

EIR

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Who's out to legalize drugs, and why
Plasma focus can transform medical diagnostics
Yugoslavia caught between IMF and Moscow

End the Bush-Reagan low-budget folly on AIDS

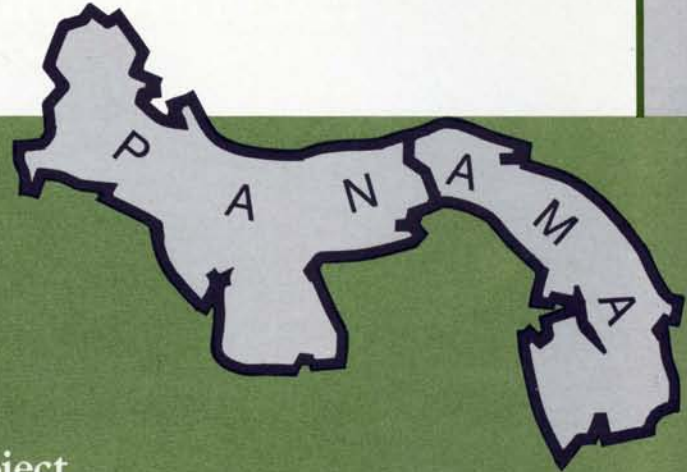


EIR has commissioned this White Paper to bring the truth of the developing Panama crisis to American citizens and lawmakers, so that decisive action can be taken to stop this campaign before the United States faces a new strategic crisis on its Southern Flank.

NEW EDITION
DECEMBER 1987

White Paper on the Panama Crisis

18 months later: the Project
Democracy assault on Panama



Americans have been told that there is a crisis in Panama because a "narco-dictator" rules. That the United States government has mobilized to drive him from power. That only when Defense Force Commander General Manuel Noriega is out of the way, will Panama be safe for democracy, and U.S. interests in the region protected.

Is this true? The answer is no. On this, the Reagan administration is wrong, dead wrong.

Did you know, that the so-called "democratic" opposition movement which the State Department seeks to install in power is led by Nazis, drug-traffickers, drug-money launderers, advocates of narcotics legalization, and arms-traffickers?

Did you know that the liberal Establishment's "secret government" created the crisis in Panama, lock, stock and barrel, as an excuse to bring those drug-runners to power?

That the campaign against General Noriega is being run by the same team which was caught trading arms-for-hostages in the Iran-Contra scandal?

That the attack on Panama went into full gear when Panama's military angered international bankers, by seizing bank accounts caught laundering drug-money? If you had read *EIR's* Special Report, you would know.

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- A "Who's Who" in the drug mob's campaign to overthrow Panama's government;
- The facts on how the Establishment's secret government set up the war on Panama, why they did so, and how the Soviet Union will benefit from it;
- The story of how that liberal Establishment, through David Rockefeller's Trilateral Commission and the New York Council on Foreign Relations, created the "offshore" banking center in Panama, to handle their debt-and-drug looting of South America;
- A proposed alternative strategy, based upon the industrial development of Panama. With the long-overdue construction of a second, sea-level Canal—the necessary centerpiece of a booming Ibero-American Common Market—Panama can break its dependence on the "offshore" economy owned by the international banking cartel.

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EIR

SPECIAL REPORT

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Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: Nora Hamerman

Managing Editors: Vin Berg and Susan Welsh

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European Headquarters: Executive Intelligence Review Nachrichtenagentur GmbH, Postfach 2308, Dotzheimerstrasse 166, D-6200 Wiesbaden, Federal Republic of Germany
Tel: (06121) 8840. Executive Directors: Anno Hellenbroich, Michael Liebig

In Denmark: EIR, Rosenvaengets Alle 20, 2100 Copenhagen OE, Tel. (01) 42-15-00

In Mexico: EIR, Francisco Díaz Covarrubias 54 A-3 Colonia San Rafael, Mexico DF. Tel: 705-1295.

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EIR

From the Editor

As you receive this issue of *EIR*, you may have also received through the mail a copy of Surgeon General C. Everett Koop's booklet on AIDS, which defends the Bush-Reagan administration's defeatist, low-budget policy by pretending that stopping the spread of AIDS is mainly a question of "education."

This week's cover story focuses on the political opportunity presented by the June 7 primary election in California, where voters will be able to approve a referendum recommending that AIDS be treated as a communicable disease in an epidemic phase, to which classic public health measures must be applied.

California's Proposition 69, if it is approved, will start a nationwide and soon, worldwide, shift to a crash research and treatment program, and away from the suicidally foolish "condoms and clean needles" approach to the most dangerous public health threat the world has ever seen. An idea of the potentials which are at hand to aid us to such a victory is given by this week's *Science and Technology* department, outlining the exciting capabilities of the plasma focus in medical diagnostics.

Our *Feature* package includes remarks by Lyndon H. LaRouche, a Democratic presidential candidate on the primary ballot in California, who will dedicate his half-hour nationwide campaign broadcast on NBC-TV the evening of June 4, to the subject of a "Total Victory over AIDS."

On another life-and-death issue of national concern, you will want to closely study the report on page 60, on the Senate battle over the INF treaty. Writing from Washington on Friday, May 20, Webster Tarpley delineates the shocking circumstances in which there are really *two* INF treaties—one between the United States and U.S.S.R., and a second, much longer one, between Congress and the President, which could bind the Executive for unborn generations into the future by a series of unilateral commitments for which the Soviets have no responsibility.

EIR's research staff is now preparing a new Special Report which will expose the treasonous financial interests of the Anglo-Soviet "Trust" behind the INF treaty and the Reagan-Gorbachov summits, including the Lonrho group of Tiny Rowland, a financial power center exposed by our collaborators a decade ago in the first edition of the book, *Dope, Inc.*

Nora Hamerman

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Feature



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East and West bankers in Vienna talk, but don't agree

by William Engdahl and Mark Burdman

Our correspondents filed this story from Vienna, Austria, on May 17.

Leading Western financial figures are involved in a series of private talks with top officials of the Comecon, Eastern European, and Soviet state apparatus which parallel the ongoing military and "regional matters" negotiations between the United States and U.S.S.R. On May 16-19, the Inter-Action Council, a private group of Western political leaders including Germany's Helmut Schmidt and France's Valéry Giscard d'Estaing, held its first meeting in Moscow with the ambitious title, "Perspectives for the Next Century."

According to participants, that meeting was to propose what is being dubbed by Giscard and others, an "East-West Marshall Plan," conceived as an emergency infusion of Western capital in order to prop up the troubled regime of Mikhail Gorbachov and ultimately tap what these circles claim to be a potential trade market of some \$100 billion per year.

But at the same time, in this former capital of the imperial Hapsburgs, another private gathering took place under the auspices of a little-known private East-West channel called the International Council for New Initiatives in East-West Cooperation. This Vienna seminar brought together one of the highest level exchanges between Western bankers and their Soviet and East European counterparts since the 1917 break of Soviet Russia with Western finance.

The meeting was an extremely indicative testing by both sides of the extent to which the East is willing to open its economy to demands of Western lenders, and the extent to which the West is prepared to incorporate Russia as a full

member of the Western financial "club," subsumed under the postwar Bretton Woods organizations, the International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade (GATT).

Declarations of senior Soviet officials as well as top East Europeans at this gathering, would have the West believe that the 400 million people behind the Iron Curtain are in the process of dropping any remnants of Marxist economic orthodoxy in order to adopt the most radical model of Western rentier capitalism, at precisely the time that that financial model has begun a new collapse into a breakdown crisis. From direct discussions and observations, this signal gathering could be characterized as a mating ritual between a preying mantis and potential mate.

Neither of the two sides in Vienna was willing to yet agree to play the role of the dead victim of the suitor mantis. They circled one another cautiously in two days of intense talks which came to no conclusion according to leading participants.

However, the terms of those talks revealed the advanced stage of proposals presently being advanced by leading representatives of *both* East and West. They are staggering in their implications for creating a supranational East-West financial dictatorship to police the world economy in the years ahead.

The bankers and the Bolsheviks

Participants included senior representatives of Western financial institutions. Britain's leading banks, Barclays and Lloyds, were present as was Germany's Deutsche Bank, France's Crédit Lyonnais, Italy's Banco di Roma, Austria's

Kreditanstalt, Holland's AMRO Bank, Swiss Bank Corporation. Goldman Sachs, Citicorp, and First Chicago were also present. From the East, Yuri Ponomaryov of the Soviet State Bank, Janos Fekete of the National Bank of Hungary, and Werner Ploze of the East German Foreign Trade Bank attended.

The areas of negotiations between the leading financial figures both East and West was outlined in the opening speech of Ponomaryov in a paper provocatively titled, "Integration of CMEA Countries in the World Financial System." The Russian state banker outlined his position: "In our opinion, the general level of trade and other forms of economic relations between the CMEA and Western countries is inadequate . . . a substantial underutilization of our cooperation possibilities. At present the normal development of East-West trade and economic relations is also hindered by the position of some Western countries who block the participation of the U.S.S.R. in international organizations, for example, the GATT." Ponomaryov expressed optimism based on the progress of the Reagan-Gorbachov summit meetings, however.

In concrete economic proposals, the Russians called for establishment of a convertible currency within the Council for Mutual Economic Assistance countries, known as Comecon, and, "as a long-term aim, creation of a common monetary unit convertible into hard currencies, a hard currency itself." He cautiously discussed possible Soviet entry into the inner sanctum of the Western monetary club, the IMF, while attacking the latter's weakness and "failure to prevent the debt crisis."

But the immediate point of interest from the Soviet side was membership in the World Bank, and convocation under the United Nations Organization of an "international monetary conference" to establish a "democratization of the international monetary organizations." He concluded by warning, "in view of the economic importance of the CMEA group of countries, and within that group, of the U.S.S.R., it would be impossible to settle the major problems of the world economy without its participation."

The economic New Yalta

The conference took up four sub-themes: the integration of the Eastern Comecon state economies into the world financial system; consequences of the Western financial integration process for East-West relations; new approaches within the Comecon states to banking and new approaches to financing East-West trade through "joint ventures." Every significant area of joint financial relations was taken up in the course of the talks. But while the public statements, particularly the closing statements to assembled press stressed only the promising prospects of a renaissance in East-West financial relations in the offing, the private discussions over the two days gave a stark picture of mutual distrust, hesitation, and refusal to agree on vital points.

"If détente and the perestroika reforms continue," stressed

Banco di Roma's international head Mario De Luca, "the CMEA will become more open to Western capital markets, and banks in the West will be willing to market to the creditworthy countries. I expect first and foremost that the Soviet Union will join the GATT and IMF, and for the Comecon to become major players in international financial markets. They are considered by Western banks as 'prime borrowers,' and prime borrowers today are hard to find."

Other Western bankers were privately more blunt. One Austrian banker long involved in East bloc financing declared, "Let's be frank. Western banks are giving such low interest rates to Eastern Europe not because those countries are such good risks but because other risks are so bad."

New York investment banker Robert Hormats of Goldman Sachs was selling Wall Street "optimism" to the crowd. "Big investments are always risky; we need a continuous improvement in security talks as well as in the military climate *in order to induce* such investments." The savage austerity being imposed on Eastern Europe by the IMF and the Russians, Hormats cynically remarked, "There will be pain with reforms in Eastern Europe. You can't make an omelette if you don't break a few eggs." He then went on to make what more than one European banker found to be a crass self-promotion. He offered "my firm" as a consultant and financial adviser to Eastern states in financial ties with the West. His offer visibly rankled the Russian Ponomaryov with his a "patronizing" air—to the imperious Russians from a financially troubled New York Wall Street banker.

Skepticism

But, aside from the public declarations of intent, the overall discussion was sober and extremely pessimistic about chances for getting Comecon economies to open wide their doors, especially Russia. Umberto Agnelli, chairman of the Council for New Initiatives and member of the European Industrialists' Roundtable as well as vice chairman of Italy's Fiat, told reporter William Engdahl, "I personally am very cautious about East-West prospects. The June [Soviet Communist Party Plenum] is so key; depending on the outcome it will indicate if something is not working with the reform process." He added that the timetable for huge openings to the 400 million population Comecon market for Western companies is decades away at best. "If perestroika goes ahead, what is anticipated will converge in maybe 10 to 30 years. There is great caution on the European side and great expectation of increased cooperation from the U.S. side. The Soviets are dangling a carrot to the U.S. of a big military treaty along with economic consequences."

Agnelli and most other Western participants sharply attacked the idea of a Marshall Plan to the East. "That is a good *political* move by Giscard, but it is premature. A Marshall Plan is not possible with the East."

As one British banker expressed at the closing session, the entire affair was disappointing. "The Russians don't know which way to jump."

EIR to keep tabs on bank failures

As a service to readers, *Executive Intelligence Review* will henceforth regularly report the bank failures in the United States by name. As reported in the last issue ("More bank failures in 1988 than in all of 1987," page 4), at least 220 banks have already failed in 1988, although the last official figure from the Federal Deposit Insurance Corporation was only 62.

Prior to 1985, the FDIC had listed all failures and "assisted transfers" in one category. But since William Seidman took over as FDIC chairman, there are now three categories of difficulty for banks: 1) failures, 2) assisted transactions,

and 3) assisted banks. These artificial distinctions only serve the purpose of allowing the FDIC to report a portion of the figures as opposed to the total, in order to preserve the myth of the Reagan Recovery. Despite this, the FDIC's own graph of trends in bank failures, reproduced below, gives a grim portrait.

EIR estimated in last week's article, cited above, that the actual total could already be as high as 250 in the first four months of 1988, given that there have been 160 bank failures in the state of Texas alone. Since that article was written, the following three banks have been added to the FDIC's Category 1, "failures":

May 6: Forrest City Bank & Trust, Forrest City, Iowa.

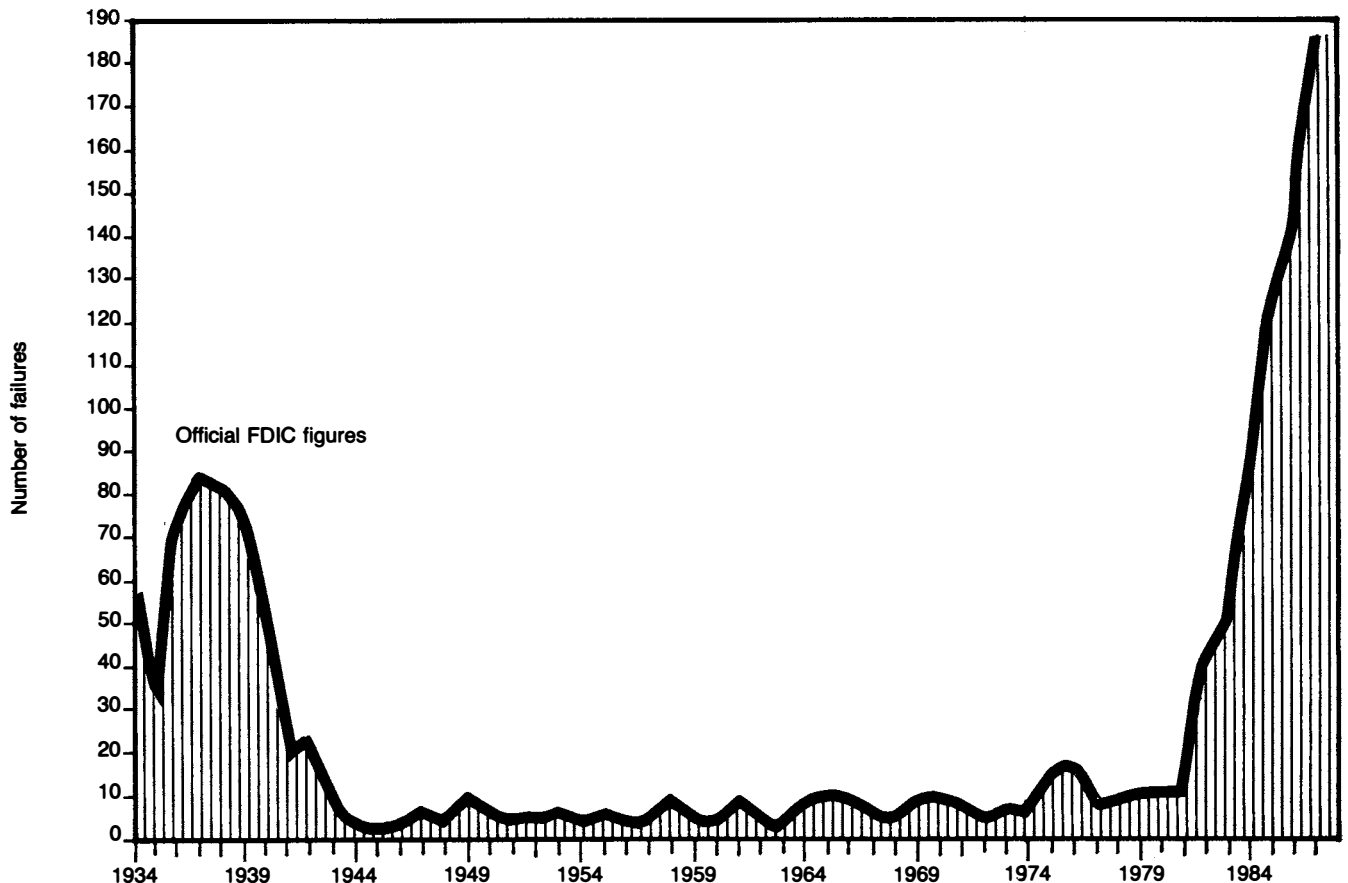
May 12: The First State Bank, Childress, Texas.

May 13: Westside National Bank, Houston, Texas.

EIR welcomes information from readers regarding bank failures in their region, which may be delayed in official government reporting. These reports will be verified by our economics staff.

U.S. bank failures

(FDIC-insured banks)



Even by the FDIC's "official" figures, the number of bank failures has soared during the "Great Recovery."

Peru: Banks win in Socialist power grab

by Gretchen Small

Alan García's nomination of the Socialist International's top man in Peru, Armando Villanueva, as his Prime Minister on May 12, signals that President García has quit all leadership of the battle to reform the international financial system, certainly for the immediate period ahead. The talk in Peru's government palace now, is of return to "orthodox economics," and dialogue with the international financial institutions.

García insists that his government will not return to International Monetary Fund surveillance, nor change its policy of limiting debt payments to 10% of export earnings. Negotiations have already begun with the World Bank, however, and García announced on May 16 that Peru will modify its economic policy, because Peru's economic crisis is occurring "in part because of our own errors."

The only error he cited was his government's former "enthusiasm for accelerated growth without paying attention to exports"—a policy hated by the IMF.

The World Bank's terms for rapprochement with international bankers were leaked by several Peruvian papers. *Expreso* reported on May 4 that the World Bank has drawn up a confidential plan to reorient Peru's economy along more "orthodox" paths, which demands that Peru open talks with the IMF by September at the latest. The government will have to pay up on all arrears to the World Bank, a sum which *Expreso* asserted reached \$282 million on April 15. García still opposes the plan, *Expreso* wrote, but a decision will have to be made by August.

On May 5, *La República* added that the World Bank is promising to extend Peru \$1.5 billion in loans over the next two years, if Peru agrees to establish a single (devalued) exchange rate, reduce its 1988 deficit by half, and raise interest rates to above inflation, according to this report. This report, too, cited August as the likely date for a cabinet change, and adoption of the policy.

A group of congressmen from the ruling APRA party began organizing for a change in policy, and cabinet. "Only a new team can delineate a different strategy for confronting the difficult economic situation," Alverto Valencia Cárdenas told *Ojo*. José Barba Caballero added that as far as he was concerned, change is needed, and "if this change means moving backward to orthodoxy, then we have to go toward it," *El Nacional* reported.

New measures will have to be "harsh and unpopular,"

Sen. Luis Alva Castro told his friends in Cuba's press agency, Prensa Latina, on May 7.

The timetable for change was moved abruptly forward, by a devastating speculative run on the inti. On May 4, the value of the free market inti fell by 27 intis to the dollar, as banks and the coca mafia's money-launderers purchased record numbers of dollars from Lima's "informal" money-exchangers. Dollars which were selling for 215 intis on May 5, were going for 230-240 on May 6.

On May 8, García announced he would change his cabinet, to attempt to restore "confidence."

There was another condition demanded by creditors, however: a lessening of the President's power. The IMF's most trusted agent in Peru, Manuel Ulloa, delivered that ultimatum on May 2, when he announced that in Peru, there is "no development, nor confidence, nor credibility. As long as these conditions are not reestablished, it will be difficult to achieve improvements in the country." That will not happen, until "the presidential will to want to do everything" himself is broken, he added.

Prime Minister Villanueva made clear from the moment of his appointment, that he intends to solve that problem. García had been an opponent of Villanueva's for at least a decade, on numerous points of principle—including Villanueva's notorious alliance with Manuel Ulloa. Villanueva has repeatedly argued that Peru's governments must "dialogue" with the Shining Path terrorists, and most recently began pushing for the government to seek an alliance with the Communist Party's United Left coalition.

Where García sought to chart an independent path for Peru, Villanueva argued that Peru must strengthen ties with Moscow, and work closely with the Socialist International. Back from his most recent visit to the socialist bloc Jan. 18, Villanueva said that "this visit . . . was indispensable to strengthen relations between a revolutionary party such as APRA, and the new socialist world that is opening the way to fulfill its objectives." I was the first to point out "the necessity of ties with the socialist and communist countries," he added.

Villanueva used the nationally broadcast cabinet swearing-in ceremony on May 16 to flaunt his most profound difference with the Catholic García. Villanueva refused to follow the traditional ceremony, and unlike the other cabinet ministers, would not kneel before the crucifix, or swear upon the Bible—a defiant act seemingly designed to confirm the reports that he is a leader of Peru's Masons.

"It seems to me to be wrong that, with my nomination as president of the Council of Ministers, anyone would claim to set me up against the President of the Republic, because of the fact that I am a strong man who knows how to say no," he told the press on May 17. "I believe that the myth that President García is a man who won't hear the word 'no' must be broken. . . . I know how to say no."

He added, that while he will be loyal to García, he also expects the President to be loyal to him.

Oklahoma resolution on economy calls for LaRouche-style measures

On May 12, 1988, the Oklahoma House of Representatives passed a memorial resolution endorsing the emergency economic measures proposed by Lyndon LaRouche. The resolution (full text printed below) calls on the President to declare an economic emergency; nationalize the Federal Reserve Board; issue Treasury notes to be lent at 2-4% interest restricted to productive borrowers; declare that these notes have a gold-reserve value of \$750 per ounce; and require that the U.S. disassociate itself and oppose IMF conditionalities. The bill was sponsored by Democrat John Monks, and co-authored by three Democrats and two Republicans. The resolution passed on a voice vote with almost no opposition. The bill was sent to the Senate for concurrence, but the liberal leadership in the Senate assigned it to a committee which does not intend to take any action at present, despite significant bi-partisan support from key senators. While Senate concurrence would have been useful, the political impact of the House endorsing these economic measures is quite significant.

Below is the complete text of the bill:

A concurrent resolution memorializing Congress and the President to implement emergency economic measures; and directing distribution.

Whereas, the collapse of the industrial and agricultural capabilities of this country pose a national security threat from the standpoint of defense, public health, and general well-being.

Whereas, the everyday destruction of rural and urban life, the increase of poverty, the closing of farms and manufacturing, and the collapse of our education system easily demonstrate the absurdity of those who claim that the nation is undergoing an economic recovery.

Whereas, since 1979 when Paul Volcker became Federal Reserve Chairman, the United States has lost half of its steel production, more than half of its non-ferrous metals production, half of all construction expenditures for economic infrastructure, nine-tenths of its expenditures for utilities construction, a fifth of its automobile output, a fifth of housing

construction, more than half of its machine tool capacity, more than half of farm equipment production, and more than 500,000 farms.

Whereas, last year the United States, a country that once had the greatest balance of trade surplus in the world, registered a balance of trade deficit topping \$170 billion, the greatest trade deficit of any country ever.

Whereas, 138 banks, a post-depression record, failed in the U.S. during 1986 and almost 10 percent of the FDIC-insured banks are on its troubled list.

Whereas, surveys of the homeless show 60,000 homeless for New York, 50,000 for Los Angeles, and similar depression statistics of homeless throughout urban and rural America.

Whereas, such depression-connected diseases as tuberculosis and AIDS have become major public health hazards, threatening national catastrophe, if not solved.

Whereas, the hardship, social and economic dislocation, and dangers to our national security and the security of the Western Alliance are the greatest yet in the post-World War II period.

Now, therefore, be it resolved by the House of Representatives of the 2nd Session of the 41st Oklahoma Legislature, the Senate concurrent therein:

That for the well-being of this nation the following emergency banking measures be placed into effect:

That the President declare a national economic and strategic emergency.

That the President enact emergency measures of reform of currency and banking.

That under his emergency powers, according to statute and the Constitution, the President nationalize the Federal Reserve System and suspend the Federal Reserve System's powers to:

- a. Issue its own currency, or to exercise any discretion over policies pertaining to the issue of currency;
- b. Set interest rates at its own discretion;
- c. Set banking reserve-ratios at its own discretion;
- d. Operate a "Keynesian multiplier" in the banking system.

That excepting Federal Reserve Notes remaining in circulation from old issues, the only lawful issue of currency shall be U.S. Treasury Currency Notes. These notes shall be issued as an Act of Congress, according to Article 1 of the U.S. Constitution.

These notes shall not be issued in payment of government operating expenditures, but shall be issued only for lending to approved categories of borrowers, through the national banking system, on terms, and at interest rates determined by the President according to the powers as shall be assigned to him for this purpose by Act of Congress. The Oklahoma Legislature recommends the interest rates be set at 2-4%.

That the lending of these issues shall be restricted to:

- a) Purchase of machinery, tools, equipment for research of production of goods in industry, agriculture, and development and maintenance of basic economic infrastructure;
- b) Purchase of materials, semi-finished goods, and labor for production and maintenance of goods-production of industry and agriculture, and of basic economic infrastructure;
- c) Loans to the Federal government for National defense or for the purposes of governmental capital improvements of basic economic infrastructure of Federal, State, and Local government agencies;
- d) For approved export-credit, of U.S. exporters of capital goods, agricultural goods, and engineering services.

That the new issue of U.S. Treasury Currency Notes, shall have a gold reserve value, under agreements of reciprocity negotiated with other governments entering into a gold reserve system with the United States. The Oklahoma Legislature proposes that gold be valued at approximately \$750 per ounce initially.

That the United States must institute foreign exchange controls for the duration of the emergency. Opponents of the emergency action, will otherwise collaborate with foreign interests, to organize attempted "runs against the dollar."

That emergency action must be taken to halt the collapse of banks. We cannot permit banks to cease functioning because they have a vital public and national security interest and are an indispensable institution of our national economy. Two interests must be protected. First, depositors must be protected at 100% parity. Second, the bank's continuation of customary banking services, to those aspects of the community which are defined as having high national priority, must be assured.

That the United States must disassociate itself from, and oppose so-called IMF conditionalities and kindred policies and measures by supranational agencies. Support of IMF conditionalities and kindred measures drives the desperate populations of affected nations into a state of insurrection against the governments that support conditionalities or it drives allies of the United States into Soviet spheres of influence. The most efficient means of nullifying IMF conditionalities is to enact monetary and economic reforms of the domestic life and foreign trade of the United States and to

establish treaty-agreements with governments of other nations, establishing the kernel of a new international monetary system which is consistent with the principles of international law upon which the United States was founded.

That government directed investment in economic infrastructure has always proven to be the most efficient means of rapid economic development. And the U.S. transportation grid, freshwater management, and the urban infrastructure of its cities were once the foundation of the U.S. economic miracle. The collapse of these areas now threatens the United States as an economic superpower. Therefore, the following sampling of crucial concrete policy actions that must be taken to fill the gap of the more than \$3 trillion national infrastructure deficit (relative to 1970) that this nation has built up, defines the correct direction for economic revitalization: The aforementioned banking measures will facilitate these efforts.

1) Immediate and large flows of gold reserve credit to public utilities and capital programs of government for infrastructure development.

2) Long-term construction loans, at 2% prime interest rate, must be supplied to the Federal and State governments, for work on the development of a national freshwater management grid, including the NAWAPA project, with priority on construction in areas most affected by drought and the lowering of water-tables.

3) Long-term credit, at 2% prime interest rate, must be made available to public utilities, for creating not less than 5 trillion kilowatt hours of generating capacity during a period of not less than fifteen years ahead.

4) Long-term credit for construction of a renovated freight and passenger rail system among principal population centers.

5) The U.S. Corps of Engineers must be expanded, both for its essential role in developing the freshwater management grid, and its related role in rebuilding and extending the nation's system of inland waterways and ports. In addition to accelerated dredging of waterways and repair of locks, immediate priorities must focus upon the Ohio and Mississippi river systems, on the completion of the Tennessee-Tombigbee system, and the completion of a barge canal linking Lake Erie to the waterways in the Pittsburgh region. Furthermore, the Iconn-Erie project to modernize the Erie Canal must be initiated.

6) The United States needs long-term credit to create a U.S.-flag maritime fleet of high speed cargo vessels, most probably in the 50,000-100,000-ton class. This fleet shall be part of the military reserve.

That copies of this resolution be dispatched to the President of the United States, the Oklahoma Congressional Delegation, the Speaker of the United States House of Representatives, the President Pro Tempore of the United States Senate, the Clerk of the United States House of Representatives, and the Secretary of the United States Senate.

Czechoslovakia: a case study in looting

by Luba George

At the time of the 1948 Communist takeover, Czechoslovakia had a sizable heavy industrial base, on a par with Western standards. Four decades of Soviet looting have changed the picture drastically. Today, Czech industry is not only far behind that of the West, it has the highest rate of obsolescence in the East bloc. During the 1980s, the dictates of the Soviet pre-war build-up vastly increased the looting of Moscow's Czech "industrial milk cow."

In general, the vast increase in Comecon "trade" during the 1980s, measured in goods, rather than in rubles, has been a one-way street, *from Eastern Europe to the Soviet Union*. As the Czech case typifies, Comecon exports are in the form of industrial and chemical goods, transport and construction equipment, industrial plant, machinery, and equipment, whose prices have remained relatively constant.

The contrary is the case concerning Soviet exports to Comecon countries. Over 75% of Soviet exports are crude oil, natural gas, raw materials, ores, and metals. Under Comecon regulations, the prices of such products are calculated on the basis of their average world market price in the five years preceding their delivery to Eastern Europe. Thus, through 1986, the price of Soviet crude oil supplied to the Comecon (by far its largest single Comecon export) had increased roughly threefold over the 1981 price, even though the crude oil price in the West had collapsed. During that same period, Soviet crude oil and oil products' exports to Eastern Europe fell by almost 6 million tons, from 90 million in 1980 down to 84.2 million in 1986.

The case of Czechoslovakia is exemplary. In 1981, the Czechs paid 8 billion rubles for Soviet crude oil. In 1986, the Czechs paid 23 billion rubles for a somewhat smaller amount of crude oil, which represented 41% of Czech imports from the U.S.S.R.

The sharp increase in real exports required to pay for the inflated price of Soviet crude oil was attained at the expense of investment in the country's industry and infrastructure.

Some examples

In August 1986, Czechoslovakia's two brown coal thermal power plants, at Tusimice and Prunerov in Northern Bohemia, both broke down because of the age of their equipment and lack of maintenance. Nine generators were slated

for extensive overhaul by October 1986, before the cold season set in. Only two were completed on time.

The forced "neglect" of spare parts production in favor of construction equipment to meet higher Soviet delivery quotas, also produced a crisis in 1986. The Czech TATRA complex, producing heavy trucks and earth-moving equipment, at least 70% of it for export to the Soviet Union, was and is crucial to Moscow's development of the Western Siberian oil and gas fields, from which the bulk of Soviet oil and gas production comes. Nearly all the trucks and earth-moving equipment used there are TATRA trucks. (Other Czech enterprises built the specialized housing for the workforce in Western Siberia.)

The Soviet demands for new equipment were met, at the expense of spare parts output. But in 1986, Moscow began screaming at the hapless Czechs. Some 850 TATRA construction vehicles were standing idle in Western Siberia for lack of spare parts. The Czechs had to quickly retool and gear up spare parts production.

Obsolescence

Moscow's main sources for looting industrial goods are East Germany and Czechoslovakia. In both cases, under the "rules of the game" to date, a law of diminishing returns has set in for Moscow.

About 44% of total Czech trade is with the Soviet Union. In February, Radio Prague said that 1988 trade would "remain at last year's level" with few changes made in its structure. But, unless a policy is adopted to modernize the Czech economy, this milk cow could suddenly dry up.

Only 25% of the industrial machinery and equipment now in use is 10 years old or less. The average age of machinery and equipment is about "a third" higher than in other developed countries, according to the latest government estimates; and some 25% of the machinery in use has officially been classified as written off. Some more examples:

- In the textile/leather processing industries, 65% of the machinery and equipment has been written off.
- In the metallurgy/heavy engineering sectors (usually given preferential treatment) 60% had been written off by 1986;
- In some branches of the consumer goods industry the obsolescence percentage is even higher;
- Productivity in metallurgy is 50-60% lower than in the West; in the capital goods industry at least 80% lower; in the consumer goods industry, it ranges from 20% to 50% lower.

