water coming from the Peace River and Parsnip River, and flow into a natural geological formation roughly along the British Columbia-Alberta border, and extending 500 miles, along what is known as the Rocky Mountain Trench.

With dams at the southern outlet to this trench, it will become a giant lake storing 300 to 400 MAFY of water (over three times the entire annual fresh water consumption of the lower 48 states). Nearby, a supplemental system would draw from the Clarke, Snake, Clearwater, Bitterroot, Big Hole, Jefferson, Salmon, Little Colorado, and Escalante river basins. A navigable waterway would extend from the Fraser River eastward across the Canadian plains to the Great Lakes.

Southward flows from the Rocky Mountain Trench and Clearwater subsystem would supply the lower 48 states and Mexico—a total of 80 MAFY to the United States (California, Arizona, and Texas getting 12 MAFY each, New Mexico 8, Nebraska 6, the Dakotas 5.5 each, Missouri 5, etc., under the original plan), and 20 MAFY to Mexico (Sonora 9.5, Baja California 4.3, Chihuahua 3.6).

According to a presentation by a Parsons Company spokesman to a public meeting of the Fusion Energy Foundation in 1980, the estimated cost of NAWAPA would be \$200 billion over a construction period of 30 years. However, this was excluding the use of PNEs, which formed part of the original NAWAPA concept, but was removed for fear of anti-nuclear protest in the early 1970s. With PNEs, the cost and construction time both would be reduced tremendously. However, with the massive net surplus of energy on top of the enormous water yield, NAWAPA must be seen as perhaps the best investment in the future—apart from NASA or Strategic Defense Initiative programs—the United States and its neighbors could make. Pay-back time for the original construction costs could be achieved more quickly than the decade it took to pay off the costs of building the Erie Canal, and profit yields would be far greater.

Objections which surfaced among certain Canadian interests in the 1960s can be overcome by invoking the emergency friendship treaties that exist between the United States and Canada for use in the case of national emergencies. These treaties focus on sharing natural resources—and in this case, the resource is a renewable one whose use does not threaten to exhaust the supply, but only to create a permanent, stable, and growing market for the inexhaustible commodity. Work on such a project could begin by invoking the War Production Act of 1949, or by a more standard legislative route.

Chirac-Thatcher entente fights the 'zero-option'

by Mark Burdman

Following three hours of discussions with British Prime Minister Margaret Thatcher in London April 26, French Prime Minister Jacques Chirac declared that a "grand convergence" existed between Paris and London on how to respond to U.S.-Soviet negotiations toward reaching a "zero-option" disarmament deal in Europe. The bottom line, Chirac insisted, was that both countries agreed that the "denuclearization" of Europe, particularly the removal of American missiles from Europe, which is part of the proposed deal, would be "unacceptable."

Reporting from London April 28, the French daily *Le Monde* asserted that "British observers share the appreciation of M. Chirac: French and British initiatives are now very close." The paper noted that this was tantamount to a "Franco-British entente."

These statements might surprise those familiar with the long history of controversy pitting Britain against France on a wide variety of issues. The disastrous "zero option" has accomplished what nothing else could accomplish; animosities between the two countries have now virtually melted, and shared fear that a superpower INF (intermediate-range nuclear forces) deal would leave Europe defenseless in the face of the overwhelming Soviet strategic threat, has opened up highly interesting possibilities of strategic cooperation.

This entente has three immediate effects.

First, it provides a counterweight in Europe, to the massive pressure being exerted on Europe by President Reagan's White House and George Shultz's State Department, for the Allies to accept the Euromissiles deal.

Second, the vehemence of French-British opposition to

the deal, has surprised the Soviets, who were already reportedly caught off-guard, by the extent of opposition to the zero option expressed by Mrs. Thatcher, during her March 28-April 1 visit to the Soviet Union. The Soviets had also been shocked by the dismantling by the French government of a Soviet spy ring, and the expulsion of a top-level Soviet espionage coordinator in early April. The Soviets had originally thought to have secured their flanks in Europe among conservative governments. Now they are biting the rugs with rage, reflected in a wild April 27 Tass News Agency attack on the French government.

Third, the Franco-British entente could strengthen the position of zero-option opponents in West Germany, where the political-strategic situation is extremely delicate. Under conditions of both superpowers frantically pushing the missile deal, it is almost impossible for a government in Bonn to openly oppose the zero-option, even if leading influentials are fully aware that such a deal would leave West Germany totally strategically exposed.

Chirac announced he will be going to Bonn May 3. In the days leading up to that visit, certain political signs in Bonn are noteworthy, even if much of what people think cannot be said in public. One such sign was the West German cabinet refusal, April 27, to formally back the enthusiastic endorsement of the zero-option proposed by West German Foreign Minister Hans-Dietrich Genscher. Following this, Chancellor Kohl told the Sat 1 television network April 29, that the zero-option could only be reached, if "our safety is increased, and not decreased, after an agreement is signed." He declared "deep disappointment that the Soviets have not signaled any

commitment to reduce their conventional weapons superiority," and said he would "not decide on the zero-option before consultation with all our allies."

One possible sign that Moscow may be feeling some rage about developments in Bonn, is the unexplained and sudden announcement by the Soviets that the anticipated visit to the U.S.S.R. of ultra-détente West German President Richard von Weizsäcker, had been "indefinitely postponed." Other factors may come into play in this decision, but the least that can be said about it, is that is not a routine, or typical, diplomatic development.

Alfred Dregger, the head of the parliamentary group of the Christian Democratic Union in the Bundestag and a senior CDU foreign policy spokesman, expressed his categorical rejection of the zero option, in an April 27 declaration. Dregger warned that the negotiations for a zero-option deal are leading toward "a nuclear singling-out of Germany. . . . The safety of Germany would be endangered to the utmost by missiles below the range of 500 kilometers. . . . As German politicians, we cannot give our support to this kind of policy." Dregger cited NATO chief General Bernard Rogers and former U.S. Secretary of State Henry Kissinger's warnings that the zero options would remove the foundation of the flexible response of NATO. Rogers himself, in statements appearing in the *Frankfurter Allgemeine Zeitung* daily April 30, stressed that certain decisions taken in Bonn on the zero solutions, could have a "determining effect" on the future of NATO. Especially as "the future of Europe as a whole is at stake," Rogers exclaimed, why should the schedule of negotiations decided on in Washington "set the tone" for Bonn?

CDU-CSU arms-control spokesman Jürgen Tödenhöfer has sent confidential letters to his colleagues on the foreign affairs and defense committees of the Bundestag, calling on them to deny support to any "isolated zero-option," insisting thereby that arms control talks must link all categories of weaponry, including chemical weapons and conventional forces. It is said that Tödenhöfer is organizing a parliamentary boycott against the zero-option agreement.

One sure barometer that there is resistance in conservative West German circles to the zero-option, is the political disposition of West Germany's left-wing social-democratic appeasers. Suddenly, the extraordinary situation has been created, where the biggest defenders of Ronald Reagan's missiles deal are Social Democratic Party leaders Hans-Joachim Vogel and Egon Bahr, who usually express a manichean's rage against anything Reagan does. These, and others of the same species, have been attacking the West German government's hesitancy on the zero-option, and have even gone so far as to call on President Reagan to apply pressure on Chancellor Kohl, to get him to go along with the new "arms control" deals! This is something they would never do, if the situation inside the Bonn coalition were completely sewn up by the zero-option mafias.

Denuclearization of Europe 'unacceptable'

Speaking in London after meeting Mrs. Thatcher, Chirac declared: "As long as [Soviet] superiority in the domain of chemical and conventional weapons will remain as it is, there will be no other choice except to maintain nuclear deterrence in Europe, and that includes an American deterrence." Chirac declared that a "denuclearization" in Europe, particularly involving the removal of American nuclear missiles from Europe, would be "unacceptable." Security in Europe, he insisted, depends on an equilibrium that "demands the maintenance of a sufficient capacity for nuclear deterrence."

About six weeks before Chirac's trip to London, British Defense Minister George Younger had flown to Paris for meetings with his French counterpart André Giraud. Under discussion were various new forms of French-British nuclear-strategic cooperation, including joint production of long-range nuclear weapons technologies, coordination of nuclear technologies more broadly, and exchange of information on strategic affairs.

General Rogers: 'Europe's future as a whole is at stake'

Speaking to the West German daily *Frankfurter Allgemeine Zeitung* from his headquarters in Casteau on April 29, General Rogers stressed that the decisions taken by the West German government in Bonn, on the zero-option, will have "a determining effect on the future strategy of NATO." He criticized the haste in the current discussion in Bonn: "But why should this all be decided in three weeks? Why not give it a half-year? Why should the predetermined [Washington] schedule set the tone, when Europe's future as a whole is at stake?"

Rogers warned of the Soviets' seducing offers on arms-control, and urged the U.S. population, to keep one thing especially in mind: "The American people must recognize that our eastern borders lie at the German-German and at the German-Czech borders, and that we have to be closely allied with Western Europe. Otherwise, this alliance will fall apart, and we make ourselves guilty of having helped the Soviets to achieve their strategic goals." The article appeared under the headline, "'America's eastern border runs through Germany'/General Rogers complains about the zero solutions."

After Chirac had left London, London's International Institute for Strategic Studies (IISS) warned of the dangers posed by the zero-option to Europe; such warnings are an unusual turnabout for the IISS, which usually supports arms-control deals. In its "Strategic Survey 1985-1986," the IISS charged that "the superpowers pursued a chimera at Reykjavik: dreams and visions of a world without nuclear weapons, and also, for President Reagan, a world of perfect defenses. A sense of unreality pervaded the negotiations."

Tass is not amused

The day after Chirac's departure, the Soviet news agency Tass, under the title, "Atlantic solidarity, obstacle to disarmament," and under the byline, Vladimir Bogachev, issued a violent denunciation of Chirac and Giraud. The nastiness and cynicism of the tone of the article contrasts with the oozing sweetness the Russians are reserving for U.S. Secretary of State George Shultz.

"Certain members of the French government," in particular Prime Minister Chirac and Defense Minister Giraud, Tass-Bogachev charged, have "taken the leadership of the offensive of conservative circles of NATO against disarmament in Europe." The French position in respect to recent Soviet proposals is "much harder than that of other NATO capitals, . . . according to Western observers themselves."

The attack went on: "The Soviet government had declared itself ready, to not take into account the British and French *'forces de frappe'* in the global equilibrium of forces in a potential accord on Euromissiles. This constituted an important concession, to the extent that French military planners calculate publicly the strength of their nuclear forces by the number of Soviet cities that they can destroy.

"But the Parisian high functionaries, who have the short view, fear that it would be more difficult to France to justify the existence of its nuclear forces when the Soviets will have withdrawn its theatre missiles from Europe."

Tass-Bogachev attacked Chirac for "having declared Sunday [in Britain] that the withdrawal from Europe of short-range missiles would be dangerous," and Giraud, for having spoken of a "nuclear Munich," in respect to Soviet disarmament offers.

The piece further attacked France for reinforcing its program of nuclear armament: "Paris is extending its zone of responsibility in Europe, and is replacing its Pluton missiles, of a range of 120 kilometers, with Hades missiles, capable of reaching targets in Czechoslovakia and the German Democratic Republic. The number of nuclear warheads with which the French missiles based on land and on sea are equipped, will reach 600 units in 1992. As an American journalist said, if the French *force de frappe* is a joke, it is less and less funny."

Not coincidentally, the attacks were issued while a French Foreign Ministry official was in Moscow, preparing the scheduled visit of Chirac to the U.S.S.R.

Are homosexuals a

by Lyndon H. LaRouche, Jr.

This commentary was written on April 26, 1987:

The British weekend press may be fairly described as somewhat dominated by echoes of Prime Minister Margaret Thatcher's disclosure earlier this past week, that former MI-6 spymaster Sir Maurice Oldfield had been an active homosexual, apparently since his days at Lady Manner's public school. One issue prominently debated, is whether the fact that a person is a lesbian, catamite, or sodomite makes her or him intrinsically too great a security risk to be entrusted with state secrets?

According to accounts, Oldfield, who died in 1981, had been on the MI-6 roster, initially occupied with battering Jews in Palestine, since 1946, and its spymaster from 1973 until he was exposed and discharged for having concealed his homosexual life, in 1980. He is described by *The Observer* as spy-novelist John LeCarré's model for the odious, fictional character of "Smiley."

The controversy appears to center around what should be viewed as merely a significant, but essentially tertiary aspect of the problem, that homosexuals are so much more readily subject to potential blackmail by Soviet or other nasty agencies, that to employ homosexuals for sensitive posts is far too great a risk to be tolerated. The contrary view, expressed by one of the weekend's columnists, is that homosexuals are blackmailable because of society's intolerant attitude toward them, and might not be intrinsically such risks otherwise.

Admittedly, that is the conventional view of the issue, as we might remember from those ironic days the homosexual ring of Sen. Joe McCarthy's Roy M. Cohn was exposing State Department homosexuals as "security risks." Homosexuals are persons, and thus entitled to the civil liberties of persons generally. Consequently, they have the right to seek

security risk?

to qualify for employment in any field, on their individual merits, on condition it is not demonstrated that their homosexuality itself is a disabling disqualification. Although the observation that homosexuals are blackmailable is valid, that misses the essential point of the matter.

The fundamental question for policy-makers, is a question of fact: Is there something in the state of mind of being a homosexual, some impairment of the personal sense of social identity, which might also impair their loyalties in dealing with state secrets? This area of the problem was seriously considered by some in the psychiatric profession, until the beginning of the 1970s, when politically motivated decisions within the medical profession caused nations to cease classifying homosexuality as a painful and variously troublesome mental affliction, a disease in the proper sense of the term.

If we are to bring some sense back into the discussion of this sensitive problem, the phenomenon of homosexuality must be divided into two admittedly interrelated, but very distinct clinical problems.

The first is that aspect of intimacies with either animals or one's own sex, intimacies described, for what are, biologically curiously inappropriate reasons, as "sexual acts." Such intimacies fall within the provinces of statutes and morality. This is the aspect stressed by the current British press discussion, potential blackmail arising from the perpetration of such acts—presumably with one of the numerous, similarly disposed agents of the Soviet KGB.

The public attention to these statutory and moral aspects of the matter distracts attention from the second, more profound questions: What is distinctive about the state of mind of the person impelled to perpetrate such practices, and what might be the consequences, of relevance to security policies, of a person's being subject to such state of mind? Let us

concede, and thus put to one side, the issue of "potential blackmail"; let us concentrate on the more profound, psychiatric issue.

The conventional view of homosexuality (including lesbians, of course), is that it is "not normal." Unfortunately, "normal" usually carries the connotations of "statistically less likely," or "unconventional." Since, statistically, almost no person is precisely normal in those senses, such definitions are much less than useful. One says better, "pathological," in the sense earlier conveyed by the psychiatric profession's view of this matter.

The question is: Is the homosexual psychopathology, in some or all varieties of cases, associated with an endemic impairment of the capacity for patriotism? So, before focusing upon the impairment, we must define what it might be which might be so impaired.

Bertrand Russell, a paragon of treason

Patriotism, and associated notions of loyalty, trustworthiness, and so forth, are really a way of speaking of the person's innermost sense of social identity. It is that which is associated with the person's innermost sense of social identity, which is that for which he will make virtually any sacrifice, rather than become an un-person to himself.

While I have no record of what the late Bertrand Russell did in his odd hours without the company of Ottoline, it is the treasonous state of mind of Russell which appears to be most typical of the high-ranking sort of post-Versailles British traitor in particular. The question is, whether something analogous to Russell's avowed proclivity for treason can be properly identified as a syndrome of either all homosexuals, or only of a more specific strain of homosexual pathology.

In the instances of both Russell and Blunt, and others, the point to be emphasized, is that the collapse of the British Empire, and the prospect of extended world-domination by the Americans, deprived them of the former sense of British identity which the grandson of Sir John Russell found acceptable, and that treason, in one guise or another, were preferable to tolerating British subservience to the whims and interests of the American Morloch.

If Earl Russell was not technically a traitor to Britain, this was only because his energies were fully occupied with crimes against both the Creator and civilization. Men of lesser evil are more suited to smaller deeds of mere treason against a particular nation.

It must also be taken into account, that draping the corpses of Britain's youth upon the barbed wire of the Great War, fostered a state of mind in Britain not dissimilar to the demoralization of those German veterans, the "rootless ones," on which Nazism capitalized. In the latter state of demoralization, during the 1920s and into the 1930s, the satanic influence of such as Russell, H.G. Wells, and Aleister Crowley met fewer barriers to its progress.

However, we can not separate this phenomenon of the

post-Versailles period from what leading Fabians themselves stressed as the role of the Darwin-Huxley scandals upon the religious faith of the self-styled intellectuals of the British middle classes and others. Nor, respecting the issues leading into the U.S. War of Independence, should an American historian overlook a similar pathology traceable to the Hell Fire Clubs of Walpole Liberalism, or the degeneracy rampant among influential circles within the court of James I.

Patriotism, as distinct from racialism, can not be separated from that idea of the modern sovereign nation-state, which spread from Renaissance Italy into Louis XI's France and Tudor England, as the alternative to the follies of late-13th-century and 14th-century feudalism. The tendency to substitute parodies of the two Roman empires for the institution of the modern nation-state, and a curious self-hate, which perceives that the institution of the family committed the folly of bringing oneself into existence, are also contributing influences for the erosion of patriotism today.

True patriotism does not negate personal self-interest, but is associated rather with the individual's sensibility of his own mortality, and thus recognition that the outcome of his individual life's work lies in that which a hopefully more durable existence, that of his nation, makes permanent. It is thus tied to love of self, nation, and humanity, all at once, a

form of love associated with "agape," not "eros."

The loss of a sense that one's nation has a higher purpose for contributing to the advancement of civilization as a whole, or the sense that one's nation is no longer committed to adopting and nurturing the good contributed by its citizens, either impels one to correct such flaws in one's nation, or else patriotism is cut away at its root. Similarly, the fault may originate within the individual, one who is so obsessed by personal eroticism for its own sake, that nation is reduced for him to at best a possible convenience, or, at worst, an encumbrance he tolerates as long as he fears to do otherwise.