The big bottleneck is that the electronics industry and mechanical engineering, which are supposed to provide modern machinery for other sectors, themselves require modernization. The average age of machine-tools and cold-forming machinery increased to 19.5 years in the 1981-85 period; and 16% of it is more than 30 years old. At the present rate, the average age of machinery is expected to reach 25.6 years in 1990.

M.G. Ranade and the Indian system of political economy

by Robert Gallagher

Two weeks ago, in EIR, Vol 15 No. 20, page 24, Ramtanu Maitra wrote about India's economic stagnation and outlined a program for getting out of it. The article below provides the historical background for India's ability to solve such problems. The author, who has written many articles for this publication on industrial technology and the frontiers of science, recently returned from an extended stay in India.

About one century ago, the great Indian patriot and founder of the Indian National Congress, Mahadeo Govind Ranade, presented a program for the economic development of India that is highly relevant today, not only to the nations of the Indian subcontinent, but to all of Asia and, indeed, to all nations everywhere. Ranade put forward definite ways to objectively measure the progress or decline of an economy, no matter what policy government may give lip-service to.

The principal physical metric of economic development for any nation, according to Ranade, is the rate of increase of the population-density of the nation. Ranade stated this not simply out of defiance of the doctrines of "Parson" Thomas Malthus, promoted by the English colonial rulers of India; he used the metric of population-density growth to scientifically refute Malthus.

Malthus had asserted that population must grow faster than available food supplies, leading to periodic famines that reduce population. This was nothing but a justification for Britain's looting of India. The East India Company discouraged Indian farmers from growing foodstuffs, and instead forced them to cultivate the cash crops indigo and opium, which the English used to subdue and loot China. The resulting food shortages, not population growth, produced famines. In addition, because foodgrain production was of no interest to the British, they maintained no grain reserves. A little lack of rain, or a little pest infestation, and famine was the direct result.

Malthus was one of "the aberrations and evil tendencies in English thought and action," Ranade told India in 1892 in his address, "Indian Political Economy," delivered at Deccan College in Pune. In 1893, Ranade refuted Malthus with his analysis of the population statistics of India, England, and

Wales, published in the *Poona Quarterly Journal* under the modest title, "Twenty Years' Review of Census Statistics." Ranade reported to his readers the simple truth that the population-density of England and Wales in 1891 was over three times that of the Bombay Presidency (as the English occupation districts ruled from Bombay were called), but no one seems to have taken seriously any argument that England was "overpopulated." He showed that from 1871 to 1891, the population-density of the English grew at a more rapid rate than India, but there were no famines in England. The population-density of England and Wales grew from three times that of the Bombay Presidency in 1871 to three-and-a-quarter times it in 1891 (see **Table 1**).

Culture and the division of labor

Ranade developed another metric of economic progress through a detailed analysis of the division of the labor force of the Bombay Presidency. He showed that the composition of the labor force can also signify whether the nation's economy is going forward, or backward; and that, indeed, from 1871 to 1891, although population-density had increased somewhat, the economy in the Bombay districts had actually retrogressed.

Ranade stated in his Deccan College address, "Every nation which desires economical advance has to take care that its urban population bear an increasing ratio to its rural masses with every advance it seeks to make." In the *Poona Quarterly Journal*, he documented the sorry truth, how from 1871 to 1891, the percentage of the labor force involved in agriculture and production of livestock increased from 56% to 66%, while the percentage involved in manufacturing trades decreased from 30% to 21%. This he described as a "retrograde movement" in his Deccan College address.

The ratio of manufacturing employment to agricultural, is a crude approximation of the capital intensity of an agricultural economy. The relative portion of the number of laborers working at trades other than direct food production, indicates the ability of the economy to augment agricultural productivity through production of tools, such as had been once so successful in the United States. But the ratio of



A scene in Bombay today.

TABLE 1

Ranade's comparison of population density in Bombay Presidency with England and Wales

	1871	1881	1891
Bombay Presidency (area: 323,750 sq. km.)			
Population	16,228,774	16,454,414	18,857,004
% Increase over 1871		1.4	16.2
Averaged % increase per year			0.8
Population density (per sq. mi.)	130	132	151
(per sq. km.)	50	51	58
Increase in "rate of density" (1891 - 1871) (per sq. mi.)			21
(per sq. km.)			8
England/Wales (area: 150,702 sq. km.)			
Population	22,712,266		29,001,048
% increase over 1871			27.7
Averaged % increase per year			1.4
Population density (per sq. mi.)	390		498
(per sq. km.)	151		192
Increase in "rate of density" (1891 - 1871) (per sq. mi.)			108
(per sq. km.)			41

Source: M.G. Ranade, *Essays on Indian Economics*, G. Claridge & Co., Bombay, 1901, Second Edition.

TABLE 2

Ranade's analysis of labor force in Bombay Presidency

1871-1891

	1871	1881	1891
1) Agriculture and animal husbandry	55.5	62.7	66
2) Artisans, handicraftsmen	30.4	29.4	21
Gov't, public service and professions	4.3	2.9	7.1
Personal service	3.8	2.2	2.7
Trade and commerce	5.9	2.4	3.5
Active labor force as % of population	45	51	NA
Ratio of 2) to 1) (estimate of C/V)	0.55	0.47	0.32

Source: M. G. Ranade, *Essays on Indian Economics*, G. Claridge & Co., Bombay, 1901, Second Edition, p. 212-213.

Figures for 1871 and 1881 were recalculated from percentage of population figures reported by Ranade to percentages of "occupied" or active labor force to be consistent with 1891 census figures and contemporary figures.

manufacturing employment in the Bombay districts to agricultural employment, declined from 0.55 to 0.32 over the 20-year period in question (see Table 2), indicating that a collapse of agricultural productivity was soon to occur. Ranade commented:

These figure results present a very dark future as looming before our vision, if our chief dependence were placed on extended cultivation, as the only resource for supplying the wants of our increasing population.

The only escape from this danger lies in the direction of the gradual transformation of the chief means of our livelihood, and the growth of an Urban and Industrial Population, in other words, the rise of Towns and Cities.

At Deccan College, Ranade had outlined the nature of the "retrograde movement."

The progress of ruralization in modern India means its rustication, i.e., a loss of power, and intelligence, and self-dependence, and is a distinctly retrograde movement. . . . Every class of artisans, the Spinners, Weavers, and the Dyers, the Oilsman, the Paper-mak-

ers, the Silk and Sugar and Metal workers, etc., who are unable to bear up against Western competition, resort to the land, leave the Towns and go into the Country, and are lost in the mass of helpless people who are unable to bear up against scarcity and famine.

By examining the characteristics of the nation's division of labor, Ranade quite directly addressed the question of its level of culture. What is human culture other than the nature of the activity that human beings engage in? And what is that activity, other than an expression of the mastery that the human being has over nature itself? Said Ranade:

National well-being does not consist only in the creation of the highest quantity of wealth measured in exchange value, independently of all variety of quality in that wealth, but in the full and many-sided development of all productive powers. The nation's Economic Education is of far more importance than the present gain of its individual members, as represented by the quantity of wealth measured by its value in exchange. . . . Commerce and Manufactures are, if possible, more vital in their bearing on the education of the intelligence and skill and enterprise of the Nation than Agriculture. In a purely Agricultural Country, there is a tendency to stagnation and absence of enterprise and the retention of antiquated prejudices.

Ranade's economic program for India

Through his work, Ranade created (or, as he would say, "revived") an independent school of "Indian Political Economy," which persisted well into the 20th century and regarded the rate of growth of population-density as one of its principal metrics of economic well-being. Unfortunately, his warnings were not heeded by Britain's administration, and his programmatic recommendations were rejected by the Foreign Office. Bubonic plague ravaged Bombay within years of his warnings.

Ranade proposed several definite measures to reverse the economic decline the Bombay districts suffered from 1871 to 1891. First of all, the government must take responsibility for providing credit to agriculture and manufactures at a low rate of interest.

Second, the government must carry out certain investments in the nation's economic infrastructure that private interests are not capable of carrying out because the risk is too large. "Education, both Liberal and Technical, Post and Telegraphs, Railway and Canal Communications, the pioneering of new enterprise, the insurance of risky undertakings, all these are functions that are usefully discharged by the State," he explained. "The question is one of time, fitness, and expediency, not one of liberty and rights."

Third, the government should protect those specific industries critical to the present stage of the nation's state of

economic development with protective tariffs, until they are strong enough to compete with the foreigner. Then, tariffs should be dropped. Ranade, a proponent of international commerce in Indian goods, wanted no autarchy in modern India.

Fourth, the government should otherwise mind its own business—to avoid "the enormous abuses of State control and direction, of monopolies and restrictions." The great French statesman Jean-Baptiste Colbert, who pioneered state-sponsored industry, Ranade wrote, "had a keen perception that State protection and control were but crutches to teach the Nation to walk, and that they should be thrown away when the necessary advance had been made."

Ironically, many of Ranade's criticisms of the British administration of India in the 1890s, also apply to the policy of the government of India today. Particularly insightful, was his recognition, 25 years before the 1917 events in Russia, that socialism and free enterprise doctrines are just different ways by which an oligarchy justifies looting populations. Indeed, when India's Prime Minister Rajiv Gandhi tried to push through some needed economic policies in the early period of his administration, he was denounced from the "left" for "abandoning socialism."

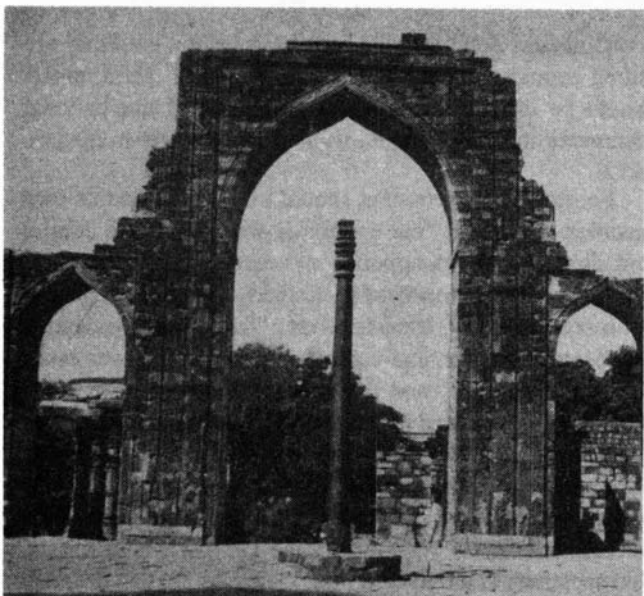
There is very little difference in result between the "free trade" and "free enterprise" under which the British established their dictatorship and monopoly over India, and what is euphemistically called "state socialism" today.

Ranade spoke sarcastically then of the British "free enterprisers":

Men who come from a Country where private property in land is most absolute, develop on their arrival here a taste for Socialistic Doctrines. . . . A love for Capitalists farming on a large scale gives way to a taste for petit culture by poor Tenants. . . . The Middle Class is the backbone of English Supremacy, but here there is no room for a Middle Class between the State and the poor Tax-payers.

English monetarism in India today

In another speech, "The Reorganization of Real Credit in India," Ranade indicted the British administration for the high rates of interest that prevailed in lending in the 1890s. Agriculture and manufacturing "cannot stand the dead weight of prohibitive rates of interest, made necessary by disorganized credit, and the uncertainties and delays and expenses" in obtaining it, he said. Yet, "the cultivating and artisan classes can get no loans, except at rates of interest ranging from 12 to 24 percent." These rates may sound high by U.S. standards, but they're not bad compared to interest rates in India today. Interest rates there now stand in the range of 17% to 24%. For agriculture, the government talks about 10% credit, but the farmer must wait two years to get it, with the result that he must take out a loan from a loan shark at



Prayer-hall screen with the Iron Pillar, a marvel of the ancient iron and steel industry of India, at Quwwatu'l-Islām-Masjid. Ranade remarked that even in the late 1800s, a millennium and a half later, few factories in the world could have turned out such a mass of metal.

24% while he waits for someone to cut the red tape in Delhi.

Regarding the economists of his day, Ranade remarked: "They seem to hold that the Truths of Economic Science, as they have been expounded in our most popular English Text-books, are absolutely and demonstrably true, and must be accepted as guides of conduct for all time and place whatever might be the stage of National advance." This unfortunately remains true of economists in India today. Indeed, the principal accepted metric of economic growth in India, is the growth of the "Gross Domestic Product."

Ranade also took special aim at the malthusian "territorial division of labor by which the orthodox economists assign to the backward Torrid Zone Regions of Asia the duty of producing Raw Materials, and claim for the advanced European Temperate Zone Countries the work of transport and manufactures." Ranade argued against this racialist rationale for imperialism:

In the first place the Torrid Zone people may fairly appeal to past history, when their skilled products found a ready market in temperate kingdoms, and excited such jealousy as to dictate prohibitive sumptuary laws both in ancient Rome and in modern England. They may also urge that the natural fitness of things requires that the manufactures should spring up where the raw materials grow, and where besides, there is demand for the manufactured produce, rather than that bulky goods should be transported many thousands of miles over land and sea, and re-consigned the same way back.

Relativistic political economy

Why did Ranade call his approach to economy "Indian"? Quite openly, he associates himself with Western European "Mercantilism," of which Colbert was one of the leading spokesmen. He endorses and summarizes the thinking of George Washington's Treasury Secretary, Alexander Hamilton, of Abraham Lincoln's adviser, Henry Carey, and of Carey's German collaborator, Friedrich List, who established the German Customs Union. In the United States, these persons are known as the formulators of what Washington called the "American System" of political economy. Is that what Ranade meant by "Indian Political Economy"?

Yes and no. Ranade emphasized what he called the "Doctrine of Relativity" in political economy, that economic policy must always be appropriate to the particular circumstances of any national economy in which it is applied, and could not be "deduced" from absolute assumptions, as the British East India Company's economists claimed.

For example, in India today, agriculture is held hostage to a significant extent by the monsoon rainfall, in which the vast bulk of the accumulation occurs within a few months with little precipitation the remainder of the year. Consequently, irrigation projects are much more critical for Indian agricultural geography than was ever the case for America when it was developing out of a primarily agricultural economy. Ranade railed against what he called "the Deductive School" of English monetarists Adam Smith, David Ricardo, and Thomas Malthus, whose followers opposed such projects in India in his day. The monetarists, he said,

seriously thought that the whole [of Economic] Science could, like Geometry, be deduced from four axiomatic propositions. These assumptions lie at the root of all dogmatical treatment of the subject. It need not be said that they are literally true of no existing community. . . . As these assumptions do not absolutely hold good of even the most advanced Societies, it is obvious that in Societies like ours, they are chiefly conspicuous by their absence. . . . You might as well talk of the tendency of mountains to be washed away into the sea, or of the valleys to fill up, or of the Sun to get cold, as reasons for our practical conduct within a measurable distance of time.

Instead, Ranade argued, "The Method to be followed is not the Deductive but the Historical Method, which takes account of the past in its forecast of the future; and Relativity, and not Absoluteness, characterizes the conclusions of Economic Science." That is certainly one reason why he called for an "Indian Political Economy," but there is a deeper point.

Ancient truths

We are a little closer to why Ranade called his work "Indian" political economy, when we notice that Ranade

attributes "American System methods" to ancient Indian economic policies. In discussing the need for government to sponsor pioneer settlements and city-building in underpopulated areas, he writes:

A regular system of Immigration from thickly populated poor Agricultural tracts to sparsely peopled new and virgin districts is a desideratum. The halting efforts made in this direction produce no good, for the concessions are not liberal enough, and there is no prescience about it. The Ancient Rulers who settled waste districts, and founded towns with flourishing and extensive Industries, made no difficulty about granting the most liberal concessions. . . . Whole Village Communities with their varied elements of life were encouraged to move en masse, and were made comfortable in their new places. Powerful Guilds of Traders and Artisans from distant places were similarly induced to settle in new Towns by free gifts of lands and houses and privileges.

Ranade also argues that the countries of the North should not be prejudiced against the development of industry in India, for India is industry's "ancient home." Ranade referred to the ancient iron and steel industry in a speech, "Iron Industry—Pioneer Attempts," delivered at the Industrial Conference in Pune in 1892:

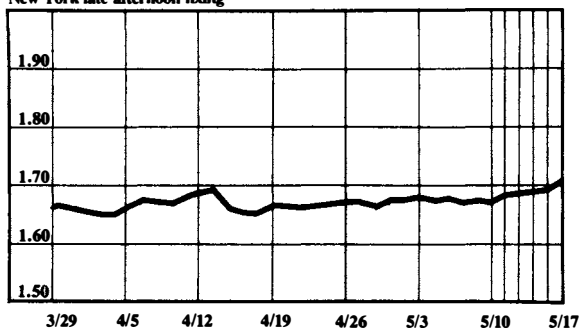
The Iron Industry not only supplied all local wants, but it also enabled India to export its finished products to Foreign Countries. The quality of the material turned out had also a world-wide fame. The famous Iron Pillar near Delhi, which is at least 1500 years old, indicates an amount of skill in the manufacture of Wrought Iron, which has been the marvel of all who have endeavoured to account for it. Mr. Ball admits that it is not many years since the production of such a Pillar would have been an impossibility in the largest Factories in the world, and even now, there are comparatively very few Factories where such a mass of metal could be turned out. Cannons were manufactured in Assam [in northeast India] of the largest calibre. Indian Wootz or Steel furnished the materials out of which Damascus Blades with a world-wide reputation were made, and it paid Persian Merchants in those old times to travel all the way to India to obtain these materials, and export them to Asia. The Indian Steel found once considerable demand for Cutlery even in England. This manufacture of Steel and Wrought Iron had reached a high perfection at least two thousand years ago.

Amid the current debates in India over basic versus consumer industries, economists could discover an alternative and valued approach in Ranade's writings for tackling India's real economic problems.

Currency Rates

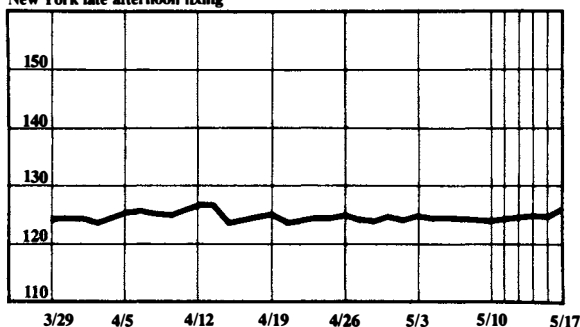
The dollar in deutschemarks

New York late afternoon fixing



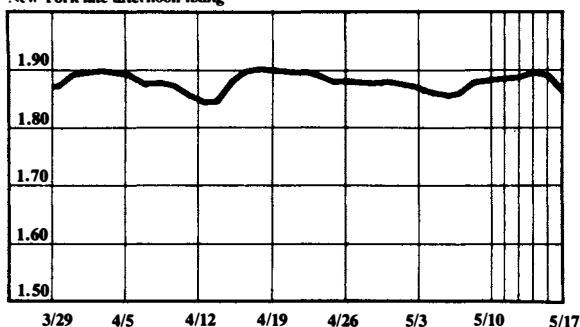
The dollar in yen

New York late afternoon fixing



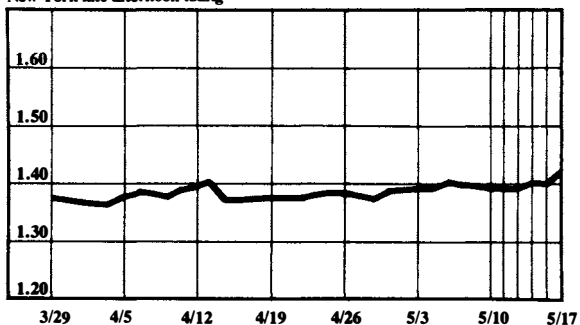
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



German churches fight IMF

Catholics and Lutherans call for debt relief and a new world economic order, putting pressure on the government.

May 16 brought major progress for the Third World in German politics. At parallel press conferences, the Catholic Bishops and the Lutheran Church took the side of Third World debtors in their fight for a just new world economic order.

Germany is in the middle of international monetary policy debate this year. In September, a huge International Monetary Fund-World Bank congress will convene in Berlin, with hundreds of governmental and private initiatives activated to work on solutions to the debt crisis.

The paper of the German Catholic Bishops Conference on debt, presented in Bonn by Bishop Franz Hengsbach of the Essen diocese, is the German Catholic Church's official response to the December 1987 papal encyclical, *Sollicitudo Rei Socialis*.

Addressing "fundamental problems that have been caused by the debt crisis . . . and led to big damages and deep perturbations in the Third World," Bishop Hengsbach stressed the "social mandate of man."

"The time for decisive action has come. The international system of borrowing and lending money has to be freed from mistaken developments. A sufficient number of well-conceived, sound, and feasible proposals is on the table. It is apparent that the longer a solution is delayed, the deeper the cutbacks and sacrifices will be. Any delay will only continue the need and misery of millions of children, women, and men."

Hengsbach presented a four-stage program, calling for: 1) an emergency program for "immediate relief from

famine and misery of all those human beings who have to suffer from the effects of the debt crisis"; 2) an international conference of experts to discuss a long-term approach toward the chronic underdevelopment problem; 3) examination of the "different forms of debt" and ways toward "agreements on debt cancellation, rescheduling, and issuing of new credit by the private banks"; and 4) creation of an early-warning system to "preempt new crises" and enhance "efforts toward the betterment of international law."

Bishop Hengsbach made a special example of Germany's rapid postwar economic recovery, largely due to the "generous 1952 assistance by the creditors" (the London Accord canceled 51% of Germany's pre-war debt). Only after Germany got relief from that "giant mountain of debt," could rapid economic development begin, making Germany one of the world's strongest economies. The same, or a similar model, Hengsbach added, can be applied today, to remove the mountain of debt.

The 50-page document presented by Hengsbach advocates economic growth as the prime precondition for change. In the Third World, "the main effort must be directed toward economic and social restoration, renewed economic growth, productive investments, and agglomeration of resources," the document states; adding later that "a persistent and profound growth of the economy in the industrial nations will also assist the world economy in overcoming the debt crisis." A sound economic recovery is blocked by the IMF's crisis manage-

ment, the document charges.

Also, the 16-page document which the Lutheran Church (EKD) presented in Hanover May 16, states that the "crisis management practiced to date is in contradiction to fundamental values of Christian ethics." The Old Testament, the EKD recalls, mentions the "year of mercy," an institution which allowed debt relief or cancellation if indebtedness threatened to ruin the debtor. This ancient but forgotten principle of human conduct, the EKD along with the document of the Catholic Bishops recommends, should be worked into a "new clause of international law."

The EKD, unlike the Catholics, gives more negative emphasis to military budgets in the Third World. But both documents on the debt issue will increase the pressure on the government in Bonn to change its views and drop its arrogant neglect of Third World interests.

The German government, official host to the aforementioned September congress in Berlin, has so far sided with the IMF "adjustment" policy, attacking critics as "extreme."

The government's own conduct in this controversy has been "extreme," however. The ministry of finance, for example, even pressured the two parliamentary commissions on Third World affairs and finances, to have their members "respect" a ban on all public criticism of IMF policy.

With the two big churches of Germany stepping into the scene, the government will come under heavy pressure now. The Third World affairs commission of the parliament already convened and, according to one of its senior members, approved the statements of the two churches as "helpful in renegotiating the government's approach on the debt issue and development policy."

Savings & loans on the edge

The story of "Fast Eddie" McBirney and Sunbelt Savings is exemplary of the brewing disaster.

The status of America's savings and loan institutions is an unmitigated disaster, a situation that screams for attention now.

The tragedy is that these institutions, unlike the New York banks, whose rotten condition is largely the result of usurious loans and laundered drug money, are the places where the workers of this country have their hard-earned savings. Now they are in serious jeopardy.

In Texas alone, a good half of the 280 savings and loans are insolvent. In fact, the Dallas Federal Home Loan Bank Board (FHLBB) reported that Texas thrifts, as a group, ended the first quarter of 1988 with a net worth of *negative* \$10 billion.

M. Danny Wall, chairman of the FHLBB, parent agency for the Federal Savings and Loan Insurance Corporation (FSLIC), proposes to take care of this problem by "reconfiguring." This is newspeak for combining a lot of small, failed institutions into a bunch of big failures.

On May 11, the FHLBB reported a \$3.3 billion dollar loss for the savings and loan industry in the quarter ending March 31. As staggering as that figure is, it is only the industry's second-largest ever loss; for the quarter ending Dec. 31, 1987, the capital loss was \$4.5 billion.

However, like a Chinese box, within that statistic were hidden a couple of record-breakers. For the month of March alone, the loss was \$2.4 billion, and within that, a dramatic \$1.2 billion loss for one single Texas thrift, the Sunbelt Savings Association of Dallas, Texas.

In the early 1980s, Edwin T.

McBirney III, Dallas real estate millionaire with a penchant for the bizarre, merged six, small troubled thrifts into the Sunbelt Savings and Loan Association. McBirney, who was just 30 at the time, fast became hailed as a financial wizard for this scheme, which resulted in a 5,000% increase in assets over a four year period for the newborn thrift.

Most of this wizardry amounted to making high-risk loans in real estate that has since gone bust. In fact, McBirney made these huge loans with such rapidity that he was nicknamed "Fast Eddie" and the Sunbelt Savings, "Gunbelt"!

Life with "Fast Eddie" wasn't all work and no play, however. In 1986, this 33-year-old wizard, whose political associates include Speaker of the House Jim Wright and California Rep. Tony Coelho, was making frequent gambling trips and hosting parties that would give Fellini a run for his money. One particularly notorious bash took place on Halloween, with McBirney dressed up as a king and serving antelope and lion meat to hundreds of guests in his backyard.

Despite McBirney's strange fantasies, reality prevailed. The Texas oil and real estate markets took a dive and so did the "Gunbelt." After a two-month audit by federal regulators, McBirney was out. The original merger had been strike one, and Thomas J. Wageman, who took over as chairman and CEO in November of 86, was now at bat.

Mr. Wageman distinguished himself by two things. One was aggressively foreclosing on any troubled real estate, adopting a "pay or post" motto,

according to one colleague.

The other was keeping the heavy losses as quiet as possible. Although it was well known that Sunbelt faced difficulties, the magnitude of the numbers took everyone aback. When Sunbelt reported a net loss of \$406.2 million for the nine months prior to Dec. 31, 1987, it was secret no more. Mr. Wageman had swung—strike two.

Now, despite the fact that the federal regulators have yet to declare Sunbelt insolvent, rumors abound that Sunbelt will be merged, reconfigured. Strike three is right around the corner.

The most recent insanity is the second transaction in what is called the Southwest Plan. This is a strategy to restore "health breathed life" (sic) into the Texas S&L industry. The FHLBB will merge four ailing Texas thrifts—Lamar Savings of Houston, Briercroft Savings of Austin, Stockton Savings of Addison, and City S&L of San Angelo—into Dallas-based Southwest Savings, at a cost of \$2 billion to the government.

This will create a \$5.4 billion savings association half owned by FSLIC and half owned by Caroline Hunt's Southwest Savings Association. The FHLBB put up no cash in the deal; it gave Southwest a note for \$483 million and income and capital guarantees valued at more than \$1.5 billion to cover bad assets.

In return, FHLBB will acquire rights to half of Southwest's common stock and it will receive preferred stock valued at 90% of the merged thrifts' first \$60 million in post-merger profits.

This cozy arrangement presumes of course, that the merger is a success. If it goes the way of the rest of the mergers in the state, however, the U.S. taxpayer will be once again be charged dearly for the incompetence of the regulators.

The worst drought in 20 years

The de la Madrid government is refusing to declare a national emergency, for fear of losing the presidential elections.

Despite the terrible drought that is ravaging Mexico and threatening its population with starvation, President Miguel de la Madrid is refusing to declare the nation in a state of emergency, just as he refused to do in 1985 when devastation wrought by the earthquake more than merited such action. Ever present in the collective mind of the De la Madrid government is this year's election.

Faced with demands by farmers in the northeast for declaration of a national emergency, the minister of agricultural and water resources (SARH), Eduardo Pesqueira Olea, was forced to give a press conference May 12, at which he "acknowledged" that Mexico is suffering its worst drought in 20 years, and that the situation has turned critical, with the nation's dams operating at 20% of their storage capacity.

The immediate consequence of these water levels is that as much as 400,000 hectares of irrigated land in Sinaloa and Sonora will not be sown. This means that not only will the national production of wheat, rice, and oil-producing crops fall, but at least 15,000 peasants from the northeast alone will be out of work.

The situation is no better elsewhere. Pesqueira said that rainfall levels in the immediate future will determine the agricultural yield in Mexico's center, south, and southeast.

Making matters worse, Pesqueira reported that there would be no financing available—either from Banrural (Banco de Crédito Rural, the government's agricultural bank) or from national banks—for the irrigated croplands of Sinaloa and Sonora during the

next 1988 agricultural cycle. Despite this, Pesqueira asserted that there would be no problem of food supply, since "Mexico is prepared for failures."

But Pesqueira is lying. The truth is that a national disaster is in the making, and there are severe food shortages in several regions. For example, residents of the El Carrizo region, located on the border between Sinaloa and Sonora, are already receiving food donations from volunteers in neighboring zones.

In central Mexico, the final kilometers of the Lerma River—just before it empties into Chapala Lake in Jalisco—have already dried out, depriving the region of its sole source of water while the drought lasts. Enrique Flores Tristchler, director of the Astronomy and Meteorological Institute at the University of Guadalajara, Jalisco, reported that Chapala Lake has a capacity of 8 billion cubic meters of water, but that its current volume is barely 3.4 billion cubic meters.

In the state of Puebla, according to statistics from SARH, the drought has already affected 273,232 hectares of primary crops. In Monterrey, Nuevo León, the drought could prevent the sowing of 140,000 hectares of corn and sorghum. In the state of Oaxaca, the state delegate of Banrural declared that 80% of state agriculture is seasonal, and that because of the lack of rain, the number of hectares sown thus far has been "insignificant."

The situation with Mexico's cattle herds is also serious. At least 30,000 head of cattle have reportedly perished in Sonora alone. In the state of

Chihuahua, according to the May 17 edition of the daily *Unomásuno*, the governor and the regional cattlemen's association are asking for permission to export some 100,000 head before they lose their entire herds to the drought. However, they will not be able to export to their traditional markets, the border states of the United States, as 100 counties in southeast Texas have already declared drought emergencies of their own, and cattlemen there are selling off their herds early and at very low prices.

Another serious problem, of course, is potable water for human consumption, which is already being rationed across the nation. In the capital of Chihuahua state, the director of the Water and Health Council, Jesús Roberto Durán, reported that the drought has driven the city into a state of emergency, as all the wells of potable water have begun to dry up.

But the disaster of Mexican agriculture cannot be blamed on the drought, which was just the final straw. The disaster actually began with the National Food Program (PRONAL), formulated in 1983 by then-Budget and Planning Minister Carlos Salinas de Gortari, currently the PRI presidential candidate. PRONAL declared that because of the "economic crisis," resources were simply unavailable for adequate production of such "necessary" but "non-priority" foods as meat, eggs, milk, grains, etc. Some 40% of Mexicans, it concluded, would have to go without. In light of PRONAL's conclusions, price guarantees were eliminated for producers, and the cost of improved seed, fertilizers, and credit shot up.

It remains to be seen whether Mexico's population will again permit the government to abandon it to political exigencies, as it did after the 1985 earthquake.

Colombia: Abrams's model economy

The State Department's Latin American "success stories" are succumbing to drugs, AIDS, and hunger.

Assistant Secretary of State Elliott Abrams told the Council of the Americas April 9 that Colombia was one of his preferred models of economic success, along with Jamaica and Uruguay. Speaking to the Washington, D.C. conference, he said, "Even with the combined pressures of an active insurgency and drug-trafficking, Colombia has made substantial economic policy reforms and shows strong growth prospects. . . . Common to these cases is resolute implementation of policies aimed at trade and exchange liberalization, deregulation, privatization, and market-based pricing."

Abrams' generous praise sounded remarkably like a *Washington Post* article of May 17, which described that gutted, poverty-stricken drug plantation known as Bolivia as "the envy of its neighbors," an economic miracle resulting from austerity policies which "raised gas prices tenfold, eliminated just about all price controls, imposed a bold tax reform, and shut down money-losing state enterprises."

In fact, what is common to all these cases is that each has been driven to "democratically" embrace International Monetary Fund (IMF) dictates in the name of servicing the debt; and at the cost of gutting infrastructure, dramatically reducing living standards, and surrendering their economies to the international narcotics cartels.

The "economic growth" that Abrams hails is sheer poppycock. As the case of Colombia clearly indicates, the last four years of IMF "mon-

itoring" of the economy have led not to "strong growth prospects," as Abrams would have us believe, but rather to the brink of bankruptcy.

Colombia has been living off repeated creditor handouts, and appears to have now reached the end of the road. As former labor minister and CUT labor federation president Jorge Carrillo charged, "The country is working only to pay its debt," which now costs more than 50% of the nation's export income.

By making debt repayment its first priority, Carrillo charged, the government has had to cut back expenditures in health, education, infrastructure, and defense—endangering democracy itself.

On April 15, the Colombian daily *La República* cited a private report on Colombia prepared by international creditor banks, which asserts that Colombia is fast approaching the need for "certain reprogramming of its debt, because the other existing alternative, raising the current level of indebtedness with new credits, is neither appropriate nor feasible in the short term."

The report observes that Colombia's 1988 debt service costs are \$3.25 billion, and notes: "There is a deterioration in the management and servicing of the debt which was previously characterized by strict compliance. There are arrears in amortization and payment of interest, guaranteed by the nation, of several official entities."

In fact, to avoid official default by several of those entities, among them the state electrical company, the Bar-

co government has been forced to turn—as it did one year earlier—to the Foreign Currency Fund (FODEX) for a loan. Similar FODEX bailout loans from last year have yet to be paid off by the bankrupt state companies, leading analysts to conclude that the government this time will have no choice but to increase national budget allocations for debt repayment, while cutting back basic services still further.

What that implies for the nation can be gauged by recent revelations that the financial paralysis of such programs as the Malaria Eradication Service (SEM) is leading to the rapid spread of the disease from the swampy portions of the Pacific Coast inward. A not unrelated development is the revelation that AIDS has become Colombia's number-two public health threat, after malaria itself.

Dr. Jorge Ernesto Ochoa, chief of ambulatory services of the Social Security Institute (ISS), told *EIR* at an April 30 medical conference in Bogotá that malaria is growing "by vast leaps" because of budgetary cutbacks, and that "the other alarming case is AIDS. AIDS could wipe out the Colombian population. AIDS is the worst assassin the country faces." Colombia officially acknowledges 400 full-blown AIDS cases, placing it fifth in the Americas, behind the United States, Haiti, Brazil, and Mexico.

During his presentation, Dr. Ochoa showed a computer-generated map of the department of Valle, with AIDS spreading from a tiny red dot in the capital of Cali three years ago, to a vast stain reaching the outer limits of the department today. "It is not a question of there being more AIDS in Valle than in the other departments," said Dr. Ochoa. "It is just that they have carried out epidemiological control there, and we have the statistics."

Business Briefs

East-West

Gorbachov desperate for Western goods

West German Economics Minister Martin Bangemann met with Mikhail Gorbachov for 90 minutes in Moscow May 16. Their discussion focused on economic cooperation between Germany and the Soviet Union.

The meeting was set up at Gorbachov's personal request just before Bangemann arrived in Moscow for a "routine" encounter with Deputy Prime Minister Valentin Ryshkov on economic issues.

Earlier in the month, high-level Soviet officials had visited Bonn, and addressed some 250 German bankers and industrialists. A consortium led by Deutsche Bank thereafter announced that it would grant a large line of credit to the Soviet Union.

European press reports say that Gorbachov is quite desperate to get credit lines, food supplies, and other basic goods from West Germany, to calm the internal Soviet situation. Food and other shortages have been widely reported in the Soviet Union.

Deutsche Bank chairman Friedrich W. Christians, who visited Moscow two weeks before Bangemann's visit, was taken by surprise when Ryshkov approached him with the question, "Can't you provide a credit of one billion rubles plus a list of companies that can deliver promptly?" Christians, wondering about the rush, was told by Ryshkov that Gorbachov's "reform" would only work if he got "support from the West."

A report carried in the London *Times* said that the Soviets may be embarked on a crash plan to import food "to cover the worst shortages in decades." Should the "crash import program" materialize between now and the June party conference, the *Times* says, it would not mark a "rebirth" of expanded East-West trade, but a stop-gap.

Sources expect that the Russians will focus their purchases on beef, fruit, and vegetables, the three areas with the worst shortages, and singled out as such by Gorbachov in at least two recent speeches.

Observers recall that severe food shortages immediately preceeded the downfall of Nikita Khrushchov in 1964, and that the

shortages ended as soon as Khrushchov had been forced out.

Italy

New government plans more austerity

The Milan Stock Exchange began plunging after April 15, 1988 in the same fashion it did in the month prior to the "Black Monday" crash of Oct. 19, 1987. In the 30 days following April 15, the exchange lost 7.7% of the value of all stocks.

Meanwhile, the first act of the new Italian government makes it look like the old Italian government. Prime Minister De Mita has met with his cabinet to plan a tax increase and budget cuts of about \$6 billion to be imposed immediately. It has also drawn up a plan for a budget cut of \$30 billion over the next three years.

Transport workers, teachers, and other public sector workers have been engaged in months-long strikes for wage increases, while the government is continuously stalling on negotiations.

Middle East

Peres says 'Marshall Plan' still alive

Israeli Foreign Minister Shimon Peres said that his proposal for a "Marshall Plan" for the Middle East "is still very much alive, although those involved are working quietly," in response to a question from *EIR*'s Nick Benton at the White House May 17.

"There is now a different cluster of nations involved, including those who have economic, if not political influence in the Middle East." Most interpreted that to mean Japan.

Peres said, "There are two tendencies in the Middle East: fundamentalists who represent regression, narrowness, and belliger-

ence, and everyone else who is reasonable and moderate." He said that Israel's enemies are not Arabs per se, "but those nations that are belligerent toward us."

Peres proposed his Marshall Plan when he was prime minister in 1986, with the aim of providing an economic foundation for any peace settlement with Arabs and Palestinians.

Science

Soviet agreement worries Pentagon

"A draft scientific agreement approved May 13 by a State Department-led negotiating team could be used by the Soviet Union to obtain data directly from American high-tech companies," reported the *Washington Times*, citing "worried Reagan administration officials." Representatives of the Defense Department hope to kill the offending provision before it is signed at the Moscow summit.

The article under dispute would allow direct contact between either of the two governments and individuals working for firms that are engaged in scientific research.

Meanwhile, Sen. Chic Hecht (R-Nev.) told the *Washington Times* that he has forwarded a letter from Dr. Edward Teller to Mikhail Gorbachov urging him to permit Dr. Andrei Sakharov to attend an upcoming conference on nuclear reactor safety to be held at George Washington University in Washington.

"It was Dr. Teller's feeling that if the two could get together, their great knowledge of nuclear physics would work for peaceful solutions," said Hecht. Hecht, while in Moscow, also met Sakharov, who had been invited to a reception at the U.S. embassy in Moscow during Hecht's stay.

"Dr. Sakharov told me that Dr. Teller is one of the most brilliant men in the world, and we talked about the invitation for 25 minutes," said Hecht. "He was very appreciative of Dr. Teller's personal invitation and says he hopes he can come."

Water

Dust bowl conditions in southwestern U.S.

Huge sections of the United States face serious drought as the country heads into the heat of summer, and some of the hardest-hit areas are now in their second or third year of drought, reported the *New York Times* on May 14.

The Southwest, particularly southern and western Texas, is in most trouble, with many Texas farms and ranches having received less than one-third of their normal rainfall this year.

Texas livestock exchanges report that ranchers have taken to early sales at low prices since they have given up hope of saving their cattle.

The Karnes County Livestock Exchange reports sales of 1, 100 to 1,300 head of cattle compared to 300 to 500 for the comparable period last year. Farmers in the afflicted area have reported that relief which was granted by the federal government under less severe conditions last year has not yet been granted this year.

A request from Texas Commissioner of Agriculture Him Hightower to the federal government to declare the affected areas eligible for federal emergency relief has been turned down.

San Francisco has imposed a 25% cut in water usage, while Los Angeles, which pipes its water from the north, has ordered a halt in the hosing down of sidewalks and has instructed restaurants not to serve water to their customers unless it is requested.

Ibero-America

Peronist candidate calls for debt moratorium

Argentine presidential aspirant Carlos Menem, The Peronist governor of La Rioja province, has stated that if he is elected, he will declare "a moratorium on the foreign debt to the International Monetary Fund."

Under current President Raúl Alfonsín,

the Argentine economy has been badly damaged by austerity policies dictated by the IMF.

Menem also stated that he would push for a penal code reform to make drug-trafficking punishable by death, and embargo British assets in Argentina until the British stop using their navy to steal fishing resources in the South Atlantic.

By contrast, Córdoba Gov. Eduardo Angeloz, heir-apparent to Alfonsín as the probable presidential candidate of the President's Radical Party, declared that if he is elected, he would definitely "not declare a unilateral moratorium," or even "threaten such a possibility. He said he would encourage exports and try for a gradual reduction of interest rates.

Financial Markets

Stock traders' morale called very low

According to the May 19 "Heard on the Street" column in the *Wall Street Journal*, stock trading volume is down, brokers' morale is "horrendous," and "Wall Street is bracing itself for another round of layoffs."

It goes on to say that institutional trading volume is down 30% for the year, and 40% for the month of May. When there is any volume to speak of, it has been largely due to dividend-capture plays.

On May 18, for example, 64 million of the 209 million shares traded were shares of one such company's stock.

Another factor in volume is index arbitrage, or shares of stocks involved in takeover attempts.

Wall Street sources estimate that it requires 140-150 million shares traded daily, not counting the above types of transactions, in order for Wall Street stock firms to break even. They haven't been hitting this on any consistent basis.

Diane B. Glossman, director of research at Mitchell Hutchins Institutional Investors, said, "Investors see brokerage stocks as proxies for their expectation of the markets, which is why I think they'll be sort of dead meat for a while."

Briefly

● **GOLD** is set to rise dramatically with any new stock market contraction. The precious metal has risen significantly over the recent period, in part because of Taiwan's massive purchases to replace its dollar reserves. Taiwan has the third largest dollar reserves in the world, at \$75 billion.

● **WILLIAM SIMON**, Treasury secretary under Gerald Ford, not only believes in the "magic of the marketplace"; he believes in magic. Simon wrote the introduction to a recent book, and states that astrology "might seem to the cynical contemporary Westerner a mild form of lunacy. . . . I have come to view it as a fascinating perspective from which to survey one's personal strengths and weaknesses in the area of finance and to anticipate trends in the world marketplace."

● **THE PACIFIC** Economic Cooperation Conference, sponsored by the Japanese government, convened in Osaka, Japan in mid-May. The featured agenda item, said the Japanese Foreign Ministry, is to thrash out trade problems between industrialized nations and Asia's newly industrializing nations—especially conflicts with the United States.

● **HUNGARY** has just signed a standby agreement with the International Monetary Fund. Central bank head Janos Fekete stated May 17 that this signified "temporary hard measures" for the Hungarian people.

● **ULTRAVIOLET** light stimulates the growth of the AIDS virus, say researchers for Smith Kline and French Laboratories. Certain chemicals also cause the virus to reproduce and grow dramatically. "This work could help explain why the HIV virus remains dormant for years without necessarily leading to AIDS," a company official told the *Philadelphia Inquirer*.

Plasma focus can transform medical diagnostics

Charles B. Stevens reports on a fusion device which is ready for near-term applications, although it contravenes all conventional scientific opinion. First of two parts.

While simple in design, modest in requirements, and prolific in output among the world's fusion research devices, the plasma focus has been relegated to the scientific basement and generally avoided like the plague by the big R&D laboratories and leading plasma science authorities. This unscientific anomie probably derives from the propensity of the plasma focus for generating anomalous results whose most regular feature is that they contravene conventional scientific opinion and wisdom. But despite this policy of scientific apartheid, the plasma focus has continued to progress experimentally in small research laboratories throughout the world and has now reached the point where it has demonstrated the capacity for many near-term technological applications, to such a degree that mere prejudice can no longer hold it back.

Among these near-term applications is that of utilizing the plasma focus to generate short-lived, radioisotopes for medical and biological diagnostics. In fact, the demonstrated capabilities of the plasma focus are such that it alone could reduce current costs for many medical diagnostics by as much as an order of magnitude. This would lower the cost sufficiently to permit the general proliferation of these procedures throughout all major health facilities. (Today, the most advanced radioisotope diagnostic capabilities are found only in a handful of large hospitals, and then, at great cost.)

A second, near-term application is to use the plasma focus for generating relativistic beams for destroying ballistic missiles and their thermonuclear warheads over ranges of thousands of miles. This Plasma Focus defense technology is currently being pursued by Soviet scientists in a crash program which, experts have determined, began about five years ago.

The third area of near-term application of the Plasma Focus is that of providing the test-bed for developing materials and engineering technology for thermonuclear fusion reactors.

This article and its sequel will review the general scientific background of the plasma focus and recent experimental developments. The first and third areas mentioned above will be explored in some detail, while the second area will only be touched upon.

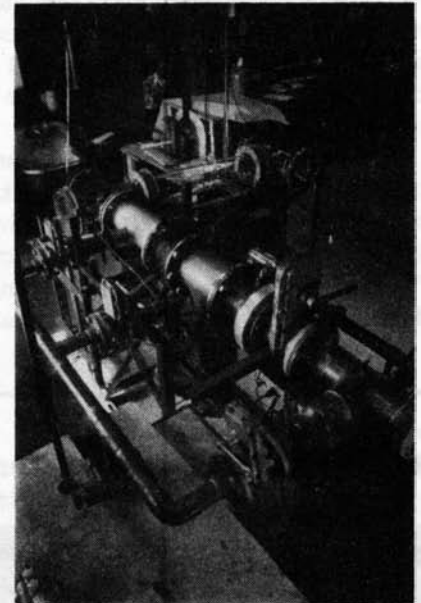
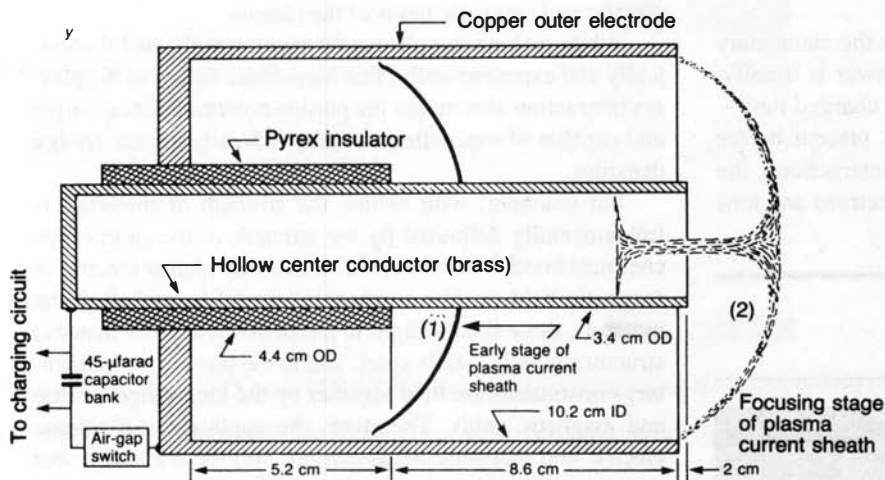
With Part II, we will publish an interview with the world's leading pioneer in plasma focus research, Prof. Winston Bostick of the New Jersey Stevens Institute of Technology. Dr. Bostick has set up Plasma Focus research groups throughout the world, while his home-base group at the Stevens Institute has been a continuing leader in exploring its experimental frontiers. While fundamentally an experimentalist, Dr. Bostick has significantly contributed to the recent development of a coherent "unified" field theory based on insights garnered from the plasma hydroelectrodynamics of the plasma focus. Their "theoretical" advances promise to revolutionize every aspect of physical science and optical biophysics.

An energy-compressing transformer

What makes the plasma focus such an experimental powerhouse is the fact that it functions like an ideal energy compression and storage-transforming device with no moving parts—except possibly the plasma which it generates. Depending on its initial set-up mode, the plasma focus can efficiently generate intense high-energy clustered-ion and electron beams, microwaves, x-rays, and neutrons. More recently, it has shown that it can produce copious heavy ion

FIGURE 1

Schematic cross section of plasma focus



The plasma focus consists of two cylindrical electrodes, one placed inside the other. In the schematic, a cross section of the outer copper electrode and inner hollow center brass electrode are indicated. These two "coaxial" electrodes are separated by a Pyrex insulator. The entire assembly is placed within a vacuum chamber, which is not shown in the diagram. A current pulse is switched into the plasma focus from a capacitor bank. This leads to the formation of an annular plasma sheath near the Pyrex insulator end, which is marked (1) in the diagram and shown in cross section. This sheath accelerates down the length of the space between the electrodes—left to right in the diagram—and forms a plasma pinch at the right-hand, open end of the machine, which is marked (2) in the diagram. (Inset: the laboratory plasma focus at the Stevens Institute in New Jersey.)

Source: *International Journal of Fusion Energy*, Vol. 3, No. 1, January 1985.

fusion—a result which directly bears on its capacity for short-lived radioisotope production.

In general, the plasma focus's versatility and compactness derive from its ability to compress and transform energy. In terms of its basic operation, the laboratory plasma focus looks like a large radio tube. It consists of two electrodes, both shaped like hollow cylinders, with one placed inside the other, as shown in Figure 1.

The motive power for the device consists of a pulse of electrical current which is generated by a bank of capacitors. Capacitor banks provide an initial means of compressing energy. They can be charged up in series using a commercial power line input. Once brought up to full capacity, the bank can be discharged in a relatively short pulse through the use of fast-acting circuit switches which reconfigure the bank from a series connection to a connection in parallel. The resulting, compressed current pulse is simultaneously switched into one of the plasma focus electrodes.

The plasma focus vacuum chamber, in which the two cylindrical electrodes are located, is usually filled with a small quantity of hydrogen gas, though alternative materials such as oxygen, nitrogen, and carbon can be utilized.

Within the few billionths of second that the current pulse takes to arrive at the electrodes, a large electric field is generated between the electrodes. This field causes the fill gas to "break down." That is, free electrons in the gas are accelerated to high velocities, and they cause gas molecules to become ionized through collisions. Within a few billionths of a second, the gas is transformed into an ionized plasma. This takes place at the end of the plasma focus where the two electrodes are mechanically connected together with an intervening layer of insulator.

The plasma state

Plasma is sometimes referred to as a "fourth state of matter"—solid, liquid, and gas being the first three. Like the first three, plasmas are, generally, macroscopically electrically neutral. Plasmas sometimes act like a solid, sometimes like an incompressible fluid, and sometimes like a compressible gas. In fact, it is better to think of solids, liquids, and gases as being three special varieties of plasma.

In general, the electrons and nuclei which make up atoms and molecules become separated in a plasma, i.e., ionized. In other words, the atoms and molecules which constitute the

relatively electromagnetically insulated elementary constituents of a solid, liquid, or gas are broken up. With plasma, long-range electrodynamic forces predominate over the short-range chemical bonds and molecular interactions which characterize solids, liquids, and gases. And it is this long-range electrodynamic interaction which is the chief manifestation of the plasma state.

The question arises, therefore: What are the elementary constituents of a plasma? The textbook answer is usually: negatively charged electrons and positively charged ions—the fragments of the atoms and molecules present before “breakdown.” But, because of long-range interactions, the dynamics and motion of these individual electrons and ions

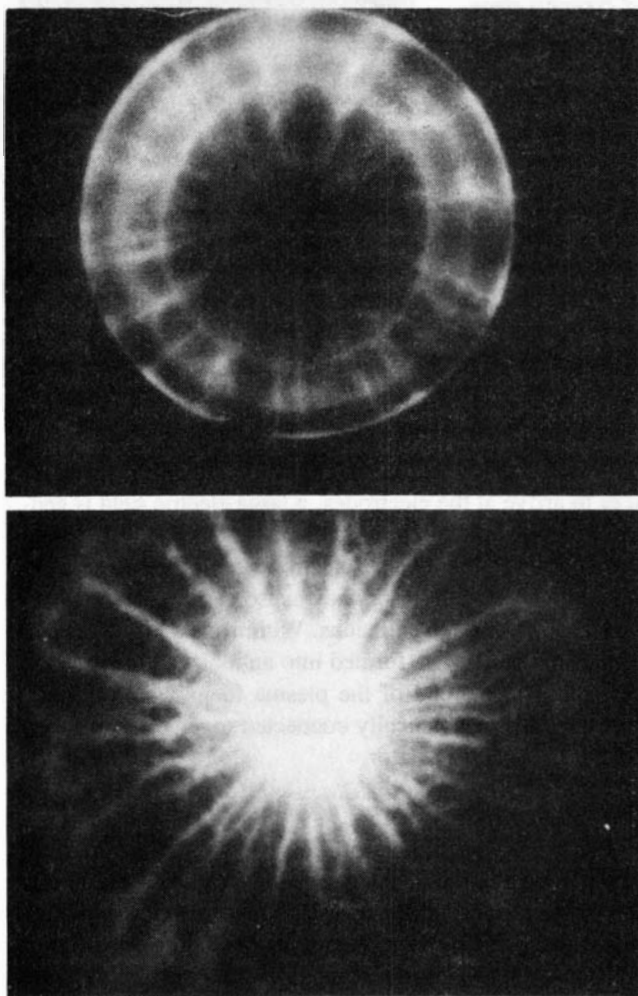
cannot be accounted for locally. In place of these “elementary constituents,” we find that plasmas generate non-particle coherent structures: various types of waves, solitons, vortices, and circulation cells. In place of short-range chemical bonds and van der Waals molecular interactions, the plasma’s fundamental constituents are held together by the long-range electric and magnetic fields of the plasma.

While making the plasma far more complicated theoretically and experimentally, this long-range nature of the plasma interaction also makes the plasma potentially far stronger and capable of supporting virtually infinitely greater energy densities.

For example, with solids, the strength of materials is fundamentally delimited by the strength of the short-range chemical bond. Therefore, if a sufficiently intense electric or magnetic field (and/or mechanical stress) is applied to the material, these bonds begin to break down and the material structurally fails—falls apart. But in the plasma, its elementary constituents are held together by the long-range electric and magnetic fields. Therefore, the application of intense electric and magnetic fields can not only be withstood, but these applied fields can further increase the strength and rigidity of the plasma structure. Because of this, plasmas are capable of sustaining virtually unlimited energy densities compared to what ordinary solids and liquids can sustain. And, as we will see with the plasma focus, if given sufficient freedom, plasmas will naturally configure themselves into such dynamically stable structures when an intense field is applied to them.

FIGURE 2

The plasma focus current sheath



Winston Bossick

The inner electrode is located at the circle at the center of the sheath. The outer electrode is located at the circumscribing circle. Barely visible in these photographs, as pairs of radial lines, are pairs of plasma vortex filaments which carry the electric current between the plasma focus electrodes.

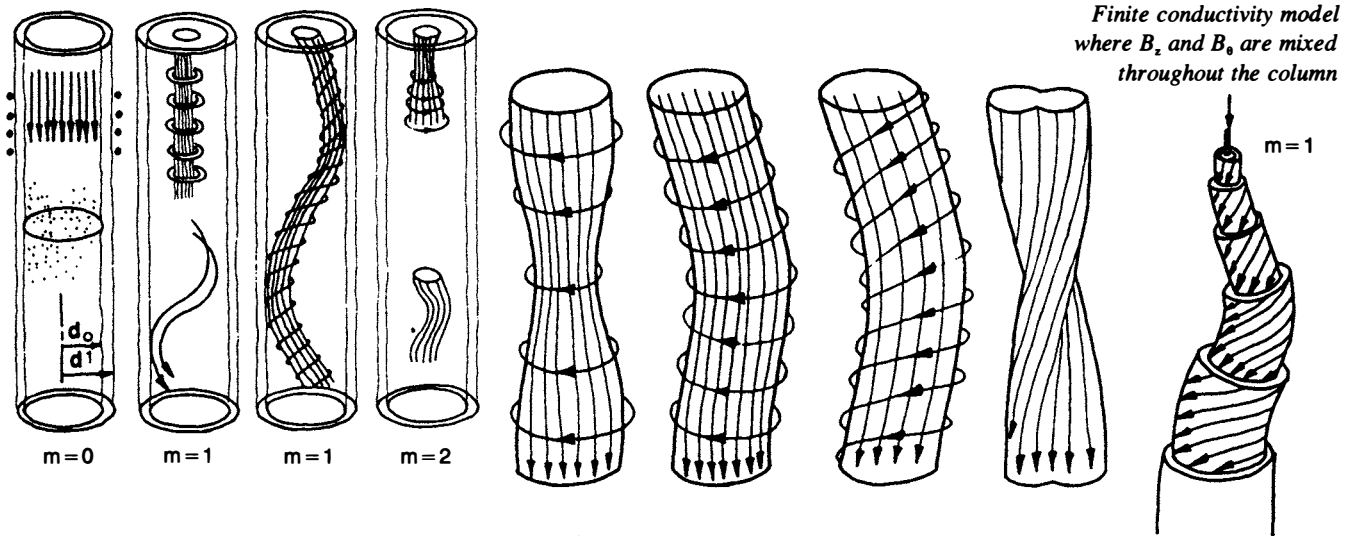
Computerized axial tomography: the CAT scanner

CAT scanners (computerized axial tomography scanners) have revolutionized medical diagnostic techniques. And it is useful to discuss how the CAT scanner works before describing the more advanced positron emission tomography (PET) technique.

Computerized tomography consists of generating an image of a slice—*tomos*, which means slice in Greek—of a three-dimensional object by combining a large number of scans through the object at different angles. For example, ordinary CAT scanners utilize a beam of x-rays to generate a number of scans which are combined to make a three-dimensional slice. Many of these slices can be put together to give a full three-dimensional reconstruction of an object like the brain.

FIGURE 3

Idealized diagram of electric current passing through a column of plasma



The initial conditions are shown in the upper left drawing marked $m=0$. The electric current is represented by the arrows. The plasma gas is represented by dots. The azimuthal magnetic field generated by the passage of the electric current is represented by a circle, though such circles extend along the full length of the column. The pinch effect is shown in the next drawing to the right. The azimuthal magnetic field has compressed the plasma column. As indicated in the remaining diagrams, this initial configuration is unstable and the plasma column will undergo magnetohydrodynamic motions to reconfigure itself into a Beltrami configuration shown in the last, lower left drawing.

Source: *International Journal of Fusion Energy*, Vol. 3, No. 1, January 1985.

In contrast, ordinary x-ray exposures have many limitations. They do not provide a three-dimensional image, nor do they distinguish between two body structures that have the same density. The CAT scanner overcomes these limitations through combining directed x-ray beams with computer analysis.

For example, in a CAT scan of the brain, a patient's head is inserted into the "hole" of a special doughnut-shaped scanner. An x-ray beam generating tube rotates along a circular path within the doughnut, always pointing at the patient's head. These x-ray beams pass through the head. The brain tissue absorbs x-rays in proportion to the density of the various brain components that the beam passes through. (White brain matter differs from gray matter, and normal brain tissue has different densities from diseased brain tissue.)

The intensity of the x-ray beam that is not absorbed is recorded by sensitive crystal detectors, or what are termed scintillators, that convert incident x-rays into electronic signals. A computer is then used to carry out elaborate calculations based on the known input intensity and measured output intensity of the x-rays that pass through the brain and the angles at which the x-ray beams pass through

the brain. These calculations permit a three-dimensional reconstruction of a slice of the brain.

In general, the way this works can be seen by examining an elongated rectangle, which will represent a side view of the brain slice. An x-ray beam passing through the rectangle along a path parallel to a diagonal goes through more brain material than one going along a path parallel to the rectangle's side. If the density is uniform, more x-rays will be absorbed along the diagonal path. Now, if we place irregularly shaped blobs in the rectangle to represent regions of higher density, we see that when the diagonal path and the side-parallel path both pass through such a blob, they do not usually have the same path lengths. The longer the path through denser materials, the more x-rays will be absorbed and the weaker the beam. By combining many such "cuts" at different angles, it is possible to reconstruct the outlines of the regions of higher and lower density. This principle is simply extended to three dimensions by rotating the rectangle—i.e., rotating the x-ray beam generator in the doughnut.

Positron emission tomography (PET) works on the basis of the same principles. But in this case not only is the brain structure pictured, but the brain activity, too.

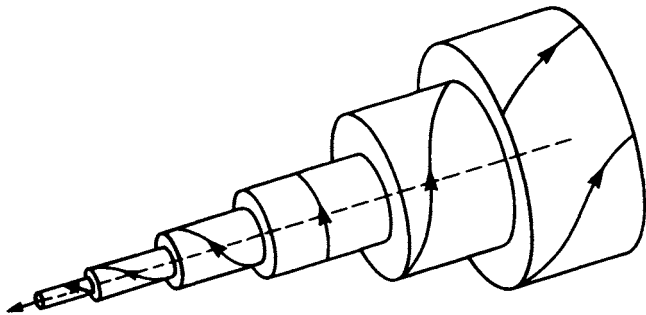
Beating the Alfvén limit

Returning to the description of plasma focus operation, we left off where the current pulse from the capacitors generates an intense electric field between the two cylindrical electrodes and the gas fill breaks down and forms a plasma at the insulator end of the focus. This breakdown plasma has a high electrical conductivity and therefore permits the flow of electric current between the electrodes—the current is driven by the electric field. In fact, an annular sheet of conducting plasma rapidly forms between the electrodes (Figure 2).

For comprehending how the plasma focus compresses, stores, and transforms the energy input, it is essential to examine the fine, microscopic plasma structures that are formed by this annular plasma sheath. But to give an immediate overview, what happens is as follows. The current flowing through the plasma current sheath interacts with the

FIGURE 4

Beltramic vortex configuration



This diagram shows a cutout view of a plasma column. The cutouts permit us to examine the flow configurations on interior cylindrical surfaces of the plasma column. While each of these cylindrical surfaces are actually covered with flow lines, only one is shown for each. All of the others on a particular cylindrical surface are similar to the one shown. The cylindrical surface with zero radius is shown as having a straight, axial flow path to the left. The next larger cylindrical surface shows a spiral flow path of low pitch. And on each successive surface these spiral flow paths increase in pitch until a surface is reached in which the flow is purely circular (azimuthal). Cylindrical surfaces of greater radius have spiral flow paths of decreasing pitch, which are oppositely directed to those within the surface containing pure azimuthal flow. The fluid velocity, current density, electric field, magnetic field and vorticity all follow these same flow lines. Because of this particular Beltramic geometry of parallel flow, the configuration is said to be "force-free." Two basic types of vortices are possible. Ones in which the fluid flow, electric field, and magnetic field are all going in the same direction. Or, ones in which the fluid flow is oppositely directed to that of the electric and magnetic field directions.

ambient magnetic field and generates a force which accelerates the plasma sheath laterally away from the insulator end of the focus toward its open end. (The ambient magnetic field is generated by lateral current flows in the cylindrical electrodes.)

While the plasma sheath undergoes acceleration toward the open end, it gathers up more mass deriving from the background gas fill. It also absorbs a significant fraction of the electrical current passing through it and stores this energy input in the form of intense magnetic fields within the plasma sheath.

Once the sheath reaches the open end of the two cylindrical electrodes, a stationary plasma pinch is generated. As this compressed plasma is formed, the stored magnetic energy is transformed back into intense electric fields and kinetic energy of the plasma electrons and ions. Small nodules of dense plasma form within the pinch plasma. These dense plasma nodules sustain energy densities trillions of times greater than that of the capacitor bank. Intense, relativistic electron and ion beams are generated together with bursts of x-rays. The ambient densities and temperatures are sufficient to support copious thermonuclear reactions with resulting neutron outputs.

In other words, the plasma focus "focuses" the energy of the input current pulse in both time and space. It also transforms the energy up to much greater voltages in the process. What allows this to take place is the emergence of highly organized plasma structures which can withstand energy densities trillions of times greater than ordinary materials.

The plasma pinch

To comprehend how this energy densification comes about, it is necessary to examine the fine grain geometry and dynamics of the plasma structures generated in the plasma focus. This is best pursued from the standpoint of examining how the plasma overcomes several apparent barriers that conventional plasma electrodynamic theory projects. For example, the conduction of electricity by free charges, as in a plasma, appears to be limited to the Alfvén current limit. As we pass an electrical current through a plasma column, the axially direct current generates an azimuthal magnetic field (see Figure 3).

This magnetic field exerts an inward pressure causing the plasma column to contract—that is, pinch. This decrease in plasma column radius means that the current density increases, and the azimuthal magnetic field strength compressing the surface of the plasma column is proportional to the current density. Thus, the plasma column continues to be pinched to smaller and smaller radii—the plasma pinch. But eventually the magnetic field reaches a sufficiently great that it will no longer permit the linear current to propagate. The current is literally turned inside out by the strong magnetic field and flows backward. This circumstance has been calculated in detail and a specific, limiting current has been determined, which is called the Alfvén limiting current.

Source: *International Journal of Fusion Energy*, Vol. 3, No. 1, January 1985.

But the plasma focus has experimentally demonstrated that it regularly beats and overcomes this Alfvén current limit. How? Investigations led by Professor Bostick and others have shown that the current in the plasma cylinder does not follow a linear path parallel to the axis. Instead, it follows a spiral path. A nested series of spiral paths are set up such that the generated magnetic fields cancel out in terms of their effects on the motion of the current flow. In fact, all the force fields of the plasma—the electric field, the magnetic field, the fluid flow, and the fluid vorticity—locally follow these same paths. That is, they are collinear. Under this circumstance, the interaction of these “force” fields is zero and the configuration is termed “force free.” (See Figure 4.)