Much is made of the supposed "idealism" of a Philby or other notable cases of traitorous defectors to the Russian empire. This presumes that Philby was some poor fool with an unresolved weaning-crisis, like some simpering idiot following the red banners in some peace march, with no knowledge of what Russia is on the inside, or of what Russia does in those nations which were either subjected to Moscow's overlordship, or misled into coming under Soviet control. Philby knew full well what he was doing. Moscow was evil, to his knowledge, and he consciously chose evil, conscious that the choice was an evil one. Philby, like Blunt, whom only silly people could consider "idealists," brings us to the essence of the matter.

Homosexuality as the intent to do evil

The clinical essence of the homosexual pathology, is destructive rage, a Nietzschean, dionysiac quality of rage. In the pre-1970s psychiatric literature, this was frankly and extensively documented. The pleasure of the homosexual deed is the pleasure of doing evil, in that clinical sense. It is not the desire for the act in itself, but the pleasure of the destructive character of the act as an affirmation of the diabolical, which is controlling. This is a form of the *mens rea*; it is an evilly grimacing Eros with horns and hooves, an Osiris, a Siva, a Dionysos.

We should recall from the relevant authorities of a more honest past, that the etiology of the homosexual syndrome has two distinct elements. The first is the potentially homosexual disposition, as commonly the case of the boy victimized psychologically by a certain sort of mother. The second is the indoctrination into homosexual practices.

During the late 1960s and 1970s, the endemic incidence of homosexuality in the United States was greatly, and intentionally magnified, by systematic indoctrination in homosexuality as a cult, with a significant role by culpable circles within certain divinity and theological schools, as in the case of the role of Berkeley to this effect in the San Francisco Bay Area.

This cult-form of indoctrination into homosexuality demonstrated, that although the relevant mother syndrome is the typical history of endemic homosexuality, that incidences way beyond such endemic potential can be cultivated with a

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well-designed approach, under the circumstances appropriate for this. The rock-drug-sex counterculture's spread in the U.S.A. during the 1960s, had created such an exceptional, expanded potential by the end of the 1960s, especially in areas in which "New Left" political radicalism overlapped the influence of the rock-drug-sex counterculture in a concentrated way.

Such extraordinary success in creating large numbers of homosexuals from otherwise improbable cases, forced the attention of observers to the fact that the Cybelene cult of Dionysos was no mere scholar's curiosity, but embodied very efficient means for destroying the youth of society, and turning them into assassins of their parents, the elite of the urban centers. This was Nietzschean stuff, and produced with well-informed calculation by "New Age" followers of Crowley and others. So, the methods of the ancient cult of Dionysos were replicated before our eyes.

The observation of this development, through aid of "sensitivity group" methods, and the evolution of the homosexual movements among men and women since, forced our attention back to the intrinsic psychopathological nature of homosexuality more generally. Granted, the behavior of the organized homosexual cults of California and elsewhere was mass behavior, akin to the effect of concentrating a pack of hungry locusts; the nature of the locust is embodied in the relatively more benign state of the same species. In the relatively more quiet homosexual, distinct from self-styled "Nazis in Leather" parading on California streets, the same potential is endemic.

The homosexual's sense of deep guilt about his homosexuality is a necessary part of his condition. He is wrong, but as long as he experiences a sense that this is indeed contemptible behavior, he can tend to function as a useful, reliable person in society, apart from the immediate impact of his affliction. The one grip on sanity available to the deranged person, is his inner awareness that his mind is not only an unhealthy one, but a threat to his chance of social identity. His hope of sanity, is his sense that his condition is a degenerate one, and his accompanying desire to overcome this flaw. Remove that painful sense of guilt, and he becomes unmitigated depravity.

Once the homosexual loses that sense of guilt about his degenerate condition, and thus gives up the idea of recovery, he is lost. Worse, if he becomes persuaded that he has a right to choose to be self-righteously a homosexual, he becomes a criminal mind in the strictest sense of the term. He becomes Nietzschean, and is ripe for acts of treason, simply because treason per se may afford him exquisite pleasure.

In such a state of mind, he might not become a traitor in fact: For example, if he is able to release his propensity for evil in other ways. He innermost character is that of an erotic egoist in the worst sense, a sadist and pathological liar by disposition, all the traits most intolerable in an agency as

sensitive as an intelligence service.

In this, as it bears upon the case of "Smiley," I have some expert experience. For years, my own principal function has been *primus inter pares* among a private circle of friends. One of our principal functions is in the mode of a private intelligence service. Considering our very modest resources, we are among the best in the world at what we do, right enough to give pain to relevant organs of those regular and private agencies who might often prefer to conceal what we reveal. This private occupation brings us athwart various intelligence services, and has brought us into that indescribable but very distinct demi-monde called the "intelligence community."

The fault in most major intelligence services today, is that they are more pragmatic tribes of Manicheans, than being dedicated to some clear purpose. They practice the slogan: "Neither actually win, nor actually lose, and never lose badly enough not to stay within the game to play another day." Some national intelligence services are technically proficient, in one or more aspects, and some are such pathetic bunglers in political intelligence such that even we, with our modest resources, are obliged to ridicule their habitual ignorance and clumsiness. Really good political intelligence, attuned to coherent and sound long-range strategies, generally does not exist. The Manichean pragmatism is the general flaw. Really rigorous political intelligence is lacking.

Good intelligence functioning requires moral qualities of judgment, and unbreakable loyalties to the welfare of one's collaborators. Otherwise, the free play of original thought essential to discovering the unexpected or overlooked, is not possible. The collaborators must be true collaborators, assembled to no purpose but a common devotion to search for useful truths, especially those extraordinarily important truths which are never the generally accepted ones. For such, a "Smiley," as novelist LeCarre portrays him, is intolerable; Le Carre's "Smiley" is recognizably a homosexual, without need of vettings, polygraphs, or other such diversions.

In brief, it is the dionysiac quality of defect in the psychopathology of the homosexual, which is the source of his attractions to the pleasure of the act of betrayal. It is this flaw, more or less developed, which renders the homosexual intrinsically a security risk in corresponding degree, not merely because he is potentially blackmailable, but merely because he is a victim of a homosexual's psychopathology.

To be a homosexual, is a terrible affliction; if we cared for the human rights of such persons, we should direct our efforts to curing them of that which makes them so unpleasantly distinctive.

Assuming that the disclosures in the British press are accurate ones, "Smiley" should never have been entrusted with the position, whether he actually betrayed or not. The damage he did, in one way or another, must have been enormous. Such was written in the character LaCarre describes.

Impending financial crash sends Moscow into new period of autarky

by Konstantin George

On April 23, without warning, a Soviet diplomatic cable arrived at the West German foreign ministry, announcing that the heavily publicized May 17-23 state visit of West German President Richard von Weizsäcker had to be indefinitely postponed. Overnight, what would have been Soviet leader Gorbachov's most significant discussions with a Western figure outside of the summit with President Reagan himself, was put on the shelf.

The reasons had nothing to do with von Weizsäcker himself. As Moscow's highest ranking agent of influence in the West German political structure and the pro-Soviet German Protestant Church (EKD), he was slated to receive the red carpet treatment. Only very great turbulence in Moscow, caused by paramount, strategic considerations gripping the Soviet policymaking elite, could account for so stunning a cancellation.

The Soviet leadership has adopted the strategic assessment that the West is on the brink of a financial catastrophe. Under such circumstances, what Moscow has cancelled is not von Weizsäcker's itinerary, but Soviet leader Mikhail Gorbachov's foreign itinerary, for at least the immediate future.

The facts

On April 25, the Yugoslav news agency, Tanjug, suddenly announced that Gorbachov's visit to Yugoslavia "in 1987" was indefinitely postponed. Tanjug had reported that Gorbachov was definitely coming to Yugoslavia "this year" only two days earlier.

These are not isolated instances. All of Gorbachov's non-bloc itinerary, and at least one instance within the Soviet bloc, either as host or guest, for at least the next two months, has been cancelled. Intended state visits to Greece, Italy, and Romania have all vanished.

A silly Kremlinologist might at this point ask: "Does this pattern of cancellations mean that Gorbachov is finished?"

These Soviet demands would place the East bloc states back to a degree of extreme bondage that has not existed since the time of Stalin, when, under the regime of "joint stock" companies, the East European economies were robbed

blind to rebuild postwar Russia into superpower military status.

Given these facts and trends, the present manifestations of East European displeasure with Moscow become very understandable and explainable. With these Soviet demands, a large part of the satellite, junior *Nomenklatura*, stand to lose their posts and privileges. The role of the East European ministries, for one, would be heavily whittled down, and the demands on many a plant manager or director would become insufferable. As with every past shift by Russia into a new "period," purges and, in this case, actual toppling of satellite leaders, will be on the agenda.

The Soviet leadership, too, will have its problems. A full-scale Western economic collapse will contain many unpredictable and surprises. Under conditions of impending and actual financial crash, the tendency of Western elites to turn to crisis-ending policies and options will increase exponentially. Concretely, this means a surge in influence and power for the founder of this magazine, presidential candidate Lyndon LaRouche. Of this point, Moscow is well aware.

The answer is, "No." A certain agenda prepared for Gorbachov, under the assumption that a financial crash in the West was not impending, is "finished." The highest echelons of the Soviet *Nomenklatura* have come to the conclusion that an impending financial crash in the West is on the agenda, and in that light, the Soviet agenda must undergo major changes.

The new agenda

When things crash in the West, the Soviet Union, to use Soviet parlance, enters a new "period," where, especially in terms of economic policy, the concept of autarky prevails—historically as in the 1929-inaugurated "Third Period" under Stalin. The Soviet Union is now embarked on precisely such a course. Here we can preempt the Kremlinologists' fixation on "what will happen to Gorbachov?"

And in fact, opposite to the pattern of cancelled non-bloc engagements, General Secretary Gorbachov is being handed a thick schedule of East bloc engagements.

One point must be stressed here. The coming to the fore

of Comecon autarky does *not* mean that Gorbachov and the Soviet leadership have abandoned strategically vital policy thrusts directed at the West. For example, with or without a financial crash, Moscow will continue to play the "Reagan card" to attempt to nail down, this year, the "zero option" agreement to remove U.S. longer-range and medium-range missiles from Europe.

President Reagan's latest public statements endorsing both the so-called first zero option (missiles with ranges from 1,000 to 5,000 km) and the second zero option (missiles with ranges between 500 and 1,000 km), and demanding that Europeans drop their opposition, show once again that Moscow has everything to gain—a denuclearized, helpless Europe, devoid of credible U.S. nuclear forces on the scene—and nothing to lose by vigorous pursuit of the "Reagan card."

To sign an INF (intermediate-range nuclear force) agreement that would trigger the decoupling of Western Europe, beginning with West Germany, from the United States, Gorbachov would be more than willing to add a superpower summit to his 1987 calendar. That said, we can devote our attention to the pronounced autarchic thrust in the Soviet Bloc.

New priorities

The fact that the Soviet Union is entering another autarchic "Third Period" was illustrated in a most dramatic manner in exactly the same time frame, April 22-25, that Gorbachov's cancellations were being reported. On April 23, the Soviet news agency Tass announced that a Warsaw Pact summit would be held in East Berlin, May 28. A day earlier, Radio Budapest carried an announcement by Hungarian Foreign Trade Minister Peter Veres, that a Comecon summit would be held "by mid-year," i.e., before July 1, and most probably in late June, to discuss "Comecon integration."

Veres spoke on the same day that Soviet Politburo ideological boss, Yegor Ligachev, arrived in Budapest.

April 22 is no ordinary day in the East bloc. It is Lenin's birthday. Announcements made on such an occasion are generally significant in Moscow.

This year in Moscow, the Lenin birthday speech was given by Soviet Politburo member and Prime Minister Nikolai Ryzhkov. The theme was "Comecon integration."

Ryzhkov emphasized that "the deepening of integration is considered the *priority thrust of our international activity*." He expounded Moscow's new supranational emphasis on Comecon policy planning, stating that within the Soviet bloc, "there is not one country, big or small, that can master the heights of scientific-technological revolution, without intensive exchange of scientific developments, without the most many-faceted forms of international cooperation. The CPSU intends to fully expand its participation in the international division of labor. This refers above all to cooperation in the framework of the Comecon, which is *the core of foreign economic ties*."

Note the terms "priority thrust," "mastering the heights of scientific-technological revolution," and "core . . . of economic ties." Under conditions of a Western economic crisis, the Soviet Union cannot count on joint ventures and other deals with the West as the basis for accomplishing Gorbachov's oft-stated priority of modernizing industry. Russia must rely chiefly on those foreign resources at hand, the already heavily looted economies of its East European satellites. The hapless satellites must now not only provide more economic and technological "tribute," but submit their economic enterprises and scientific capabilities to forms of direct Soviet control not seen since the Stalin era and its immediate aftermath.

Hints of this emerged in the next part of Ryzhkov's speech, where he demanded that "unsolved problems" and current "stagnation" in Comecon integration be overcome. "Changes of a complex character are necessary," and, "Comecon forms and methods have to be fundamentally renewed."

Ryzhkov's autarchic pronouncements are by no means confined to a Comecon crash program to modernize Russia's civilian economy. Every resource, human and physical, within Comecon is to be enrolled in Russia's hi-tech space and SDI-military programs: "The decisive role will be played by the complex program of scientific-technological progress of the Comecon member countries. This program is *without precedent* concerning the socialist international division of labor. Its aim is to reach the highest level in the direction of scientific-technological progress."

There you have it. The Russian "priority policy thrust": quantitatively and qualitatively expanded Soviet bloc autarky. This is one of the crucial Soviet news stories of the year—for that matter, of the decade—and yet, it is missed, ignored, or covered up in the Western media. To be sure, the 1980s have witnessed important new "supranational" Comecon projects in primarily the energy and transport sectors, rammed down the satellites' throats by Big Brother in Moscow. But what is now on the agenda is of an entirely new dimension, which brings us to the story within the story.

Gorbachov's Prague visit

While the Western media was fixated on Gorbachov's utterances on the "zero option" during his visit to Prague, they largely ignored his groundbreaking remarks—demands would be a better word—on the subject of "Comecon integration."

Gorbachov "informed" the Czechs that Moscow had a new program for the Comecon. The Comecon countries would start establishing supranational "joint enterprises" with Big Brother. Gorbachov called for the introduction of "common socialist property," held by "supranational economic enterprises." In plain Russian, the Soviets are now demanding nothing less than the transformation of the *national* economies and agglomerates of enterprises, into Soviet "common socialist property."

Colombia's 'Project Democracy' mafia takes it on the chin

by Valerie Rush

When Colombian President Virgilio Barco granted legal status to the new 800,000-member Unified Workers Confederation (CUT) April 13, he did so despite the stalling and protests of two successive labor ministers, and of the leadership of the ruling Liberal Party which elected him. He also did so in defiance of Project Democracy's "invisible government" in the United States, whose tentacles reach deep into Colombian labor and political circles.

The CUT was created in 1986 out of a series of schisms in the Colombian trade union movement, which had over the previous decade been increasingly corrupted by a drug mafia in cahoots with the agents of Project Democracy's American Institute for Free Labor Development (AIFLD). Veteran trade unionist and former Labor Minister Jorge Carrillo pulled the majority of the captured labor federations' rank-and-file out of the clutches of the mob and into a new mass institution. The CUT now represents 80% of Colombia's organized labor.

Barco's decision to legalize the CUT came in the wake of an historic settlement, engineered by Carrillo, of a labor dispute in the violence-torn banana region of Uraba, in northeastern Colombia. Carrillo, known for his philosophy of seeking a "harmony of interests" between business and labor, was universally expected to fail; his methods were mocked, and his enemies warned that the Communists would move into the breach. Instead, Carrillo won a guaranteed eight-hour day, limits to mandatory overtime, a mutually acceptable wage increase for 50,000 banana workers—and President Barco's gratitude.

The dispossessed

The howls of protest were not long in coming from the suddenly dispossessed AIFLD-mafia forces. The UTC, of which Carrillo had been vice-president, whined that the CUT was "the unionized arm of the guerrillas, seeking the reelection of [ex-President] Belisario Betancur, and being run by the Communist Party in the service of the Soviet Union." Another AIFLD mouthpiece, president of the nominally "independent" Metallurgical Workers Federation, charged that the CUT was "jointly financed by the Soviet Union and the Schiller Institute," the latter founded by Helga Zepp-LaRouche, wife of Lyndon LaRouche.

The remnants of the abandoned labor federations were then pulled together into the National Council of Labor Sol-

idarity. Behind the attempt to breathe life back into AIFLD's dead horses is a longstanding asset of Project Democracy in Colombia, Liberal Party chairman Ernesto Samper Pizano. Samper, the political heir to mafia godfather and former President Alfonso López Michelsen, is also a top contender for the 1990 Liberal presidential nomination. With López, he is a public relations mouthpiece for the drug trafficking "Medellín Cartel," and top drug legalization lobbyist.

On April 21, Samper addressed a student forum at Bogotá's Central University, where he was asked why he had apparently retreated from his pro-legalization crusade of the 1970s. Samper replied that he fully stood by his proposal for marijuana legalization, involving state purchase of Colombia's marijuana crops, for sale or exchange with the United States. He warned that if this were not done, "the day could arrive" in which Phillip Morris would be selling reefers to Colombia.

The coup de grace?

If the legalization of the CUT was a body blow to Project Democracy in Colombia, recent public denunciations of Samper as "the son of political decadence in Colombia" could be the *coup de grace*. Senator Iván Marulanda, a leader of the New Liberalism dissident faction within the Liberal Party, shattered the "mutual non-aggression pact" among Colombia's political elites in an April 12 interview with the newspaper *El Espectador*, where he laid bare both the personal and institutional corruption of the "official" Liberal Party, singling out Samper as the epitome of that corruption.

Although Marulanda did not receive unanimous support from his New Liberalism colleagues, he may have succeeded in halting the dissolution of his movement implied by its ongoing "unity talks" with the Samper crowd. A week after Marulanda's statements, New Liberalism head Luis Carlos Galán sent a message from London in the form of a letter to President Barco, in which he rejected a proffered ambassador's post and reaffirmed his movement's ideological independence.

Galán also urged that "transparency" of all electoral campaign funds be imposed. Since Samper is universally known to have accepted campaign bribes in 1982 from cocaine czar Carlos Lehder, it was not difficult to figure out that Galán was suspending the "unity talks," at least for now.

Marulanda's statements also upset the plans of the Sam-

per mafia to buy up the municipalities in Colombia's first-ever mayoral elections in March 1988, elections which are expected to determine the outcome of the 1990 presidential contest. In his April 12 interview, Marulanda stressed that those elections must lead to political change. "To take power so that things remain the same is not worth it," he said, appealing to the more diffident leaders of his own movement to join his battle for morality in politics.

The CUT, too, is already "campaigning" for those mayoral elections, the first time organized labor will be deploying itself in a show of political strength. In an April 24 speech, excerpted below, Carrillo declared: "The right to life is not only the right to exist as a living being, but as a human being. The right to life is also a right to spiritual development, culture, education, to the participation of each human being in the political decisions that affect us all."

On May 1, the CUT will hold a mass Labor Day march to Bogota's huge Plaza Bolívar, where Carrillo will offer a program for job creation and economic growth, based on greater government support for industry, and for construction of "great projects" to bring Colombia's transportation, energy, irrigation, and other infrastructural needs into the 21st century.

Documentation

Speech of the president of the Unified Workers Confederation (Central Unitaria de Trabajadores, CUT), Jorge Carrillo Rojas, before the Fifth Colombian Forum on Human Rights.

Dr. Alfredo Vásquez Carrizosa, president of the Permanent Committee for the Defense of Human Rights, Members of the Committee, Distinguished Guests.

I have the high honor and great privilege of offering this Fifth Forum for the Defense of Human Rights the fraternal greetings of the 800,000 workers who today make up the Unified Workers Confederation (CUT) of Colombia, and who, like yourselves tireless defenders of human rights, are demonstrating that just causes can succeed if defended with unity and decisiveness.

From the day of its inception, the Unified Workers Confederation embraced the principle of defense of life as the fundamental objective of its struggle. This forum meets at a time when man's most important right holds no sway in our country. We Colombian workers stand with you in this most noble cause, just as we are sure that you are accompanied by millions of righteous Colombians and patriots of integrity.

During his visit to Colombia, Pope John Paul II said from the presidential palace: "From this House of Nariño where

we stand once came the traditions and ideas of the rights of man which were the essence of your nationhood. Be ye also pioneers for the rights of man, who is the image of God." The Pope then said: "A genuine peace must be well rooted in the dignity and inalienable rights of man. A true peace cannot exist unless serious and determined commitments to apply social justice are made. To work for peace means making the commitment to promote justice and to defend and protect the fundamental rights of man."

The Unified Confederation defends the right to life in its broadest sense. A child's right to birth and nourishment so that it does not die; the right of the elderly to medical care and to a decent life after having given their active years; the right of citizens not to die of diseases such as malaria, yellow fever, and others for which humanity has already found a cure or means of prevention.

In Colombia, 10% of the population is severely malnourished, and 43% is undernourished. Malnourishment has to do with levels of family income. In 1980, 25% of children under five years of age belonging to families with less than 40,000 pesos yearly income, were malnourished, and 50% of these same children showed stunted growth due to poor nutrition. This right to life and health is also the right to decent housing with at least running water, sewage, and electricity. In 1981, 14 million Colombians had no running water. Worse still is that these problems daily grow more acute, because the State cuts the budget appropriations for these needs and instead increases allocations for foreign debt service.

The right to life is not only the right to exist as a living being, but as a human being. The right to life is also a right to spiritual development, culture, education, to the participation of each human being in the political decisions that affect us all. We have the right to freedom and thus the right not to be enslaved by the foreign debt.

Before Christ there was the inhuman custom of enslaving people who couldn't pay their personal debts. Solon of Athens was the first ruler to ban this custom. Under the Roman Empire, children inherited the debts of their parents; today, the private international banks and Monetary Fund have re-established these pagan customs. On the one hand, we have a situation in which our rulers act as if they were slaves of the bankers, and politicians decide who will hold a post but cannot decide on economic policy because this is determined from abroad. As things are going, our children, grandchildren, great-grandchildren and even further generations are going to be paying Colombia's foreign debt. We demand an immediate suspension of payments of the foreign debt; we must recover the right to decide our own economic policy.

As Colombian workers, our commitment to the defense of Human Rights is total. We believe that we can only defeat the enemies of peace, life, and democracy if all Colombians agree on any given day to halt our labors, in defense of man's most precious gift: life.

A 20-year fight for development

Helga Zepp-LaRouche addresses the Bonn press corps on the heritage of Populorum Progressio and the IDB.

At a press conference here April 28, Helga Zepp-LaRouche, chairman of the Patriots for Germany and wife of U.S. presidential contender Lyndon H. LaRouche, Jr., declared that if the Western industrial countries had adopted the 1967 papal encyclical *Populorum Progressio*, or LaRouche's 1975 proposal for an International Development Bank, the current economic and banking crisis could have been avoided.

She spoke in the same room, at the Tulpenfeld Restaurant in Bonn, in which her husband, almost exactly 12 years ago, had presented his plan for an International Development Bank, to an audience of about 40 representatives of the press and political institutions. The IDB would have provided credits for priority projects to industrialize the Third World.

The occasion of the press conference was the release of *EIR*'s new German-language report, on the history of the past 20 years of fight for Third World development, with special reference to Pope Paul VI's *Populorum Progressio*.

The press conference, which lasted for two-and-a-half hours, occurred at an important juncture in world history. It was held two days before the arrival of Pope John Paul II for a five-day tour of Germany; it also took place just a few days after the illegal action of the U.S. Department of Justice against the offices of several publications associated with LaRouche.

Mrs. LaRouche reported on the past 20 years of struggle for the right

of the Third World to industrial and political development. The Vatican's contributions to this struggle included Pope Paul VI's encyclical of 1967, *Populorum Progressio*, and Pope John Paul II's encyclical of 1981, *Laborem Exercens*. She also described the history of LaRouche's political contributions to the development debate, from the IDB to the *Operation Juárez* document of 1982, which charted a strategy for Ibero-American integration and a solution to the debt crisis.

"You were told already 12 years ago about the solution to the crisis," she said. "If the LaRouche proposals had been listened to then, the world would not face a devastating banking crash now."

She called on the audience to imagine what the world would look like, if *Populorum Progressio* had been translated into political action immediately after its publication in 1967: "With utmost certainty, most of the problems the world is facing now, could have been avoided, already years ago."

She emphasized that without Pope John Paul II's recent travels in Ibero-America, the moral resistance of that continent's governments, like Alan García's Peru, against the brutal regime of the creditors, would likely not have emerged.

"It is either a world monetary collapse, or the New World Economic Order, that we will have," stated Helga Zepp-LaRouche. "Reaganomics" has collapsed, and unless the power of the United States economy is restored

along the lines of LaRouche's proposals, there is little hope for the Western hemisphere to escape the new crash.

Mrs. LaRouche answered questions, coming mainly from representatives of the Catholic Church, on details of the LaRouche proposals. (The reporters from UPI and AP left, when she began to discuss the idea of development.) The audience was quite impressed, and partly shocked, to learn that by decisive action, the world crisis could be solved within 24 hours. A world conference of heads of state would cancel the debt of the poorest nations, turn the other Third World debts from short-term, high-interest loans into loans with low interest over a longer term. New credits would be issued for productive purposes, for infrastructure-building and technological innovation. The 50 million people currently unemployed in the OECD countries could be re-employed rapidly.

Responding to questions on military budgets in the Third World, Helga Zepp-LaRouche referred to Peruvian President García's policy as "the best approximation to what *Populorum Progressio* and my husband's proposals mean." She reported on García's move to scrap unnecessary arms purchases, dating from the period of the military junta, in favor of purchasing helicopters that can be used against the dope mafia and the terrorists of the Shining Path (*Sendero Luminoso*) group.

Mrs. LaRouche also proposed that the military aircraft capacities of the industrial nations could be employed for a peaceful purpose, namely transporting components for infrastructure-building into Third World countries. "If army engineers can build a pontoon bridge over a river in less than 24 hours, why can't they do the same anyplace else in the Third World?"

An empire of 'bantustans'

Gorbachov's outrageous call for "homelands" for American blacks is nothing new in the Russian ideology.

During the recent Moscow visit of the U.S. congressional delegation led by Jim Wright (D-Tex.), an extensive meeting was held with General Secretary Mikhail Gorbachov on April 17. At one point in the discussion, Gorbachov recommended that the ideal solution for the "black question"—and other minorities—in the United States would be the creation of an autonomous black state.

"Our Soviet system of autonomous republics is based on ethnic background and culture," he said. "We have regions named for minorities such as Tartars, Jews, and Chukchi Indians. We have respect for our nationalities in this country. Why don't you have such autonomous states for blacks, Puerto Ricans, and the Polish?"

This brutally racist statement, which shocked the congressmen present, was no aberration on the part of Gorbachov, but expressed the essence of "Great Russian" attitudes concerning ethnic and racial questions, both before and after the Bolshevik Revolution.

Soon after the Revolution, Bolshevik leader Leon Trotsky authored a Comintern pamphlet calling for the establishment of an "autonomous" homeland for American blacks, in Alabama and Mississippi.

On this point, Trotsky was thoroughly in line with Lenin, and later Stalin. It has been the official Soviet policy ever since, as evidenced in the writings of today's top Soviet ethnographer, Julian Bromley. Bromley is the Director of the Miklukho-Maklai

Institute of Ethnography at the U.S.S.R. Academy of Sciences. The Ethnography Institute has for years maintained the most meticulous records of ethnic groups, tribes, and minorities, and their corresponding pre-Christian primitive belief structure, around the world. The records include detailed studies on inter-ethnic animosities and conflicts, which can be manipulated to dismember nation-states, particularly in the developing sector.

In a document titled "Soviet Ethnography Today" (published in *Social Sciences*, Vol. VII, No. 1, 1976), Academician Bromley writes: "Soon after Soviet power was established, Lenin noted the need, in connection with the preparations for the demarcation of Central Asia, for, among other things, a *special ethnographic map* of 'Turkestan with a subdivision into Uzbekia, Kirghizia, and Turkmenia.' In the 1920s, Soviet ethnographers completed a number of ethnographic maps of multinational regions of the U.S.S.R. and later *they began preparing ethnic maps of all parts of the globe*. . . . Soviet ethnographers and ethnodemographers are now jointly compiling an 'Atlas of the Population of the World,' the numerous maps of which will spatially record the basic ethnic and demographic indicators of all peoples of our planet."

Under Gorbachov, Bromley continues to play a leading role as the Soviet nomenklatura's "in-house" racist ethnographer. More recently, he has authored policy papers emphasizing

the need to drastically lower the "high Muslim birth rates" in the Soviet Union, and the need for "mass resettlement" of laborers from the Muslim "labor surplus regions" to Siberia and other "labor deficit" regions.

Every Soviet citizen has an internal passport, which records, distinct from his "citizenship" in the U.S.S.R., his "nationality"—Uzbek, Jew, Russian, etc.

Further, Soviet denunciations of South African "apartheid" are a patent fraud. The Soviet concept of "ethnic maps" is directly parallel to the South African "bantustan," or "black homeland." In the Muslim Republics (Uzbekistan, Turkmenistan, Tadjikistan, Kirghizia, Azerbaidjan), the direct parallels with the apartheid system go even further. The Russian ethnic population residing in those Muslim Republics is urban-centered, living in "Russian districts" (the equivalent of South Africa's "white townships.") The Russian population in these areas is composed primarily of party functionaries, managerial elites, and skilled workers. Nearly all manual and rural labor is done by the "natives."

How far the Soviet mania for creating a "bantustan" for every ethnic group has gone, can be illustrated in Stalin's policy regarding the "Jewish question." Unlike other ethnic minorities in the Russian empire, the Jews were dispersed and had no territory that could be turned into a "homeland." In the 1920s, Stalin created a "promised land" for the Jews far out in the Siberian East, where no Jews lived. Several tens of thousands of Jews were forceably resettled there, and overnight the "Jewish Republic of Birobidjan" was added to the long list of Soviet "bantustans."

The same racist attitude is vividly expressed in recent Soviet articles attacking the "Westernizing" influence of the Catholic Church in Africa.

Dismantling the Ojinaga connection

Taking out the head of the Chihuahua-based drug ring could ultimately expose a far more important can of worms.

Pablo Acosta Villarreal, the powerful gangster chieftain of the Chihuahua-based marijuana and cocaine trafficking ring known as the "Ojinaga Connection," was killed in a shootout with 60 Mexican federal agents on April 25. The agents had surrounded the Acosta Villarreal ranch some 100 kilometers east of Ojinaga, on the border with Texas, and when the smoke had cleared one of Mexico's most infamous drug kingpins was "taken out."

Acosta's death was the latest of a series of major blows that have been dealt to his extensive network of cocaine and marijuana distribution, a network which extends from California to Texas. Because of the sheer volume of narcotics his ring handled, Acosta was considered number 9 on a list of the 10 most important drug traffickers in all of Ibero-America. Intelligence reports by narcotics authorities in both Mexico and the United States estimate that Acosta commanded an army of 200 "soldiers."

In an earlier column on the "Ojinaga Connection," we reported that Acosta was associated with the infamous "Medellín Cartel" which handled the Colombian connection.

According to information made available only hours after the bloody shootout, the operations against Acosta were backed up by such U.S. agencies as the Drug Enforcement Administration (DEA) and the FBI, who at the request of the Mexican police had set up a virtual blockade along the U.S.-Mexican border where Acosta's ranch was located, for the purpose of preventing his flight into the United

States. Even a helicopter from Fort Bliss, in El Paso, Texas, was on loan to assist the operation.

Following Acosta's death, the prosecution of the 200 members of his band throughout the surrounding villages in the state of Chihuahua was launched. On April 28, the federal judicial police (PFJ) announced the arrest of one Ernesto Poblano Fernández, 40, on charges of being a leading partner-in-crime of Pablo Acosta. The surprise came when commander Guillermo González Calderoni, the same agent whose operation took Acosta days earlier, told the press that Poblano Fernández was a leading member of the Nazi-Communist National Action Party (PAN) in Chihuahua, as well as the former municipal president of Ojinaga.

EIR has extensively documented the fact that the PAN party received both financial and political support from Oliver North's "Project Democracy" and the "invisible government" in the United States, for the purpose of fostering the political destabilization of Mexico. Elhier Flores, PAN leader in Ciudad Juárez, Chihuahua, declared defiantly that there would be no purge of the party's members due to Poblano's arrest. It is no accident that the PAN is also known in Mexico by the name "Party of Support for the Drug Trade" (*Partido de Apoyo al Narcotráfico*).

On April 9, as part of the operations against Acosta's Ojinaga drug ring, Mexican army troops under the command of General Vinicio Santoyo, raided a luxurious home during

an elaborate party, and arrested one Bechir Bechelani Bachur, one of the principal leaders of the Syrian Nationalist Popular Party, known throughout the world for its terrorist suicide raids in Lebanon. Those arrested with Bechelani were caught with cocaine, opium, and a vast quantity of jewels. Official investigators believe that drug trafficking groups in Mexico exchange illegal narcotics for what are probably "hot" jewels in the United States.

Bechelani tried to get released on bail a few days after the arrest, but was held over for prosecution along with others arrested in the group. Both Bechir and his brother Elias form part of an extensive network of Syrian-Lebanese who live in Mexico and are controlled by or work for the Syrian intelligence service to carry out subversive operations throughout the Western hemisphere.

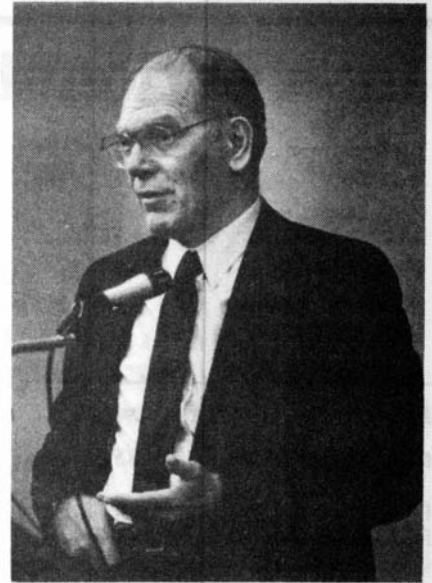
Protector of the Bechelani brothers is the Archbishop of the Orthodox Antiochian Church, Antonio Chedraui, who represents that church in Mexico, Central America, the Caribbean (including Cuba), and Colombia and Venezuela.

Chedraui, in turn, is a veteran agent of Syrian intelligence; his family is known throughout Lebanon for its skills in espionage and subversion. Chedraui's sister Asaf was behind the "Profumo" scandal in Britain which led to the fall of a government. Chedraui himself has powerful control over the Mexican-Lebanese community, through his influence in the Maronite Catholic Church headed by Monsignor Jack Najam.

One of the men closest to Chedraui is the Maronite renegade Pedro Sarquis, husband of Martha Lara de Sarquis, who is the secretary general of Chihuahua state's ministry of government.

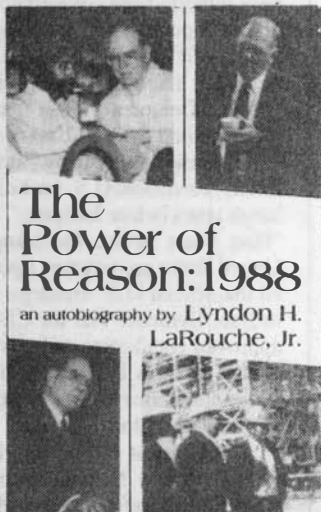
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LaRouche—at the center of current history

"I have been at the center of some among the leading crisis-developments affecting current history, including the Soviet and liberal establishment efforts to destroy the Strategic Defense Initiative."

—**Lyndon H. LaRouche, Jr.**

"Lyndon LaRouche is striving to undermine the influence of Communists and other left forces among the workers and student youth."

—**Izvestia, March 12, 1984**

"It's LaRouche's people. He's persecuting me."

—**Henry A. Kissinger, responding to a demonstration in April 1983**

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International Intelligence

Pope arrives in Germany amid terrorist threats

Pope John Paul II arrived in West Germany for a five-day visit on April 30, as assorted satanists, feminists, Greens, and terrorists mobilized against his visit. In Cologne, where a huge public mass was scheduled to be held on May 1, posters appeared showing the pontiff's profile with a gun-sight painted over it, and the slogan: "Only the blessed enter the kingdom of Heaven."