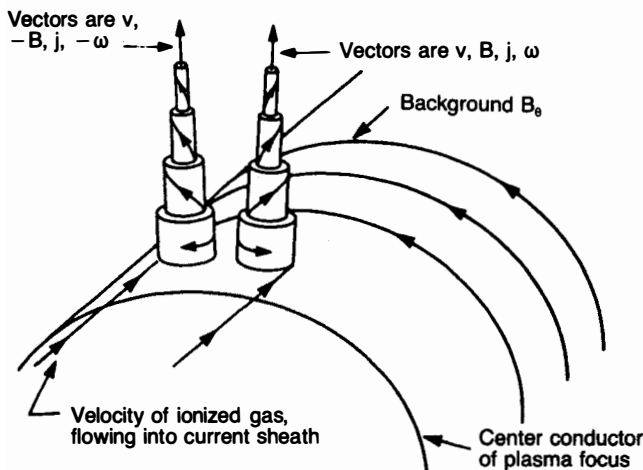
The possibility of this type of flow pattern was first elaborated by the 19th century Italian mathematician E. Beltrami. Beltrami was a close collaborator of the great German mathematician Bernhard Riemann. Winston Bostick and Dan Wells, of the University of Miami at Coral Gables, Florida, applied Beltrami’s work to the data they were obtaining in plasma experiments such as the plasma focus. Beltrami had developed these particular hydrodynamic models for analysis of fundamental questions in electrodynamics and as a continuation and elaboration of work which Riemann first presented in his famous paper: “On the Hypotheses Which Underlie

Geometry”—a paper which founded the field of Riemannian geometry, modern topology, and is generally considered today to provide the framework for 20th-century relativity theory. (Recently, Professor Wells has succeeded in applying his further developments on Beltrami’s theory to provide the first coherent theoretical model for formation of the solar system from a plasma.)

Experimental data show that the annular current sheath consists of a number of Beltrami vortex pairs (each pair consisting of a right-handed vortex and the other a left-handed one) running between the inner and outer electrodes. (See Figure 5.)

These Beltrami vortex pairs not only permit the plasma focus to beat the Alfvén current limit, but also transform a significant fraction of the input electrical energy into intense magnetic fields. When the final pinch is formed at the end of the focus, many of these Beltrami vortices explosively disintegrate—the Beltrami vortices are highly dynamic, metastable structures which require precise flow conditions to be maintained. When the current sheath is suddenly brought to a halt at the end of the focus, these required flow conditions no longer obtain. The energy stored in the magnetic fields of these vortices is suddenly released and heats the plasma to high temperatures. A few of the vortices are apparently able to reconnect to themselves before disintegrating. These re-

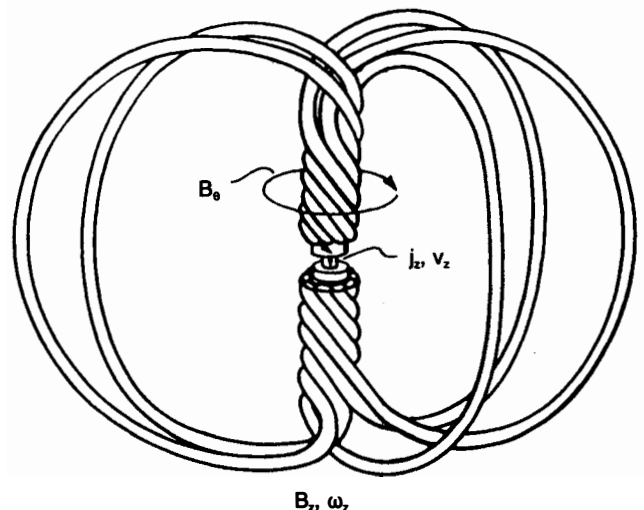
FIGURE 5
A plasma vortex pair in a plasma focus current sheath



This diagram shows one pair of plasma Beltrami flow vortex filaments within the current sheath of a plasma focus. Actually, the annular current sheath is made up of about a score of such vortex pairs. In each pair, one vortex has a right-handed helical flow (shown by the arrows on the cylindrical cutouts of the plasma columns making up the vortex) and the other has a left-handed helical flow. These vortex pairs literally roll along each other’s surface down the plasma focus electrodes.

Source: *International Journal of Fusion Energy*, Vol. 3, No. 1, January 1985.

FIGURE 6
Hypothesized plasma nodule configuration



This diagram shows the configuration which Professor Bostick believes best fits his data for dense plasma nodules seen in the final pinch plasma of the Plasma Focus. This closed configuration is formed when a linear vortex within the current sheath breaks away from the electrodes and reconnects to itself to form a complex toroidal structure.

Source: *International Journal of Fusion Energy*, Vol. 3, No. 1, January 1985.

connected vortices form closed loops—little plasma tori. And the turbulent plasma flow in the general pinch region generates the conditions to maintain these vortex tori as stable structures.

These tori are apparently the dense plasma nodules from which intense electron and ion beams—and neutron bursts due to thermonuclear fusion reactions—are seen to emerge. They apparently have the highest energy densities.

It is these dense plasma nodules that appear to be responsible for the enhanced rates of thermonuclear fusion reactions in plasma foci, when these devices are scaled to larger sizes, and the efficient rates of heavy ion fusion needed to generate the short-lived radioisotopes required for positron emission tomography (PET).

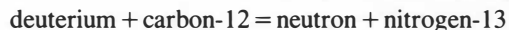
Application of the plasma focus to PET

The radioisotopes utilized for PET have half-lives measured in minutes—that is, half of any given quantity of the material disintegrates every few minutes. Therefore, these isotopes must be generated through nuclear reactions shortly before they are utilized. The existing method is to deploy a small, high-energy particle accelerator called the cyclotron. The cyclotron high-energy hydrogen ion beam, which reaches energies of millions of volts, is directed onto a solid target. The beam generates nuclear reactions when it strikes the target, and, given the presence of the appropriate elements, the required radioisotopes are generated.

These radioisotopes are then chemically extracted from the solid target and transferred to a gaseous reaction vessel in which the desired chemical molecules are produced. The extraction process requires several hours of time, and so the initial production of the radioisotopes must be relatively large, because half of the material is disintegrating every few minutes.

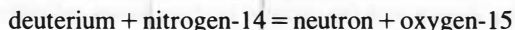
The plasma focus is both much more compact and efficient than the cyclotron for the production of short-lived radioisotopes. The required cyclotron accelerator size presently costs on the order of \$1 million. The required scale for the plasma focus would be about one order of magnitude less than this. This is because the plasma focus generates these radioisotopes much more efficiently and in a gaseous form that is directly ready for chemical processing into the required molecules—no solid target extraction is necessary.

Experiments at the Stevens Institute have shown that significant rates of the desired reactions can be obtained in the plasma focus. Mixtures of deuterium (the heavy isotope of hydrogen that contains one proton and one neutron) and carbon, and mixtures of deuterium and nitrogen have been tested as gas fills in the Plasma Focus. The reactions are, for the first:



The generated nitrogen-13 is a positron-emitting radioisotope

of nitrogen with about a 10-minute half-life. The second case:



Oxygen-15 is a positron-emitting radioisotope of oxygen with about a 2-minute half-life.

Less than 10% of the generated radioisotopes escape from the plasma focus pinch. This means that most of the generated material remains in the plasma focus in gaseous form once

Positron emission tomography (PET) scanner

The information obtained from x-ray imaging techniques only gives a static picture of body structures, usually according to their density differentials. But processes involving time-dependent chemical reactions and tissue compositions can provide far more information about how the body is functioning and can lead to early detection of disease. For example, most diseases involve distinct chemical changes in body metabolism and biochemistry. These chemical transformations occur long before macroscopic changes in body organs and their densities.

PET utilizes radioactively labeled compounds that are injected into the body in trace amounts to follow what is happening along various chosen biochemical pathways. The general use of such radioisotope tracers in the medical and biological sciences has a long history. But applying the techniques of computerized tomography permits us to actively map the distribution of these radionuclides and, therefore, obtain a spatial and temporal image of these biochemical processes in the body.

The radioisotopes used for PET must meet three requirements. First, they must have behaviors similar to chemical elements found in metabolic processes. Second, their radioactive emanations must be able to escape the body and follow paths that can be predicted. Third, the radioisotopes must be short-lived—that is, they must have a short “half-life.” This will mean that the intensity of the radioactive emission will be large enough to detect with very dilute levels of radioisotopes present, and the actual body exposures will be very low—hundreds of times less than with an x-ray CAT scan.

Radioisotopes which emit positrons—antimatter positive electrons—meet these requirements. When the positron is emitted, it travels only a microscopic distance before it is annihilated in an antimatter reaction with a normal electron. This antimatter-matter annihilation reaction generates two gamma-rays, each of which have a

the plasma cools down. In this way the output is ready for chemical processing within seconds, instead of hours, as is the case with the cyclotron.

Apparently, it is the closed plasma nodules in the final plasma pinch that are responsible for both efficient generation of the required nuclear reactions and the trapping of the product radioisotopes in the plasma pinch region. These nodules contain very intense electric fields which make them act like micro-accelerators to produce high-energy particle beams

which then produce the required nuclear reactions. Furthermore, these nodules are held together with very intense magnetic fields—in some cases reaching intensities 100 million times that of the Earth's magnetic field. These strong magnetic fields entrap the radioisotope products and keep them within the plasma pinch so that they will be present in the Plasma Focus gas fill once the machine cools down following a shot.

To be continued.

precise energy of 511 kiloelectron volts and each of which is oppositely directed. Because of their short wavelength, gamma-rays can pass undisturbed through large quantities of matter—much more so than other, shorter-wavelength electromagnetic waves, such as x-rays.

In general, the best radioisotopes for PET are carbon-11, nitrogen-13, oxygen-15 and fluorine-18.

From the outside, the PET system looks much the same as the x-ray CAT scanner. Gamma-ray scintillators are arranged in rings; typically, there are about 100 detectors per ring, with up to five rings in the gantry. The coincidence detection between two detectors across from each other on the doughnut ring defines a line through the object being imaged, along which positron annihilation must have occurred.

Collecting millions of such coincidence counts along thousands of possible projection rays permits the reconstruction of the positron distribution—and therefore, the radioisotope distribution—through the use of back-projection techniques. The resolution of the image can be improved by placing the detectors closer together. Alternatively, determining where along the coincidence line positron annihilation took place can also improve resolution. Fast scintillator counters and “time-of-flight” measurements for the gamma-ray are being utilized along these lines.

Very small amounts of radioisotope tracer are required for PET. Carbon-11-labeled carbon monoxide is used to trace blood flow to detect motion abnormalities of the heart walls through measuring heart contractions. Fewer than 200 billion carbon monoxide molecules are required for this imaging—less than one-third of a picomole.

PET differs from other radiologic imaging techniques in that it gives a dynamic picture. And while this can be generally applied to all organs, the application of PET to dynamic brain imaging has made the greatest contributions to medical diagnostics. For example, a fluorinated analogue of glucose, 2-fluor-2-deoxyglucose (FDG), tagged with fluorine-18 positron emitter, can be injected into the bloodstream and pass through the blood-brain barrier. But since this compound cannot be metabolized by brain cells in the same manner as regular glucose, it

therefore tends to accumulate within the brain cells in direct proportion to brain activity at a given time. If the visual cortex is active, the FDG accumulates in the visual areas.

After detecting and recording the PET scan, the computer computation converts this data into a colored biochemical motion picture of brain activity. And, while active PET scans are increasingly providing physicians with the means for early detection of brain tumors and with crucial measurements on disorders such as Alzheimer's disease and senile dementia, it is the application of PET to the normal brain that holds the greatest promise. For example, it is possible to observe patterns of glucose use while the subject is listening to a symphony or engaged in a variety of activities.

These measurements of “normal” brains with PET hold particular promise when combined with the rapidly developing technology of brain electrical activity mapping. Combining these two widely differing diagnostics has been likened by researchers to transforming a black and white snapshot into a color motion picture. The use of different radioisotope tracers for PET is like changing the filters on a camera—new and different pictures are obtained of the same process. At the present time, such diagnostic combinations are difficult to carry out in practice. One of the major technical roadblocks has been the computing time required for analyzing PET data. But with the recent development of cheap, real-time, large-scale computing capabilities by the Strategic Defense Initiative, this roadblock is ready to disappear.

PET is by no means limited to providing insights to biological and medical processes. In fact, many aspects of the living process have been shown to be anomalous when compared to similar, non-living chemical and physical processes. Some leading researchers believe that a combination of PET with other diagnostics on electrical and chemical brain activities, when applied to workings of nerve action in a human brain which is consciously engaged in creative activity, could provide crucial insights into fundamental questions of electrodynamics, the curvature of space-time, and the real basis for living processes.

End the low-budget Reagan-Bush folly on AIDS

by Warren J. Hamerman

On the same June 7 ballot that will select the California presidential primary winners, the voters of the state will have the opportunity to vote for a traditional public health referendum virtually identical to the famous Proposition 64 of 1986, which has fully qualified through a citizen petition drive which gathered the signatures of about 725,000 registered California voters last year. The State of California has given the June 1988 ballot initiative the name, "Proposition 69."

Back in 1986, the Reagan-Bush administration and the state health establishment of California squandered millions of dollars orchestrating a campaign of lies and lulling misinformation to defeat Proposition 64, a referendum which simply stated that our public health officials, to fight AIDS, should apply the same *on-the-books* reporting procedures and public health regulations that have been used to slow the spread of 55 other diseases. As a result of those lies, many who would not otherwise have been infected with AIDS have now become infected and may die as a result. To save more innocent people from becoming needlessly infected, the proponents of Proposition 64 have now qualified a nearly identical referendum.

'Budgetary constraints'

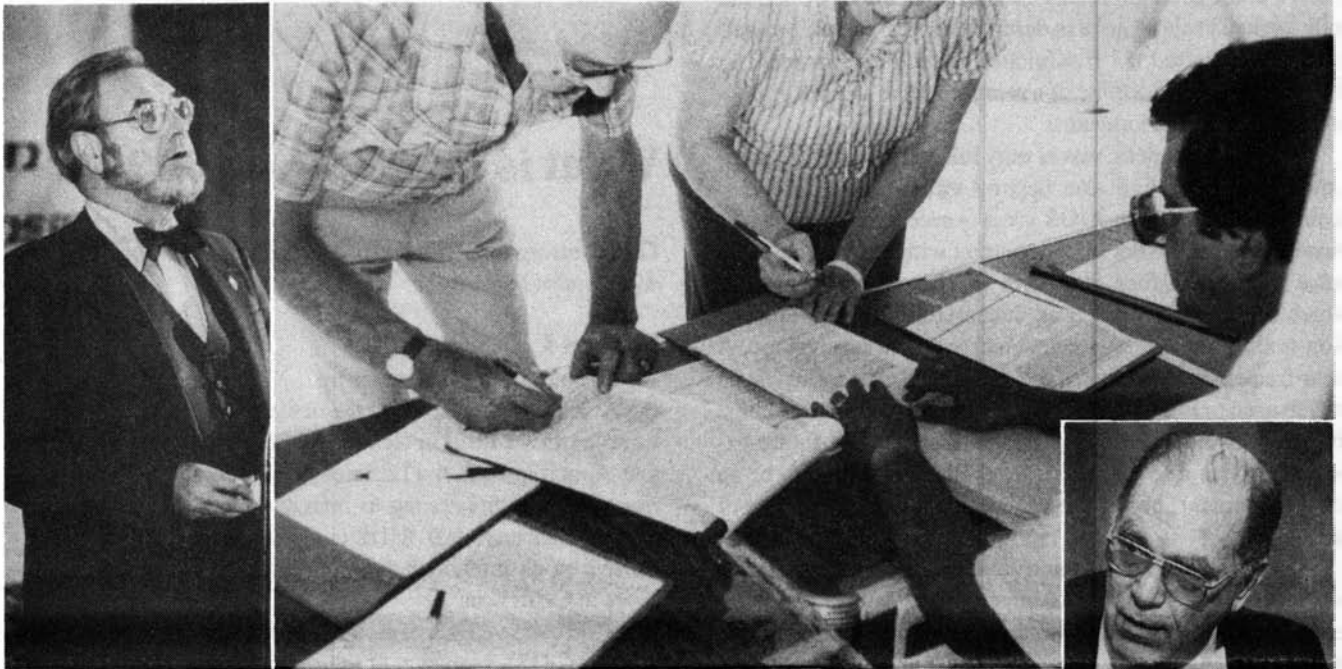
What was the motive for all of the lying by high officials who knew better?

Their motive was saving money and more money! Their accountants informed them that condoms cost less money than basic scientific research; that pseudo-civil-rights promises cost less money than traditional public health measures; that low-care hospices which promote the Nazi practice of euthanasia cost less money than new hospital beds with state-of-the-art medical treatment; and that ignoring the out-of-control situation in Africa and Ibero-America costs less than global action.

So, budget-slashing Republicans joined hands with libertine Democrats in spreading false propaganda and scientific untruths to defeat Proposition 64.

Ronald Reagan, in a nationally televised press conference, defended not spending more on AIDS research, on the grounds of "our budgetary constraints."

Gov. George Deukmejian of California broke his long silence on Proposition



Over 700,000 California voters signed petitions to place Proposition 69 on the ballot. Inset: Proposition 69 proponent, presidential candidate Lyndon LaRouche; what does he know that Surgeon General Everett Koop (left) does not?

64 to call for its defeat, at the same time that he ordered the AIDS budget cut in the state legislature. Deukmejian has formally come out in opposition to Proposition 69 on the grounds that it could cost millions.

Surgeon General C. Everett Koop opposed Proposition 64 while peddling condoms which have been proven unsafe, and asserted that we can't continue to indefinitely set aside beds for AIDS patients, because, "Costs will simply overwhelm the system."

These Republican government officials were joined by demagogic Democratic officials on the federal, state, and local level who were enormously sensitive to the shrinking economic pie which the Bush-Reagan economic policies have caused.

Opposition in the media was whipped up by irrational diatribes and hysteria from the occult, kooky, and "anything goes" set of Hollywood stars grouped around Elizabeth Taylor, Patty Duke, and others. Some of First Lady Nancy Reagan's California Hollywood associates were at the center of this bizarre hysteria.

Strategy for victory: science

To the cynical minds who have controlled national AIDS policy, fighting AIDS with proven public health measures in the same way our nation once mobilized against tuberculosis or polio, costs too much money. Furthermore, the costs of a full-scale scientific mobilization seem staggering to them, so all attempts to launch a crash research effort have been sabotaged. To Hollywood, fighting AIDS with science and tra-

ditional public health measures is a threat to the magical "beliefs" associated with their loose "Aquarian Age" life-style.

Combined, they did not want to stir up public sentiment for a national scientific mobilization. Many opponents of traditional public health measures openly argue that such policies are unrealistic because science has not developed the means to deal with this disease.

Rather than wallowing in despair, our nation can adopt a strategy for total victory over AIDS, by forcing through a succession of major breakthroughs at the frontiers of basic physics, biology, and chemistry. Such a broad-based "crash" scientific program, along the lines of the Manhattan Project of World War II or the Apollo Program of the 1960s, not only maximizes the chances for an early scientific solution to AIDS, but also returns the greatest profit in the form of new technology and increased productivity in the economy as a whole.

Among the most fruitful areas of interdisciplinary research is an advanced area of science known as *optical biophysics*, the area which studies the electromagnetic radiation "tuning" properties in living systems.

The healthy living cell is much more than the sum of its chemical elements; it is a highly ordered electromagnetic domain defined by complex interactions. Many of the scientific achievements of our space program and Strategic Defense Initiative (SDI) program—from the free electron and x-ray lasers to high-power pulsed magnetic fields—have direct relevance to this domain of basic biological science.

We don't need gimmicks and miracle cures. We require fully backed basic science in depth. Already, certain projects have demonstrated the fruitfulness of such an approach, as the following brief outline of a representative sample of pilot projects in the area indicates:

1) Electromagnetic waves may kill AIDS virus in blood.

Low-power laser light can destroy viruses in the blood—including possibly the AIDS virus—according to a leading physiologist. His work under contract with the Strategic Defense Initiative Office is a form of photodynamic therapy which has already been used successfully against tumors. Non-toxic dye particles are attached to the virus envelope. A laser frequency that excites the dye to a higher energy state is then used to irradiate the virus. The laser-excited dye alters the viral envelope and “inactivates” the virus. In future experiments, the free electron laser (FEL) may prove to be an ideal instrument, because it can be tuned to a wide range of frequencies.

2) Microwaves may inactivate the virus. One physicist has proposed to pass AIDS-infected blood through an intense, solenoidal magnetic field, where the field is changing rapidly, forcing the electron-dense RNA nucleus of the virus to align its symmetry axis parallel to the direction of the blood flow. While held in this position by the magnetic field, the nuclei are to be irradiated by polarized microwaves propagated directly into the oncoming flow of blood. The patient's blood could be circulated outside of the body in the manner of renal dialysis, in order to treat it. Various other scientists throughout the United States and Western Europe are working on similar approaches to deactivating the AIDS virus.

3) The signal between the AIDS virus and its targeted cell may be jammed. A leading biophysicist is working on experiments based upon “radar jamming” techniques to interfere with the electromagnetic tuning signal between the AIDS virus and T-lymphocyte cells. Essentially, the horns on the outside of the virus function like broadcasting antennae to the receiving antennae (receptors) on the T-lymphocytes. Using basic radar, experiments are under way to see if the radar signals can be jammed by electromagnetic means.

4) Nuclear magnetic resonance (NMR) and radio frequency therapy against AIDS. For several years, NMR and magnetic resonance imaging (MRI) devices have given scientists graphic images of the way in which the virus alters the brain and neurological system of AIDS patients. Experiments have demonstrated that certain experimental NMR techniques, at least with cancer, can go beyond mere “picture taking” to actual radio frequency magnetic therapy. Several biophysicists are engaged in long-term experiments to assess the possibilities of applying such approaches to AIDS.

If we could successfully send our citizens to the Moon and bring them back healthy and happy to Earth nearly two decades ago, there is no reason we cannot achieve a total victory over AIDS. We have a lot of scientific work to do before we conquer this disease. But with basic science, we shall.

What is Proposition 69?

The following is the full text of California's “Proposition 69” AIDS ballot initiative.

Section I

The purpose of this Act is to:

A. Enforce and confirm the declaration of the California Legislature set forth in Health and Safety Code Section 195 that Acquired Immune Deficiency Syndrome (AIDS) is serious and life-threatening to men and women from all segments of society, that AIDS is usually lethal, and that it is caused by an infectious agent with a high concentration of cases in California;

B. Protect victims of Acquired Immune Deficiency Syndrome (AIDS), members of their families and local communities, and the public health at large; and

C. Utilize the existing structure of the State Department of Health Services and local health communities, and the statutes and regulations under which they serve, to preserve the public health from Acquired Immune Deficiency Syndrome (AIDS).

Section II

Acquired Immune Deficiency Syndrome (AIDS) is an infectious, contagious, and communicable disease and the condition of being a carrier of the HTLV-III virus or any other viral agent which may cause Acquired Immune Deficiency Syndrome (AIDS) is an infectious, contagious, and communicable condition, and both shall be placed and maintained by the director of the Department of Health Services on the list of reportable diseases and conditions mandated by Health and Safety Code 3123, and both shall be included within the provisions of Division 4 of such code and the rules and regulations set forth in Administrative Code Title 17, Part 1, Chapter 4, Subchapter 1, and all personnel of the Department of Health Services and all health officers shall fulfill all of the duties and obligations specified in each and all of the sections of said statutory division and administrative code subchapter in a manner consistent with the intent of this Act, as shall all other persons identified in said provisions.

Section III

In the event that any section, subsection, or portion thereof of this Act is deemed unconstitutional by a proper court of law, then that section, subsection, and portions thereof shall be stricken from the Act and all other sections, subsections, and portions thereof shall remain in force, alterable only by the people, according to process.

Nothing short of victory: strategy for a war on AIDS

by Lyndon H. LaRouche, Jr.

The following remarks are excerpted from pre-broadcast material prepared by Lyndon LaRouche for a half-hour television show on his AIDS policy for airing before the California primary on June 7.

The AIDS virus is the cause of the most deadly epidemic disease which has ever threatened mankind. Under present medical conditions, infection with this virus is 100% fatal. If biological science does not produce a cure for this virus, this virus could make the human species extinct within two or three generations to come. We must declare war on this virus now, whatever that costs, and accept no substitute for victory. The tiny horned AIDS virus is the most deadly enemy ever to threaten you and your family. We must make this virus and any like it totally extinct. If I am your next President, we shall wipe this virus from the face of this planet.

What LaRouche knows that Koop does not

Many are saying to themselves, "I thought LaRouche was an economist. What does an economist know about AIDS?" My profession is a little-known branch of science, called physical economy. That is a branch of physical science founded by Gottfried Leibniz about 300 years ago. Physical economy deals with two general areas of the economic process. First, the relationship among energy, technology, and productivity. Second, predicting the levels of increased productivity which can be achieved through specific kinds of scientific innovations in the form of advanced technologies.

All of the processes with which we deal in physical economy are what are called nonlinear processes, very much like those with which the biophysicist deals. Also, most of what we know about public health and the spread of epidemics today has been developed as part of the work of my profession. For more than 10 years before the AIDS virus was discovered, I was watching for signs of the outbreak of some major new kind of epidemic disease, which I predicted must hit the human race hard during the 1980s.

So, when the facts about the AIDS virus began to pour in, I organized an international scientific task force of biologists, physicians, and high-energy physicists, to seek a strategy for controlling and destroying the AIDS virus.

The specialists from many nations contacted represent, in total, professionals who know as much or more about this virus and the ways it might be conquered as any other team

of professionals who could be brought together. We don't know the answers to the problem, yet, but we do know what we ought to do, and we have a fair idea of exactly how we might eradicate this enemy of all mankind from the Earth.

So far, the government of the United States has been doing almost zero to stop the spread of this infection and find a cure. Mailing letters in the name of stopping the AIDS virus is a cruel joke against those suffering and threatened by the virus. It is time to elect a government that cares enough to do what is necessary.

Fighting AIDS with modern science

One of the key U.S. scientists coordinating the research of my international scientific task force is a noted pathologist and physician, Dr. John Grauerholz. Our task force has written about the "tuning" aspects of the way in which the virus infects the T-cells. It is the way in which the horns of the virus are tuned electromagnetically which is key to the way the virus gets inside the cell it infects. This tuning is an important part of the key to discovering a cure.

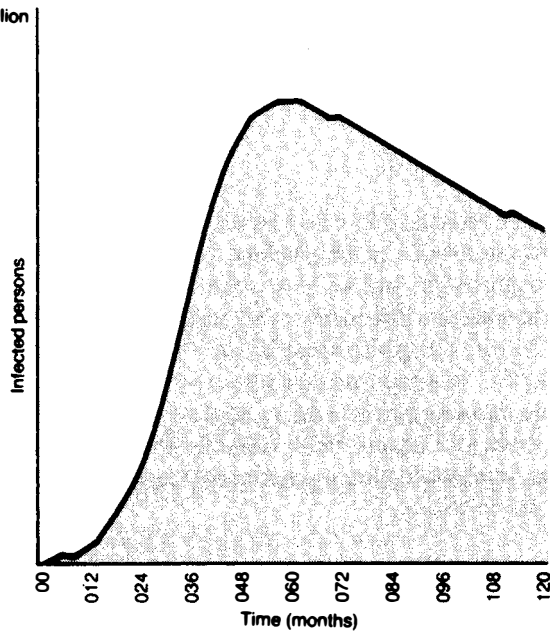
Surgeon General Koop insists that AIDS is a venereal disease, like syphilis. Naturally, since the infection is contained in bodily fluids, any sort of intimate contact is the easiest way in which the infection can be transmitted. In the cities in the United States, where the majority of the cases so far have been IV drug-users, it is probably drug-using male prostitutes who spread the disease among homosexuals. However, in Africa, the disease is clearly transmitted by such means as insect bites, and infects a very large proportion of young children and older persons.

To the best of our knowledge, the AIDS virus was produced accidentally in laboratory experiments using human tissues back during the 1960s. This is a form of virus which is well-known as a killer infection of several species of animals. Human AIDS was probably created by the accidental contamination of experimental human tissue cultures with some infected material used in the experiment, such as serum from infected fetuses of unborn calves. Such experiments are known to have been conducted in the Soviet Union, the United States, and elsewhere during the 1960s, before the first known case of AIDS death occurred in St. Louis in 1969.

In animal varieties of AIDS, the infection is spread by insect bites and even by air droplets among sheep kept in close quarters.

FIGURE 1

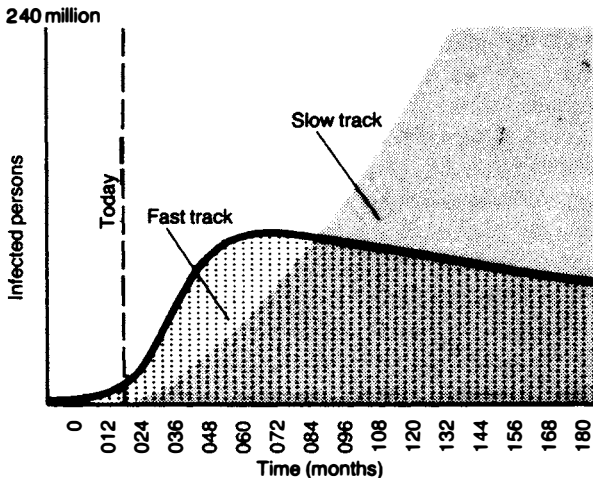
Growth of AIDS infection in 'high-risk' population (of 1 million persons)



Starting from an assumed 10,000 persons initially infected, the infection course follows the classical "S-curve," reaching 90% saturation in about 5 years. Only after nearly the entire population has been infected does the number of carriers begin to drop.

FIGURE 2

Early phases of U.S. AIDS epidemic



Assuming that 20 million Americans are susceptible to fast-track transmission, the model predicts that within 5 years, more people will be infected in the general population than in the "high-risk" groups.

On the basis of the evidence available on transmission of the infection, I drew up the design of a computer program to estimate the rate at which the infection would be expected to spread. Two associates of mine, Dr. Jonathan Tennenbaum and Ralf Schauerhammer, worked up a computer study according to my specifications in West Germany. Later, a U.S. scientific team developed a cruder computer forecast, with somewhat similar results.

I defined two tracks for the spread of the infection, the first for so-called high-risk groups, and for persons outside those high-risk groups. I used three main variables for each class of persons: the percentage of persons in near contact carrying the virus, the percentage of those with a high concentration of the virus, and the proximity among persons during various parts of the ordinary day, at home, in schools, commuting to and from work, in restaurants, and at work. . . .

Look at the curve for high-risk groups (see **Figure 1**). You see, that as a high percentage of new cases is added, the number of newly infected cases begins to drop as a percentage of the total number of persons within the high-risk group. However, these infected persons become a part of the source of infection for persons not in the high-risk group.

Now, we add the curve for the non-high-risk section of the population (**Figure 2**). You see that the rate of infection is much slower than for the high-risk group. However, as more than 10% of the population becomes infected carriers, the risk to everyone begins to become as dangerous as in the high-risk groups.

These charts show that we must slow down the rate of spread of this infection while we still have the possibility of doing so.

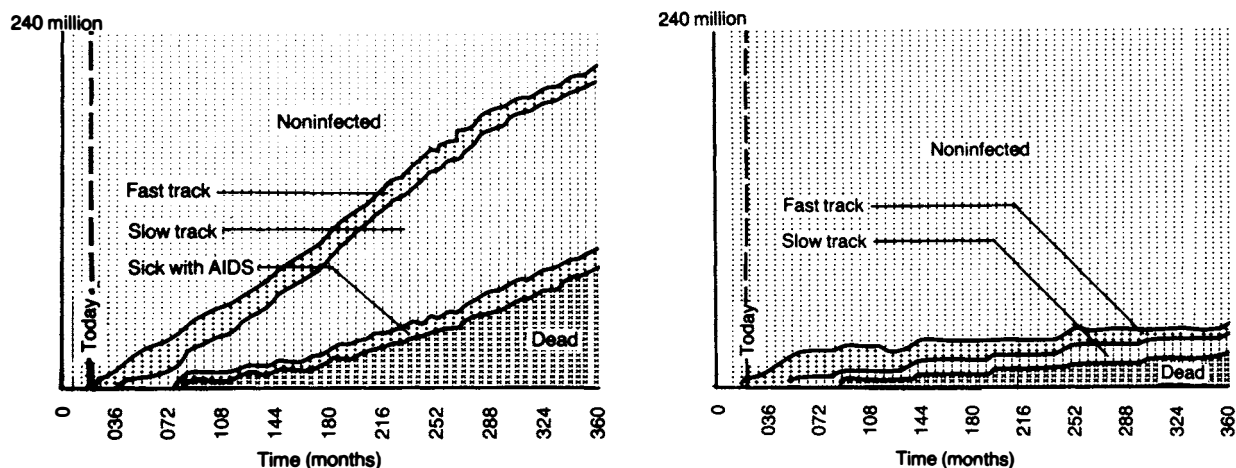
Crisis in health infrastructure

The problem is that the United States has presently no capability for handling the hundreds of thousands of AIDS cases who will require hospitalization each year beginning during the early 1990s. AIDS patients require special kinds of hospital facilities, not only because they are very infectious in that stage, but because they are helpless to resist opportunistic infections. We must invest in building the required number of hospital-bed facilities now.