Joseph Cardinal Höffner, the bishop of Cologne, described this as a "mean threat against the life of the Pope." He denounced the plans for protest demonstrations by the anti-papal demonstrators, comparing them to the anti-church campaign of the Nazis. Today's pamphlets and slanders, he stated, reminded him of Nazi ideologue Alfred Rosenberg's *Myth of the 20th Century*, and of the Nazi publications *Stürmer* and *Pfaffen-spiegel*.

The protest campaign is being sponsored by feminist groups, the pro-abortion movement, the Green Party, and the "church from below"—the German brand of "liberation theology." The highly publicized protests are intended to promote "New Age" ideologies, and some sponsors, notably from the Greens, are openly endorsing witchcraft and satanism, which they call "an ancient science suppressed for centuries by the Catholic Church."

CIA investigates deaths of European scientists

U.S. intelligence agents are investigating the mysterious deaths of British and European defense experts, fearing that there is an SDI link to these events, according to a report in the British newspaper the *Mail* published April 26. "Most, if not all, the experts were involved in classified work connected with the U.S. SDI. State Department sources in Washington told *The Mail on Sunday* last week, that the CIA has an open, highly clas-

sified file on the matter. 'They are worried not only by the British situation,' said the sources. 'Scientists have also died or disappeared in Sweden, West Germany, France, and Italy. They are looking for links not only between the individual deaths but between the deaths in the different countries.'"

Among the recent incidents cited are:

- The disappearance of three scientists in West Germany in 18 months;

- The apparent suicide in January of Swedish chief arms inspector Carl Fredrik Algernon;

- The assassination in March of Gen. Licio Giorgieri, head of weapons development procurement for the Italian Air Force, and responsible for awarding SDI contacts;

- The assassination in 1986 of Lando Conti, former mayor of Florence, associate of the Italian defense minister, and head of a major electronics company;

- The assassination of France's Gen. René Audran in 1985;

- The attempted murder in France of Guy Brana, a former major commercial arms executive;

- The disappearance of Prof. Svante Oden, Swedish expert on submarine detection. He was last seen on July 30, 1986, when he took his fishing boat, loaded with sensitive equipment, out of a harbor north of Stockholm.

Islamic fundamentalists riot in Tunisia

Several hundred militants of the Islamic Trend Movement rioted in the Tunisian capital on April 23, protesting the arrest in March of their leader, Rashid Ghannoushi. Disturbances took place elsewhere in the country.

The riots are occurring as the Tunisian establishment is playing with fire, both in its relationship with Libya's Muammar Qaddafi, maintained despite Libya's defeat in Chad, as well as in the in-fighting around the presidential succession. On April 15, the ruling party's leadership was purged of sev-

eral members. Then on April 23, former Prime Minister Mohammed M'zali, in exile since last year, was sentenced to 15 years at hard labor, on trumped up charges. M'zali had incurred the wrath of the International Monetary Fund for his opposition to its austerity conditionalities, which have fostered the rise of Islamic fundamentalist protest movements.

Illegal Carter-era arms deals with Iran exposed

The London weekly the *Observer* in its April 26 issue reveals that covert U.S. arms sales to Iran began during the Carter administration, with State Department, CIA, and FBI approval, and using the services of the Iranian arms-trafficker Cyrus Hashemi. These facts are well known to *EIR* readers, but have hitherto been covered up by other media. A reporter from the *Observer* had attended *EIR*'s press conference in London on April 13, releasing the Special Report on "Project Democracy: The 'parallel government' behind the Iran-Contra affair."

The article, written by Patrick Seale, was titled, "Revealed: U.S. broke arms deal embargo years before Irangate." Seale reports: "Five years before the Irangate scandal, United States government agencies subverted the official U.S. embargo on arms sales to Iran. Evidence that the CIA and the FBI approved clandestine military shipments to Iran as early as 1980 has been presented to Judge Lawrence E. Walsh, the special Irangate prosecutor.

"The recent covert activities of President Reagan's National Security Council were not, therefore, a one-of-a-kind aberration, but only the latest installment in shady American transactions with Iran dating back to the early days of the Khomeini regime.

"A central figure in these transactions was Dr. Cyrus Hashemi, the millionaire Iranian banker and arms dealer who died in a London hospital last July after a brief and mysterious illness. . . . Hashemi was the first to open a secret channel between Tehran and Washington, and the first to pro-

Briefly

pose an 'arms-for-hostages' deal. . . .

"Hashemi was never prosecuted, and was released on payment of a \$100,000 bond. Most unusually, he was then allowed to travel to Britain, where he acted for the CIA in international arms deals."

Izvestia issues new attack on LaRouche

The Soviet government newspaper *Izvestia* on April 25 published an attack against U.S. presidential contender Lyndon LaRouche, the latest in an escalating series appearing in the Soviet press.

Like many of the recent broadsides, the article sought to pin the February 1986 assassination of Swedish Prime Minister Olof Palme on LaRouche's associates from the European Labor Party in Sweden. This tactic was initiated by Soviet Central Committee member Georgi Arbatov immediately after the Palme assassination, and was picked up by the Western media, only to be dropped as its absurdity became transparent to all. Recently, however, the Soviet and Swedish media have started the drumbeat again, in coordination with Irwin Suall of the Anti-Defamation League (ADL) in the United States.

Izvestia's Stockholm bureau wrote: "Swedish police, investigating the circumstances of Olof Palme's murder, are conducting an intensive search for a woman, who for a long time was one of the leaders of the Stockholm section of the right extremist organization, the 'European Labor Party' (ELP).

"Suspicious against her, writes the paper *Dagens Nyheter*, "intensified, in connection with the testimony of a witness who saw this woman on the evening of the murder, at the movie theater at the same time the Palme couple was inside. It is also noteworthy, that the trail, which the police are following in their search, leads to the U.S.A., where she hid, soon after the crime. The Swedish press recalls in this connection, that it is precisely overseas, that the main headquarters of the ELP is located, which is

headed by the double-dyed reactionary L. LaRouche [sic]. His open animosity toward O. Palme is not doubted by anyone. . . .

"Now, writes *Expressen*, members of the investigatory group have departed for the U.S.A., to search for this ELP female activist. At the same time, the American Federal Bureau of Investigation (FBI) yesterday conducted a search at the premises of several organizations, which are part of the 'LaRouche Empire.' It was during a similar search, conducted in October of last year, that police discovered at the private residence of this extremist many notes and other documents, in which the murder of the prime minister of Sweden was discussed [sic]."

Bilderbergers contemplate collapse of the economy

According to Ugo Tramballi, correspondent for Italy's *Il Giornale* newspaper, an ultra-secret meeting of the Bilderberg Group of oligarchs took place at the end of April at Cernobbio, on Lake Como. One thousand police and carabinieri surrounded the Hotel Villa d'Este, preventing journalists from getting near. Among those reported to be attending were Paul Volcker, Henry Kissinger, David Rockefeller, Beatrice of Holland, Gianni Agnelli, Guido Carli, and Raul Gardini.

One participant indicated that the economic crisis was a major topic of consideration: "The next couple of weeks are very decisive for the world financial situation. The dollar-to-yen pattern and the failure of Central Bank intervention, are critical signs, while fundamental factors are pointing toward a storm, which may become a hurricane of the 1929-31 model. . . . If Ronald Reagan sticks to his insistence that there is a 'recovery,' then we've had it. If governments would act *now*, that would mean, psychologically, that the factor of *trust* will come back, and a crash could be headed off. But it may take some crisis, some shaking-up, in the next days, to get people to act. My hope is that the lessons of 1929-31 have not been totally forgotten."

● **INDIA** is "reviewing its nuclear options" because of the "emerging nuclear threat" from Pakistan, said Defense Minister K.C. Pant in Parliament on April 27. "Our response will be adequate to our perception of the threat," he said.

● **HELMUT SCHMIDT**, former Chancellor of West Germany, claims he is the author of the "zero option" for a denuclearized Western Europe, in an op-ed for the *International Herald Tribune* April 30. Schmidt says it is "absurd to term these proposals communist ones," since they go back to initiatives he himself launched within the Western Alliance years ago.

● **BELISARIO BETANCUR**, the former Colombian President, has been called to appear before a commission of the House of Deputies, where he will be grilled on his actions during the narco-terrorist assault on the Justice Palace in November 1985. Criminal charges against Betancur could ultimately come out of the "investigations," if the narco-politicos have their way.

● **'HITLER** and Stalin's ghosts are probably having a nice toast right now," said Ann Linnas, daughter of Karl Linnas, whom the U.S. Department of Justice has sent to his death in the Soviet Union, according to the April 23 *Jerusalem Post*. Mari Rikken, vice-president of the Coalition for Constitutional Justice, an East European emigré group, warned that Linnas will be "only the first of many."

● **REGENSBURG**, the "company town" of the Thurn und Taxis oligarchical family in West Germany, was the host city at the end of April for a "dialogue" between the Russian Orthodox Church and a Roman Catholic contingent led by German Cardinal Wetter.

Lawrence Walsh indicts 'Project Democracy'

by Webster G. Tarpley

Independent Counsel Lawrence Walsh, with his April 29 indictment of Carl R. "Spitz" Channell, has set into motion a series of legal proceedings that promises to bring down all the trees in the forest of "Project Democracy," the conspiracy against the United States Constitution that is at the heart of the Iran-Contra scandal. In appearing before U.S. District Judge Stanley Harris to plead guilty to a conspiracy to defraud the federal government of tax revenues, Channell, the first criminal defendant in the Iran-Contra affair, was asked who his co-conspirators were. Channell responded by naming two persons: Lt. Col. Oliver North of the National Security Council, and Richard Miller, the president of International Business Communications (IBC), one of the entities depicted on the now-famous North flow chart published by the Tower Commission. As *EIR's* Special Report on Project Democracy has documented, Miller and IBC received appropriations of \$500,000 from the National Endowment for Democracy (NED), the public and official arm of Project Democracy, which is funded by Charles Wick's U.S. Information Agency and the State Department. IBC was also a recipient of \$1.7 million from the Lake Resources, Inc. bank account at *Crédit Suisse* in Geneva run by Gen. Richard Secord.

With that, the status of the NED as a keystone of the conspiracy referred to by North in his notes as "Project Democracy," is well on its way to being proven in a court of law. The Tower Commission's refusal to concede that the NED is equivalent to Project Democracy, is exposed as incompetent, and the accuracy of *EIR's* assertions in this regard is once again confirmed. The NED, Project Democracy, and Channell's homosexual ring are the same network.

These new Irangate developments bring the Reagan presidency back under direct attack. Channell was paying \$20,000 per month to David Fischer, a former personal assistant to the President described as "Reagan's right-hand man, his door opener." The President was meeting personally with

contributors brought in by Channell. The White House was at pains to point out that the President is "not part of the conspiracy." Previously, Senator Inouye had been stressing that Reagan faced further embarrassment and injury in the scandal, and that he was much more knowledgeable than might appear.

Mossad attempts a cover-up

Walsh's move against Channell, who will cooperate with the independent counsel's probe, is a first counter to efforts by forces of the Israeli Mossad and the Zionist lobby to sabotage Walsh's investigation and protect the numerous Israeli Project Democracy assets who are up to their necks in the Irangate quagmire.

Key to the Israeli sabotage and cover-up campaign are the two Mossad-manipulated congressional select Irangate committees, whose public hearings will commence on May 2, with appearances by General Secord and Robert McFarlane. The point-man here is Arthur L. Liman, the chief counsel to the Senate committee. Liman's moral essence is best summed up in the fact that he has been a lawyer for Robert Vesco, the drug-pushing mass murderer and heir to the Meyer Lansky organized crime family who currently operates out of a safe haven in Castro's Cuba. Liman is a member of the New York law firm of Paul, Weiss, Rifkind, Wharton, and Garrison, and has numbered among his other clients Dennis J. Levine of Drexel-Burnham, who pleaded guilty to insider trading charges, organized crime figure John Zaccaro, Steven Ross of Warner Communications, and corporate raider Carl Icahn. Liman's counterpart on the House committee is John Nields, formerly a lawyer for the House Ethics Committee during the Koreagate investigation of the late '70s.

The Mossad coverup tactic has been to play the congressional committees against the Walsh investigation. Recently

Sen. Warren Rudman (R-N.H.) launched a raving attack on Walsh, accusing him of drawing his probe out “ad nauseam” in pursuit of “some grand, wild conspiracy.” Rudman demanded that Walsh drop the conspiracy investigation, confine himself to the question of obstruction of justice in the fall of 1986, and wrap up his inquiry as swiftly as possible.

The congressional committees, which have the technical power to overrule Walsh in any disputes, have been avid to grant limited immunity to a number of principals in the case. During the last week of April, Walsh clashed with the congressional committees over the question of immunity for Thomas Clines, the right-hand man of Theodore Shackley, whose activities are described in *EIR*'s Special Report. Walsh insisted that Clines get no immunity because he is “a principal” of the criminal investigation, and apparently carried the day. But the congressional committees, after granting immunity to 11 persons, including Albert Hakim, have now granted immunity to Adm. John Poindexter, under a special arrangement that will delay his testimony. Moves were also underfoot to grant immunity to Colonel North.

During his recent visit to the United States, Israeli Prime Minister Yitzhak Shamir had offered a solemn promise of full disclosure and cooperation with the U.S. investigations. What Shamir's government delivered then was chicanery: The Israeli representatives told the State Department that financial data and other material pertinent to the investigations would be turned over to the congressional committees only if the United States stipulated a blanket, *a priori* guarantee of immunity for all the Israeli citizens involved (Schwimmer, Nir, Nimrodi, and Kimche, to name a few). In addition, the Israelis demanded veto power over what, if any, parts of the material might become public. Then, according to the *Washington Post*, there was another Israeli condition: “They have also asked for an assurance that the committees will not provide the material to independent counsel Lawrence E. Walsh. . . . A prime concern of the Israelis is that their citizens not face prosecution from Walsh. Walsh met with Israeli Ambassador Meir Rosenne last week and said he would not be bound by any agreement that had been reached with the congressional committees.”

Walsh's interim report

Walsh's response to the sabotage tactics coming from Capitol Hill was contained in a unique document entitled “Immunity and Prosecution: A First Interim Report.” Here Walsh answered his critics and indicated the broad outlines of his probe. One striking aspect is the scope of the inquiry. According to Walsh's report, “Ongoing investigations are presently being conducted at the White House, the Office of the Vice-President, the National Security Council, the President's Intelligence Oversight Board, Department of Defense, Department of Justice, Department of State, Department of Transportation, Department of the Treasury, and the Central Intelligence Agency. Requests for documents and information have been addressed to thirteen foreign coun-

tries,” including the Swiss government, which has promised cooperation. Walsh, explicitly rejecting Rudman's demands that his inquiry be aborted, points out that “an ample basis” has been developed for the probe, with “most lines of inquiry” proving fruitful, and none of them having been abandoned so far. Walsh warns against further grants of immunity by the congressional committees, noting that in the Watergate scandal, “no immunized witness who refused to plead guilty was successfully tried and convicted.” Walsh says that the “allegations in the investigation concern possible violations of public trust and possible misuse of position by high government officials and their manipulation by former government officials. Large sums of money are unaccounted for and those most knowledgeable resist public disclosure.” Walsh concludes that “further grants of immunity to central figures in the investigation will jeopardize their prosecutions and may prevent a fair and judicious assessment of individual culpability.”

Walsh's tactic of exerting public political pressure on Inouye and Rudman appears to be working: Following the release of the interim report, the two senators issued a joint statement saying they were “not contemplating additional grants of immunity to other central figures.”

Reliable sources report that Walsh is in the rare position in Washington political life of having a vested interest in probity and incorruptibility. According to this source, it is clear that the Walsh investigation has taken on a life of its own, and has the potential of bringing down the entire government—a fact that has terrified several members of the Reagan cabinet.

FBI Director William Webster, in a transaction designed to obtain nomination as CIA director from the Senate Intelligence Committee, consigned to the wolves his deputy, Oliver B. “Buck” Revell, who is still hanging on as executive assistant director and number two at the FBI—although not for long. According to Webster's testimony, in April 1986, Oliver North called Revell to request a delay in a scheduled appearance by Richard Miller before a Philadelphia grand jury, in the case of one Mousalreza Zadeh, an Iranian posing as a Saudi prince accused of having defrauded a Philadelphia bank. Miller, as we have seen, is an object of renewed interest because of Channell's naming him as a co-conspirator. Revell first admitted he had requested a delay of the grand jury appearance of the “prince,” but then on April 17 changed his story to say that he had only asked a U.S. attorney for information.

Webster noted that it was “highly unusual” for Revell to attempt to delay a grand jury appearance. “He should have consulted with me first,” said Webster to the senators. “It's the kind of thing I expect to be advised of. . . . We've had discussions about it.” Webster said that Revell's lapse was unprecedented in Webster's nine-year tenure as FBI director, and “clearly an oversight.” Webster said that Revell “had lost some sleep” over the affair. Webster got the CIA post, but Revell's prospects are bleak.

NDPC tells Congress: We need war on AIDS

Warren J. Hamerman, chairman of the National Democratic Policy Committee, testified on April 30 before the House Appropriations Subcommittee on Labor, Health and Human Services, and Education. Committee chairman Rep. William H. Natcher (D-Ky.), and Representatives Louis Stokes (D-Ohio), Joseph D. Earley (D-Mass.), John Porter (R-Ill.), and Carl Pursell (R-Mich.) were present during the testimony. Excerpts follow:

. . . I wish to thank you, Mr. Chairman, for the opportunity to testify. You stand in welcome contrast to those at the administration's Justice Department who have recently denied Mr. Lyndon LaRouche and his associates their constitutional rights of free press and speech, in large part because of Lyndon LaRouche's outspoken ideas on the need for a full-scale global war on AIDS. . . .

Since the early months of 1985, we have warned that AIDS is a species-threatening disease, which is far deadlier than nuclear war. The pandemic threatens all of humanity and is a threat to our national security. We have advocated and championed a three-fold policy to deal with this threat:

Firstly, we need a Manhattan Project- or Apollo Program-scope crash scientific research effort. We call this the Biological Strategic Defense Initiative or "BSDI," because it is based upon the most advanced 21st-century space-age methods. We cannot fight AIDS with the biomedical equivalents of bows and arrows. Our proposed "Manhattan Project" crash Biological Strategic Defense Initiative against AIDS will not only accelerate research in the traditional biomedical domains. The BSDI global crash research effort, in order to conquer every potential scientific barrier in sufficient time, must prioritize and massively upgrade research in the newer and more advanced areas of optical biophysics.

Secondly, we must impose traditional public health measures which have been historically proven to assist in slowing the spread of deadly diseases. These public health measures include: universal screening, contact tracing, isolation of those capable of infecting others from those not yet infected.

Thirdly, we must massively upgrade health care and public health programs. We need new state-of-the-art modern hospitals. We need completely upscaled sanitation programs. We need a total plan for insect-eradication, especially in our nation's tropical and poor areas. We need new prison facilities, and so forth.

The public health aspect of this program was codified in the famous California Proposition 64 ballot initiative. Today, six months after Proposition 64, more and more authorities admit that Lyndon LaRouche was right.

Ever since we developed our advanced-science and public health war plan to fight AIDS, we have been challenged in a constant fight by those in the administration who believe that it is "cost-prohibitive" to fight AIDS. They have fought our campaigns because we represent the center of the fight against AIDS.

It is true that it will cost a lot of money to fight AIDS. AIDS will transform the world economy drastically. The costs will be as high as Mount Everest. In a few years, we have calculated, the total budget expenditures to AIDS-related areas of research, health care, and so forth may well surpass the current level of the defense budget. Furthermore, we must begin planning now to meet real economic costs that may consume up to 20% of the national economy.

Yet we have no choice but to meet those costs. All serious scientists admit that a vaccine or cure within the next 5-10 years is *not* probable.

We can turn this seeming economic crisis into its own solution, if we invest in high science. Let me explain.

The frontiers of research

Standard molecular biology, genetic engineering, and other mainline biomedical research methods, however impressive their rapid accumulation of basic facts about AIDS, have nonetheless proven scientifically unable to meet the formidable biological challenge of this disease. These mainline technologies and approaches of the 1960s, 1970s, and 1980s will soon be left in the dust, if we are to conquer AIDS. We must turn to the 21st-century advanced areas of basic optical biophysics research, and spark the development of an entire new industry, the optical biophysics industry. . . .

In conclusion, let me emphasize that there are three and only three alternatives:

1) We can continue the current *pay as you die* policy, which will either bankrupt or kill us, or both at once.

2) There will be a selected and limited policy-tilt toward some testing, some public health, and a little more research money. This approach will not win the war on AIDS. It effectively amounts to the same thing as the first approach.

3) The only other alternative is the one of Lyndon LaRouche. We must embark on a full-scale crash research and public health program. We can create the wealth necessary to pay for the program by unleashing scientific development. This is the Biological SDI program.

We will not be able to defeat AIDS with bows and arrows, or their technological equivalents. Even the famous molecular biology technologies of the 1960s, 1970s, and 1980s are not up to the challenge. We must advance the scientific frontiers through optical biophysics, if we want to win the war on AIDS. . . .

Is the government about to act on AIDS?

by Kathleen Klenetsky

After years of dithering, the Reagan administration finally appears to be taking some positive steps to deal with the deadly challenge posed by the AIDS epidemic.

The most significant indication that a shift in the administration's approach is in the works, came from Education Secretary William Bennett, who called for limited, mandatory AIDS testing and contact tracing in a speech at Georgetown University April 30. Bennett, who is the first cabinet member to endorse mandatory testing for individuals other than military recruits, said his principal goal is to force a debate on AIDS policy, both within the administration and in the nation at large.

"We have as solemn a responsibility to protect the uninfected as we do to care for the afflicted," Bennett said, adding that the current "condom-mania" is just one indication that the United States has been "guilty of a number of . . . half-measures and evasions" on AIDS. "We need to begin to ask some hard questions and to debate some of the hard choices surrounding AIDS—questions like whether mandatory testing might be advisable under certain circumstances, whether 'contact tracing' might not be necessary and whether or not spouses or lovers have a right to be informed if their partner is found to be infected with AIDS."

Bennett endorsed making AIDS testing a requirement for hospital admissions; for patients at health clinics, particularly those servicing high-risk populations; for those seeking admissions to the United States; and for marriage-license applicants.

In addition, Bennett said that contact-tracing, i.e., requiring that public health authorities and other medical officials notify previous and current sex partners of those who test positive for AIDS, should be seriously considered, even if this meant negating patient-doctor confidentiality.

Bennett said that there are "strong arguments for considering superseding, in certain circumstances, the principle of confidentiality," in order to protect the public health. He pointed out that "confidentiality, even in the medical profession, does not outweigh all other considerations," and that the American Medical Association's Principles of Medical Ethics recognize that a physician may reveal otherwise confidential information if this is necessary to protect the welfare of another individual or the community."

While Bennett's call for mandatory testing is an important contribution to the development of a serious national

strategy toward AIDS, it falls far short of what is actually needed. What a competent program to combat AIDS would require, was presented to the the House subcommittee on labor, health and human services by National Democratic Policy Committee spokesman Warren Hamerman, who testified the same day that Bennett spoke at Georgetown. (see article, opposite page)

The debate

Bennett's decision to go public with a policy which he has advocated privately for some time, is just one reflection of the raging debate now going in administration over what to do about the AIDS epidemic. *The New York Times* reported April 26 that President Reagan will almost certainly approve the formation of a Presidential Commission on AIDS sometime in May, and that one of the issues the commission will take up is mandatory testing. According to White House domestic policy adviser Gary Bauer, an ally of Bennett's, one of the chief motivating factors behind the decision is the "nightmarish" reports, coming out of the Centers for Disease Control and other scientific centers, predicting the emergence of new AIDS strains which will be much more easily transmissible.

Bauer supports a bill which Rep. William Dannemeyer (R-Calif.) plans to introduce in early May mandating AIDS testing for many of the same groups cited by Bennett.

At a press conference following his speech yesterday, Bennett disclosed that the White House Domestic Policy Council, to which he belongs, has been holding virtually non-stop meetings to debate a series of 40-50 options for dealing with AIDS. Indicating that no consensus has been reached yet, Bennett said that he hoped his Georgetown speech "opens the debate." The Health and Human Services department, as well as Surgeon General C. Everett Koop, are among the key centers of opposition to mandatory testing. Bennett predicted that the Domestic Policy Council would be able to arrive at an agreement and present its recommendations to the President, in a month or so.

It is still not clear in which direction the President is leaning on the issues of mandatory testing and confidentiality. Asked by *EIR* whether he had shown his speech to the President before giving it, Bennett replied that he had circulated copies to the relevant people in the White House, and that the reaction had been, "Good speech. Give it."

Unfortunately, the President and the First Lady have chosen to show their increased concern about AIDS by attending a gala AIDS fundraiser May 31, sponsored by the American Medical Foundation on AIDS Research and hosted by fag-hag Elizabeth Taylor. Run by Dr. Mathilde Krim, and underwritten by Krim's close friend, longtime Soviet agent Armand Hammer, AMFAR played an instrumental role in defeating Proposition 64, the California ballot initiative which sought to apply standard public health procedures to AIDS last November.

Hart gets the 'LaRouche treatment'

Sen. Gary Hart's presidential campaign has been rocked by a series of dirty tricks carried out by the political apparatus associated with former Democratic National Committee chairman Robert Strauss and the Carter-Mondale network which controls the Democratic Party.

These are the same networks which are trampling over the rights of another Democratic presidential candidate, Lyndon H. LaRouche. While Hart's constitutional rights have not been violated to the same degree as those of LaRouche and his supporters, the fact that his campaign is being targeted so flagrantly, demonstrates just how far the "secret government" is prepared to go to wipe out anyone considered to be politically problematic.

The first major blow to Hart came April 15, when federal marshals walked into a campaign fundraiser in Los Angeles, and seized approximately \$30,000 in contributions, to satisfy debt Hart incurred during his 1984 bid. The action was preceded by a massive media campaign, focusing on Hart's financial difficulties, complete with interviews with disgruntled contributors and creditors.

The action was blatantly illegal. As Hart campaign spokesman Brian Sweeney noted, under U.S. election law, funds raised for Hart's 1988 campaign cannot be legally attached to pay off debts from the 1984 campaign, be-

cause the two campaign committees are separate entities.

Hart issued a statement April 16 implying that the action was politically motivated.

At the end of April, Hart's campaign manager, William Dixon, confirmed that the Federal Election Commission has gotten into the act against Hart. Dixon said that the FEC is probing the 1984 campaign for possible election-law violations. The FEC, which has come under repeated criticism from disparate political quarters for its unconstitutional activities, is investigating charges that a Virginia advertising company, Group III Communications, violated campaign finance law by extending more than \$400,000 in credit to the Hart effort in 1984. The FEC is in the process of determining whether this constitutes a corporate contribution.

In addition, the FEC is also looking into whether the use of Hart's personal AMEX card to cover \$20,000 of campaign debt in 1984 violated federal campaign laws.

While Hart and LaRouche differ markedly on most major policy issues, political and intelligence-community sources say that the same powerful political faction which has been trying to shut LaRouche down, is also orchestrating the recent attacks on Hart. Hart has based his political strategy on running against the power-brokers who currently control the Democratic Party, notably including Texas wheeler-dealer Bob Strauss, who is also reputedly directing the operation against LaRouche.

Ironically, Strauss recently volunteered his services to Hart, pledging to help him retire his 1984 campaign debt. But reliable sources tell *EIR*, that Strauss is the proverbial Trojan Horse, and is offering his assistance merely to insinuate himself into Hart's inner circle, where he will proceed to at-

tempt to wreck the campaign from within.

Al Gore's campaign: crime and punishment

Sen. Al Gore (D-Tenn.), who announced his interest in the Democratic presidential nomination in early April, is quickly emerging as the fair-haired *wunderkind* of liberal Democratic circles. Richard Gardner, former Carter administration honcho, is just one of many well-placed Eastern Establishment types who is promoting the pretty boy from Tennessee for the Oval Office.

Gore has also received the backing of Impac 88, a group of Democratic Party moneybags organized by Washington metro-area real-estate speculator Nathan Landow, a top fundraiser for Democratic Party and Jewish causes.

Shortly after Gore announced, Landow held a press conference to pledge that he and 17 other members of Impac 88 plan to raise a whopping \$4 million for Gore's campaign coffers.

But Gore may be getting more than he bargained for: It turns out that Landow has a rather questionable past, which includes dealings with reputed organized-crime figures. In 1978, when Landow was pressing the Carter White House to name him ambassador to Holland, the *Washington Post* reported he had hired an underworld figure as a consultant on a proposed Atlantic City hotel and casino. That killed his ambassadorial ambitions, but, as a booby prize, he was named a U.S. representative to the United Nations.

Along with Gore's ties to long-time Soviet agent Armand Hammer (Gore's father, former Sen. Al Gore, sits on Occidental Petroleum's board), the Landow connection could spell trouble down the road.

Editor sees threat to freedom of press

The national president of the 25,000-member Society of Professional Journalists went on record at a public press conference here April 28 calling for an independent investigation into the charges that the government violated the First, Fourth, Fifth, and Sixth Amendments to the Constitution in shutting down two publications because of their alleged links to Democratic presidential candidate Lyndon LaRouche.

Robert Wills, president of the Society and editor of the *Milwaukee Sentinel*, called for an investigation into the circumstances surrounding the government's actions to force the publishers of *New Solidarity*, a twice-weekly newspaper with a circulation of 160,000, and *Fusion*, a bi-monthly scientific journal, into involuntary bankruptcy earlier in the month.

Wills was speaking at a press conference at the National Press Club on the subject of "the importance of a free press" when he was asked to comment on the government's actions by this reporter.

The press conference was sponsored jointly by the Society for Professional Journalists and the Advertising Council, announcing a new national ad campaign on the importance of a free press in America. Present with Wills were Robert Keim, national

president of the Ad Council, and John Quinn, editor of *USA Today* newspaper. Twenty journalists and three TV crews made up the audience.

Following a presentation of the newspaper, radio, and TV ads slated for their campaign, and a brief paean to a free press by Quinn (who referred to his own newspaper as "giving new depth to the meaning of shallow"), I asked Quinn to comment on a "real case." I described how the U.S. Attorney Henry Hudson had gotten an *ex parte* hearing before a bankruptcy judge and an order for involuntary bankruptcy against the publishers, based on allegedly unpaid debts of the allegedly LaRouche-linked companies to the government, which are in fact still under appeal in court.

The result of the action, I noted, was the swift shut-down of the two publications, despite the fact that there has not been a single conviction for a single criminal action with regard to anyone associated with the organizations, or LaRouche himself, for that matter. The first move by the temporary trustees assigned by the courts was to order the immediate termination of the publications.

Quinn could hardly brush off the question after the speech he had just given. He said, "I can only speak for myself, but I think that an investigation of this would be in order. As for a remedy, that would depend on the outcome of an investigation."

Wills interjected: "I can speak on behalf of the Society for Professional Journalists, and say that I think this should be investigated. We have a Freedom of Information Committee set up for just such purposes and its chairman is in this room. We also have a legal defense fund."

In a nervous attempt to get the subject of the press conference back on its original track, Keim said, "It is cases just such as this that our advertising

campaign on behalf of a free press has been developed to assist."

The chairman of the SPJ's legal defense fund, Peter Prichard, approached me right after the briefing for further information on the case. I was later told by a representative of Campaigner Publications, which published *New Solidarity*, that Prichard told him the size of its legal defense fund is very small, but asked to have a formal request for a review of the case mailed to him.

The fact that the SPJ's legal defense fund has only a few dollars in it is a clue that they haven't been confronted with a serious fight to protect a free press in some time.

Visible decline of a free press

The freedom of the American press has eroded slowly but surely. Its most evident form lies in the dramatic decline in the number of daily newspapers available to the public. Twenty-five years ago, the average large American city had three or four dailies. Some had five or even six dailies. Today, a city is lucky to have two. Most, including the nation's capital (except for the limited-circulation Moonie paper), have only one. Most of those monopoly papers, including those in the thousands of smaller towns in America, are owned by a handful of chains.

This is no accident. The annual reports of the New York Council on Foreign Relations, the arm of the British Round Table's efforts to "re-colonize" America, for years were appended with a detailed profile of every daily newspaper in the United States, including the size of its circulation and its political persuasion. This profiling was obviously for the purpose of eventually controlling this medium, and their success has been staggering.

Fact sheet: actions against Lyndon LaRouche and associates

On April 28, attorneys for two companies operated by associates of Lyndon H. LaRouche, Jr., and for numerous individuals, filed two motions in Boston Federal District Court, one "To Stay Bankruptcy Proceedings or, in the Alternative, to Dismiss the Instant Case," the other "To Dismiss for Violation of the Sixth Amendment."

The "instant case" in question involves indictments of the companies and various officers on charges like "obstruction of justice," charges leveled when a Boston grand jury convened by William Weld, current Justice Department Criminal Division head, was unable to come up with any evidence of "credit card fraud" and other wild allegations concocted as part of a general witchhunt against LaRouche and organizations with which he is associated. A trial in that case is scheduled for June 1.

Before the officers in question could come to trial, however, federal marshals on April 21 raided the premises of the companies, plus the unindicted Fusion Energy Foundation, and forced them into Chapter 7 involuntary bankruptcy on the basis of a "contempt of court" fine totaling over \$16 million leveled by the judge in the case—a fine then and currently under appeal! Thus, the prosecutor of the criminal case, the government, made itself a creditor of the defendants, obtained a bankruptcy order, and by that means, appointed trustees under bankruptcy law, who now have total control of the companies and power to demand information relative to the criminal case from the defendants, in violation of at least four Constitutional rights and all statutory precedents. The motions filed, calling attention to this "whipsaw" feature of the government's action, demand that either the criminal case be thrown out or the bankruptcy proceeding stayed; and that the criminal case be stayed because of clear violation of the defendants' right to due process.

Additionally, attorneys for these organizations have filed a notice of appeal in U.S. bankruptcy court, charging violations of the First and Fifth Amendments.

The following are the basic facts and their significance.

April 20, 1987. An Order Directing Appointment of Interim Trustees is secretly signed by United States Bankruptcy Judge Martin V. B. Bostetter, in the United States Bankruptcy Court for the Eastern District of Virginia, Alexandria Division. The Order, sought by Unnited States Attorney Henry E. Hudson, is based upon Chapter 7 of the federal bankruptcy code. It places into involuntary bankruptcy Campaigner Publica-

tions, Inc. (CPI), Caucus Distributors, Inc. (CDI), and Fusion Energy Foundation, Inc. (FEFI), all organizations involved in publishing, and identified with declared presidential candidate Lyndon H. LaRouche, Jr.

The order is issued in an unprecedented *ex parte* civil proceeding, despite the fact that the organizations are involved in ongoing criminal proceedings in other jurisdictions, in relation to the same charges. The action is justified by alleging "a danger that the property sought to be attached would be concealed, substantially impaired in value and otherwise made unavailable to levy . . . if issuance of the order were delayed until the matter could be heard on notice."

The stated basis for the order is the corporations' alleged "debt" to the United States, in the total amount of \$16,635,000. This debt is the fine imposed in February 1987, by Judge David Mazzone, for "contempt" of the U.S. District Court for the District of Massachusetts in alleged obstruction of grand jury proceedings, and is currently under appeal by the corporations in the First Circuit Appellate Court, in Boston, Massachusetts.

The United States Attorney in Alexandria, Virginia, Henry E. Hudson, tells the *New York Times* that this is the first time in history that the government has used this type of "collection" technique.

The order directs the interim trustees as follows:

- 1) "obtain custody and control of the business and assets" of the three corporations;
- 2) "operate the debtors' business as practicable but to terminate those activities of the debtors' employees which the interim trustee believes either violate federal or state law, or are likely to unreasonably increase the liabilities of their respective debtors, or are unnecessary to the business operations";
- 3) "take all necessary and prudent steps to preserve the assets of their respective debtors, preservation of assets having a higher priority than continued operation of the business";
- 4) "stop the payment of all pre-petition debt except upon application to the Court."

April 21, 1987. Beginning at dawn, the offices of CPI, CDI, and FEF in Leesburg, Virginia are seized, inventories made, and all personnel expelled by federal marshals, despite protests from attorneys representing the companies. Offices of CDI in Palisades Park, N.J., Boston, Chicago, Houston, Los Angeles, and Seattle are also seized by federal marshals.