The main weapon in finding a cure for AIDS is a branch of biophysics called "nonlinear spectroscopy." Remember the way the electromagnetic tuning of the AIDS virus works in the way the virus penetrates a T-cell in your body. What we must do is find frequencies of electromagnetic radiation which kill the AIDS virus, but are safe for healthy human cells. It is a spectroscopic technique which has been studied in research programs on cancer.

For scientific reasons explained in published reports, by early 1985, the international scientific team had reached the conclusion that it was virtually impossible that an actual cure for the AIDS infection could be developed except by a crash program of biophysical research centered upon methods of nonlinear spectroscopy. In addition to a crash program fea-

FIGURE 3
Projection of AIDS epidemic in the United States



The left-hand graph shows the computer model projection that by the year 2014, with no change in policy, more than 80% of the U.S. population will be infected, sick, or dead. The right-hand graph projects the AIDS epidemic under the assumption that public health measures like California's Proposition 69 are adopted within one year. This model run assumes that these measures would reduce slow-track transmission by a factor of 6.

turing nonlinear spectroscopy, we must create the scientific instruments required for this, which we can do with about \$1 billion a year allotted to the advanced electronics sector of the aerospace laboratories. We estimate that between 5 and 10 years will be needed before the discovery of a cure can be expected. In the meantime, we must develop every possible way of increasing the public's potential resistance to the virus and develop ways of slowing down the spread of the virus inside the infected person's body. The object is to keep many infected people alive long enough to benefit from the discovery of a cure.

This brings us to my three-point program for our war against the AIDS virus.

- 1) Not less than \$3 billion a year for an Apollo-style "crash program" of research to develop a cure for AIDS.
- 2) Universal mass-testing for the infection, combined with public health and out-patient medical services to all infected persons and their families.
- 3) A large-scale program of constructing hospital-bed capacity for handling the expected caseload of AIDS-infected persons requiring hospital care.

We must test everyone for AIDS infection periodically, and test those already infected more frequently. We shall probably have to make some practical compromises on mass-testing: perhaps once every six months. Once a person is known to be infected, we must ensure that he receives every form of public health and medical assistance he requires, including making special treatments available to each and all of them as rapidly as these treatments are available. There is no denying that this will cost a lot of money, but there is no

price too high for saving human lives from this terrible infection.

The best guesses on costs of medical treatment for each AIDS-infected person are between \$100,000 and \$150,000 total for each case hospitalized. This must come from a combination of federal, state, local, and private agencies. With the number now infected, this will cost about \$100 billion a year or more by sometime during the early 1990s. We have no choice; our morality will not permit us to see millions of Americans dying helplessly in hospices which are simply death camps.

Don't worry about the money. If I become the next President, the average real income in this country will increase by between 20% and 30% over the coming four years. We shall simply have to pull millions of Americans out of the bottom-wage jobs created under the Reagan-Bush administration, and put those people to work in jobs where they produce real wealth and once again earn the level of real wages industrial employees used to earn back at the end of the 1960s.

If we continued to do little but send silly letters, as Washington is doing today, this infection is fully capable of making the human species extinct by sometime during the first half of the next century. That need not happen. Let us declare war against this virus, bring it under control, and wipe it from the face of the Earth by the end of this century. An end to penny-ante moaning and groaning about costs. With the aid of science we can win this war; therefore, let us act now, and proceed to total victory over the worst plague which mankind has ever faced.

The hypocrisy of Prop 69's opponents

by John Grauerholz, M.D.

On June 7, voters in the state of California will vote on Proposition 69, the AIDS Initiative Statute. The statute is essentially identical to Proposition 64, which was voted down in the November 1986 elections in California. The obvious question is, "Why do it again, when the voters turned it down the last time?" That question deserves an answer.

To begin with, it is fair to say that what the voters voted against in 1986 was not the actual initiative itself, but a fantastic distortion promoted by its opponents, with the aid of a \$2.5 million war chest raised by the Hollywood mafia and various other "interest groups." Leaving aside such fantastic descriptions of the initiative as a measure to "quarantine all AIDS carriers in concentration camps," or "a plot to lock up all homosexuals," all that the initiative does is to define the condition of being a carrier of HIV, or any other virus capable of causing immune deficiency, as an infectious and communicable condition along with 55 other infections already covered by the California health codes.

In essence, Proposition 69 is already law, and has been for many years, for 55 other infectious diseases, many of which are capable of spreading in epidemic fashion, but none of which, at least until recently, are in an epidemic phase, unlike HIV infection. This control has been accomplished without concentration camps, but with active public health measures, including case finding, contact tracing, and yes, education.

Exemplary of the quality of the opposition to Proposition 69 is Dr. Laurens White, the head of the California Medical Association. In the argument against Proposition 69, he characterizes it as "an irrational, inappropriate, and misguided approach to a serious public health problem." In a debate with the author, he admitted that in fact the initiative does *not* mandate the Orwellian nightmare that he and other opponents have conjured up, and admitted, off the record, that it wouldn't be a disaster if it passed. However, lest anyone

think sanity might have penetrated the ranks, he then went on to characterize me as a "mean-spirited," "wicked" man, who wanted to persecute homosexuals, only moments after stating that he didn't believe that of me.

Lest anyone might think there is some inconsistency here, it is useful to look at Dr. White's views on euthanasia. Dr. White is opposed to the so-called "natural death" initiative, not because he disapproves of euthanasia, but because he doesn't think the doctor should be put in the position of killing the patient, but should simply instruct the patient how to kill himself.

One of the great *non sequiturs* which have been raised against Proposition 69 is the assertion that HIV is not spread by "casual contact." To begin with, if by casual contact transmission other than by sex and needles, or from mother to child is meant, then numerous such cases have been reported. However, while the common cold, which opponents are fond of citing, is spread "casually," it is not on the list of reportable conditions, whereas syphilis and gonorrhea, which are known sexually transmitted diseases, are.

The opponents are thus in the interesting position of arguing that HIV infection, which is presently spreading as an epidemic, should not be treated as an epidemic disease because it is not transmitted casually. Their problem is compounded by the fact that any attempt to seriously deal with the epidemic will, inevitably, depend on the use of the sorts of measures which Proposition 69 would make available to the health authorities. This is because, regardless of arguments over any given method of transmission, this infection is spread from infected individuals to uninfected individuals. More to the point, the majority of transmission is from asymptomatic individuals, the majority of whom don't know they are infected.

One result of this has been to confirm the prediction of Democratic presidential primary candidate Lyndon H. LaRouche, that those who spoke against Proposition 64 would wind up calling for the same measures within six months of the defeat of the proposition. This was confirmed in an article in the March 13, 1987 issue of the *Journal of the American Medical Association (JAMA)* when two physicians who testified against Proposition 64 called for expanded testing and case finding. Interestingly, one of these physicians, Dr. James Chin, formerly the chief epidemiologist of California and now with the World Health Organization in Geneva, stated, again off the record, that the way to deal with AIDS was "screen and quarantine." However, that was politically unacceptable.

What was acceptable was voluntary testing clinics where clients were, in fact, counseled not to get tested on the basis of the argument that nothing could be done for them if they tested positive and they should practice safe sex in either case. In an interview in the *Washington Post* on Dec. 27, 1986, Dr. Robert Redfield of Walter Reed Army Hospital stated that the policy of not testing "is threatening the health

of the whole community. And ultimately it's going to threaten [gays'] freedom." He insisted that anyone who tries to persuade people not to get tested "has the blood of more gay men on his hands."

Subsequently, Dr. Chin and his co-author, Donald P. Francis, M.D., a representative of the Centers for Disease Control in California, along with three other California AIDS experts, submitted a 75-page report to Governor George Deukmejian urgently requesting that he declare a public health emergency in regard to HIV infection, and calling for a multimillion-dollar program to deal with the epidemic. This program included markedly increased testing and construction of dedicated facilities for the diagnosis, care, and treatment of infected individuals. Again, had Proposition 64 passed, a good deal of this program would have been in place.

Since Governor Deukmejian came out against Proposition 64, and subsequently Proposition 69, because he didn't want to spend any money on AIDS, this plea fell on deaf ears—a result that could have been predicted from the fact that, coinciding with his announcement of opposition to Proposition 64, he cut \$20 million from the state AIDS budget. Thus, the opponents had the satisfaction of being responsible for a 40% cut in AIDS funding at a time when state revenues were in much better shape than they are today.

As in 1986, the main effect of arguments against the cost of Proposition 69 will be to justify further cuts in health department budgets. The logic of this is inescapable: After all, if it is too expensive to enforce the existing health laws against a lethal epidemic, there is certainly no justification for spending money on the same measures for less serious diseases.

The consequences of this are already apparent in an epidemic of syphilis which has broken out in southern Los Angeles. The effects are also being felt in the closing of entire hospitals in outlying areas of the state and shunting of patients away from financially pressed trauma centers in Los Angeles.

In the meantime, there are apparently 160 pieces of legislation dealing with AIDS working their way through the California legislature, as well as a total of four initiatives dealing with the problem. Perhaps if the voters are aware of the actual content of Proposition 69, they may decide that it would make more sense to utilize the already existing, proven public health laws, and that money might be better spent in funding health services than the present legislative circus.

A vote for Proposition 69 will send a message to the state government that this is not the time to cut public health budgets, and to the health profession that they must face the reality of this epidemic. It will certainly be more effective than the paradoxical position of asserting that a major epidemic exists, requiring a state of emergency and massive funding, but which is immune to control by public health measures. AIDS is the major public health problem of our time, precisely because, in addition to being incurable, it has been placed above public health law.

Burden of AIDS costs falls to county, state

The private sector is failing to pay its share of the mushrooming costs of AIDS and education about the epidemic, burdening local and state governments at a time when revenues are dwindling, the San Francisco Department of Health says in a new report.

Meanwhile, it notes, the growing number of the medically uninsured are adding even more to the public responsibility for AIDS funding.

The San Francisco report, among those from other cities and states, was presented recently at the annual meeting of the American Health Planning Association in Washington, D.C.

The study shows that the state and county are supporting a growing percentage of costs for Acquired Immune Deficiency Syndrome.

It found that state-funded Medi-Cal paid for 30.4% of all expenses in 1986, up from 28.9% in 1985. In contrast, the contribution of private insurance fell from 39.2% to 37.2% during the same period.

In 1982, the state paid the medical bills of all of San Francisco's uninsured AIDS patients. But by 1987, San Francisco had to pay for nearly half—\$23.8 million—of the patients' expenses.

● Given San Francisco's budget deficit, "it is clear that the City cannot continue to meet those demands on resources," Mary Pittman-Lindeman, director of the City's Health Program Planning Office said. "We must share the risk."

● City-run public hospitals such as San Francisco General Hospital are bearing the brunt of increased demands on their limited resources. Although the nation's public hospitals represent just 1% of all acute-care hospitals, they treat 17% of all AIDS cases.

● An identical trend is occurring throughout the country. In New York City, the government's share of AIDS care has increased from 42% to 50% over the past three years. The proportion paid by Blue Cross, in contrast, has fallen from 30% to 20%.

● "The AIDS epidemic has pointed out the shortcomings in our health insurance and health delivery system," Pittman-Lindeman said.

Yugoslavia caught between the IMF and Moscow

by Konstantin George

Yugoslavia's worst postwar crisis has begun. The gravity of the situation was underscored, when, for the first time since 1945, the deputies of two republics, Slovenia and Croatia, during the May 14-15 weekend session of parliament threatened a vote of no confidence against Prime Minister Branko Mikulic.

The geography of the revolt reflects the looting chain behind the Yugoslav crisis. Yugoslavia has been bled white by its Western creditors and the International Monetary Fund (IMF), on the one hand, and by Soviet looting, on the other. Belgrade, so far, has continued to acquiesce in disastrous IMF-dictated austerity programs, causing an overall collapse in Yugoslav living standards.

It is the austerity policy that has exacerbated centrifugal tendencies in Slovenia and Croatia, the two westernmost republics of the six that comprise Yugoslavia. Not that those two republics have suffered the most from IMF looting. Quite the contrary. IMF looting policies have rather gutted the poorer central and eastern regions of the country (the republics of Bosnia, Serbia, Montenegro, and Macedonia), widening the gap between these four and the far more westernized Slovenia and Croatia.

To prevent social explosions in the poorer eastern regions of the country, above all in Serbia, which contains nearly half of Yugoslavia's population, Belgrade has increased its *internal* looting of Slovenia and Croatia, to "subsidize" the rest of the nation. This dynamic is the underlying cause for the revolt by Slovenia and Croatia.

New austerity package means trouble

Mikulic was able to avoid by a hair's breadth the no confidence vote during the May 14-15 parliamentary session. But his victory was Pyrrhic.

Parliament as a whole issued a slap in the face to the government by refusing to approve Mikulic's two-year interim report on the economy. The same parliament, however, did pass a new round of austerity measures, scheduled to take effect by the end of May, whose "success" will ensure a still more profound long-term political destabilization of Yugoslavia.

Mass unrest is now on the agenda. Under the new program, wages will be cut by 20%, and the price freeze, imposed last November, will be lifted on 60% of all items. The price for basic food and energy will jump by 50-60%, and by 80-90% for other items. It is expected that the dinar will soon be devalued by 20-25%. Even under the so-called "price freeze," Yugoslavia's inflation reached an annual rate of 159% in March, and is currently estimated at a staggering 170%.

The wage cuts, price increases, and dinar devaluation are demanded by the IMF and Western creditor banks as "conditions" for a \$420 million IMF standby credit, which itself forms the main precondition for Western creditor banks and governments agreeing to reschedule Yugoslavia's \$20 billion in foreign debt.

The rescheduling question is urgent. At present, Yugoslavia earmarks 45% of all foreign exchange earnings for debt repayment, a rate which cannot be prolonged much longer, without moving the economy close to the precipice of physical breakdown.

The "daisy chain" of each credit being predicated upon a preceding credit agreement extends even further. In addition to implementing the new round of austerity, Yugoslavia must first receive a \$500 million emergency "bridge loan" from the Bank for International Settlements and a mix of Western governments and banks, desperately needed to stock foreign

exchange reserves to purchase Western imports.

The bridge loan has failed to come together. The BIS has pledged its share (\$250 million), but the remaining half, divided among Western governments and banks, is up in the air.

Coup talk

In the week preceding the near-vote of no confidence in parliament, another dramatic development shook the Yugoslav system to its foundations. Defense Minister Adm. Branko Mamula, and his deputy, General Daljevic, were fired as a government reaction to the growth of a coup d'état mood in the army.

Beginning last summer, the leadership of the predominantly Serbian officer corps, and Mamula in particular, began to issue open threats. Mamula attacked the government for its demonstrated weakness and inability to cope with the Albanian separatist crisis in Kosovo, and the economic crisis, saying that this could lead to a military takeover.

Then, during the autumn, the main ally of the military leadership in the Yugoslav communist party, the "Serbian Party" hard-liners, demolished the tiny moderate faction in the party and the region altogether.

After September, public talk by the military vanished, but the quiet was deceptive. The next round broke open in February, when the Slovenian youth newspaper, *Mladina*, featured an attack on Defense Minister Mamula for allegedly having pocketed money from Yugoslav arms sales to Ethiopia to build himself a seaside villa on the Adriatic. The attack occurred in the context of growing separatist sentiment inside Slovenia, whose leadership has been in the forefront of demands for an even looser federative system for Yugoslavia.

In late February, Admiral Mamula traveled to Moscow at the invitation of Soviet Defense Minister Yazov, to attend a Soviet military celebration, which fueled speculation about Soviet interest in boosting the role of the Yugoslav military in the crisis. Besides this trip and Gorbachov's tour of Yugoslavia in mid-March, the Soviets oriented their other contacts with Yugoslavia this spring, towards the traditionally Eastern Orthodox sections of the country that might welcome a Muscovite intervention into the turmoil. Late April saw Vitali Vorotnikov, Soviet Politburo member and prime minister of the Russian Republic, tour Serbia and Montenegro exclusively. He signed agreements on stepped-up economic ties to Russia with this area, for 1988-90.

The firing of Mamula and his deputy, General Daljevic, followed a power play by Mamula and his colleagues on the Defense Ministry's Military Council, against the leadership of the Republic of Slovenia. The military leadership sent a "delegation" to Slovenia at Easter time, to demand a crack-down on Slovenian opposition such as *Mladina* as well as the separatists. The "delegation" conferred with Slovenian Interior Minister Ertl, who afterward informed both the Slovenian party bosses and the government in Belgrade.

The military's behavior, acting independently of the government in Belgrade, approximated that of a coup d'état. The government won the first round with Mamula's firing, but the future is wide open. In the past months, there has been a growing cooperation between the Serb-dominated officer corps and the hard-line party leadership of Serbia. With or without Mamula as defense minister, the prospects for a coup will grow as the crisis deepens.

Soviets bet on Army takeover

The most solid indicator of how serious the threat of a military coup is, is found in the Soviet news media, which is now granting prominent attention to the theme. The Soviet Union is now, for the first time, playing up the "military option" as a likely solution for the Yugoslav crisis.

An article on Yugoslavia in the May 11 issue of the weekly, *Literaturnaya Gazeta*, cited a January 1988 seminar in Yugoslavia on the theme, "Marxism and the Crisis of Yugoslav Society." The seminar, according to *Literaturnaya Gazeta*, posed four "models" to solve the Yugoslav Crisis:

- 1) A "state model," in which a strong central government rules over the country.
- 2) Military rule "as a reaction to the powerlessness of official institutions and political mechanisms."
- 3) The model of "bourgeois society," the "restoration of capitalist relations."
- 4) "Socialistic self-government," i.e., a continuation of the present system.

The Soviet policy orientation toward Yugoslavia was revealed in the commentary on these "options." "In order to neutralize anti-socialist and counter-revolutionary tendencies, a military rule would have to be established."

Such language from the Russians is tantamount to endorsement of a coup, especially when contrasted to the comments on the present Yugoslav system: "After 30 years, it [self-government] has become a dichotomy between words and deeds. . . . Self-government has been declared very often, but in practice never realized, and as a result, the people often think of self-government as a major reason for the crisis."

Literaturnaya Gazeta reported that "calls for the dismissal" of Yugoslavia's leadership are growing, because they have "done little" to solve the economic crisis. There are now 1.2 million unemployed, and inflation is at 170%. In 1987, there were "1,623 strikes" involving "273,000 workers," with the former figure "8.5 times higher than for 1982" and the latter figure "24 times higher than for 1982."

The austerity measures are pointedly described as having been "prepared at the recommendation of the IMF" for debt repayments. The Soviet weekly stressed that the huge debt payments have hardly made a dent in Yugoslavia's indebtedness. "During the last five years, Yugoslavia paid its creditors \$28 billion, but the outstanding debt was cut by only \$1 billion."

John Paul II in Ibero-America: Drug trafficking brings slavery

by Carlos Méndez

“It is urgent not only to protect youth from drug consumption, but to fight the drug trade itself, as a vile activity from any standpoint,” said Pope John Paul II during his May 14 visit to Santa Cruz, Bolivia. Santa Cruz is one of Ibero-America’s most notorious centers of illegal drug activity.

“The drug trade has become a virtual trafficking in freedom, inasmuch as it brings the most terrible form of slavery and sows our soil with corruption and death,” said the Pope, who went on to call for “discerning the deep causes or roots of this phenomenon, in order to determine the most effective lines of action.” One day earlier, in Cochabamba, the Pope urged rejection of “false illusions” and of “the temptation of easy enrichment through drug trafficking.”

In Santa Cruz, following his strong condemnation of the drug trade, he urged his 230,000-person audience to “transform this Bolivian society into a new society.”

While on the airplane taking him from Rome to Montevideo, the Pope told reporters, according to the special correspondent from the Mexican daily *Novedades*, that those responsible for the drug trade were not solely the poor producer nations, but that one had to think of the consumers, the traffickers, all those who collaborate in the process. The Pope also referred to the aid cut-off and other sanctions the U.S. Senate would impose on poor nations which produce narcotics, and said that those countries “need help, not sanctions.”

This ninth visit of Pope John Paul II to Ibero-America takes place just as new turns of the debt collection tourniquet are cutting off the last drops of life-blood to the continent’s economies. Taking advantage of the austerity climate, some perverts are publicly proposing euthanasia as the “answer” to vanishing health budgets. The Pope’s visit also occurs at a time when the financial and political godfathers of the drug trade are publicly demanding legalization of this crime, and when—dominated by astrology and satanic cults—President Reagan is bent on handing the world over to the Soviets.

Before leaving for Uruguay on May 7, the Pope delivered a televised message in which he described the purpose of his evangelical mission to Ibero-America as promoting “love versus hatred, unity versus division, generosity versus ego-

ism, peace versus violence, and truth versus lies.” Just before departing from Peru May 15, he issued a pastoral call to 2.5 million Peruvians who gathered to hear him, urging the creation of “a new civilization, based on love of our neighbor, our fellow man, that would transform the structures of the entire world.”

In an address to 1 million Peruvian youth the same day, he said that he had been impressed by the silent multitudes that had heard his pastoral appeal earlier that day, and in reflecting on it had discovered that the explanation lay in “defeating the evil for the good, and not allowing oneself to be defeated by evil. . . . That is the program for Peru and especially for the youth.”

In defense of work; against usury

Responding to the brutal austerity conditions imposed by the International Monetary Fund and creditor banks, which have driven millions of Ibero-Americans into joblessness or the “informal economy,” the Pope extolled the dignity of work, to which he dedicated his encyclical *Laborem Excelsens*. In Uruguay, the Pope was emphatic that labor unions had the right to exist and that “those who with zeal and sacrifice seek to better the conditions of workers deserve unconditioned support.” He cautioned, however, that unions must not be considered instruments of class war. To the business community, he said that all private property was subject to “a social mortgage which obliges [owners] to ensure that their properties yield benefit to the common good.”

On May 12, in the once-booming mining center of Oruro, Bolivia, a labor leader told the Pope of the unemployment and hunger that the government’s austerity program—introduced in 1985 to counter the falling price of tin, galloping inflation, and loss of bank credits—had caused. The Pope told him that such austerity measures “cannot serve as a pretext for eluding the defects of an economic system whose principal motive is profit, and where man is subordinate to capital . . . to supply and demand.”

Well aware that many of Bolivia’s unemployed have been driven to growing coca to survive, the Pope warned against

“the temptation of easy enrichment through trafficking in drugs.”

Protecting the children

In Tarijá, Bolivia's most fertile valley, the Pope met with 100,000 Bolivian children, many of them dressed in yellow and white and shouting: “El Papa polaco ahora es chapaco” (“The Polish Pope is now a *chapaco*”—the name for inhabitants of Tarijá). One child told the Pope that the future of Bolivia's children was threatened by drug addiction, grinding poverty, and the burden of the foreign debt. John Paul II replied, “In many countries, it is precisely among the children that one finds the greatest number of deaths from parasite infections, from contaminated water, from hunger, lack of vaccination against epidemics, and even from lack of love.

“Just as there are children who die before they are born, so there are others who have but a brief and painful existence, cut short by diseases that could have easily been prevented.” He concluded with the assertion that children “are the genuine treasure of a nation,” and must be protected by governments through health and education programs.

According to the Inter-American Development Bank, Bolivia has the highest rate of infant mortality on the continent: 142 per 1,000 births.

During his Bolivian tour, the Pope defended the institution of the family and fiercely condemned abortion. Speaking to 600,000 Bolivians in El Alto (near La Paz), he attacked the use of “development aid” to promote population reduction. “Do not tolerate the injustice of economic aid for the development of our conditions being conditioned on limiting births,” said the Pope, who added that “the heavy burden of the foreign debt” was harming the economies of the developing sector.

Neither left nor right

Speaking in the Cathedral of Santa Cruz in Peru, John Paul II ridiculed left and right extremisms, and offered instead the morality of the Church as a meeting ground. “The Pope arrived here traveling from the right; now he will depart on the left. . . . I have given much thought to the significance of this, because often I enter by the right and then depart on the left. However, the left then becomes the right. That is, the Pope, the Church, all the bishops, priests, Christians, should form a meeting ground between the so-called world of the right and that of the left. The world cannot live in perpetual division; always in contraposition. That is why I want to tell you, Latin Americans, you who belong to the Third World, that the answer, the solution to overcoming this division, right and left, can be found in our human, social, Christian values.”

On the night of May 13, on the eve of the Pope's arrival in Peru, 100 “Shining Path” narco-terrorists marched through the center of Lima, throwing dynamite bombs and sowing terror—without intervention by law enforcement officials. And on May 14, just as the Pope was calling on Peru's clergy

to be “the faithful image of the Lord” and criticizing the “errors” of Theology of Liberation, an entire zone in northern and central Lima was plunged into darkness for nearly an hour, because of terrorist attacks.

On May 7, Agence France Presse news agency had reported that “the visit of Pope John Paul II to Peru May 14-16 overlaps for 24 hours the anniversary of Shining Path . . . [which] is accustomed to celebrating [with] dynamiting of high-tension towers and selective assassinations.”

The debt, obstacle to progress

Speaking to Peruvian businessmen on the last day of his visit May 15, John Paul II said, “The foreign debt is not merely a financial or economic question, nor is it merely political, but above all it is ethical and moral. The debt should be viewed and resolved in light of the principle of solidarity among peoples and nations, rich and poor, developed and underdeveloped, so as not to founder on the reefs of egotism, of lust for profits at any cost, or of a narrow-minded, purely materialistic vision of development.”

The Pope recalled his encyclical *Sollicitudo Rei Socialis*, and lamented that the means for developing peoples have served instead as a brake on development, and even in certain cases an accentuation of underdevelopment.

In his speech to 1 million Peruvians in the Plaza San Miguel, the Pope took the issue of Theology of Liberation head on. “The alleviation of the misery of those who suffer can never be a pretext to ignore, much less despise, Jesus in the Eucharist,” warned the Pope, who urged the people to “reject the temptation of worldly messianism, the temptation to reduce the Church's mission of salvation to an exclusively temporal liberation.”

Throughout his Lima tour, John Paul II repeatedly insisted that the clergy must adhere to the Vatican's findings, contained in two instructions of the Sacred Congregation of the Faith, which warn of the dangers of Theology of Liberation.

“The Gospel of Christ judges the world; the world does not judge the Gospel,” said John Paul II. “Know that there are mistaken forms of the theology of liberation, in which the poor are conceived of in a reductionist way, within an exclusively economic framework, and the class struggle is proposed as the only possible solution. . . . In this way, a situation of permanent conflict is created, a mistaken vision of the Church's mission, and a false liberation which is not the one Christ offers us.”

The Pope concluded, in an address to 1 million Peruvians, including President Alan García and his entire cabinet, “The life of the Peruvian citizen, ravaged for years by violence and terrorism, poverty, the drug trade, the deterioration of public morality and other evils, cannot in any way lie outside the Gospel.”

Peruvian observers reported that John Paul II gave hope to the millions who came to see him, in one of the most crisis-ridden moments in the history of the Andean nation.

Mitterrand's choice could deal mortal blow to de Gaulle's France

by Jean Baptiste Blondel

When François Mitterrand, in the wake of his reelection May 8 to a second seven-year term as President of France, named Michel Rocard to head a new government as prime minister, he was delivering the first blow in what may very well be the end of the France that was built by national liberator Gen. Charles de Gaulle.

The late General de Gaulle conceived a Grand Design for his country in a "Europe of the Fatherlands": an industrial France propelled forward by its ambitious civilian and military nuclear programs, with a prodigious surge in plant and infrastructure; a prosperous France animated by a true industrial capitalism, controlling the financial instruments taken out of the hands of those whom the general called the "Anglo-Americans"; a France which would be the loyal and solid partner of the Federal Republic of Germany; a France generously engaged in the development of the Third World.

Instead, the "Mitterrand Generation" will inherit a pitiful supranational, post-industrial, and technetronic Europe, prey to the Venetian and other vultures of finance capital, and Finlandized under a New Yalta arrangement between Western appeasers and Russia—a Europe by which Germany will be betrayed and Africa abandoned.

Not only is this what Mitterrand's naming of Michel Rocard as prime minister means, but it is also what the composition of the government Rocard chose tends to confirm. This government is, of course, transitional; the National Assembly has been rapidly dissolved and legislative elections will take place on June 5-12, but the government that emerges from them will keep the basic profile represented by Michel Rocard.

The 'New Left'

Rocard owes his political career to two influential clubs: the Jean Moulin Club and the Saint Simon Foundation.

The first brings together several hundred generally leftist figures, from Catholic to Protestant, trade unionists to bankers, journalists, from business managers to civil servants, all working on the "New Left" project. The most eminent members have been: the Protestant banker close to President Mitterrand, Antoine Riboud; the vice president of Midland Bank

in France, Claude Alphandery, who is close to onetime premier and recent presidential candidate Raymond Barre; and Michel Albert, a member of the Trilateral Commission.

Since 1972, these pioneers of the New Left have designated Rocard as a "man of the future."

The second club was set up in 1982 at the instigation of Roger Fauroux, then president of the Saint Gobain industrial group and protector of Rocard; this club was in charge of introducing the "New Left" conception into the more "conservative" circles. The group included Mssrs. Riboud, Alphandery, and Albert, and additionally, Alain Minc, the current right-hand man of Italian "assault" financier Carlo De Benedetti; Jean-Claude Casanova and Albert Costa de Beauregard, who were aides to Raymond Barre during his premiership; Serge July, the editor of the daily newspaper *Libération*, and two leaders of the Catholic trade union, the CFDT.

'Vive la Crise'

This Saint Simon Foundation cooked up, in 1984, an important television program to promote the post-industrial society. The program, produced by Michel Albert and movie star Yves Montand, was entitled "Vive la Crise," (Long Live the Crisis) and tried to convince the audience that the industrial era should come to a long-overdue end, to be replaced by an economy based, not on the production of industrial goods such as steel, machine tools, and shipyards, but on the management of human and material resources (information management, poverty management, management of working hours, management of human relations, leisure management, and so forth).

Another subtle aspect of this broadcast consisted in the assertion that World Wars I and II were really a "recipe" used to destroy obsolete plant and equipment and replace them, so as to assure "industrial renewal."

The existence of the atomic bomb now prohibits the reuse of this "recipe" for ensuring reconversion, they said. Thus, a member of the Saint Simon Foundation recommended that European governments "bomb their own factories and declare war on their own workers. And what is asked of the

workers, is for them to internalize this war. It is a question of an unprecedented cultural shift." Naturally, the show conveyed that the industrial mobilization of U.S. President Franklin Roosevelt to win World War II, was the model to be avoided at all costs.

In 1984, the government named CFDT trade union leader Jacques Chereque as the Prefect in charge of Industrial Re-deployment in the Lorraine, saying that French versions of Disneyland and Silicon Valley are sensible ways to reabsorb the jobs lost in steel. But unemployment kept rising.

In the circles of this Foundation, numerous figures started denigrating the French economic traditions of dirigism, Colbertism, and the conception of the State, which had inspired General de Gaulle as the means of ensuring France's revival.

The General's uniform

Nevertheless, in the country where General de Gaulle's prestige remains great, one cannot clash head-on with his legacy. The New Left has carefully guarded an apparent respect for the institutions. Mitterrand and Rocard never tire of praising the "Fifth Republic" and the "Force de Frappe," de Gaulle's creations, of which they keep the shell, but radically change the content. The latter subtlety is what must be kept in mind when one observes the following elements:

- The Force de Frappe, France's nuclear deterrent, will be maintained and supported, but without giving it the modifications needed for the strategic situation coming out of the INF accords. The Hades project is to be abandoned, for "budgetary reasons." The Hades mobile missile, with its 500 kilometer range, could protect the Federal Republic of Germany, partially making up for the pullout of American missiles. Mr. Rocard and his defense minister, Jean-Pierre Chevènement, the first two Socialists to have accepted the Force de Frappe, will thus respect its "form."

- President Mitterrand has often reiterated his refusal to join the U.S. Strategic Defense Initiative: Space should be kept for civilian uses. In this regard, it is noteworthy that Minister of the Post and Telecommunications Paul Quilès is also Minister of Space.

- To the SDI, Mitterrand counterposes a "vast European technological plan," the Eureka project, which he recently suggested opening up to the Soviets.

- Hubert Curien, the Minister of Research, gets his reputation from his role in the European Space Union, the Ariane program, and in the reinforcement of cooperation with the Soviets during a previous ministry.

- On European monetary issues, the idea of a supranational European central bank is making headway. The new Economics, Finance, and Budget Minister Pierre Berégovoy, is appreciated in the business world for his "liberalism," and is a member of the Committee for the Monetary Union of Europe, chaired by former President Valéry Giscard d'Estaing and Helmut Schmidt. Relations with Eastern Europe may be oriented toward the idea of a "Marshall Plan for the East,"

such as the raider Carlo De Benedetti has suggested. Mitterrand favors this, along with Giscard d'Estaing and Barre. Barre recently appealed for votes on the basis of "the economic space which goes from Western Europe to Eastern Europe."