The marshals did not allow observers to remain in the offices when they conducted their inventory.

Also seized is the office of Eastern States Distributors in Philadelphia, despite the fact that ESD was not named on the order and is an entirely separate corporation from CDI.

Bank accounts owned by the corporations are frozen by order of the interim trustees.

All publishing and distribution of printed materials by the corporations is effectively stopped.

Daniel Alcorn, attorney for the three organizations whose assets were seized, states that, since all three were involved in publishing, the government seizures represent a violation of the First Amendment: "This is a highly irregular, one-of-a-kind procedure with frightening implications for the press." He also notes that "the government's failure to provide notice or a hearing also infringed his clients' rights to due process."

April 22, 1987. A motion by defendant organizations, to halt the seizures, is denied in the Alexandria, Virginia Bankruptcy Court. Defendants announce plans to file an appeal to the U.S. District Court.

April 24, 1987. The Washington offices of *Executive Intelligence Review (EIR)* are seized and shut by U.S. marshals. These offices are also shared with the Fusion Energy Foundation and the Schiller Institute, Inc. (SII), a philosophical association. The entire *EIR* office is sealed, and entry is prevented by federal marshals—despite the fact that *EIR* is not subject to the bankruptcy order.

The effects of these actions

According to legal specialists, the action of the United States Department of Justice, in throwing three LaRouche-identified organizations into "involuntary bankruptcy" on April 20, was completely unprecedented, and represents such a fundamental invasion of constitutional rights that it is potentially fatal to constitutional rule in the U.S.

It is not just that the use of involuntary bankruptcy is unprecedented as an effort to collect a government fine, but that the procedure is being used against defendants who have been indicted and are awaiting trial in a *criminal* case. As such, the procedure constitutes "execution before trial," in that the defendant corporations will be liquidated before they ever have an opportunity to go to trial and prove their innocence.

The government actions shut down the following publications:

- *New Solidarity*, a national newspaper published twice per week, with a circulation of 150,000 copies for each issue, and having 125,000 subscribers, published by Campaigner Publications, Inc.

- Four local newspapers, all inserts in *New Solidarity*:
—*Loudoun County News* (Virginia);
—*Illinois Tribunal*
—*New Jersey Prosecutor*
—*New England Spy*

- *Fusion* magazine, a national monthly science and technology journal, with 70,000 subscribers, published by Fusion Energy Foundation, Inc.

- *International Journal of Fusion Energy*, a quarterly science publication.

- The publishing and distribution of dozens of books, political pamphlets and fliers, devoted to the preservation of the American System and the U.S. Constitution.

- The government actions have made it very difficult for *Executive Intelligence Review*, a national weekly news journal, with over 10,000 subscribers, to continue to publish.

The government actions violate the First, Fourth, Fifth and Sixth Amendments to the U.S. Constitution:

First Amendment

By shutting down two publications—*New Solidarity* newspaper and *Fusion* magazine—and severely hampering a third—*Executive Intelligence Review* magazine—the United States government has silenced voices which have been in the center of major policy controversies over the past decade and more. The seizure of their editorial offices, throwing writers and editors out onto the street, and the impending liquidation of the companies, constitutes the grossest type of "prior restraint" of publications—impermissible under a long line of Supreme Court rulings over the past 50 years.

Fourth Amendment

The Fourth Amendment prohibits "unreasonable searches and seizures" and says that search and seizure, when permitted, must be particular and exacting; in this case the government has illegally seized offices and property not only of the three organizations named—Campaigner Publications, Caucus Distributors, and the Fusion Energy Foundation—but also offices and property of legally distinct corporations such as that which publishes *Executive Intelligence Review* magazine.

Fifth Amendment

(a) The Fifth Amendment declares that no person shall be compelled to be a witness against himself. Yet the nature of a bankruptcy proceeding is such that officers and principals of a "debtor" company must disclose information to the trustees and the bankruptcy court. In this situation, when the companies and many of their officers and employees are under criminal indictments, most criminal attorneys will not permit individuals to make any statements to government authorities. Such "failure to cooperate" ensures immediate liquidation of the companies.

(b) The Fifth Amendment also provides that no person (which includes a corporation) shall be deprived of life, liberty, or property without due process of law. The involuntary bankruptcy petition was filed, and seizures ordered, in a secret, *ex parte* (only one side present) proceeding, in blatant violation of even the statutory requirement of notice and

hearing. Offices were seized, employees thrown out, and corporations shut down, without any hearing or due process whatsoever. The first that any of the companies or their lawyers knew of the proceedings was when federal marshals appeared at 7:00 a.m. to seize and seal off their offices.

Sixth Amendment

The Sixth Amendment, governing criminal prosecutions, provides the following:

(a) The right to trial, and to trial by jury: Here, corporations which were indicted and awaiting trial, are now being "executed" before trial. The involuntary bankruptcy petition relies heavily upon the "criminal" nature of these companies, yet by the time they would have a chance to go to trial, defend themselves and prove their innocence, they will have been liquidated in the bankruptcy proceeding.

(b) The right to confront witnesses: The *ex parte*, Star Chamber nature of the seizure of the companies denied this fundamental right. Further, the justification for this *ex parte* proceeding was other *ex parte* proceedings such as the issuance of "Cease and Desist" orders by various state Securities Commissions and the *ex parte* attachment of the "PANIC" (anti-AIDS Initiative) bank account in California last summer. Each Star Chamber proceeding justifies the next one.

(c) The right to the assistance of counsel: In a bankruptcy proceeding, the lawyer for the debtor is obligated to provide information to the court, and can be ordered to waive the attorney-client privilege. When the debtor is simultaneously a defendant in a criminal proceeding, this creates an insurmountable constitutional conflict.

The background

The April 20 actions follow a series of coordinated government actions, illegal jailings, and unconstitutional treatment of individuals and organizations associated with Lyndon LaRouche nationwide, beginning with the October 6, 1986 action in Leesburg, Virginia. The following outline describes this series of events.

October 6, 1986. 400 federal and state law enforcement agents invade the small town of Leesburg, Virginia and conduct searches of two buildings housing the editorial and distribution offices for *Executive Intelligence Review* magazine and *New Solidarity* newspaper, publications associated with Lyndon LaRouche. Helicopters and armored personnel carriers are employed in the search. Law enforcement authorities subsequently justify the force deployed on the raid with the theory that "armed resistance" might be encountered, despite the fact that individuals associated with the publications have no history of violence. On the afternoon of October 6, a federal criminal indictment is issued by a grand jury in Boston, Massachusetts, charging 11 individuals, two corporations, two campaign committees and a philosophical association with credit card fraud and conspiracy to obstruct justice. The indictments stem from a politically motivated

grand jury investigation instigated by U.S. Attorney William Weld, now head of the Criminal Division of the U.S. Department of Justice. While the indictment charges individuals and corporations with \$68,000 in credit card "fraud," the indictment asserts that the charges are part of a "\$1,000,000 nationwide fraud scheme," otherwise not elaborated.

October 9, 1986. The United States argues that Jeffrey Steinberg, Michele Steinberg and Michael Billington, arrested in Virginia pursuant to the Boston indictment, should be detained without bail for trial. No defendant has a previous criminal record. While bond is ultimately set for Billington, Magistrate Harrison Grimsley finds that the Steinbergs should be detained until further findings by the U.S. District Court in Massachusetts. Grimsley's finding is based upon alleged obstruction of the Boston grand jury investigation—namely, non-production of records to that grand jury. FBI Agent Richard Egan falsely testifies before Grimsley that no records of the corporate defendants in Boston were produced to the grand jury.

October 20, 1986. Boston Magistrate Robert Collings finds that he cannot disturb the previous finding of Magistrate Grimsley regarding the Steinberg detention. FBI agent Richard Egan retracts his previous testimony regarding non-production of records, stating that he inadvertently "misspoke." The Steinbergs are detained in Massachusetts while appeal proceedings are undertaken before Judge Keeton. The Steinbergs are ultimately incarcerated for 40 days before the government accepts an arrangement allowing them to work as journalists in Leesburg during the day while staying in the Loudoun County jail at night. A similar procedure is effected at this time for defendant Paul Goldstein, who was in France at the time of his indictment. Goldstein surrendered himself to Boston authorities following the completion of his assignment in France.

October 21, 1986. The United States gives notice of its intention to pursue civil contempt proceedings for non-production of documents to the Boston grand jury before Judge David Mazzone in Boston. The United States asks that two corporate criminal defendants in the Boston indictment, Campaigner Publications and Caucus Distributors, be fined \$5,000,000 apiece, and that two non-defendants, the National Democratic Policy Committee and the Fusion Energy Foundation, also be fined \$5,000,000 apiece. The issue of alleged non-production centers completely on index cards of their political supporters, maintained by fundraisers for CDI—a legal issue which was appealed, on First Amendment grounds, to the U.S. Supreme Court. The Supreme Court denied the petition for *certiorari* on January 27, 1987. The corporate defendants seek a stay, citing the impossibility of defending themselves against the civil proceeding when the criminal indictment charges them with conspiracy to obstruct justice, based, in part, on alleged non-production of documents to the grand jury. The NDFC, Campaigner and FEF demonstrate their complete compliance with the grand jury

subpoenas.

October 27, 1986. Boston defendant Michael Billington arrested in Leesburg, Virginia for selling unregistered securities in Lawrence County, Missouri. Bail is set at \$20,000 and extradition is opposed on the grounds that Billington has never been to the State of Missouri.

November 19, 1986. California police raid and search offices associated with the anti-AIDS ballot initiative Proposition 64 in California, in Livermore and Los Angeles. The investigation, by California Attorney General Van De Kamp, who had previously tried to deny the initiative ballot status, centers on an alleged criminal "conspiracy" to bring out-of-state residents to California to circulate petitions for the ballot initiative. The ballot initiative is publicly associated with Lyndon LaRouche.

November 24, 1986. The *Washington Post* and the *Loudoun Times-Mirror* of Leesburg, Virginia report that a federal grand jury in Alexandria, Virginia has commenced an investigation into the taxes of Lyndon H. LaRouche, Jr. and companies publicly associated with him.

December 16, 1986. Superseding indictment returned by federal grand jury in Boston naming three additional defendants: Edward Spannaus, the Treasurer of LaRouche's 1984 presidential campaign committee, Robert Greenberg and John Scialdone. The government moves for detention of all three individuals, although none has a previous criminal history. FBI agents Richard Egan and U.S. Attorney John Markham stipulate that there had been massive production of documents, contrary to their previous testimony. Following a two-day detention hearing in Boston, Magistrate Robert Collings finds against the government detention request. Spannaus and Greenberg are released from jail on December 31 after posting bond. Collings also finally modifies detention conditions for Jeff and Michele Steinberg and Paul Goldstein, allowing them to post bond.

January 16, 1986. Michael Billington is arrested again in Leesburg, Virginia following the signing of an extradition warrant to Missouri by Governor Baliles of Virginia. No bail conditions are available pursuant to an extradition warrant. The Loudoun County courts set an extradition hearing for late February. Billington spends 25 days in jail and is finally released in early February when Missouri charges are dropped, following a monetary settlement with the complainant.

February 17, 1987. Indictments are returned by a Loudoun County, Virginia grand jury against 16 individuals and 5 corporations publicly associated with Lyndon LaRouche, for alleged securities fraud. The sole issue in the indictment is whether promissory notes, evidencing loans to political committees and political publishers, are securities in the Commonwealth of Virginia and whether, therefore, the individuals and corporations have unlawfully engaged in the sale of securities. Among those indicted is Michael Billington. The Attorney General of the Commonwealth of Virginia, Mary Sue Terry, moves for an injunction to shut down the

indicted corporations in Virginia, before the State Corporation Commission, and vows that all "LaRouche activities" will terminate immediately in the state. According to Terry, the alleged monetary frauds now involve a "30 million dollar nationwide scheme," which is otherwise not elaborated. While Terry fails in her initial request for a TRO, the State Corporation Commission does finally issue a temporary cease and desist order in early March, covering the taking of loans by the corporations. However, the Corporation Commission notes that this is an "issue of first impression" and is extremely unclear and ambiguous in both state and federal law.

February 24, 1987. Judge David Mazzone issues partial summary judgment contempt fines on behalf of the United States for \$20,000,000 against NDPC, Caucus Distributors, Campaigner Publications and the Fusion Energy Foundation. Judge Mazzone's decision occurs while an appeal is pending before the U.S. Court of Appeals for the First Circuit of his denial of a stay of the civil proceeding. Judge Mazzone was not informed by the government that his contempt findings cover a period in which no grand jury was sitting on this matter in Boston, a fact which was disclosed to the defense during pre-trial proceedings on the criminal indictment. Mazzone's findings of contempt for failure to produce documents to the grand jury extend to three organizations—the NDPC, the Fusion Energy Foundation and Campaigner Publications—which the government concedes produced "truckloads" of documents before the grand jury.

Production of documents by these corporations was never even an issue before Judge Mazzone. The defendants have moved for reconsideration before Mazzone and for an enlargement of their appeal and stay application to the First Circuit.

March 17, 1987. Fifteen individuals publicly associated with Lyndon LaRouche, indicted on March 3 by a New York County grand jury, are arrested pursuant to an investigation by New York Attorney General Robert Abrams. Abrams cites the same "\$30,000,000 national scheme" unsubstantiated figure, otherwise quoted by Virginia Attorney General Mary Sue Terry. New York originally requests \$100,000 in bail per individual, pursuant to fugitive warrants—a request which is rejected by judges in Virginia and New Jersey on March 17. However, in California, Mark Calney, a New York defendant, is detained on \$500,000 bail. In a bail hearing on March 18, Los Angeles Municipal Court Judge Glennette Blackwell imposes the \$500,000 bail. Calney has no previous criminal record and voluntarily surrendered to California authorities. Judge Blackwell sustains the outrageous bail with the statement, "Counsel, in all candor, and let the chips fall where they may, you know and I think the world knows, apparently this is part of that Lyndon LaRouche national and international investigation." She alleges that the bail was requested by New York State Attorney General's office, an allegation subsequently denied by the New York State attorney.

Enemies of Constitution in Justice Department 'kiss Moscow's rump'

by Jeffrey Steinberg

U.S. presidential candidate Lyndon H. LaRouche Jr. put it most bluntly in a campaign statement issued on April 27 regarding the Karl Linnas deportation to the Soviet Union: "The U.S. Justice Department has sent a former U.S. citizen, Karl Linnas, to a death sentence in Russia, an action seen by some around the world as the U.S. government's kissing the Soviet dictatorship's rump on Main Street, at high noon, for all to see."

Other international voices, including the London *Express* and the *Times* of London, have expressed similar shock and amazement at the behavior of the U.S. government in deporting an American citizen, a refugee from Moscow's massive and unspeakable wartime and postwar crimes against humanity in the Baltic states, to certain death at the hands of the Soviet government—simply on the basis of evidence presented by the Russians themselves.

LaRouche's statement continued: "In no part of this proceeding did the U.S. Department of Justice even claim to have offered Karl Linnas due process of criminal law, in the matter of charges merely alleged by a Moscow government notorious for forging fraudulent evidence of this sort against U.S. citizens whom Moscow happens to consider members of U.S. anti-Soviet factions.

"It gets nastier as one goes deeper into the affair.

"Linnas's prior nationality, prior to his entry into the U.S.A. was as a citizen of Estonia, a nation now under Soviet occupation. The U.S. government has never recognized Estonia as Soviet territory. Thus, the nation to which the United States might have deported Linnas, had there been cause to do so, no longer exists, and the United States recognizes no Soviet juridical authority over the territory or nationals of Estonia. There was no basis in policy under which the United States could have deported a former Estonian national into the custody of the Soviet government or the satrapal government of any Warsaw Pact entity.

"The U.S. government chose to do so anyway, due process and policy be damned.

"The accusations against Linnas are purportedly based

on his 1962 trial *in absentia* by a Soviet occupation court whose jurisdiction in that nation the United States has never recognized. In these matters, Soviet trials of Baltic patriots were among the most notorious frame-ups, such that no intrinsic merit could have been attached to the evidence or findings of such a trial. Furthermore, in some cases of this type earlier handled by the Justice Department's Office of Special Investigations (OSI), it has been proven that the charges were based on false evidence willfully forged by the Soviet government.

"It is also known that not only is Neal Sher's OSI notoriously insensitive to the principle of due process of law in such matters, but that Sher works with intemperate zeal in close cooperation with officials and de facto agents of Soviet and East German intelligence services, such as the VVN, in targeting members of anti-Soviet U.S. associations for such victimization. . . . To send a man to virtually certain death without due process, and solely on the basis of allegations from a source notorious for forged allegations, stinks to heaven. . . .

"These disgraceful events occurred during a period that elements of the U.S. government have shown extraordinary zeal in seeking an early summit negotiation with the Soviet secretary general, for the purpose of negotiating a proposed 'zero option' agreement which would virtually abandon Western Europe to Soviet military superiority. This agreement would give the U.S. government no compensating advantage, except to create a pretext for slashing U.S. defense expenditures to levels prescribed by Gramm-Rudman.

"Under those circumstances, many in the world view the affair as the U.S. government's kissing Moscow's rump, at high noon, on Main Street, for all the world to see. I regret that I must agree with that view."

72-hour pattern

As if to allay any doubts that the Justice Department had acted with full consideration of the global political consequences of its actions, over the 48-hour period following the

April 22 Linnas deportation, the same DOJ carried out its unprecedented, unconstitutional raid and shutdown of two publications associated with candidate LaRouche: the 20-year-old, 200,000 circulation national newspaper *New Solidarity*, and the mass circulation science journal and leading voice for the Strategic Defense Initiative, *Fusion* magazine.

And, as if those two actions were not enough to satisfy the Soviets' appetite for American groveling, on April 24, Attorney General Edwin Meese personally attached his name to an order barring Austrian President and former United Nations Secretary General Kurt Waldheim from entering the United States as a private citizen on the grounds of his war-time Nazi activities.

As in the Linnas case, the "file" on Waldheim was compiled by the OSI, with liberal reliance on Soviet bloc documentation.

In the cases of Linnas and Waldheim, the Soviet authorship of the Justice Department's moves was direct and explicit. The department's Office of Special Investigations (OSI), under the direction of radical leftist Neal Sher, has been in official liaison with the Soviet justice ministry since its late 1970s creation during the Carter administration.

Through OSI "consulting counsels," including Harvard Law School professor Alan Dershowitz, ex-OSI director Alan Ryan, also at Harvard Law, and Martin Mendelsohn, formerly with OSI and now the head of a Holocaust Museum in Washington, D.C., the Soviet government has been receiving reassuring messages for months—that at the appropriate opportune moment, Linnas' deportation order would be rammed through the Justice Department.

Dershowitz told a caller during the week of April 27 that the crucial first step in the Linnas and Waldheim cases was the forced resignation last year of White House Communications director Pat Buchanan. Buchanan had been an outspoken critic of the OSI, and particularly of the OSI's willingness to deport American citizens without due process on the basis of highly suspect Soviet manufactured "evidence."

The more recent "opportunity," Dershowitz continued, came when Attorney General Edwin Meese's name surfaced in the special prosecutor's investigation into the Bronx, New York defense contractor WedTech. Meese was grilled by the FBI on April 28 on his possible role in arranging non-competitive contracts for the Bronx company, in which he held blind trust investments. Although it appears that Meese was innocent of any wrongdoing, the media hype around the case threw the Attorney General onto the defensive. According to Dershowitz, DOJ officials Steven Trott and William Weld seized that opportune moment to force through both the Waldheim and Linnas moves.

Soviet reconnaissance

Other OSI linked figures went even further in confirming the ultimate Soviet authorship of the moves. Martin Mendelsohn told a caller on April 29 that he had personally attended

a Washington, D.C. reception for a visiting Soviet military delegation led by General Milshtein on April 27. "Yes, this was a signal to the Russians. I have been promising them for months that Linnas would be delivered. I'm going to Moscow in two months. . . ."

Gen. Mikhail Milshtein, an official of IMEMO and a reported high-level Soviet disinformation specialist, has been touring the United States for over a month. According to one source, Milshtein was in attendance at the San Francisco Trilateral Commission session at the end of March. Milshtein will remain in the United States until at least May 20, when he will attend a meeting of the Atlantic Council as part of a 10-person Soviet delegation that begins arriving in the United States this week. Included in that delegation are Georgi Arbatov, director of IMEMO, IMEMO deputy director Zurkin, and officials of the Soviet foreign ministry, defense ministry, and economic ministry. Another leading IMEMO official, Henrik Trofemenko, has been in the United States since April 15.

Reached by phone at his New York hotel on April 30, General Milshtein told a caller, "Yes, the Linnas decision is a positive step: How could the Soviet government, after all, negotiate in good faith with a U.S.A. government that allowed Nazis to remain unprosecuted in their country? The Demjanjuk deportation to Israel in a similar way was a positive move. And, yes, the LaRouche crackdown is also a good signal. . . ."

Picking up on the theme struck in the March 1987 issue of the Soviet government journal *International Affairs*, Milshtein continued railing against LaRouche: "He is a reactionary, a slanderer. But you can't take LaRouche in isolation. What he says about Marshal Ogarkov [Marshal Nikolai Ogarkov, the preeminent military thinker in the Soviet Union today and the author of the present Soviet war plan against the West] is just crazy. But it's not just LaRouche. Others in the administration share his view about Ogarkov and the Soviet military."

One leading official of the American Jewish Committee described the pattern of recent Justice Department OSI-centered actions as "a coup for Edgar Bronfman." The organized crime-tainted Canadian billionaire just returned from an extended negotiating trip to Moscow in time to launch a campaign to shut down all LaRouche-associated activities in Canada.

As in the August-October 1986 period of pre-Reykjavik negotiations, the intensity of U.S.-Soviet back-channeling has been accompanied by revived Soviet media hysteria against LaRouche and subsequent compliant U.S. Department of Justice illegal moves to shut down the LaRouche political movement in the United States. Serious patriots should view the current anti-LaRouche assault on the U.S. Constitution by the Trott-Weld crowd at DOJ as a unique opportunity to root out one of the most protected and deeply held secret nests of Soviet penetration into our government.

The fundraisers in the Revolution

by Anton Chaitkin

Part I of a new series on the real identity of the Founding Fathers.

It is perhaps curiously appropriate that our corrupt financial system is facing a thunderous crash in this, the bicentennial year of the United States Constitution.

Reform of the system requires a return to the principles of the American Founding Fathers. Usury, narco-dollars, anarchic trade war, and depopulation must be replaced by government-backed commitments to productive credit, lawful trade in useful goods, and the technological development to support strong population growth.

Marxists and criminal bankers alike have lied, however, that the Constitution was written by “laissez-faire” irrationalists; that the American Revolutionary leaders simply wanted to license their own private gains by the government they devised; that our political system is based on the moral outlook of “each against all.”

In this false historical frame of reference, there is no alternative to the tyrannical control of our economy by international banks. They say that the nation was founded and its industries built by leaders who thought like David Rockefeller and Don Regan, that the language of the Revolution—“all men are created equal” . . . “endowed by their Creator with certain inalienable rights” . . . “we the people . . . to provide for the common defense, promote the general welfare . . . do . . . establish this Constitution”—is misleading, and the Constitution should now be replaced by a more “up-to-date” government, run more openly by these bankers.

In the present series of articles, we shall see how our *actual* Founding Fathers dealt with opponents like these, and shaped a Constitution and an economic system in which the sovereign power of a democratic republic could prevail against the international, imperial, financial oligarchy.

We begin our historical inquiry during the Revolutionary War. For the third time in three decades, Benjamin Franklin’s organization had placed Pennsylvania in a state of military readiness. The colonies had agreed to make Franklin’s Philadelphia the capital of their struggle for independence, and his old colleague from earlier military efforts, George Washington, the commander-in-chief.

In December 1776, the Continental Congress received word that British armed forces were advancing on Philadelphia. Congress fled to Baltimore, leaving merchant Robert Morris in complete charge of executive government for the five-month-old United States of America. The previous year, Robert Morris had been a vice president of the provisional military government of Pennsylvania (the Committee of Safety) under president Franklin. Morris was also chairman of the “Secret Committee” of the American Congress, responsible for procuring arms for the Revolution. Morris was now to have personal responsibility for managing the finances of the Revolution.

That same December, just before Christmas, Benjamin Franklin arrived in Paris. From there Franklin would direct American diplomacy and international fundraising for the Revolution.

On Dec. 31, 1776, General Washington sent a messenger to Robert Morris, requesting \$50,000 immediately. Washington needed money for an Intelligence Service. And his troops, having surprised the British by crossing the Delaware that frozen Christmas Eve, were nonetheless about to leave the army en masse unless they received some pay.

Morris coaxed a loan for the whole sum from a Quaker acquaintance who, like most of his co-religionists, was anything but a strong devotee of the patriot cause. The cash was sent the next morning to General Washington.

The American Revolutionary War effort was managed,

in practical fact, by these men—Washington, Franklin, and Morris. We here carefully note the names of their chief assistants: General Washington's aide Alexander Hamilton; Franklin's confidential secretary and great nephew, Jonathan Williams, later the first Superintendent of the U.S. Military Academy; and Robert Morris's two closest co-workers in the Philadelphia financial office, Gouverneur Morris (no relation) and James Wilson.

From that December of 1776, through the American victory at Yorktown in 1781, and past the Peace Treaty of 1783, Robert Morris and Benjamin Franklin corresponded often, sometimes more than daily, across the Atlantic. Morris, General Washington and a handful of Franklin-allied congressmen met together regularly, as a de facto "executive committee."

The chief problem they faced was that there was essentially no money available to fight the war, but money had to be gotten anyway.

There were substantially no industries in America that could be taxed, as the British had in recent decades done what they could to prevent industrial development in the colonies.

Franklin borrowed money in Europe, and Morris and Franklin frantically juggled transatlantic bank accounts. Morris was forced to use primarily private channels for domestic loans and contributions to the patriot military forces.

The most urgent task of the central, responsible Revolutionary leadership, was to forge a single nation out of the thirteen revolting colonies, with a central authority that could finance the war for survival.

Without a strong central government, the American cause suffered badly. Exasperated by usury and war profiteering, and prodded by British agent-mob leaders, state legislatures passed laws to prohibit shipments of goods into other states, and to foreign countries, as a vain form of price control. In July 1779, a Pennsylvania legislative committee tried to halt the export of flour to the fleet of our French allies; rioting mobs were whipped up against Robert Morris, and against James Wilson, the lawyer for the French in America.

In 1779 and 1780, the Congress emitted \$203 million in unbacked currency, which sank in value as it was printed: Sam Adams had to pay \$400 for a hat in Boston. In lieu of taxes, Congress directly requisitioned supplies of grain, tobacco, and clothes: pigeons and rats overran the grain warehouses.

In September 1780, Washington's intelligence coordinator Col. Alexander Hamilton called for the creation of an actual national government with power to save the country, in a letter circulated to men of influence through his friend James Duane. "Without certain revenue, a government can have no power. That power which holds the purse-strings absolutely, must rule." Under the present, vulnerable system, Hamilton said, the "moneyed men have not an immediate interest to uphold [public] credit. They may even, in many ways, find it in their interest to undermine it."



Robert Morris of Pennsylvania. He was a signer of the Declaration of Independence, the Articles of Confederation, and the Constitution, and served as a senator in the First Congress.

Hamilton's proposal of an official Department of Finance, with Morris as the Financier, was adopted by Congress.

On May 17, 1781, in his first official act as Financier of the nation, Morris proposed to Congress a plan for a national bank, which Morris, Hamilton, and legal scholar James Wilson had worked out together in the preceding months.

The bank would help organize the desperate national finances by taking deposits, issuing respected bank notes, and loaning funds to the government. In his explanatory letter, Morris proposed, "That it be recommended to the several States . . . to provide that no other bank or bankers shall be established or permitted within the said States, respectively, during the war."

The Continental Congress voted to charter the Bank of North America, headquartered in Philadelphia. Morris's business partner Thomas Willing was President; James Wilson was a board member and the Bank's attorney. The vote on the Bank was recorded as follows: All Southern congressmen except one were in favor; Pennsylvania was split, one to one; both Massachusetts congressmen voted no; all others voted yes.

Curiously, Virginia's James Madison was the one South-

ern congressman to vote no on the Bank. Madison's mixed feelings about economic theory, as a patriot who was not in the center of the Revolutionary struggle, are seen by the fact that he supported Robert Morris's plan for a tariff on imports, though in the 1790s he was to oppose both tariffs and a national bank as "usurpations."

Twentieth-century historians, anxious to eradicate the memory of the Founding Fathers' fight for national sovereignty, have elevated James Madison into the "Father of the Constitution"—falsely, as we shall see. In this way, Madison's later "free trade" attacks on President Washington and Treasury Secretary Hamilton, outrageously enough, are given patriotic status in opposition to "government meddling," i.e., American government support for American national economic development.

The Bank of North America

Unfortunately for the patriots' exasperated efforts, the wartime tariff plan never made it through Congress. The Bank of North America, however, was established early in 1782, and began repairing the horrible financial crisis of the new U.S.A. It lent \$100,000 to the United States less than two weeks after opening its doors.

By expanding available credit, the Bank was able to combat usury, forcing down interest rates that had gone as high as two and one-half per cent per month. When demagogues in the Pennsylvania legislature attacked the Bank of North America, Franklin and Washington's favorite "left-winger" Thomas Paine counterattacked with a book, "Considerations on Government," which pointed out that these "democratic" critics were fronting for moneyed interests jealous of the people's new power over the usurers.

Before the Bank began functioning, Franklin's Pennsylvania machine saw the army through by the skin of its teeth. The wives of Robert Morris, James Wilson, and Charles Thomson (permanent secretary of the Continental Congress and former second-in-command of Franklin's secret organization, the Junto) often bravely toured the streets and the taverns of Philadelphia together, fundraising for the Army. Mrs. Wilson alone is credited with having raised \$62,000.

Robert Morris visited General Washington in camp during August 1781, to plan the campaign that was to win the war. Morris promised to finance a drive into Virginia, and Washington agreed to undertake it. Some of the gold came on loan from France, some from Morris's private sources. Every phase of the march toward Yorktown was supplied by minute-to-minute planning out of Philadelphia.

The same kind of close, tactical coordination among the "executive committee" would be necessary to write the federal Constitution and bring about its ratification by the states, as we will see in our next installment. Franklin's allies were to prove that a free people can govern themselves, and need not be slaves of international finance. But these Founding Fathers would be forced to give their lives, *after the Revolution*, in the vicious political war with the Tory oligarchy.

What the Tower Commission did not say

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Book Review

Aristotle versus the Constitution

by Kathleen Klenetsky

We Hold These Truths

by Mortimer Adler

Foreword by Harry A. Blackmun

1987, Macmillan Publishing Co., New York

\$16.95, 278 pp.

Publishers across America are churning out a stream of books this year, which purportedly honor the Bicentennial of the Constitution. Unfortunately, with few exceptions, most such offerings are backhanded assaults against the document which they allegedly celebrate.

A case in point is Mortimer Adler's. He claims it to be a guide to "Understanding the Ideas and Ideals of the Constitution." (Publisher Macmillan is the same that brought out Charles Beard's 1913 diatribe, *An Economic Interpretation of the Constitution*.) Not only does Adler call for fundamental changes in the Constitution, akin to those advocated by Trilateralist Lloyd Cutler and his Committee on the Constitutional System; he subjects the Constitution to a thoroughly Aristotelian distortion.

A popularizer of Aristotle, Adler has long been tied to the Aspen Institute for Humanistic Studies. Among other things, Aspen ran the successful anti-nuclear propaganda effort, and, more recently, sponsored a project to "decouple" the NATO alliance. Adler notes in his first chapter that much of his book derives from a week-long seminar he gave at Aspen in 1975.

Adler insists that radical changes be made in the Constitution to bring it "up to date." This "18th-century" document, he writes, "must be measured against the conditions and circumstances of the time in which [its drafters] were living. . . . There is only one way in which we can soberly assess how to give life to their ideas and how to realize the ideals they had in mind. To accomplish that, *we must recognize the defects in the Constitution they delivered to us who are alive many generations later [emphasis added].*"

Adler suggests a slew of remedies in his chapter, "What Remains to Be Done." Lamenting that Americans "are not willing" to accept a parliamentary system, he proposes to

shift things in that direction anyway. For example, he proposes to make the procedures for impeaching and convicting public officials "easier and speedier." "Should we," he writes, "substitute a congressional vote of no confidence for the impeachment of the President, leading to mandatory resignation?" In other words, the parliamentary procedure.

Other suggestions include: abolishing the Electoral College; limiting the President to a six-year term; creating executive vice presidents (making the presidency a ceremonial post); creating a public prosecutor's office for the prosecution of public officials suspected of unconstitutional acts; etc.

Adler gives his game away in his opening chapter, when, citing Aristotle, he asserts that Solon and Lycurgus were the first to have founded states, because they drafted constitutions for Athens and Sparta, respectively. He makes no distinction between Solon's conception of a republic—that the state should foster the individual's ability to pursue the good—and Lycurgus' bestial view, that the individual exists to serve an oligarchical elite.

His failure to distinguish between these completely antithetical views of human nature, permeates the entire book, and leads him inexorably to his wrongheaded assertion that, of life, liberty, and the pursuit of happiness, the supreme right acknowledged by the Constitution is the last. Although Adler hastens to assure his readers that he does not interpret the pursuit of happiness phrase to condone the pursuit of whatever hedonistic pleasures an individual might desire, he belies this claim by arguing against the Supreme Court's 1986 decision upholding a Georgia law against sodomy.

Calling this decision "fundamentally wrong," Adler proceeds to apply a libertarian interpretation to the Constitution. Adler writes that, "Restraints imposed on individual freedom can be justified on no other ground than the prevention of injury to others or to the public good," and adds: "Laws that attempt to restrain individuals from committing sexual acts that are deemed reprehensible either because they are sins in violation of the divine law or acts of vice in violation of the moral law fail to distinguish the proper sphere of man-made or civil law from that of divine and moral law."

This idea, also known as the "victimless crime" argument, is not only specious, but immoral. Can Adler claim that someone who uses drugs, doesn't inflict harm on the public good? Or that the wildfire spread of homosexuality in the United States, with the concomitant rise of the deadly disease AIDS, doesn't imperil the entire human species?

Although Adler's book is boring—Aristotelianism again—it will no doubt be widely read, partly because Associate Justice Harry A. Blackmun, one of the most liberal members of the Supreme Court, wrote the foreword. Blackmun—who authored the dissenting opinion to the Court's ruling in the Georgia sodomy case—calls the book "needed and timely," says that "one has nothing less than a duty to read" it, and writes approvingly that Adler "reminds us that [the Constitution] is not perfect and thus falls short of attaining the ideal of democracy for which we strive. . . ."

Fight expected over raising debt ceiling

A major battle is shaping up over demands to raise the national debt ceiling, this time by May 15, in order to allow the Treasury and U.S. government to continue to borrow to finance the federal budget deficit.

Whether enacted by Congress by the deadline or not, the fact that this political brawl will be taking place in the context of worsening international economic conditions, can only accelerate a financial blowout. If rejected, the U.S. government will default on its debt obligations, setting the stage for either a recovery policy, or a deeper depression.

The biggest part of the controversy will revolve around a replay of the Gramm-Rudman-Hollings balanced budget fight. Senate backers of this law will attempt once again to reinstate the automatic budget-cutting provisions of the law, but changing the procedure of the automatic cuts so as to overcome Supreme Court objections to the previous mechanism.

In the House, there is no guarantee that a rise in the debt ceiling could be passed.

The Reagan administration, nervous about the difficulty, has asked Congress to expedite action. The House Ways and Means Committee, chaired by Rep. Dan Rostenkowski (D-Ill.), which has jurisdiction, held a hearing on April 30 with Treasury Undersecretary George Gould as a witness. "The expiration of the temporary debt ceiling triggers disruption of Treasury financing immediately and a subsequent cash default on May 28, in the absence of new debt limit legislation," Gould warned.

One of the questions Rostenkowski wants answered is how much pres-

sure the White House will bring to bear to line up Republican votes behind the measure, and whether the White House will fight to dampen the Gramm-Rudman-Hollings initiative. Gould stated, "We do not support adding provisions that could imperil prompt passage of this urgently needed debt extension." Before the hearing, Rostenkowski's staff said that there had been no indication yet of White House intent, and many members remained uncertain of whether they will fight to bypass the Gramm-Rudman debate.