- The Minister of Industry, Foreign Trade, and Management of Territories is none other than the aforementioned Roger Fauroux, creator of the Saint Simon Foundation. His deputy ministers are Jacques Chereque and François Doubin. The latter was a candidate in the "ecologist" slate, ERE, for the 1984 European Parliament elections, together with Olivier Stirn and Brice Lalonde, who are also in the Rocard government, Stirn as Minister of Overseas Territories, and LaLonde as Secretary of State for Ecology.

Ideological truce

The foregoing profile shows that the cabinet's broad orientations are not specific to the Socialist Party and actually draw upon the support of liberal circles. And it is around the relative hegemony of these ideas—New Yalta, post-industrial society—that François Mitterrand is trying to rearrange the French political landscape. The alliance being outlined, whatever the particular form it takes, is between the Socialist Party, and a party of centrist conservatives and liberals from the French Democratic Union (UDF), which ran Raymond Barre for President in the first round of this spring's elections. That presumes certain "lacerations," since the UDF is officially allied to the Gaullist RPR party, but numerous statements in recent days confirm that this is the trend.

Lionel Jospin, formerly the general secretary of the Socialist Party and now education minister, affirmed: "I could conceive that there could be a certain number of electoral districts where the Socialists would be wise enough to say, 'Well, maybe we won't put up any candidates.'" On his side, Mr. Barre, in approving the immediate dissolving of the National Assembly, said: "We are under the Fifth Republic. . . . What matters is that there be a coherent majority to support the action of the government and the President of the Republic." Such is the "ideological truce" which many figures in the left (Socialist Party) and the right (UDF and Center Democrats) are hoping for.

If there are stumbling blocks to this "grand coalition," they are not found in the RPR Gaullist party, itself contaminated by liberal concepts, nor in the extreme left or right-wing parties, but rather in the very simple reality that the terrorist threat has not slackened, but is escalating; austerity has continued; AIDS is still spreading; social security has been proclaimed to be going bankrupt; drugs are still a scourge. The growing ranks of the poor, the malcontent, the restless, and the enraged are going to swell the National Front and other extreme parties, which will only feed the country's destabilization a little more, unless prospects other than a New Yalta and a post-industrial society are offered to this great country.

Singapore, Malaysia fight State Department and other subversives

by Mary McCourt Burdman

At stake in the tiny city-state of Singapore's current diplomatic battle with the superpower United States, is the economic as well as political survival of the Southeast Asian nations. Singapore, one of the few loyal U.S. allies left in the region, is fighting the insane U.S. policy of military "disengagement," at the same time that American trade policies are dangerously weakening these developing countries' economies.

Singapore, with only 2.6 million people, won the first round of the current fight by expelling a U.S. diplomat they accused of attempting to recruit—and finance—opposition candidates, but it did not stop there. In response to U.S. State Department challenges, the government is threatening to publish its evidence against the former first secretary of the U.S. embassy, E. Mason Hendrickson.

Malaysia has also been waging a fierce fight for its national security against attempts over the past six months to destroy the government of Prime Minister Mahathir Mohammed. A white paper, "Towards Preserving National Security," issued March 14, denounces Malaysian communists, Islamic fundamentalism, liberation theology, and Chinese nationalist groups whose attempts to undermine government policy could lead to a recurrence of the Malay-Chinese riots of 1969, in which 248 people died. The Mahathir government has, like Singapore, clamped down on U.S. Establishment financial press such as the *Asian Wall Street Journal*, for attacking its national economic policies.

Malaysia is also aware of the disastrous consequences of the U.S. worldwide retreat. Noordin Sophee, director-general of the Malaysian Institute of Strategic and International Studies, wrote in the *International Herald Tribune* May 12 under the headline, "ASEAN: In Favor of U.S. Bases in the Philippines," that "if facilities in the Philippines are denied to the United States, it could lead not only to a lessened U.S. military involvement in the region, but also to a more comprehensive political, psychological, and economic disengagement. In the difficult years ahead, ASEAN states will need to ensure maximum U.S. economic engagement."

'Bashing up trade-surplus countries'

But economic engagement is nowhere to be found. In

January, the United States announced that it was suspending duty-free access to the U.S. market for Singapore, South Korea, Taiwan, and Hong Kong, on the grounds that they were no longer developing countries. Speaking to a group of Japanese journalists Jan. 30, Singapore's Prime Minister Lee Kuan Yew called this action "part of election-year politics under an administration that has few options besides bashing up trade-surplus countries."

Lee cited the fact that the United States had promised Singapore only seven months ago that it would get a favorable deal on duty-free access to the U.S. market if Singapore tightened copyright laws to protect U.S. interests. If Singapore reaches new agreements with the United States, Lee said, "there is no telling if the U.S. will respect the agreement in letter and spirit." Singapore's minister for trade and industry, Lee Hsien Loong, called the move a "foul blow."

The Trilateral Commission, which met in Tokyo in April, spelled out what the future of these four Newly Industrialized Countries (NICs) was to be. A report submitted to the meeting called on Singapore and South Korea to assume the responsibilities of OECD nations, including what the London *Times* called "reasonably liberal external economic policies and internal political arrangements, and a readiness to become donors to poorer countries."

"Whatever Lee Kuan Yew's justifications, the fact remains that some of his recent actions in regard to political opponents and the press run so counter to the traditions and values of both the Trilateral nations and Singapore itself that one can only view them with bafflement and sorrow, and hope that they will be temporary," said the report, whose authors include Carter administration assistant secretary of state for East Asian affairs, Richard Holbrooke, now at Shearson-Lehman investment bank, and Britain's Roderick MacFarquhar, formerly executive member of the British Fabian Society and top-level Foreign Office adviser, now at Harvard University. Lee's leadership, "so brilliant for decades, is now open to question from within and without, and even his own friends and supporters talk openly of the impending end of the founder's era."

On May 14, First Deputy Prime Minister Goh Chok Tong dismissed U.S. denials of Hendrickson's wrongdoing. "We

believe that he has sanction from his superiors. We believe that there is an overall plan to change the course of our political development. . . . It is part of their foreign policy," he said.

The next day, Lee Hsien Loong, minister of trade, industry, and defense services, warned that Singaporeans would lose control of their destiny if politicians owed allegiance to outside powers, particularly if those links were secret. He said Singapore had never been a vassal of the United States and did not want to be in the future.

The U.S. State Department was forced to concede on May 7 that it had to withdraw Hendrickson, with "deep regret." The Singapore Home Affairs Ministry said Hendrickson had met with opposition lawyers to urge them to "contest the elections against the government and had involved himself in Singapore's domestic politics." The State Department retorted that, according to U.S. embassy spokesman Richard Gong, Hendrickson was doing what American diplomats are expected to do in any country."

The Singapore authorities' evidence came from opposition lawyer Patrick Seong, who represented some of the 22 Singaporeans arrested in May and June 1987 for a Marxist plot against the government. Seong reported that two visiting "very senior" State Department officials had taken part in Hendrickson's meetings with the lawyers, and "apparently approved of his activities." Hendrickson had suggested that financial support for the opposition would not be a problem.

One of Hendrickson's meetings was arranged by lawyer Francis Seow, who was arrested on May 6, and is now being held under the Internal Security Act "for purposes of investigation into foreign interference in Singapore's internal affairs." Both Amnesty International and the Asia Watch Committee, represented by Harvard's Jerome Cohen, are protesting Singapore's court proceedings.

The U.S. response was to expel the first secretary of Singapore's embassy in Washington, Robert Chua. Several thousand Singapore trade unionists rallied against U.S. interference on May 4, and protested the expulsion. National Trades Union Congress Secretary General Ong Teng Cheon said the U.S. actions were "childish" and "unbecoming of a superpower."

Security threats

Singapore and Malaysia's governments are well aware of how vulnerable their nations are. The Malaysian Ministry of Home Affairs stated in its white paper, "Malaysia is a multi-racial, multi-religious, and multi-cultural country, which has been exposed to various types of security threats even before Independence," including communist insurgency and communalism.

Singapore, too, which is about 76% ethnic Chinese, 15% Malay, and 6% Indian or South Asian, "is a young island state whose historical experience and multi-racial and multi-religious society makes it especially fragile and vulnerable,"

as Singapore High Commissioner to London Abdul Aziz Mohmood wrote in a letter to the *Financial Times* May 17, protesting coverage downplaying the seriousness of the dissidents' threat to the nation. "We do not have the luxury of surviving with an IRA in our midst."

On Dec. 30, the government ordered the dissolution of the Christian Conference of Asia (CCA), the Asian regional headquarters of the Geneva-based World Council of Churches. A Home Ministry statement accused the CCA of using Singapore as a staging-ground for organizing pro-communist "liberation movements" throughout Asia. CCA personnel had not only supported the "Christian-Marxist" conspiracy against Singapore's government in early 1987, but also played a leading role in organizing the radical opposition in South Korea.

Malaysia's opposition groups include the Chinese-based Democratic Action Party and the Islamic fundamentalist party, PAS, which precipitated the government crisis of last autumn. The Mahathir government's attempts to bring forward the Malay majority in the country, to equalize control of the economy (as much as 90% controlled by Chinese at the time of independence from British colonialism) are a particularly sensitive issue.

The so-called Marxist Group, founded several years ago by university students "who were converted to the Marxist ideology while studying in several universities in the United Kingdom, United States of America, and at home," is linked to such Philippine communist fronts as the Philippine Educational Theatre Association (PETA) and Kilusang Mayo Uno (KMU). Both West German and Dutch church organizations have donated thousands of dollars to programs linked to these groups. The paper also details the "liberation theology" faction of the Catholic Church, which had infiltrated several Christian organizations such as the Catholic Welfare Services (CWS), Young Christian Movement (YCM), Catholic Student Society (CSS), and the Council of Churches of Malaysia (CCM) through the CCA's Urban-Rural Mission (URM) program. Church social worker Theresa Lim Chin Chin said the purpose of the URM is "to organize and conscientize [sic] the grassroots—i.e., estate and factory workers and squatters—with the aim of forming a mass-based people's movement that would challenge radically the structures of society; political and socio-economic system; government policies; etc."

The National Office of Human Development (NOHD), is another church group active in Malaysia, the report says. *EIR* has learned that NOHD is a member of the Asia Partnership for Human Development, an umbrella organization based in Hong Kong which used the funds it receives from European, American, and Australian church and non-sectarian donors to fund the Philippine Catholic Church's NASSA, just disbanded by the Church for funding NPA and NDF front groups. Several members of this group participated in demonstrations in the Philippines, the government reported.

Bush and Argentina's 'Wizard' de Hoz

by Cynthia R. Rush

Argentine President Raúl Alfonsín may have been surprised when, during the last weekend of April, he received a phone call from the White House. The caller was Vice President George Bush, who called to express his deep concern about the fate of his "good friend," former Finance Minister José Martínez de Hoz, who had been jailed a few days earlier. De Hoz served as finance minister from 1976 to 1981, under the military regime known as the *Proceso*.

Federal Judge Martín Irurzun placed de Hoz under "preventive detention" on April 27 on charges that he and former Interior Minister Albano Harguindeguy had illegally detained businessman Federico Gutheim and his son, and accused them of "economic subversion" to force them to comply with a contract to export cotton to Hong Kong. Gutheim was detained at the end of 1976 and held, without ever being formally charged with a crime.

According to the May 13 issue of the Buenos Aires intelligence weekly *El Informador Público*, Alfonsín told Bush that he had nothing to do with the case, but offered to arrange for Bush to speak personally to the former minister in his jail cell, which Bush did. Bush and de Hoz have reportedly been close for years.

What is it that draws a George Bush to "Joe" Martínez de Hoz? Both, of course, are bluebloods. De Hoz, the consummate oligarch, fondly recalls his days on the polo-playing fields of Britain's elite Eton school. He deeply regrets that Argentina never became incorporated into the British Empire, and that the financial interests which sought to make it a pastoral society, devoid of industry and technology, never quite achieved their goal. When charges are repeated of his involvement in kidnappings, torture, or repression, he feigns shock. A gentleman would never involve himself in such goings-on.

The architect of the 'dirty war'

But that is precisely the real story behind Martínez de Hoz, and perhaps explains why a CIA knuckle-dragger like George Bush, who doesn't shy away from dirty tricks to eliminate his political opponents, feels a certain affinity with the man.

The Project Democracy apparatus which has functioned as a secret government in the United States owes a debt of gratitude to de Hoz. With his military cronies, the finance

minister waged a "dirty war" against the Argentine people—not subversives—helping to destroy the institution of the armed forces in the process. The very same circles which applauded that policy from the United States, including some of George Bush's banking friends, today point to the "dirty war" as the reason why the armed forces throughout Ibero-America should be eliminated completely, because of their "undemocratic tendencies."

The Argentine Communist Party openly defended the military dictatorship, while de Hoz personally concluded a series of large trade deals with the U.S.S.R. which vastly strengthened Soviet presence in the country.

How did it work? Martínez de Hoz was the finance minister of a military junta dominated by factions associated with Henry Kissinger and current U.S. Ambassador to the United Nations Vernon Walters. Under the guise of "anti-communism" and "free enterprise" the junta plunged the nation into a nightmare of left-right terror, and imposed an economic policy of deindustrialization from which Argentina has never recovered.

De Hoz was not just the junta's resident economic technocrat. He stood at the center of a *military* policy of blind repression, required to implement the economic policy which Henry Kissinger's Trilateral Commission had designed for the country. Elimination of protection for industry, harsh austerity, and transforming the country into an international center for short-term speculative investment were measures which the progress-oriented Argentine population would not have otherwise easily accepted.

In October 1975, Argentine General Jorge Videla warned in a speech in Montevideo, Uruguay, that "if required, as many people as necessary must die in Argentina, for the security of the country." Five months later, in March of 1976, Videla ousted Mrs. Isabel Perón, and took power. To the activities of terrorist groups like the *Montoneros*, whose leadership was trained by the Society of Jesus, the junta responded by authorizing illegal, indiscriminate terror, often relying on the right-wing death squad apparatus founded by the occultist José López Rega.

De Hoz personally chose the officers to head the country's various military command posts, on the basis of their repressive capabilities. Worse, thousands of youth who saw no outlet for opposing de Hoz's policies, joined guerrilla groups to become cannon fodder in armed conflict.

In September 1977, six months after taking power, de Hoz visited the mountains of Tucumán province, where Gen. Antonio Bussi led the military campaign against the guerrillas of the Peoples' Revolutionary Army, the ERP. In a conversation with the minister, Bussi handed him his mountain knife and told him to keep it as a gift. "Keep it, even if just as a paperweight . . . so that you will always have present in your mind, and always remember that, while I kill 10 guerrillas in the mountains, you create another 100 with your economic policy."

'Soviet Russia is not a nation, but an empire of subjugated nations'

We publish below an exclusive interview with Slava Stetsko, president of the Anti-Bolshevik Bloc of Nations (ABN), was conducted by Nicholas F. Benton on May 13 during the international convention of the ABN in Washington, D.C. The ABN is a coalition of organizations representing 26 nations under Soviet subjugation. Mrs. Stetsko was elected its president in 1986 following the death of her husband, Yaroslav Stetsko, who had been elected prime minister of the Ukraine when it declared independence on June 30, 1941, and who led the ABN from the time of its founding during World War II.

The Proclamation of Independence of the Ukraine, carried out on the initiative of the Organization of Ukrainian Nationalists (OUN) under the leadership of Stepan Bandera, marked the beginning of the Ukraine's two-front battle against Nazi Germany and Bolshevik Russia. Mr. Stetsko was arrested by the Nazis, and incarcerated in a concentration camp in Sachsenhausen for several years, for categorically rejecting Hitler's ultimata that the sovereign Ukrainian government be dissolved and the Proclamation of Independence revoked. After the war, Stetsko's collaborator, Stepan Bandera, was murdered in cold blood in the streets of Munich. As chairman of the OUN and president of ABN, Stetsko's activities made him the target of several assassination attempts in the past. He and his wife, Slava, have also been the targets of many slander articles in the Soviet media.

The following passages are quoted from Yaroslav Stetsko's speech, "The Philosophical and Ideological Foundations of Russian Aggressions" (ABN Conference in London, September 1982):

"The ideological grounds for Russian aggressions can be found in various artificially formulated concepts such as Pan-Slavism, Moscow as the 'Third Rome,' defense of Orthodoxy, or world communist revolution. They may even be found in the misuse of the ideas of national liberation, or of the need to reunify divided nations on this side of the Iron Curtain, or in the conjectured defense of social justice. All of these concepts serve as a form of camouflage, as a historical 'justification' for Russian messianism-imperialism—as formulated by *F. Dostoevsky* and further expounded upon by

N. Berdayev, who saw Bolshevism as an integrally Russian by-product.

"In the world today, there is an ongoing ideological war, a psychological-political war, which is being aggressively fought by Moscow. This offensive is an integral component of modern ('*Kleinkrieg*') Russian warfare, which has several variants, such as: Russian-sponsored peripheral wars; communist insurgent wars in the Western Hemisphere; the social disintegration of Western nations; the undermining of their moral values; the discrediting of patriotism, of national traditions; the disintegration of the family as the basis of the moral and demographic strength of a nation; the propagation of atheism—the list is endless. All of these elements, combined with a policy of establishing 'fifth columns' in all the countries of the world which aid international terrorism and the internal subversion of Western democratic and moral values—constitute Moscow's *modus operandi* in the international politics of Moscow."

EIR: Can you begin by describing the coalition that you have, how it's made up, and how many people are participating?

Stetsko: It is very difficult to say how many people, exactly, are participating, because the ABN does not have physical members. It is the umbrella for the organizations of the emigré peoples who are from the subjugated nations inside the Soviet Russian empire and in the so-called satellite states, and also we now have members from Vietnam, Azerbaijan, and other Muslim nations, Cambodia, Laos, Mozambique, Nicaragua, and Cuba. Our number is very much growing, and luckily, because we would prefer that the Soviet Russian empire is dissolved so that there are no subjugated nations at all.

EIR: Your conference here is beginning on the eve of another summit meeting between President Reagan and Secretary Gorbachov. What is your message to President Reagan and the U.S. administration?

Stetsko: Our message is the following. President Reagan should never forget that he is representing the mightiest democratic country in the world and that he should feel this

strength, that he is representing a real great nation. Secondly, President Reagan should have in mind that he is speaking not with the representative of the country or even of the empire, because all these subjugated nations have not elected Gorbachov. They are against him and the Moscow government. All these nations are aspiring to regain their own independence, their own sovereignty, and are waiting for any possible moment to exploit the situation, and to regain their own statehood and territories. So, if President Reagan will be there, he should have in mind that there is no one Soviet or Russian people. There are "peoples," which are subjugated by the Soviet Russian government.

These nations have experience with Russian rulers, with governments in Moscow, which have changed rulers before, but the policy of Moscow has not changed, and we don't trust at all in this propaganda of *perestroika* and *glasnost*. It is only for export, for the West, to mislead the Western world because Russia badly needs technology and material, economic support for their dilapidated empire. President Reagan should know that our subjugated nations are doing their best to dismantle this empire, to undermine this empire, and we are even risking our lives in order to dismantle its economy. Now, it is a tragedy that the West is going to rescue this economy and this empire. So, we would like to convey our feeling of sadness that the Western world so quickly forgets what was yesterday, and has illusions about a change in the Moscow totalitarian regime. . . .

EIR: How hopeful are you that the momentum for uprisings in some of these countries is going to be effective in eventually throwing off the Soviets?

Stetsko: Soviet Russia will be compelled to give some concessions to the people, because they have no capacity to improve their economy otherwise. Therefore, the Moscow government, or [Poland's Gen. Wojciech] Jaruzelski or some other communist government, will make some concessions for the population, hoping it will help to rebuild or uplift the economy. But on the other hand, if they give a bit of freedom on the economic front, it also entails the necessity to give more freedom on national issues. For instance, the people would like immediately to restore the status of languages. Every nation would demand that their native language would become the official language of their country, that their culture would be more developed, that their heritage should be preserved, that past history should be taught. If Moscow is giving some possibilities of freedom on the economic field, it enormously influences the will of the nations to have more possibilities in other fields. This is endangering the existence of the Russian empire.

Therefore, Gorbachov, for instance, warned the people of the Baltic states when he was there that they should not expect any great changes on national issues, that nationalities should restrain indulging in what he called their "localism." For him, a national language is a "localism." He said they

should more and more become "internationalist," and "internationalist" means to him to become more Russian, more Soviet. So, we warned the people they should not expect too much in the national field.

But we are still hopeful. We think that Gorbachov or the Russian government is not alone dictating the future, that also the nations will have something to say. It depends on our own strengths, and we see now that in all republics there is a tremendous national revival. The national conscience and the events in Poland, all these strikes, have repercussions in other countries, and you cannot stop the ideas, you cannot stop the people learning the news of what is going on in Poland. Poland also knows there is this tremendous revival in the Ukraine, in the Baltic countries, in Turkestan and . . . Kazakhstan. Who would think that after so many years of extermination of the Tartars, they would come into Red Square to demonstrate in the heart of Moscow, or that there would be such a huge demonstration in Kazakhstan? One-third of the population in Armenia went into the streets shouting, "We are not Russian slaves," seeking to correct the injustices of the Russian government. It shows that this consciousness is developing tremendously quickly.

It is our intention to deepen the ties between the subjugated nations. These ties do exist. We know there are very big connections between Baltic and Ukrainian underground movements. We call the Siberian concentration camps the "best headquarters of the ABN" because the best sons of the subjugated nations were there. There, on the battlefields in the strikes in Siberia, their friendship was really cemented there, and they wrote together demands, for instance, to the United Nations, to the Western governments. They had strikes together. They celebrated national feasts together. They learned languages from one another. So, they have these contacts. When they were released from the concentration camps, they came, some to the Ukraine, some to the Baltic countries, some to other Caucasian countries. These ties remain. We have the fact that the Ukrainian representatives of the Helsinki Group went to Yerevan [capital of Armenia] and to Tbilisi [capital of Georgia] and they established a committee for the defense of their political and religious prisoners. They are aiming at establishing such an organization for the entire Soviet Union. It shows that these nations are in contact.

Our aim is to deepen this contact, to strengthen them, because if these nations will rise simultaneously, together, all at the same time, we are certain that we can be victorious. We can once, forever, dissolve the Russian empire from the scene. Therefore, we are working to this aim that these upheavals—we call them revolutions—should be simultaneous by all nations. Not one nation isolated, and then Russia is able quickly to suppress this upheaval. Our main policy is to help to establish contacts here and, in particular, inside Soviet Russia, which includes, of course, the satellite states as well.

EIR: President Reagan is seemingly willing to acknowledge

that Gorbachov represents something different for the Soviet Union. Commerce Secretary Verity is seemingly willing to try to open up expanded trade between the U.S. and Soviets. Certainly you must look with some concern at the political environment in the U.S.

Stetsko: Of course, we are not satisfied with these developments. But we can never believe that President Reagan, who said a few years ago that he feels very much for the peoples of these subjugated nations torn from their families and their countries, who believes that one day these nations will be free—and he listed Ukraine, Hungary, Poland, Lithuania, and so forth—who called Russia an “evil empire,” who knows, to some extent, the mentality of Russian rulers, that he so quickly changes his mind, I personally do not believe. I think there is tremendous pressure on him from the people in the U.S. who became so weak—their will is somehow dissolved—that they are really hoping, and have illusions that Gorbachov is opening a new page of history, and they would like that President Reagan goes into history as a peacemaker.

It would be a tragedy if perhaps next year Gorbachov would win the peace prize: not those who are dying for this peace in concentration camps or in prisons or psychiatric wards, but the man who just plays at peacemaker. For us, it is a real tragic comedy that the people really believe in such stuff . . . the people here under the influence of the press, which is not representing American interests but is trying to bring the American people and government to such a situation that other nations cannot really understand what is going on. They ask, “How can the United States, so powerful a nation, yield before a dying Russian empire?” For us, we try to understand, but it is very difficult.

EIR: The Soviet media reserves for groups like yours the worst kind of slanders and abuses, using their own political language to attack you. They have done a similar job, more extensively in the case of Lyndon LaRouche than with any other political figure in the U.S. How do you view this?

Stetsko: This policy of Moscow, either to kill physically, like when they killed our national hero, Stepan Bandera—they invented a cyanide pistol which was used to kill him in West Germany and they trained a traitor in order to kill him—or they try to completely ruin the reputation of political leaders who are respected by their nations.

They are afraid that our leaders can have some kind of influence on the Western democratic governments, not only as the spokesmen of our nations, but also by being able to give insight as to the way of thinking and acting of the Moscow government. The Western people measure Moscow by their own yardsticks, and they do not know the mentality of our enemy. Since we are trying to show this mentality, and trying to submit the real picture, therefore, the Russian government is doing everything possible to destroy us, because we are the most dangerous people in the West. Since they are

playing now as very democratic rulers, they try to destroy us by propaganda measures.

This plot is very well organized. For instance, in the case of my husband, Yaroslav Stetsko, who was the former prime minister of the Ukraine and president for many, many years of ABN—its architect and soul, as everybody knows—they tried to destroy his memory by all possible slanders. The reason is, they would like to kill us morally, politically, even though it is very difficult for them, because the whole nation of the Ukraine knows my husband, and the same applies to other national groups. But some people in the West believe in these lies, so we have every day to defend ourselves . . . using additional energy and money.

It is very synchronized. For instance, I am certain that after this conference, there will be plenty of articles trying to kill our prestige and image, and they will be not only in the U.S., they will be immediately behind the Iron Curtain. Every congressman or senator who said a good word for us will be attacked immediately that he is connected to Nazi people, fascists, with totalitarians, and so on. It is quite obvious that every success of ours is immediately attacked by Moscow, and then it is followed by some people . . . repeating these slanders for the newspapers, and one begins quoting from the other. . . .

EIR: So to have Mr. LaRouche attacked as a fascist repeatedly by the Soviet media is just part of the price one pays for standing up for freedom.

Stetsko: I think it is a compliment if somebody is attacked by Moscow.

EIR: What do you hope your impact to be in the U.S. on the elections coming up this November?

Stetsko: Our people here are not electing a Democrat or a Republican. They are electing a man or woman who has some kind of integrity. They try to learn what ideas he or she represents and stands for. Men or women of great caliber and values we are giving our votes in the U.S. We consider that the U.S. needs great men, strong men, for the benefit not only of the U.S. but for all countries of the world. It is our interest to support good and strong people, and have them in Congress and in the government.

We will do our best to transmit our voice. We have a kind of statement, an open letter, which we will submit tomorrow with our suggestions to the participants in our conference, because they are delegates of many, many organizations from the entire U.S., Canada, Europe, and other countries, and we will submit this letter to President Reagan and to other members of the American government, before Mr. Reagan visits in Moscow.

EIR: Can you give me some clue what the content of this open letter is?

Stetsko: Not to trust Gorbachov.

Moscow intrudes into bases negotiations

by Linda de Hoyos

The tension-filled negotiations between the Republic of the Philippines and the United States over the retention of the U.S. bases at Clark Field and Subic Bay have handed the Soviet Union a tactical advantage in their diplomatic efforts in Southeast Asia, an area in which Moscow otherwise has little influence. The bases conflict between Manila and Washington was undoubtedly the reason why Moscow sent Oleg Sokolov, number-two man in its Washington embassy, to the Manila posting last September.

The issue is whether the bases will be retained in the Philippines beyond the 1991 expiration of the bases treaty. Manila and Washington, along with Japan and the other ASEAN countries of Southeast Asia, are contending over the price for which the U.S. and its allies might pay the Republic for the bases. U.S. rent payments to the Philippines for the bases are far below the price paid to Spain and Turkey. Manila has poured more grease on the fire with a bill passed by the House of Representatives, now facing some trouble in the Senate, which follows the mode used by New Zealand to break the Anzus alliance in 1984. The bill bans ports of call by nuclear-powered or fueled ships in the Philippines and the storage of nuclear weapons. U.S. policy is to neither confirm nor deny any presence of nuclear weapons or fuel on its ships.

Sokolov used this particular point to insert Moscow into the fray. On April 28, in a highly publicized statement, Sokolov queried: "Would the 'neither confirm nor deny' policy have been invented by the Americans in the first place, had it not been for the purpose of covering up something?" Sokolov then praised what he called "the initiative" of the Southeast Asian countries to create a "zone of peace, freedom, and neutrality." The creation of such a nuclear-free zone, he said, "is a major step along the way to nuclear disarmament." Such a nuclear-free zone has been pushed by Philippine Foreign Minister Raul Manglapus and in part by Indonesia, but is not viewed as practicable by ASEAN given the superpower tensions in the region and the presence of the Soviet bases at Cam Ranh Bay in Vietnam.

Sokolov then put forward five points which he said Moscow deems "an indispensable and integral element of the

comprehensive security system" the Soviet Union has been unsuccessfully seeking in Asia since Secretary Mikhail Gorbachov's July 1986 Vladivostok speech. These are the Soviet *quid pro quos*, should the United States and its allies destroy their defenses in the Southeast Asia arena:

- no increase in the number of Soviet-nuclear capable aircraft in the Asian part of the U.S.S.R., "provided the U.S. does not deploy in the region additional nuclear systems capable of reaching [Soviet] territory;
- talks on reducing Soviet and American naval activities in the Pacific to avoid confrontation;
- restriction of areas plied by nuclear-carrying vessels;
- curbing rivalry in antisubmarine warfare; and
- limiting the scale of naval exercises in the Pacific and Indian oceans.

These offers come after the Soviet Union has built up its Pacific fleet—from 1983 through 1986—to surpass U.S. force presence in the region. Yet, Sokolov claimed that "there is no build-up in the Soviet missile-carrying submarines. These remain at the 1986 level. There is not a single warship near the U.S. Pacific Coast and in the South China Sea. It would be dishonest to pretend, as some still do," Sokolov added, "that the INF treaty has no bearing on the security of this region or to attempt to draw a sort of 'bamboo curtain' against the positive winds of change blowing across the world, including Asia and the Pacific, as a result of the treaty."

Sokolov's intervention has not been without effect. Led by former Deputy Foreign Minister Leticia Shehani, the sister of Defense Minister Fidel Ramos, 10 senators from the Philippines are heading for Moscow July 2-15. Shehani, in announcing the trip, suggested that since the Soviets are allowed verification of U.S. military facilities in other countries, why not in the Philippines?

What about Cam Ranh Bay?

The wrinkle in the Soviet effort, however, is that although Moscow demands the removal of the U.S. bases from the Philippines, it is adamant that any *quid pro quo* from the Kremlin will exclude the Soviet naval and air presence in Vietnam. Noting that the bases in Vietnam are used "to justify the perpetuation of foreign military presence in the region," Sokolov claimed that they are not bases of the Soviet Union. "It is a facility of Vietnam . . . which is used by our Navy only for technical maintenance, supplies, and recreation."

Sokolov was seconded in this affirmation by Vietnamese Deputy Foreign Minister Tran Quang Co, who visited Bangkok in late April. Co told the press that Vietnam is willing to sign a "non-aggression pact" with the Philippines, but under no circumstances will the bases at Cam Ranh Bay and Danang be dismantled in exchange for U.S. withdrawal from the Philippines. U.S. satellite information to the contrary, Co said: "I have to state categorically that Cam Ranh Bay is a Vietnamese military operation under the full sovereignty of Vietnam and is operated by Vietnamese experts."

Sudan: disintegration of a country

With Libyans controlling events in both the south and the Darfur area, Sudan does not appear likely to survive as a nation.

During 1988, two major terrorist actions have placed the Sudanese capital, Khartoum, on the front pages of the world's press. In mid-January, a prominent pro-Khomeini Iraqi activist, Mehdi al Hakim, was shot dead in front of his hotel. On May 16, more than 15 died when a terrorist group made up of Syrian, Palestinian, Iranian, and Lebanese, threw grenades and machine-gunned the dining room of the Acropol and Sudan Club hotels, used as the headquarters of Western relief organizations dealing with the famine in the south.

Though the organization to which they belong is unknown, those arrested have admitted to the massacre, which killed Britons, Americans, and Sudanese, and have denounced the actions of Western agencies.

In a country which is receiving millions of starving Ethiopian refugees, and facing a bitter civil war in its southern province, these dramatic events only underline that forces are at work to radically change the political and social structure of Sudan.

Sudan has now joined Peru, Zambia, and more recently, Somalia and Sierra Leone on the International Monetary Fund blacklist. The country has long since collapsed economically. At stake now is whether it will be able to retain its national integrity.

A new Sudanese government was appointed on May 16, after more than six months of political crisis. The crisis erupted last August when the coalition between Prime Minister Sadeq al Mahdi of the Umma Party, representing mainly the Ansar tribe, and the Unionist Democratic Party of Mohammed Osman al Mirghani, repre-

senting the Khatmiyya community, collapsed. Economic issues were among those that divided them, but more fundamental was the fact that al Mahdi's Ansar has been leaning more and more toward Libya, while the DUP retains traditional ties with Egypt.

Though represented in the new government, the DUP controls only minor positions. The main posts go to the Umma party and to the National Islamic Front of al Mahdi's brother-in-law, Hassan al Turabi. Turabi himself has been appointed justice minister, the same position that he held under the previous ruler, Gaafar al Numayri, in 1983.