Defense hit in Senate Democratic budget

The first indication that the Democratic-controlled Senate will slash the defense budget even more harshly than the Republicans have for six years, came as the Senate took up consideration of the budget proposed by the Senate Budget Committee, chaired by Sen. Lawton Chiles (D-Fla.).

The Democratic proposal is a \$1 trillion FY88 budget, which includes \$11.5 billion in new taxes, and leaves a deficit of \$108 billion, using Reagan administration budget assumptions, and \$134 billion using Congressional Budget Office assumptions. New defense authorization is set at \$289 billion, a sum which does not even cover inflation. "In the real world, if you're going to have deficit reduction, you have to reduce something," Chiles said in defending the proposal.

Opponents failed to derail the budget by a vote of 50 to 46 on April 29, losing an effort to force the budget to stick within Gramm-Rudman guidelines, using the less favorable economic assumptions. They then

failed to derail the proposal by a 50 to 49 vote, with four Democrats joining all Republicans with the exception of Senator Lowell Weicker (R-Conn.).

"I think this budget turns its back on defense," said ranking Budget Committee Republican Sen. Pete Domenici (N.M.). "It will take us back to the days when we had a hollow Army and ships that couldn't sail."

The action on the budget flew in the face of the Senate Armed Services Committee, which is reportedly preparing \$303 billion in defense spending authorization, including \$4.5 billion for the Strategic Defense Initiative, behind closed doors. Senate Republicans are still hoping to win over enough Democrats to get more for defense, which would mitigate what western state senators charge is a bias against their region of the country.

As a House delegation led by Speaker Jim Wright (D-Texas) returned from Moscow singing the praises of Gorbachov, the House continued slashing defense by passing H.R. 1827, making supplemental appropriations for FY87 on April 24 by a vote of 208 to 178. It mandated the President to stay within the SALT II arms-control limits, and prevented nuclear tests over one kiloton in yields, provided the Soviets do the same.

Symms proposes Soviet eviction from embassy

Sen. Steve Symms (R-Idaho) introduced Senate Joint Resolution 120 on April 30, to force the Soviets to vacate their new embassy grounds in Washington, D.C.

The resolution, which has the binding force of law, directs the President "to void the embassy agreements

signed in 1969 and 1972 which allowed the Soviet Union to construct a new embassy at Mt. Alto, approximately 350 feet above mean sea level and the second-highest land site in D.C.," Symms said. It would also direct the President to negotiate a new embassy site "not more than 90 feet above mean sea level (approximately the elevation of the U. S. Capitol.)"

At a press conference the day before atop a hotel across the street from the new embassy, Symms and a security specialist in electronic surveillance pointed out that the "line of sight access" which the site provides would allow the Soviets "interception of any electronic signal generated either by a bona fide transmission or by a secondary transmission," e.g., typewriters, computers, telephones.

Senate Majority Leader Robert Byrd (D-W.V.) praised the bill and asked to be added as a cosponsor, raising hopes that the Senate might be able to act early in May.

The initiative came as the Senate Intelligence Committee unanimously recommended that the U.S. embassy building in Moscow be demolished and rebuilt, because it would likely never be made secure against Soviet espionage. The committee said it might take two to five years just to assess the extent to which the building is compromised. The committee also said that the Soviet leadership should be notified of a U.S. intention to "negotiate a new set of construction agreements that meet our security requirements," and that the Soviets should leave their embassy in D.C. until the issues are resolved.

The House International Operations Subcommittee meanwhile voted on April 28 to subpoena State Department communications regarding han-

dling of the embassy construction in Moscow, after the State Department was found to be withholding documents promised. Foggy Bottom called the subpoena "outrageous," and compliance is in doubt.

Burton: 400,000 are already dying of AIDS

Rep. Dan Burton (R-Ind.), who has introduced legislation for annual, national mandatory screening of the American population for the AIDS virus, spoke on the floor of the House April 29 to warn that there are not 40,000 people dying of AIDS in the United States, as is claimed by the Atlanta Centers for Disease Control, but 400,000.

"When you get the AIDS virus, it gets into your system and it gets into all your body fluids, your spinal fluids, and brain fluids. It immediately starts destroying your brain tissues," Burton said. People "are suffering from brain deterioration that is believed to be related to the AIDS-related complex (ARC), 10 times as many people as have full-blown AIDS have this mental disorder or deterioration taking place as a result of the AIDS virus, which means we do not have 40,000 people dying from AIDS; we probably have 400,000 dying from AIDS right now, because of the brain disease killing these people. It does not manifest itself as full-blown AIDS; it just causes deterioration of the brain, until they die or become mentally disabled, and it ultimately leads to complete dysfunction and death."

Burton presented extensive references from medical professionals to debunk the assertion that AIDS could not be casually transmitted. He warned

that there is the potential of insect transmission, and that if the virus mutates like the bubonic plague once did, it could be transmitted by respiratory secretions and coughing.

Burton urged quick action on his bill to get universal testing underway. "The entire human race is at risk with this disease if we do not get on with" measures to contain its spread.

Gephardt amendment approved for trade bill

The Gephardt amendment to the trade bill, H.R. 3, which would require U.S. retaliation against nations that refuse to reduce their trade surpluses with the United States, passed the House by a razor-thin vote of 218 to 214 on April 29.

The amendment, sponsored by Rep. Richard Gephardt (D-Mo.), would mandate 10% annual reductions in the trade surplus of foreign nations, if the President failed to negotiate such reductions after 18 months, and dollar for dollar retaliation against nations which refuse to remove their trade barriers to U.S. products. To abrogate the reductions, the President would have to declare it a matter of vital national economic interest.

Although it would affect trade with West Germany, Taiwan, South Korea, Italy, and Brazil, the amendment is especially aimed at Japan, and was passed just as Japanese Prime Minister Nakasone arrived on a visit to the United States.

It is doubtful that the provision will make its way into final legislation, as the Senate is strongly opposed, and the White House holds the threat of a veto.

National News

Panel asks AIDS emergency in California

According to an article in the May 1 *Los Angeles Times*, a panel of five AIDS experts has asked California Gov. George Deukmejian to declare a state of public emergency in response to the AIDS epidemic, but the recommendations, contained in a 75-page report, were turned down by Deukmejian as too expensive.

The five experts, including Dr. James Chin and Dr. Donald Francis, who only last November testified against Proposition 64 that would have instituted public health measures against AIDS, are now calling for mass testing at all sexually transmitted disease clinics, family planning clinics, and for all marriage licenses and all pregnancies.

They also want an expansion of test facilities, and the creation of regional treatment and evaluation centers to care for patients from "diagnosis to death."

Francis and Chin authored a recent article in the *Journal of the American Medical Association*, calling for mass testing, contact tracing, and restraining the activity of irresponsible AIDS carriers, all of which they explicitly opposed in testimony against Proposition 64 last fall.

Opposition to FBI confirmation voiced

Congress should not confirm a new FBI chief without taking a "hard-nosed look inside the Bureau," said American University Dean Sanford Ungar in a *Baltimore Sun* op-ed April 28.

Despite the new image instituted by William Webster, "the ghost of J. Edgar Hoover still stalks" the FBI's corridors. The bureau's budget "is virtually out of control again, and some of the rigorous standards instituted in the late 1970s to govern investigations of alleged subversives . . . have begun to slip. With the wrong person at the

top, the FBI could easily revert to the worst abuses of its past."

Many congressional observers believe that the FBI has changed little since Hoover's time, says Ungar, who quotes one Senate aide: "Few people understand the bureaucratic nightmare that can still be the FBI."

U.S. 'Greens' revive witchcraft cults

People calling themselves "ecofeminists" held a coven in Los Angeles in early April to create a movement merging witchcraft and "Great Goddess" cults with the international "peace" and environmentalist movements.

Speakers included Paula Bradish, science adviser to the parliamentary delegation of the West German Green Party; Charlene Spretnak, author of a book on building a Green movement in the United States; several avowed witches, including "Starhawk"; and representatives of Green-type formations in England, the United States, and elsewhere.

The major theme of the meeting was the need to eliminate science and technology in order to appease the Earth Goddess.

U.S. Greens are sponsoring an international gathering of Greens from July 2-7 in Amherst, Massachusetts.

DNC meets to 'stop LaRouche'

Former party chairman Robert Strauss convened a meeting of the Democratic National Committee and the Anti-Defamation League in New Mexico the evening of April 30 to lay out a strategy to "stop" presidential candidate Lyndon H. LaRouche in the immediate future, reliable sources report.

The meeting took place at the end of a two-day DNC confab in Santa Fe, where,

according to the May 1 *Atlanta Constitution*, the DNC "decided to study ways to prevent infiltration of the party by the Lyndon H. LaRouche cult, and to seek ways to prevent LaRouche candidates from running as Democrats."

The DNC wrapped up its semi-annual meeting in Sante Fe divided and dissatisfied about the field of candidates. "Some people are wringing their hands and saying 'I think we're going to win in 1988, but I don't know about these guys'" said DNC chairman Paul Kirk, Jr.

Huntington rejected by Academy of Sciences

The National Academy of Sciences rejected the nomination to the academy of Prof. Samuel P. Huntington on April 28. Huntington is a member of the Trilateral Commission, and author of its notorious 1975 report, *The Crisis of Democracy*. That report proposed the institution of what some have called "fascism with a human face," in order to get David Rockefeller's banking friends through the financial and political crises of the 1980s.

The attack on Huntington was led by Serge Lang, a Yale mathematician, who has gathered and sent to all academy members "a ton of documentation" challenging Huntington's scholarly work as "pseudo-science" and "nonsense." Lang debunked Huntington's use of mathematical equations as "a type of language which gives the illusion of science without any of its substance."

He added that Huntington had passed off political opinion as if it were science.

Dr. Edward Anders, professor of chemistry at the University of Chicago, said, "I have repeatedly had misgivings about some of the candidates in social and political sciences. . . . My suspicions have been amply confirmed by the Huntington debacle. Any section that nominates poorly qualified candidates lacks either good candidates or good judgment."

Briefly

Justice Dept. looks into Hansen case

A Justice Department inquiry into the arrest and reimprisonment of former Rep. George Hansen (R-Idaho) for alleged parole violations has been launched by Attorney General Edwin Meese, reported the *Washington Post* April 27. Responding to concerns voiced by Republican members of Congress, Deputy Attorney General William Landers met with Hansen and his lawyers April 27, to hear complaints by Hansen about his treatment since his arrest.

Hansen was released from prison after serving six months of a 15-month prison sentence and paying a \$40,000 fine for filing incomplete financial disclosure reports as a House member—the same charge that was not pursued in the case of mafia-linked Geraldine Ferraro. Hansen was arrested and reimprisoned April 15 on charges that he had violated his parole by traveling outside of the Washington, D.C. area and had failed to report details of his monthly income and activities. At press deadline, he was still being held in the Alexandria city jail, and is carrying out a hunger-strike to protest his treatment and appalling prison conditions.

The Justice Department inquiry grew out of a meeting April 26 between 25 Republican legislators and Assistant Attorney General John Bolton.

At the meeting, which took place in the office of Minority Whip Trent Lott (R-Miss.). Rep. Dan Burton (R-Ind.) said the purpose of the meeting was to see that Hansen received "fair treatment from the system. . . . A lot of us knew George when he was in Congress. . . . The fellow is not a murderer; he's not a drug dealer."

Hansen was rearrested without a warrant; was listed under an alias when he was booked in Alexandria jail; was put in leg and waist irons, etc.

"They're treating him like he was 'Machine Gun Kelly,' rather than someone charged with a white-collar crime," said Sen. Steve Symms of Idaho.

A U.S. Parole Commission hearing examiner subsequently recommended that

Hansen be sent back to prison until at least Nov. 5. His decision will be circulated among the other commissioners on the nine-member board until three of them concur.

Brzezinski calls for 'merger' with Japan

Zbigniew Brzezinski, former director of the Trilateral Commission, has come up with a new scheme to destroy the sovereign nation-state. In an op-ed in the April 28 *New York Times* he proposed that the Japanese economy be gobbled up by America's bankrupt banking establishment as a means of surviving the coming blowout.

The way Brzezinski put it: Create an informal U.S.-Japanese structure, dubbed "Amerippon," to combat the world financial crisis.

"If history is any guide, there can only be three outcomes to the emerging financial dilemma: war, bankruptcy or inflation. . . . They can be avoided only if America and Japan realize that each needs the other, that the economy of each is becoming complementary to the other, and act accordingly.

"In effect, a new global bargain is needed, one that creates the preconditions for an ever closer American-Japanese relationship. Japan needs the American market and it also needs American security protection. . . . Meanwhile, America needs access to the Japanese markets, Japanese investment, and Japanese cooperation in stimulating global economic growth, in terms of both development and financial stability. . . .

"Both America and Japan can thus benefit from closer co-mingling of their business and financial institutions. Joint enterprises, increased cross-presence of Americans and Japanese on various boards of directors. . . . all can foster a shared perspective on global issues. . . . The appearance of a new though informal constellation—'Amerippon'—could provide new leadership and stability to the global economic system."

● **STEPHEN TROTT**, the associate attorney general, is expected to be nominated soon to a federal judgeship in San Francisco, reported the April 30 *Washington Post*, citing administration sources. Trott, who has come under fire in the Iran-Contra affair, is said to have already decided to seek the judicial nomination. "One strong candidate" to replace him, says the *Post*, "is Assistant Attorney General William F. Weld."

● **EIR NATIONAL NEWS**, a new newspaper, hit the streets in 100,000 copies at the end of April. *EIR*'s publishers made the decision to issue the weekly paper after the U.S. Justice Department shut down *New Solidarity* newspaper on April 21.

● **NATIONAL JEWISH** Coalition leaders numbering some 150, featuring "Dope, Inc.'s" Max Fisher, met with Bob Dole, George Bush, Jack Kemp, Al Haig, and Pat Robertson, all GOP presidential hopefuls, in Washington at the end of April.

● **A FUNDRAISER** for Carl "Spitz" Channell disclosed on May 1 that Channell was an admirer of Adolf Hitler. Jane McLaughlin told ABC News that Channell "had a lot of complimentary things to say about Hitler." He also "used to make fun" of people who contributed to his operation—"especially the women."

● **THE WASHINGTON POST** reports that things are becoming "topsy-turvy" in the U.S. government's prosecution of companies associated with Lyndon LaRouche. "It's U.S. v. U.S. in LaRouche Bankruptcy Case" was the headline of a May 2 article, which points out that the government has placed in bankruptcy companies which it is charging with criminal violations in another jurisdiction. This "legally odd predicament" would allow the government trustee to decide whether to fire the defendants' lawyers and plead guilty.

Editorial

EIR versus Project Democracy

This week, the U.S. public will be treated to a television extravaganza, sponsored by the Senate select committee investigating Irangate. The average, impressionable TV viewer, will get quite an education from those Senate hearings. Confessions of varying degrees of accuracy, revelations of hitherto dark secrets of state, high drama performed by obscure public servants like General Secord or glamorous ones like Colonel North, day after day, on millions of living-room screens, will unravel the story of a runaway secret government, stealing money, arming enemies of the U.S.A., breaking laws, violating the Constitution, murdering people, protecting murderers, lying—all in the name of the American people.

As the nation will be vicariously watching this modern version of *Macbeth*, only a few will know, that *EIR* and its political friends are the moving force behind the avalanche of revelations. We can justifiably claim that we and our political friends launched "Irangate" back in 1979, with what became known as the "Cyrus Hashemi case."

Over a period of years, officials of the Department of Justice (pardon the expression), have tried to silence us, by a variety of means at their disposal. Such officials include in their ranks Associate Attorney General Stephen Trott, FBI Deputy Director Oliver "Buck" Revell, Assistant Attorney General William Weld, and others. These men protected and covered up for persons who broke U.S. laws for the purpose of aiding the enemies of the United States in the Middle East and in Central America. *EIR* said so, and they tried to silence *EIR*.

Right now, the editorial offices of *EIR* in Leesburg, Va. and our headquarters in Washington, D.C., are being occupied by these criminals and traitors. Stephen Trott, William Weld, and Buck Revell, with some others, are arbitrariness and unlawfully, without even a sham court decision or order, are keeping our offices shut, and our files under lock-and-key in continuing flagrant violation of our constitutional rights. These traitors, Trott, Weld, Revell, and their accomplices, fear our voice and wish it silenced.

On April 9, *EIR* issued its devastating 341-page *Special Report* titled "Project Democracy: the 'parallel government' behind the Iran-Contra affair." In it, we proved that the National Security Council apparatus had been taken over by a secret and illegal "parallel government," associated with "Project Democracy" or the National Endowment for Democracy. This Project Democracy, we argued, had infiltrated both the Democratic and Republican National Committees, under Paul Kirk and Frank Fahrenkopf, respectively, and through such operatives as Richard Miller and Francis Gomez, was facilitating the illegal operations of Lt. Col. Oliver North and his collaborator, Oliver "Buck" Revell of the FBI.

On April 21, these traitors of the Justice Department, shut down the offices of the *EIR*.

On April 27, special prosecutor Lawrence Walsh indicted NSC-operative Carl "Spitz" Channel, and on the same day, Channel named Richard Miller, "Buck" Revell and Ollie North's protégé, as a co-conspirator. Richard Miller is paid by the National Endowment for Democracy, co-chaired by Fahrenkopf of the RNC and Charles Manatt of the DNC.

On April 28, Fahrenkopf issued a call for the Federal Election Commission to exclude *EIR* founder Lyndon LaRouche from general elections; also, the Democratic National Committee held its semi-annual meeting on the subject of how to stop LaRouche's influence in the Democratic Party.

On April 29, FBI Director William Webster informed the Senate Intelligence Committee that Revell of the FBI had failed to follow up an investigation of the illegal relations of the NSC's North and Project Democracy's Richard Miller; also, Trott, under the weight of *EIR* revelations, announced his intention to leave the Justice Department. On the same day, the DNC's Robert Strauss gave orders that the voice of LaRouche's friends be silenced "in the next two weeks."

Each day our voice is not stilled, we dismantle the illegal parallel government. To save this republic, join the *EIR*'s fight.

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