A Sunni fundamentalist who does not hide his support for Iran's Khomeini, Turabi was responsible for the imposition of Islamic law (*sharia*) throughout the country, including on Sudan's Christian-animist minority in the south. The result was the creation of the Southern Sudan People's Army led by Col. John Garang, and Sudan's southern civil war. Not the least important outcome of Turabi's action in this regard was the 1985 overthrow of Numayri.

Perhaps similar consequences can be expected now. Turabi's reappointment has provoked a general outcry among non-Muslim communities, as well as among many Muslims who had succeeded in watering down the enforcement of the *sharia* in recent years. Predictably, negotiations between Khartoum and the organization headed by Garang have been halted.

These moves underline a polarization of the country thanks to policies which not only favor Muslims against non-Muslims, but even go a step fur-

ther by favoring Arab Muslims against African Muslims. That step is indicated in the new government, which no longer includes a minister representing Sudan's western African Darfur province. Reports speak of atrocities, such as Black African Christians being sold as slaves. More recently, there were reports that thousands of southerners belonging to the Dinka tribe were massacred by the Arab Marahil tribe. The Dinka had fled the civil war in the south in the hope of finding shelter in the Khartoum region, but were systematically attacked as they crossed into the Darfur region.

Coherent with the appointment of Turabi as justice minister, Sadiq al Mahdi has been turning a blind eye to such atrocities, as he does not wish to jeopardize the use of the Marahil against Garang's forces. But it has been revealed recently that Al Mahdi has some other reasons for his behavior.

While in exile in 1980, he signed a deal with Libya's Qaddafi in Paris, promising Libya military bases in the western Darfur province in exchange for political and financial support in his campaign against Numayri. Recent investigations also reveal that in exchange for allowing the presence of up to 5,000 Libyan soldiers on the border with Chad, Al Mahdi's Umma Party receives no less than \$35 million a year from Qaddafi. This money has also bought Al Mahdi's acquiescence in Libya's obvious aim of controlling the entire region.

With Libyan financial and logistical support, the main Arab tribe, the Marahil, has created an "Arabic Sudanese Revolution" organization whose claims to power are open. Most immediately, they have been involved in expelling to Chad or to Central Africa tens of thousands of members of the main black African tribe, the Al Fur.

Cleaning up the Golden Temple

Security forces have laid siege to terrorists safehoused in the Sikh shrine, but will it stop the trouble in Punjab?

On May 9, Indian security forces, including the crack "Black Cat" commando unit, laid siege to the Golden Temple in Amritsar to "flush out" terrorists holed up there. It was estimated that at least 60-70 hardcore terrorists, along with another 100 or so militants and a complement of sophisticated weapons, have once again turned the temple into a safehouse and an arsenal.

As of this writing, the battle of nerves and bullets between the security forces located outside the main temple area and the terrorists inside continues. It remains to be seen what the effect of even a successful action will be on the prospects for ending the turmoil in Punjab.

The daily death toll from terrorist reprisals around the state is ranging from 10-50.

More important, the critical political dimension of the problem—the fact that the political process in the state has been all but shattered—has been put into the background, if temporarily, and it is not clear whether there are any fresh initiatives in this realm to make good the gains on the law-and-order front.

Unlike 1984's "Operation Bluestar" assault on the Golden Temple, the armed forces have slowly, steadily tightened a military net around the shrine, aimed at forcing the terrorists out.

After a six-day standoff, repeated appeals resulted in a "break" when 170 people, including 118 militants—among them 25 terrorists long on the "wanted" list—left the temple and

surrendered to waiting authorities. To the credit of the security forces, the operation has involved a minimum loss of lives and almost no damage to the temple.

Punjab Director-General of Police K.P.S. Gill, commanding the operation, told reporters that preliminary screening of those who surrendered revealed that 11 belonged to the Sikatar Singh group the "Khalistan Commando Force (KCF)," including Sikatar Singh himself.

Four others belonged to another faction of the KCF, seven to the "Bhindranwale Tigers Force of Khalistan," and three to the "Khalistan Liberation Force."

All these groups are committed to a terrorist campaign to separate Punjab from the Indian Union and establish "Khalistan," a nation for the Sikhs. Gill said that 30-40 more terrorists were still inside the temple.

The siege of the Golden Temple did not appear to evoke a strong emotional reaction among the Sikhs in general. Although Sikh political figures such as Surjit Singh Barnala and Prakash Singh Badal, both former chief ministers of Punjab from the Sikh Akali Dal party, courted arrest in a march to the temple to "break" the siege, Sikhs as a whole are disgusted with the terrorist desecration of their holy shrine.

So, there were no village *jathas* (group marches) to back up the Barnalas and Badals. Those few Sikh priests who joined Barnala et al. are those associated with the Golden Temple who have long been suspected

of collaboration with the terrorists or have succumbed to their "armed might" over the years.

The security forces have had another advantage—the absence of any charismatic leader among the terrorists. The military pressure that has produced the waves of surrender has also provoked intensified factional warfare among the terrorists in the temple.

However, the absence of any commanding figure among the terrorists could also make it more difficult to stop the terrorist binge.

During the last year, terrorists have run rampant, killing more than 2,000 innocent people. As of early May, the body count showed that more than 800 civilians had been gunned down in 1988 alone.

The terrorists have also upgraded their weaponry, and are now using Chinese-made AK-47 assault rifles. Their arsenal also includes Soviet-made RPG-7 rockets and, reportedly, American Stinger missiles.

Since the "flush-out" of the terrorists from the temple was expected to come at any time, a number of terrorists either never stationed themselves there in the first place, or had relocated before the siege.

It will be a major achievement to free the central Sikh shrine of terrorist grip, and keep it that way. The government is said to be preparing a bill for Parliament to prohibit the misuse of religious places. At the same time, it is certainly an illusion to hope that normality will descend in Punjab overnight.

Delhi faces the task of starting a political process in Punjab. Operation "flush-out" may help do that, provided the economic and civil rights demands of the majority Sikh community are addressed right away. Otherwise, the positive gains achieved through the siege will evaporate.

Reality factor was Schiller Institute

In the May 10 Danish election, none of the government parties had the courage to state why NATO was so important.

When faced with important and historical decisions, it is paramount that those responsible for making the decisions be in touch with reality. Looking at the results of the May 10 elections in Denmark, it is fair to say that somehow the principles of reality were not apparent for the Danish population.

When Prime Minister Poul Schlüter decided that the April 14 referendum represented such a serious and dangerous threat to Danish membership in NATO, that he had to call new elections on the issue, one would expect a clear answer from the government on why it is so important. The referendum had called for direct guarantees from visiting allied naval vessels that they are carrying no nuclear weapons. A three-week election campaign should have given the government parties ample time to answer this question.

The only real answer came from the Schiller Institute, a political-cultural movement with a particularly strong base among Danish farmers, and never from the established parties. As soon as the elections were called, the Danish chapter of the Schiller Institute, an institution founded in 1984 by Helga Zepp-LaRouche with the explicit purpose of saving the Western alliance, issued a leaflet, which was distributed nationwide in 50,000 copies by hundreds of members and supporters.

The text of the leaflet outlined both the continuous threat to Danish sovereignty coming from the Soviet empire, and the danger of the Western alliance crumbling, bargained away by

the appeasers in the Reagan administration.

The Schiller Institute pointed out that the May 10 elections represented a rare occasion on which the Danish citizenry had to make a decision with historic implications far beyond the borders of their tiny nation. The Schiller Institute leaflet expressed full faith in Danes to make such an important decision.

The text of the Schiller Institute leaflet was also placed as a political advertisement in two of the major national newspapers, which resulted in dozens of phone calls from people who wanted to support the campaign. On May 5, the anniversary of the 1945 Danish liberation, the Schiller Institute placed a special quarter-page ad in the conservative newspaper *Berlingske Tidende*.

The ad featured a large picture from Copenhagen city hall square May 4, 1985, when so-called peace demonstrators led a riot at the 40th anniversary celebrations of the Danish liberation. The picture showed Prime Minister Poul Schlüter trying to make a speech, standing behind a wall of protective police shields while eggs and stones were thrown at him. The text of the ad read: "On the 40th anniversary of the 1945 Danish liberation, Moscow's peace friends showed their true 'peaceful face.'" And then under the picture: "Say yes to NATO."

This advertisement created a hysterical reaction from the Social Democratic newspaper *Det Frie Aktuelt*. Under the headline: "The American Support," the newspaper repinted the ad full-size next to a picture of U.S.

Democratic presidential candidate Lyndon LaRouche, and then spent the rest of the page raving against this "American intervention" in general and Mr. LaRouche in particular (who, of course, except for the influence of his ideas, had nothing to do with the ad).

Except for the repeated references to the harsh reactions from NATO allies to the parliament referendum, the government parties did almost nothing to explain to voters why it was important for Denmark to stay in the alliance. An enlightened exception was the founder and leader of a small government party, the Center Democrats, Erhard Jacobsen, who repeatedly stressed that Denmark was in imminent danger of sharing the fate of the small Baltic countries, Lithuania, Estonia, and Latvia.

So, what went wrong? As reported in *EIR* last week, the voters did give the parties behind the infamous April 14 referendum a whopping defeat. Still, looking at the results, it is clear that that was not enough. In the 179-seat parliament, the three parties who sponsored the anti-nuclear warship referendum, the Social Democrats, the Radical Liberals, and the Socialist Popular Party, still command 90 seats—a one-seat majority.

By not presenting the unpleasant reality of Soviet military build-up, the Schlüter government designed its own defeat, and while this column is being written, a new Danish government has not yet been formed. The first round of negotiations, led by the speaker of the parliament, Svend Jacobsen, has broken down, and a new round will begin, this time led by the leader of the small Radical Liberal Party, Niels Helveg Petersen. This process may go on for weeks, while NATO is nervously awaiting the fate of its northern flank.

International Intelligence

Russia called 'empire, not nation-state'

"The U.S.S.R. is not a nation-state, but an empire, contrary to what most people believe. It is an empire ruling over many different nationalities," said the commentator on French television A2, to introduce an hour-long program on repression in the U.S.S.R. May 11.

All the main conflict areas were shown, with devastating film footage smuggled out of the Soviet Union. Armenians were shown conducting mass demonstrations for civil rights; leaders were interviewed accusing Moscow of having masterminded this winter's Sumgait massacres. Soviet Communist Party "mediators" sent for negotiations were shown being accosted by a huge crowd, calling them "liars," "traitors," "good-for-nothings."

Estonian nationalist leaders, recently exiled to Stockholm, were interviewed. "We want to expose the fact that Estonia was given to the Soviet Union as part of the Ribbentrop-Molotov deal," i.e., the Hitler-Stalin Pact, they said. "We want to regain our independence."

The massive exodus of Hungarians out of Romania was shown. The Ceausescu regime wants to crush the Hungarian community, the television show reported. Living conditions in Romania are unbearable in any case. Hungarians cross the border into Hungary by the thousands every day.

East Germans still want to go West

Approximately 2.5 million East Germans want to emigrate to the West, according to Western intelligence sources—a hint of what would occur were the Berlin Wall ever torn down.

More than 900,000 applications for emigration have been filed with the East German authorities over recent years, in most cases by younger families. The motives remain the same as throughout the postwar

period: economic exploitation by the Soviet Union, bad working conditions, and political repression, which have all increased massively during the years of intensive Soviet war build-up in the post-Brezhnev era.

As elsewhere in the looted East bloc, growing unrest is reported in East Germany's industrial centers. Sources report intense agitation among the skilled workers of the big Buna and Leuna chemical plants, as well as the uranium-producing Wismut-Aue complex.

Rush for minerals to follow African genocide

A mad rush for Africa's mineral wealth is about to begin, in the wake of the imminent depopulation of the continent by the AIDS pandemic. That is the thrust of an article appearing in the April issue of the French *Revue Internationale de Défense*, penned by its South African correspondent, A.J. Venter.

"An article published in May 1987 in the *Washington Times*," wrote Venter, "predicted the disappearance of close to 70% of the inhabitants of black Africa by 1995. . . . The prestigious Panos Institute speaks of 50%. . . . According to information gathered in October 1987 from sources close to the American embassy in Nairobi [Kenya], satellite photos show a large extension of wild vegetation in the eastern part of Zaire. AIDS seems to be the cause of the disappearance of entire communities in those regions, previously densely populated."

After describing spread of AIDS through transportation links—the truck routes crisscrossing Africa—and possibly mosquitoes, the article continues, "The governments of several nations, South Africa, the U.S.A., France, India, and the U.S.S.R., are watching carefully the evolution of the depopulation of Africa, so as to 'fill in the void' that would result from the disappearance of 80 to 150 million blacks during the next decade."

The article also cites "endemic cerebral malaria in Uganda and Zaire, sleeping sick-

ness in Uganda, where all the patients die for lack of treatment, Nigeria and Ghana where yellow fever reappeared in force."

"The eventual depopulation of the greater part of black Africa would have incalculable consequences on the international level. The continent represents effectively the greatest world reservoir of natural resources, minerals (uranium, copper, gold), and vegetable resources (precious woods, corn, tropical products). . . .

"Some South Africans think that the threats against them would greatly diminish if the AIDS disease were to wipe out the population of Mozambique, Zambia, and Zimbabwe. . . . Castro might pull out his troops" from Angola because of the epidemic.

Venter's conclusion: "No one can say, yet, in what phase of the depopulation process there will occur a new rush of the developed countries toward its fabulous reserves of raw materials."

Europeans to produce new fighter aircraft

The defense ministers of Germany, Great Britain, and Italy, meeting in Bonn on May 16, signed an agreement to jointly finance the production of the European Fighter Aircraft (EFA).

Spain, which has signaled interest in the project as well, did not send its defense minister to the ceremony, because the Spanish parliament has not yet voted on the project.

The EFA, based on original European technology, is designed to significantly improve the air defense capability of Europe. It is designed as a high-speed, lightweight interceptor aircraft with high firepower. It is expected to come on-line in the late 1990s.

The "technological attrition rate" projected for the craft is 3:1. That is meant to indicate that, on the average, a single EFA could shoot down three of the most advanced Warsaw Pact fighter aircraft before being shot down itself.

The airforces of the three countries which have signed the accord have ordered 800

EFA's. The West German Air Force has ordered 200, with an option to order 50 more.

Will Savimbi survive superpower deal?

EIR's French sources have added their voice to a chorus of intelligence community warnings that Jonas Savimbi, leader of Angola's UNITA rebel organization, will be one of the first victims of a superpower deal over southern Africa. That deal is reflected in current negotiations between South Africa and Angola over the withdrawal of Cuban troops.

The sources consider that Washington is adamantly committed to doing the Soviets the same kind of favor in Africa they did for them in Afghanistan, allowing them to get out of this imbroglio at a minimum of expense. They said that the superpowers are committed to getting rid of Savimbi, and if necessary, will sponsor his assassination.

On May 13, another round of direct negotiations between South Africa and Angola took place in Brazzaville, after an attempt to meet in Abidjan (Ivory Coast) failed. Angola rejected the meeting place because of the Ivory Coast's too-close trade relations with both Israel and South Africa. Directly involved in these negotiations at the highest level is Gen. Vernon Walters, U.S. ambassador to the United Nations, who is touring Africa.

Arbatov gushes over 'reduced' U.S. role

The American population must accommodate itself to a reduced international role and the end of the notion of "America's special mission and rights in the world," wrote Georgii Arbatov, Moscow's top U.S. hand, in a recent article in *Kommunist*, magazine of the Communist Party.

The article was reprinted in the *International Herald Tribune* on May 18, under the headline, "America needs a dose of Per-

estroika." The Soviet leader insists that the United States, especially in the era following the October 1987 stock market crash, should seriously question the ingrained notion of "American exceptionalism," which he dates to the "landing of the first settlers in the New World."

The United States, he demands, must no longer hold to the belief that America is the biblical "shining city on the hill."

Arbatov sounds awfully like the American "school of decline" writers, typified by Harvard's Paul Kennedy.

British gov't warned on child-abuse cult

An outcry has been raised in Britain for an investigation into the Ordo Templis Orientis cult for abusing children as young as 8 years old in Satanic rituals. The cult was created early in this century by devil-worshipper Aleister Crowley.

According to London's *Sunday Express* May 15, Mrs. Dianne Core, coordinator of the Childwatch organization, has compiled "a catalogue of child abuse involving devil worship." Her reports include accounts of boys who were threatened with sacrifice in terrifying black magic ceremonies; sodomized by dozens of men over periods of years; given hallucinatory drugs; told they would meet the devil; and videoed in sex acts.

Core said that the cult is strongest in the United States, not Britain. However, very strong in Britain is a related black-magic group called Scorpio whose adherents include lawyers and businessmen. At least two senior political figures are known to be involved.

Tory parliamentarian Geoffrey Dickens told the *Sunday Express*, "Children's lives are being wrecked through acts of degradation that defy imagination. We must smash these networks now. I shall be asking Mr. [Interior Minister Douglas] Hurd to launch an immediate crackdown. Dickens said he has received death threats since launching a campaign in the House of Commons against witchcraft.

Briefly

● **SOUTH AFRICAN** police found a Soviet SAM-7 missile in a secret weapons depot of the outlawed African National Congress terrorists, in a raid west of Pretoria May 15. The depot was manned by four white ANC members, who also operated a coded telephone net connecting them with other ANC posts. Lists with names of leading South African military and police officers were found in the raid.

● **THE HONDURAN** ambassador to Panama, Rigoberto Regalado Lara, was arrested with 26 pounds of cocaine as he attempted to enter the United States in Miami May 16. "Sniffing eye" dogs smelled the cocaine in his suitcase. The case is sensitive because he is the half-brother of Gen. Humberto Regalado Hernández, the chief of the Honduran Armed Forces.

● **THE SOVIETS** have just created a new National Committee for Asia-Pacific Economic Cooperation, because the "Asian-Pacific part of the Soviet Union cannot yet boast of sufficiently rapid, technologically-based economic development on a comparable scale" to other nations ringing the Pacific basin, said its chairman, Yevgeny Primakov, in the foreign-language *New Times* May 19. He specifically cited the "accelerated industrialization" of China.

● **IN PANAMA** these days, the most popular jokes begin, "How many U.S. Marines does it take . . ."

● **AN EXPLOSION** occurred in the industrial city of Pavlograd in the Ukraine in mid-May, destroying a plant that produced fuel for the Soviets' SS-24 missile, setting that program back six months, say Pentagon officials. The BBC noted that in April, a similar U.S. plant blew up in Nevada.

A 'cosmopolitan' recipe for disaster

by Mark Burdman

Beyond American Hegemony: The Future of the Western Alliance

by David P. Calleo

A Twentieth Century Fund Book: Basic Books Incorporated, New York, 1987

288 pages with footnotes and index, \$20.95

It is ironical and amusing that, at a time when the opposition in the Soviet Union has revived the Stalin-era word "cosmopolitan" to denounce the Gorbachov regime's policies, David P. Calleo would identify himself, in his introductory passages, as representing the "cosmopolitan" faction of the American policy establishment. As Calleo defines it, he and his co-thinkers are against that "national" policy faction, which seeks the "reaffirmation" of American power worldwide, to reverse current trends of decline. The battle lines are drawn: "Solutions that call for heroic changes in American character and practice seem less promising than solutions proposing that America adapt itself to the real world."

Calleo's self-identification, through the adjective "cosmopolitan," as a member of the East-West condominium known as the "Trust," tells the reader immediately that his policy prescriptions for dealing with the current crisis of American global leadership will be worse than the disease itself.

This book is not an isolated incident. It is the companion, or background piece, to an important article in the most recent edition of *Foreign Affairs*, the magazine of the New York Council on Foreign Relations. Co-authored by Calleo, *New York Times* economics writer Leonard Silk, and Harold van

Buren Cleveland, the article argues that the United States' fiscal and budgetary crises necessitate cutting American commitments around the world, especially by slashing defense spending and reaching deals with the Soviet Union.

Written before the October 1987 Black Monday crash and the December 1987 U.S.-Soviet INF treaty, the book provides the conceptual framework for the argumentation in the *Foreign Affairs* article. The latter, like the book itself, was in significant part the product of seminars funded by the German Marshall Fund and conducted at the Johns Hopkins School of Advanced International Studies' Center in Bologna, Italy. The book was written for the Twentieth Century Fund, an elite "Trust" institution based in New York, which was founded in 1919 and endowed by Boston millionaire Edward A. Filene. It includes on its board of directors several well-known figures of the Establishment, including Morris B. Abram, Joseph A. Califano, Jr., August Hecksher, Arthur M. Schlesinger, Jr., and Theodore C. Sorensen.

The book has been widely read and discussed in the Western European press.

Calleo's book is one of several works published in the past months by what the *New York Times* has dubbed the "school of decline" in the Anglo-American Establishment. These include Paul Kennedy's best-seller, *Rise and Fall of the Great Powers*, and Walter Russell Mead's *Mortal Splendor: The American Empire in Transition* (see review, "Groton-Yale author mimics Soviet attack on U.S.," *EIR*, Vol. 15, No. 4, Jan. 22, 1988), and are complemented by various left-radical variations on the same theme. Included in the latter genre are several different projects now ongoing, all with the project heading, "Europe without America."

Stated simply, Calleo's thesis is that the United States, in the post-World War II period, became the "hegemon" of the

world system, a system characterized as a “Pax Americana,” replacing an earlier “Pax Britannica.” The weight of this global, imperial-type commitment has been greater than the resources available for this commitment, especially under conditions in which U.S. economic and fiscal policy has been beset by numerous follies and gimmicks under successive postwar American administrations. Now, the point has been reached that the United States can no longer sustain its levels of military spending and its pattern of commitments around the world, in particular in Europe.

Under such conditions, it is time for the U.S. Establishment, on the one side, to recognize that a new world order must come into being, a world order that could be defined as “plural,” with various centers of power. On the other side, Europe should evolve toward taking more direct responsibility for its own defense, with a “Europeanized” NATO, vectored around a French-German center-pole. If the Europeans have reservations about moving in this direction, let them contemplate the alternatives: The United States really has no choice but to pare down its NATO involvement, so if Europe does not rise to the occasion, Europe is inviting Soviet hegemony and/or chaos by its own failure to act.

As for the Soviets, the threat posed by them is being exaggerated, and, in any case, they can be contained by a combination of appeasement—a word used explicitly by Calleo on more than one occasion—and by the threat posed by having an array of irredentist and/or nuclear-armed states along their borders.

What happened to Washington and Franklin?

Calleo excludes any historical model of relations between nations other than the two alternatives of “imperial hegemonic” and “balance of power,” the latter of which his book is written to defend (and which is as imperial as the first). His book is actually an apologia for the Castlereagh/British balance-of-power policies of the post-1815 Congress of Vienna period, as (in Calleo’s view) implemented brilliantly by Bismarck in Germany in the later 19th century. As for the postwar American Establishment, his book is an endorsement of the views of appeaser George F. Kennan, who was a proponent of the “plural/balance-of-power” view in the late 1940s, and whose time has now come.

On the last page of his book, he gripes that “American history does not furnish much guidance for our present circumstances.” That cursory dismissal epitomizes a book that never even mentions names like Benjamin Franklin, George Washington, Alexander Hamilton, and John Quincy Adams. American history, for Calleo, virtually begins with the United States, in the 20th century, becoming the vehicle for British-modeled “hegemonic-imperial” policies, following Britain’s own decline. The idea of relations based on a republican “community of principle” among nations—rather than Calleo’s focus on “pluralism,” a concept which he repeats with almost liturgical fervor—is never even considered.

By the same standard, Calleo wishfully maintains that the world will move into a “more plural order,” and the Soviets will be held at bay by the simple existence of nuclear-armed states on their border, possibly someday including the Federal Republic of Germany and Japan.

‘Toward a new age of cartels’

Calleo’s scapegoating of military commitments, as responsible for the economic and strategic crises of the United States today, also makes no sense. His line of reasoning is equivalent to a civil court judge who hears a case of drunken driving, and orders the demolition of the car as punishment.

His claim that “geopolitical efficiency” and “fiscal realities” necessitate American strategic “devolution” from Europe, is pure ideology. At one point, in a footnote, he produces figures that purport to show that \$67 billion would be saved by removing five American divisions from Europe. Interestingly, the source of this information is Washington strategist Earl Ravenal, a leftist hack who produced these figures in a study written for the libertarian/neo-conservative Cato Institute, a think tank which otherwise propounds the idea that the U.S. economy would receive a great boon by legalizing the drug trade!

Calleo asserts: “America’s European commitment is a major contributor to America’s increasingly desperate financial crisis.” In fact, some pro-Soviet liberals and leftists associated with the Stockholm International Peace Research Institute (SIPRI), involved in a so-called “Europe without America” project, received a shock during a mid-April meeting in Sweden, when they realized that it would be more “cost-effective” to leave American forces and military-logistical capabilities in Europe than to go through the enormous cost of relocating them!

Calleo can be astute, when he describes the follies of recent U.S. administrations’ economic and financial policies, but he is at a loss in defining cause-and-effect in the real physical economy. On the one side, he omits any mention of the decisions initiated in the Johnson and Nixon administrations to launch the United States on various neo-malthusian “post-industrial society” policies. On the other side, his hatred for the Reagan SDI policy blinds him to the way in which military-technological breakthroughs and their spinoffs can be a “science driver” for an economy.

Calleo concludes his book with the words: “History has come full circle: the Old World is needed to restore balance to the New.” If only the author had the slightest idea of what is so precious and unique about Europe, we would rush to endorse these words. But with all the foundation money he has received to spend hours in Bologna and other cities of Europe, this “cosmopolitan” poseur seems to have only found those traditions—balance of power, cabinet warfare, fascist economics, appeasement—that have undermined Europe over past decades, and which, if now introduced on a global scale, would ensure the end of civilization itself.

The FBI's war on Martin Luther King

by Mary Lalevée

To Redeem the Soul of America: The Southern Christian Leadership Conference and Martin Luther King, Jr.

by Adam Fairclough

University of Georgia Press, 1987

504 pages, hardbound \$35.00, paper \$17.95

On April 4, 1968, Martin Luther King, Jr. was assassinated in Memphis, Tennessee. Rumors spread at the time that the FBI had ordered the assassination, carried out by James Earl Ray. Nothing was ever proven conclusively, but this recently published book by Adam Fairclough, lecturer in history at St. David's University College, University of Wales, provides excellent documentation on FBI efforts to destroy King personally, and to undermine the Southern Christian Leadership Conference (SCLC), the main coordinating body of the civil rights movement, which followed King's ideas on the theory and practice of non-violence.

To anyone who has followed operations carried out against presidential candidate LaRouche and his supporters over the years, the FBI's methods are all too familiar. Director J. Edgar Hoover conducted a massive campaign to discredit King, whom he allegedly suspected of being a communist. Wire-taps, infiltration, investigations, all legal and illegal means were used to try to stop King.

In a press conference on Nov. 18, 1964, Hoover told journalists that King was "the most notorious liar in the country," explicitly encouraging the reporters to quote him. Off the record, Hoover alleged that King associated with communists and was "one of the lowest characters in America." Fairclough notes that although Hoover had conceded publicly that the civil rights movement "is not and never has been" controlled by communists, the FBI was churning out "evidence" of King's "communist" associations up to the week of his death. Hoover made FBI material on King—transcripts, photographs, even recordings—available to editors, reporters, religious leaders, and others. He even ordered a tape recording of King's supposed extramarital adventures in a hotel to be sent anonymously to King's wife, Coretta.

None of this stopped King.

Fairclough writes, "After the failure of its blackmail attempt and smear campaign of 1964-65, the FBI seemed more concerned with weakening SCLC as an organization than discrediting King as an individual. . . . The FBI concentrated on hampering SCLC's fundraising efforts and on influencing the press. . . . Through the Crime Records Division, it disseminated unfriendly newspaper articles, passed on bureau-inspired editorials to cooperative editors and publishers, and furnished friendly reporters with 'embarrassing questions' to ask King about his stance on Vietnam."

The FBI had a paid informant on the SCLC's executive staff, James Harrison, from whom they received a "steady flow of information" about what was happening inside the organization; and they also had a wire-tap on one of the SCLC leader's phones. In early March 1968, the Racial Intelligence Section of the FBI held a conference in Washington to discuss methods of disrupting what they called "black nationalist hate groups," which had been included in the bureau's counter-intelligence program (Cointelpro) the previous August. "In a directive to all its field offices on March 4, just one month before King's assassination, FBI headquarters ordered a concerted offensive against 'the most violent and radical groups' including action to 'prevent the rise of a 'messiah' who could unify and electrify the militant black nationalist movement.'" King, the directive pointed out, "could be a very real contender for this position."

FBI Racial Intelligence Section chief George C. Moore instructed offices to begin a "rumor campaign" in order to undermine the SCLC's recruiting drive. "They could spread stories about disorganization and lack of funds within SCLC, circulate threats of 'violence and bodily harm' to participants; encourage a belief that demonstrators would have their names taken, 'and welfare checks from the Government discontinued' . . . The Jackson office had the idea of advertising fictitious meetings featuring King as the main speaker. Detroit suggested disrupting SCLC's transportation arrangements by promising to supply buses that it had no intention of delivering."

Earlier FBI harassment included blackmail, threats, and legal action against SCLC leaders. In 1963, following the "March on Washington," at which King made his famous "I Have a Dream" speech, several SCLC leaders were indicted by a federal grand jury for obstruction of justice, two receiving jail sentences, and others fines and suspended sentences. In August 1964, "when the bureau learned that King was seeking an audience with the Pope, it 'orally briefed' Cardinal Spellman, so that such information [about King's alleged communist sympathies] could be passed on to the Pope. To the FBI's dismay, however, Pope Paul agreed to see King."

Fairclough succeeds in providing very detailed and valuable documentation on the SCLC and Martin Luther King, while maintaining the reader's interest all the way through the book's 400 pages. Fairclough's excellent book should be required reading for every student of American political life.

Schreier brings lieder literacy to Americans

by Jeanne P. Bell

It was to a standing-room-only audience at the Grace Rainey Rogers auditorium in New York's Metropolitan Museum of Art that East German tenor Peter Schreier and pianist Norman Shetler performed a poetic interpretation of Franz Schubert's classic song cycle, *Die Schöne Müllerin* (The Fair Miller-Maid) on April 23. Hearing a live performance of Schreier's artistry for the first time (having listened to his recordings of this and other staples of the German lied repertoire over the years) convinced this reviewer, once again, of the absolute necessity for bringing live performances of the classical song literature to American audiences.

Indeed, in discussions with Schreier before and after his New York recital, he told representatives of the international Schiller Institutes that this is a special concern of his. Speaking to Schiller Institute member Gabriele Carls by telephone, he reported that he and his wife were in New York completing a lieder tour of the U.S. because, "We're living in a loud and noisy world." Mrs. Schreier had told Ms. Carls, "We spend more money than we make every time we come here, but we come anyway, because we really feel that America needs the beauty of the lied." Mr. Schreier elaborated: "The quiet beauty of the lied can reach the hearts and souls of Americans."

Schreier demonstrated this principle throughout his concert, using subtleties of voicing and coloration which are difficult to replicate on recordings, which are "dead" instruments. Even despite the fact that Schreier, like virtually all singers today, "tuned his voice" to a too-high-pitch of A 440 (which is harmful to the voice and to the composer's willful intent to distinguish registral shifts within the singer's voice), the tenor aided by Norman Shetler's artistry, was able to bring out changes in the mood of each song.

Throughout the concert, both performers exhibited tremendous powers of concentration, even though the audience turned pages after each of the songs. Despite this distraction, it was interesting to note that the listeners were intent on following the nuance of each word of the text, as Schreier and Shetler told in music the narrative of the young miller, his travels, and infatuation with a girl he'd never really met.

Mr. Schreier is best known for his recordings and recitals

of Beethoven and Mozart lieder, which are only infrequently performed. Like many artists (they are all too few) who have built their singing careers almost entirely on the concert stage rather than through the medium of opera, Schreier does not have a "huge" voice. Many tenor voices come to mind which are more beautiful in a "natural" state. Yet, Peter Schreier's voice is perfectly suited to perform the lieder repertoire, and his affinity to the poetry can hardly be missed.

This was best demonstrated in the series of songs in which the miller-boy addresses his adolescent concerns to the babbling brook. In varying degrees as the cycle progressed, Schreier colored the voicing of each first-person divergence from the narrative, in such a way that the audience, without knowing German, could clearly understand the boy's infatuated state of mind, demonstrated in the brief spurts of laughter which punctuated the performance.

One brief passage in particular stuck in my mind, in which Schreier fairly spoke the words, said by "the Master," "Euer Werk hat mir gefallen" ("I am pleased with your work"), in the fifth song. Few singers today are able to successfully achieve such an effect, partially because of the influence of "verismo," soap-opera-style methods employed in some operatic circles since the time of Puccini. When such an attempt is made by such singers, what comes across is something akin to a mafia godfather, with a gravelly voice.

While Schreier conveyed poetic ideas in a way that most singers today cannot, I could not help but wonder how much more beautiful, and accurate, a performance could be given if he and Shetler would perform the Schubert cycle at the lower tuning of C 256. For instance, in the fifth song cited above (*Am Feierabend*, "The Hour of Rest"), in the higher tuning used at Rogers auditorium, the singer was forced to shift into the third register too early, thus emphasizing the wrong note in the composition, and the wrong word. The words here read, "thus the lovely maid of the mill might see how faithfully I seek to serve her." Instead of moving into the third register on the words "might see," in the higher tuning the singer shifts into the higher register on the word "maid of the mill."

Happily, audiences the world over may soon have a chance to hear the duo perform the cycle at C 256 tuning. Following their New York recital, this reviewer had the joy to speak to the two performers, who both signed the Schiller Institute's petition to the Italian government to return to the scientific tuning pitch of C 256 cycles. In the earlier conversation with Ms. Carls, Schreier said that he would like to make a U.S. lieder tour dedicated to performances using a Mozart-Beethoven period fortepiano, tuned at C 256. Peter Schreier also offered to be on the international advisory board of the new lieder society now being created by the Schiller Institute as a vehicle to bring beauty, joy, and great art to a dying civilization. Hence, there is hope that Americans will come to know Germany's greatest poets—Schiller, Heine, Goethe—through the songs of her greatest composers.

INF 'Biden Condition' threatens U.S. Constitution

by Webster G. Tarpley

With the Senate debate on ratification of President Reagan's INF treaty now in progress, the United States faces a deadly triple threat. First, there is the INF treaty as signed by Reagan last December, which fatally weakens the NATO military posture and gives Moscow strategic preponderance over our Western European allies. But the INF treaty as brought to the Senate floor by the bill's manager, Sen. Claiborne Pell, will add on two additional disasters. The Biden Condition, which Pell's Senate Foreign Relations Committee added to the INF treaty by a 12-7 vote, will administer the final *coup de grace* to the already moribund Strategic Defense Initiative.

Beyond this, the Biden Condition will strike a devastating blow against the U.S. Constitution, sending the country toward a parliamentary regime with evident fascist overtones. Ironically, it is opposition to the Biden Amendment among senators otherwise favoring ratification which offers the best chance to delay, and thus to kill, the treasonous INF accord.

In the days after the INF treaty reached the Senate floor on Tuesday, May 17, some irreconcilable Republican foes of the INF accord came forward with killer amendments. Jesse Helms raised a cogent point of order that Mikhail Gorbachov had no credentials from the Soviet state empowering him to sign a treaty valid under international law, but this was tabled by a vote of 91-6, the nays being Helms, Humphrey, McClure, Pressler, Symms, and Thurmond. Two days later a Symms amendment barring the treaty from taking effect until the President certifies that the Soviets are complying with existing treaties was defeated on five separate roll call votes by margins ranging from 89-8 to 82-15. Other anti-INF irreconcilables, including Humphrey, Pressler, and Wallop, were also expected to offer amendments that would alter the text of the treaty. One Pressler amendment would block ratification until the President certifies that the Soviets are observing the Helsinki human rights standards; another would demand conventional parity between NATO and the Warsaw Pact. Wallop, Carnes, and McCain will seek changes

to strengthen U.S. enforcement in case of Soviet violations. Democrat Ernest Hollings will offer a reservation exempting conventional cruise missiles from the ban placed upon them in the present treaty text.

In the meantime, GOP leader Dole and Democratic whip Cranston are attempting to hype the need to complete summit action before Reagan's Moscow summit "deadline" of May 29. Majority leader Robert Byrd is skeptical about deadlines, and has hinted that he might hold INF hostage if the President vetoes the trade bill, which the latter is expected to do a day before leaving for Moscow.

With more than four-fifths of the Senate favoring the passage of the INF in some form, and only 15-17 senators opposed to passage, how can the INF be defeated? The fate of the Versailles Treaty in 1919 and 1920 shows how. At that time, 47 Democrats stood ready to vote for Woodrow Wilson's treaty as signed. The 49 Republicans were divided among 16 irreconcilables (the "battalion of death," led by Borah, LaFollette, and Hiram Johnson), about 20 strong reservationists around Henry Cabot Lodge, and 12 mild reservationists led by Frank Kellogg, the future Secretary of State. The Versailles Pact failed because, under Wilson's orders, most Democrats would only vote for the treaty without reservations, while the Republicans would only accept it with reservations. Then as now, a sick and disoriented President was addicted to summitry, and functioned under the control of a domineering wife.

A fighting chance

While the Democrats almost certainly have the votes to add the Biden Condition to the treaty by a simple majority, they may in doing so alienate a critical margin of moderate to liberal Republicans, thus causing the INF to fall short of the needed two-thirds. As the committee vote suggests, it may be a close call. Senators like Specter and Lugar, neither one a friend of SDI, are upset about the Biden Condition.

Pro-Soviet Senator Cranston, recognizing the potential of the Biden Condition to derail ratification, is seeking a compromise where Specter and Lugar can be reconciled with Biden and Nunn.

The Biden Condition is a gross violation of traditional constitutional doctrine giving the President the right to conduct foreign affairs. The Constitution's reference to treaties appears in Article II, Section 2, where among the powers of the President we read: "He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the senators present concur." Thus, only the President can make a treaty, which cannot become law until the Senate approves the treaty text, making any amendments, reservations, conditions, understandings, provisos, or other changes senators deem necessary. Ratification occurs when the President signs the approved treaty text the Senate has sent back to him. After that, the President, and not a congressional committee, must make foreign policy, including the interpretation and reinterpretation of treaties according to the nation's paramount interests, as new and unforeseen circumstances arise.

In sharp contrast to this, the Condition offered by the discredited plagiarist from Delaware states: "That this treaty shall be subject to the following principles, which derive, as a necessary implication, from the provisions of the Constitution (Article II, Section 2, Clause 2) for the making of treaties:

"(a) the United States shall interpret this treaty in accordance with the understanding of the treaty shared by the Executive and the Senate at the time of Senate consent to ratification;

"(b) such common understanding is: (i) based on the text of the Treaty; and (ii) reflected in the authoritative representations provided by the Executive branch to the Senate and its committees in seeking Senate consent to ratification, insofar as such representations are directed to the meaning and legal effect of the text of the Treaty;

"(c) the United States shall not agree to or adopt an interpretation different from that common understanding except pursuant to a subsequent treaty or protocol, or the enactment of a statute.

"This understanding shall not be incorporated into the instruments of ratification of this Treaty or otherwise officially conveyed to the other contracting Party."

As former Assistant Secretary of Defense Frank Gaffney has pointed out, this Condition is an unconstitutional infringement on the President's treaty-making authority. In Senate debate on May 18, Senators Adams and Sarbanes referred explicitly to "the treaty-making power of the Senate," whereas it is the President who both makes and ratifies treaties, with Senate consent and amendment.

As even Howard Baker's sidekick, Arthur B. Culvahouse, the White House counsel, pointed out in a March 17 letter to Senator Lugar, the Biden Amendment seeks to bind the United States to a series of constraints that will not bind

the Soviet Union: "Exchanges in Senate proceedings in connection with the ratification of a treaty cannot alter the meaning of a treaty where they are not officially communicated to the other treaty party prior to the exchange of instruments of ratification. The result might be two INF treaties, one binding domestically against the President and a second one binding internationally between the United States and the Soviet Union."

It is true that the INF treaty is a slovenly and ambiguous document, reflecting the squalid haste of its drafting. In a competent treaty, language that is expected to bind the Soviet government would have to be watertight and unambiguous contract language. Competent drafting would obviate part of the contraband that Nunn and Biden are trying to bootleg in.

The Biden-Nunn position is that all testimony by administration witnesses before Senate committees during the ratification process becomes set in concrete. What if such testimony is contradictory, what if the Secretary of State says yes, the National Security Adviser says no, and the Secretary of Defense says maybe, to the same senatorial question? The recent conflict on whether the INF treaty bans futuristic weapons is a case in point. Ambassador Maynard Glitman assured the Senate that under the INF, futuristics were banned. It then turned out that they had never been discussed with the Soviets. Under the Biden Condition, this would have left the U.S. forbidden to build futuristic medium-range devices, while the Soviets remained free to interpret the treaty in their own interest. Even worse, if unforeseen events were to occur at a future time within the context of the INF treaty, the President would be powerless to reinterpret the treaty for the United States, but would be forced to request a new treaty from the Soviets, or to have the Senate pass a special unicameral statute of reinterpretation—a monstrosity of constitutional mutilation, and illegal under international law. The Biden Condition would indeed design two treaties, one between the President and the Russians—and the other between the President and the Senate, binding this country into a straitjacket far more confining than the garment tailored for the Muscovites.

If the Senate wished to "lock in" a specific interpretation where ambiguity were present, its clear option would be to add reservations and understandings which would also be binding on the other party to the treaty. The Nunn clique refuses to do this, stipulating that the Biden Condition is not to be sent to Moscow.

The Biden Condition's near-term goal is to bind the presidency to Sam Nunn's reinterpretation of the 1972 ABM treaty, confuting the so-called Sofaer doctrine and prohibiting tests of ABM devices outside of the laboratory, thus strangling the SDI. Nunn's latest brainstorm is a revision of the War Powers Act, attacking the constitutional separation of powers with a parliamentary "permanent consultative group" of 18 congressional leaders to meet with the President before U.S. forces are committed anywhere in the world, and then to authorize or end U.S. involvement.

Drug legalizers move in for the kill

by Kathleen Klenetsky

Taking advantage of the failure of the Reagan administration's war on drugs, advocates of legalization have kicked off a new drive to sell Americans on the perverted notion that legalizing dangerous, addictive narcotics is the best way to deal with the drug plague.

Two developments in late April signaled that a major attempt to destroy the last vestiges of America's anti-drug stand was under way: The Inter-American Dialogue, a group of high-powered influentials from the United States and Ibero-America, issued their second report urging the "selective legalization" of certain drugs; and Kurt Schmoke, Baltimore's new Oxford-educated mayor, went before the U.S. Conference of Mayors to call for a national debate on drug decriminalization.

This was all it took to turn the issue of drug legalization—which had all but gone underground with the demise of the Carter administration—into a leading item on the national agenda. It is now impossible to pick up a newspaper, or turn on the TV news, without hearing yet another commentator or expert sound off about how decriminalization should be at least considered.

The *Baltimore Sun* and the "conservative" *Washington Times* have published editorials endorsing Schmoke's call; two influential magazines, *Foreign Policy* and the *Economist*, have run articles or editorials favoring legalization. Free enterprise nuts William Buckley and Milton Friedman, both long-time decrim advocates, have issued new statements on behalf of the policy. The *New York Times* and the *Washington Post* ran front-page features in their May 15 editions, laying out the case for drug decrim. And numerous TV and radio interview shows—ranging from ABC's "Nightline" to public television's "MacNeil/Lehrer Report," have done features on the issue, with Schmoke the ubiquitous guest.

Political officials jumping on the decrim bandwagon include Washington Mayor Marion Barry, whose administration has had more than its fair share of narcotics scandals, Mayor Donald Fraser of Minneapolis, and Reps. Pete Stark (D-Calif.) and Steny Hoyer (D-Md.). (By and large, these are the same individuals who pushed to get federal decriminalization under Jimmy Carter.) In New York, State Sen. Joseph Galiber felt free to introduce a bill that would set up a state-run Controlled Substances Authority to control the sale, by pharmacists, doctors, and others, of narcotics, cocaine, and marijuana.

The Reagan administration contributed, perhaps unwillingly, to the drug legalization mania, through Surgeon General C. Everett Koop's report claiming that nicotine is as dangerous and addictive as cocaine and heroin. As a spokesman for NORML (the National Organization for the Reform of Marijuana Laws) exulted, "Anyone who reads Koop's report will find it impossible to justify a criminal approach to marijuana."

The proposal has not been without its critics. Rep. Charles Rangel (D-N.Y.) chairman of the Select Committee on Narcotics, has denounced the Schmoke proposal as "idiotic," "chit chat for cocktail parties."

Just give in

In place of the administration's impotent "Just say no," the drug legalizers propose a new slogan: "Just give in." In other words, if you can't beat the devil, you might as well join him.

Their chief propaganda line is that it has proven impossible to curb the supply of drugs. Rather than waste billions of dollars in fighting an unwinnable war, the government itself should get into the drug business. This, or so the spurious argument goes, would not only shut down the drug mafia, by taking the profit out of narcotics trafficking; it would also raise billions of dollars in revenues, because drug sales could be taxed, like alcohol or cigarettes. As Princeton University Prof. Ethan Nadelmann, author of the *Foreign Policy* article backing legalization, claims, "Legalization of the drug market, just like legalization of the alcohol market in the early 1930s, would drive drug dealing business off the streets and out of the apartment buildings and into legal government-regulated, tax-paying stores."

These arguments are lies, from top to bottom. Decriminalizing drugs would be tantamount to a declaration of surrender to evil in general, and to the Soviets in particular, who decided in 1967 that hooking the American population on narcotics would be a top objective.

Medical studies have proven that drugs have a much more potent effect on the body's psychological and physiological responses, than cigarettes or alcohol. Dr. Frank Gawin of Yale University points out that with cocaine in particular, desire increases with use, and that animals in laboratory tests given unlimited access to the drug, will consume ever greater amounts until they die. "I would be terrified to live in a cocaine-legalized society," he says.

Experiments with drug legalization have been singularly unsuccessful. In Britain, where physicians were permitted to give heroin to addicts, a huge black market developed, and heroin addiction jumped.

If that isn't enough, consider some of the recent fatal accidents linked to drug usage, such as the Amtrak disaster in Maryland last year which claimed 16 lives. Do you really want your bus driver, airplane pilot, utility plant operator, or brain surgeon high on drugs—even if it is legal?

Government goes on trial in 'LaRouche' cases

by our Special Correspondent

During the course of mid-May the combined legal onslaught of corrupt circles in the U.S. Justice Department against presidential candidate Lyndon H. LaRouche and his political associates underwent a dramatic transformation. In three major cases which the Justice Department was using to shut down LaRouche's political organizing, the roles were reversed and the prosecutors themselves went on the witness stand. The subject in all three situations was accumulated evidence of violations of the law by the prosecution.

Among those compelled to testify on their actions were all the leading actors in the anti-LaRouche prosecutions in Boston, Virginia, and Washington, D.C.:

- Assistant U.S. Attorney (AUSA) John Markham, the chief Boston prosecutor, was asked to account for the withholding of relevant exculpatory evidence from the defense in the *USA v. The LaRouche Campaign* trial;

- William Weld, the recently resigned head of the Justice Department's Criminal Division and the Boston U.S. Attorney who initiated the case against LaRouche, was questioned on his role in the government's forced bankruptcy actions against three corporations identified with LaRouche;

- U.S. Attorney Henry Hudson of Alexandria, Virginia, the official on top of a widely touted grand jury investigation against LaRouche and his associates in that jurisdiction, was probed on his role in the same bankruptcy action.

Leading subordinates to these individuals were also compelled to testify on their roles in anti-LaRouche actions. Among them were the chief FBI case agents against LaRouche, Richard Egan and Timothy Klund, as well as Virginia AUSA Kent Robinson and dozens of state police agents who were involved in the Oct. 6-7, 1986 raid against Leesburg corporations associated with LaRouche.

Although the Boston federal case is now in limbo because of the declaration of a mistrial, the implications of all this testimony have not yet been felt. The issues raised by the defense lawyers in putting the government on the stand could result in the total dismissal of the Boston case; the denial of the government's petition for involuntary bankruptcy against the three LaRouche-identified corporations; and possibly the invalidation of the unprecedented joint state and federal search,

which resulted in indictments against 16 individuals and 5 corporations by the Commonwealth of Virginia, as well as the Boston federal and New York state indictments.

Markham makes admissions

AUSA Markham took the witness stand on May 6 as a witness in the evidentiary hearing into government misconduct. From the start the clearly nervous prosecutor took the tack that it was his co-prosecutor, Mark Rasch, who was responsible for providing the material to the defense which was delayed until 55 days into the trial.

Yet, by the conclusion of the one and a half days of testimony, Markham had to acknowledge that he had not honored either his agreement with the defense to provide materials on informants, or the June 1987 order of Magistrate Robert Collings that the prosecution had to turn over materials on informants who were witnesses to crimes.

The particular individual on whom Markham withheld evidence was FBI informant Ryan Quade Emerson, whose connection with the government was not revealed until February of this year. Yet Markham had to admit that he knew on Oct. 3-4, 1986 that Ryan Emerson was the name of an informant for FBI agent Timothy Klund. Within two or three months after the raid, Markham had identified Emerson as the source named "QED," which he found "hundreds" of times in the notebooks of the defendants. Then Markham personally interviewed Emerson on two occasions, and supposedly received the copies of the FBI's reports on meetings with Emerson as early as March of 1987.

Yet, despite all this contact and knowledge, Markham both used a statement made by government agent Emerson which was reported in the defendants' notebooks, as "evidence" of an overt criminal act in his opening statement to the jury; and also failed to tell the defense that Emerson was a government agent.

Despite all this, Markham pled that his failure to produce evidence was not deliberate, but the result of inadvertence and neglect.

Both William Weld and Henry Hudson were called by the defense to testify in the bankruptcy trial of three corpo-

rations seized by the federal government in April of 1987. The defense, represented by attorney David Kuney, sought to show that these two U.S. Attorneys, as directors of the major criminal investigations against LaRouche and his associates, were using the "civil" bankruptcy proceeding "in bad faith" as a means of violating the constitutional rights of the criminal targets.

The outcome of the trial, presided over by Judge Martin V.B. Bostetter, will decide whether this unprecedented shut-down of three corporations will be concluded with a declaration that they are involuntarily bankrupt and should be completely liquidated. A decision is not expected until July.

U.S. Attorney Hudson proudly declared in the course of his testimony that "I made the decision" to file the bankruptcy petitions. When asked why he then violated the lawful procedure of filing with at least three creditors, Hudson claimed that he had been advised by his assistant David Schiller, that he could proceed with the government as the only creditor. When confronted by Kuney with the fact that the bankruptcy procedure would, in fact, not give the government any of the monies which it claimed were owed to it by the corporations—a fact that shows that the government had ulterior motives—Hudson pled ignorance.

Weld, who had done his best to avoid taking the stand, was compelled to testify on May 11 for about 45 minutes. His performance was largely incredible, as he attempted to minimize his involvement in both the bankruptcy and even the Boston grand jury investigation as "very limited" and "superficial." It is well-known that Weld pursued the LaRouche case with the equivalent of a personal vendetta, especially in light of LaRouche's political campaign against drug money-laundering.

Attorney Kuney confronted Weld with the FBI memorandum which had been sent around the country in January of 1986, which described Weld as "extremely interested" in the case, and which further outlined the fact that Justice Department officials were looking for new avenues, including so-called "civil aspects," as a means of forcing through their languishing case on LaRouche. Despite his previous coyness, Weld did confirm the accuracy of the memorandum.

Weld testified that in his discussions about the bankruptcy filings, he did not consider whether the action might impair the rights of the companies and individuals to defend themselves in criminal proceedings. He acknowledged that the attempted collection of the criminal contempt fine collections, the excuse for the bankruptcy petition by the government, was handled within the Criminal Division of the Justice Department. This testimony directly contradicted that of the government, which had stated that the collection of judgments was strictly a Civil Division matter, and supported the defense's contention.

Overall, observers believe the testimony of Weld and his former cohorts strongly reinforced the defense argument that the bankruptcy was filed for a "prosecutorial," not bankrupt-

cy, purpose, and was therefore improper.

An illegal search?

Meanwhile, starting May 2, defendants in the state of Virginia's political prosecution against LaRouche began a two and a half week grilling of state and federal officers who were involved in the Oct. 6-7, 1986 400-person invasion of Leesburg, which was ostensibly the implementation of a joint state-federal search warrant. Appearing before Judge Carleton Penn in Loudoun County court, defense attorneys argued that searchers blatantly violated the state search warrant, which was specifically restricted to materials relevant to alleged "securities fraud." The materials taken in the raid should be thrown out, the defense argued, since they were the product of a "general search," which is specifically prohibited by the Fourth Amendment of the U.S. Constitution.

Most explosive in proving the defense's point was the testimony given by one State Police Officer, Colton, who read from notes he took at the briefing session held before the search. "Seize everything, search everywhere, pat down everyone," read the notes. Colton claimed, however, that he could not remember which individual had given these instructions.

Additionally, hundreds of thousands of pages of seized materials were introduced into evidence by the defense, which demonstrated that there was reckless disregard of any limitation on the search. Corporations which were not targets of the search, political campaign materials, and even a set of petitions to put Democratic presidential candidate Lyndon H. LaRouche, Jr. on the ballot in 1984, were found to have been taken by the zealous searchers.

It became clear in the course of the hearing that the federal government was actually directing the activities of the state officers. While it was the case that the federal warrant was much broader than the state one, examination of materials seized under the federal warrant also showed that there was no limitation on its scope—i.e., it was a general search.

Also explosive was the revelation by two FBI agents who took the stand, that they had heard that the only reason for the unprecedented procedure of having both a state and federal warrant, was that the state was trying to avoid running afoul of a state statute against double jeopardy. Defense attorneys argued that this ruse showed that the state search was being made in bad faith.

At the conclusion of the hearing, Virginia Assistant Attorney General John Russell demanded that Judge Penn ignore the testimony, and rush the 21 cases to trial immediately. Russell claimed that the defense was simply trying to delay the case by asking the judge to consider written briefs summarizing the results of the hearings.

Judge Penn denied Russell's motion, stating he had no idea yet how he will rule on the search. He then set a schedule which would not bring the two parties back to court until Sept. 6.

A bad week for George Bush

by Jeffrey Steinberg

As early as December 1980, Lyndon LaRouche warned the incoming Reagan-Bush administration that they were being lured into a monkey-trap in Central America which would end up involving the United States with drug traffickers. The failure to heed this advice could now cost George Bush his lifelong dream of the presidency.

When *Village Voice* correspondent James Ridgeway picked up on an earlier *EIR* reference to Bush as the “wimp of the war on drugs” in a mid-May edition of the New York City liberal weekly, it was just the beginning of what proved to be one of the most dismal weeks in the vice president’s political career. Before it was over, the *Newsweek* edition of May 23 published heretofore unreported evidence of Bush’s personal role in sponsoring a Central American arms super-market funded in part by cocaine revenues of the Medellín Cartel; “ABC World News Tonight” ran back-to-back segments on May 16-17 featuring an alleged CIA-Mossad operative who said he flew drug flights into Amarillo, Texas while reporting directly to Bush staffer Donald Gregg; and the Public Broadcasting Service ran an hour-long documentary on “Guns, Drugs and the CIA” that included an interview with a leading accountant for the Medellín Cartel who said that he contributed \$10 million to the Contra cause at the request of a CIA official who said he was reporting directly to the vice president.

Adding to the Veep’s woes, several nationwide polls published in the midst of this press barrage showed that Democratic Party presidential hopeful Michael Dukakis would beat Bush by 10 percentage points if elections were to be held today. The key issue? The majority of voters felt that the Democrats would be tougher on drugs than a Bush administration.

A blend of fact and fiction

EIR’s own investigations into the allegations against Bush suggest that the media reports are a blend of fact and fiction. Some of the more fictional elements may in fact be products of the Bush campaign or other pro-Bush circuits seeking to discredit his attackers as pure slanderers out to put Dukakis in the White House. A string of allegations that Bush “knew” about Panama’s Gen. Manuel Noriega’s alleged ties to the Medellín Cartel, for example, were discredited in short order.

Ironically, the key witness to the Medellín Cartel’s underwriting of the Contra war, Ramón Milián Rodríguez, is now serving a 43-year jail sentence as the result of General Noriega’s cooperation with the U.S. Drug Enforcement Administration.

Milián Rodríguez testified earlier this year before a closed-door session of the Senate Foreign Relations Subcommittee on Narcotics and Terrorism. Extensive interview clips with the Cuban-American dope accountant were aired in the PBS documentary. In the TV interview with producer Leslie Cockburn, Milián Rodríguez reported that he was approached by CIA official Felix Rodríguez on several occasions and asked to contribute money to the Contras.

Felix Rodríguez, a veteran of the aborted Bay of Pigs invasion, was a fixture in the Miami Cuban community and is a longtime colleague and close personal friend of Bush aide Donald Gregg, himself a former senior CIA official, according to *Newsweek*.

“Felix told me that he was working directly for George Bush,” Milián Rodríguez told PBS. “If he mentioned Oliver North or somebody else who I never heard of, I would have never given the money. It made sense to me, Felix working for his old boss, the former chief of the CIA.”

Fitzwater’s Brenneke ‘blooper’

Newsweek, citing Oregon arms dealer Richard J. Brenneke, implicated the vice president even more directly in the Central America guns-for-drugs fiasco. “The former agent, Richard J. Brenneke, an arms dealer with connections in the Soviet bloc, told the committee that Gregg was actually the Washington contact for the supply operation. He also says the Medellín cocaine cartel put up financing for the operation, used its planes to fly arms to the Contras and then used the same planes to fly some of its drug shipments from Colombia to the United States.

“Brenneke says he flew with one such shipment to Amarillo, Texas, in mid-1985 and then tried to tell Gregg what was going on—only to be told, ‘You do what you were assigned to do. Don’t question the decisions of your betters.’ Gregg denies that he ever talked to Brenneke, picturing him as a shady operator who once tried to get Bush to approve an arms deal with Iran.”

As if the blast of exposés against the vice president were not enough, Bush’s former press aide, now presidential press officer, Marlin Fitzwater, compounded matters when he told the White House press corps that Brenneke’s allegations were disproved in the course of a criminal prosecution of him in New York. Fitzwater was referring to the still-pending prosecution of Israeli General Bar-Am and 16 other defendants on charges they conspired to sell over \$1 billion in arms to Iran in 1986. Brenneke is not a defendant in the case, and the U.S. Attorney’s office in charge of the case told ABC that no such documents exist that disprove the Brenneke allegations. So much for presidential press work.

Dukakis and the sodomites

Democratic presidential front-runner Michael Dukakis picked up endorsements from over 70 prominent homosexual activists in Los Angeles during a campaign swing through California prior to the state's June 7 primary.

Among the endorsers was Jean O'Leary, executive director of the National Gay Rights Advocates, who introduced Dukakis to a group of fellow sodomites with the following panegyric: "We have in Mike Dukakis a candidate who is instinctively supportive, who has a good record on gay rights issues, who wants our support and can win."

Dukakis's record shows that he certainly is supportive of the gay cause, "instinctively" and otherwise. In 1987, the self-described card-carrying member of the American Civil Liberties Union zealously lobbied the Massachusetts legislature to pass a "gay rights" bill.

On top of that, he recently vetoed a measure that would have banned homosexuals from acting as foster parents, a bill that had been introduced in response to a growing number of cases where homosexuals are taking in parentless children for the sole purpose of sexually exploiting them.

Fearing that his veto would demolish his carefully-contrived image as a defender of "family values," Dukakis has tried to cover himself by stating that access to foster children is not a civil right, and that he doesn't

think homosexuals should be the first choice for foster parents.

But, as his son John recently explained, his father does believe that sodomites should be allowed to have foster children, in cases where more traditional homes are not available.

Dukakis has acted equally irresponsibly on the AIDS issue, where, wary of upsetting the large bloc of homosexual voters, he has adamantly opposed mandatory testing, claiming it would infringe on civil rights.

Dukakis economics: tax consumption

A top adviser to Dukakis, Harvard University Prof. Lawrence Summers, has co-authored a study which concludes that taxing consumption, reducing Social Security benefits, and driving the dollar down even further are the prime requirements for reviving the country's manufacturing base.

Commissioned by Eastman Kodak chairman Colby H. Chandler, "The Case for Manufacturing in America's Future" makes the following major recommendations:

"Bringing federal budget deficits under control should be the overriding priority of national economic policy. . . . This will require consideration of spending cuts in previously sacrosanct budget areas, including Social Security, as well as a significant increase in federal tax collections. . . . [F]or the long run, serious consideration should be given to new national consumption taxes. . . .

"Efforts to stabilize exchange rates at current levels are misguided. . . . Policymakers should recognize that a continued dollar decline is both likely and desirable."

Rumor has it that Summers would almost certainly be appointed to a principal economics post in a Dukakis

administration, where he no doubt would be of great assistance in helping the new President lay on the kind of austerity that Dukakis excelled at during his first gubernatorial term.

Where does 'The Duke' really stand on drugs?

Dukakis talks a tough line on drugs, but his credibility on the issue is bound to be shattered when voters learn that his campaign harbors an ardent advocate of drug legalization.

Former Maryland Congressman Michael Barnes, who functions as the Dukakis camp's chief representative to the Democratic Party platform committee, just happens to sit on the board of the Inter-American Dialogue, a group of prominent figures from the United States and Ibero-America, which in 1986, and again in 1988, issued reports recommending the "selective" legalization of dangerous drugs.

Several members of the group dissented specifically from the section on decriminalization—but not Barnes, who also just happens to be close to Baltimore's new mayor, Kurt Schmoke, whose first major act in office was to call for a national debate on the merits of making cocaine, heroin, and marijuana legal substances.

If Dukakis is truly anti-drug, why hasn't he demanded that Barnes either quit the Inter-American Dialogue or resign from the campaign?

The candidate's tolerance of a drug-legalizer in the top echelons of his campaign apparatus shows that those who've called him another Jimmy Carter are right on the mark. It looks as though a Dukakis administration just might complete the notoriously pro-legalization Carter administration's unfinished campaign to end the war on drugs once and for all.

Reagan confronted by ghost of Smoot-Hawley

Ever since the bottom dropped out of the stock market last October, "experts" have sought to soothe the national psyche by reminding us that it was not the crash of 1929 which brought on the Great Depression of the 1930s, but it was the viciously protectionist Smoot-Hawley bill, passed in June 1930, which really set off the collapse.

Getting official Washington to respond seriously to the reality of the impending economic collapse requires a relentless effort to demonstrate that, because the workings of the minds of the nation's financial elites have not changed in the last 60 years, we are walking down the very same path to disaster that we followed in 1929-30.

So when this reporter got an opportunity to put a question to President Reagan directly, during his surprise press conference in the White House briefing room May 17, I equated the current trade bill on the President's desk with the infamous Smoot-Hawley.

"Some people are saying, Mr. President," I began, "that if your veto of the trade bill were to be overridden by Congress, the effect would be similar to Smoot-Hawley."

The obligatory question that I followed with was secondary, although a matter of genuine concern to many people, even in the administration, who have told me they are "baffled" by the reasons the President has given for opposing the bill. I asked, "So why is it that the administration is saying it is only the plant-closings provision that is wrong with the trade bill, that otherwise you would support it?"

My question gave the President a

chance, if he wanted it, to delineate all the pitfalls of the trade bill, and, in fact, disassociate himself from the idea that only the plant-closings provision stood in the way of his supporting the bill. Instead, he gave a lengthy answer explaining the reasons why it was the plant-closings provision which was the "main" problem with the bill.

With answers like Reagan's, indeed, we are well on our way down the path to a Great Depression.

Baker rattled by charges of failure

A similar exchange, only more extended, occurred the day before with Treasury Secretary James Baker III.

On this occasion, Baker, Federal Reserve Chairman Alan Greenspan, and others were releasing a report of the "Working Group on Financial Markets" appointed by Reagan to figure out how to prevent another market crash. The report, like that of the so-called Brady Commission before it, contained no remedies of substance, blaming the crash not on fundamental economic factors, but only on technical market factors.

Greenspan's was the most absurd remark at the press briefing, saying that the 508-point drop in the market last Oct. 19 was "due only to the development of extraordinary technological capabilities over the last 10 years," that created "new communications systems so advanced and sophisticated that they handle a pace much more rapid than before."

I challenged Baker, saying, "Last fall we were told that two things had to happen to avoid the October crash from becoming a repeat of 1929. First was that the federal deficit had to be reduced. Well, now Chairman Greenspan says that the FSLIC [Federal Savings and Loan Insurance Corp.]

borrowing authority is insufficient and FDIC [Federal Deposit Insurance Corp.] head William Seidman says that there is \$60 billion deposited in insolvent savings and loan institutions that needs to be covered."

An agitated Baker interrupted, saying, "Whoa, wait on a minute. That situation is under control. We had a very orderly budget deficit negotiation last fall."

I then held up a copy of the administration's Fiscal Year 1989 budget document, produced by Baker in February, and said, "I remember it well, and right here it says that 20% of your entire \$45 billion budget reduction was supposed to come from reduced outlays for the FDIC and FSLIC, but now they need massive additional funds."

Baker retorted, "What does that document say? I don't understand."

I answered, "It's right here in black and white. It's your document. It calls for reducing their outlays from \$41 to \$32 billion."

I went on, "You also said that it was the Smoot-Hawley protectionist trade bill that really caused the last Depression, and now, at almost exactly the same time lapse as after the 1929 crash, there is another protectionist trade bill that Congress is mustering the momentum to pass over the President's veto."

Baker snapped back, "What makes you so sure the Congress will override it?"

I said, "You say there's nothing wrong in it but the plant-closings provision."

Baker retorted, "That's not true. I said on TV Sunday there was more to it than that."

Indeed, he may have. Whatever he said, however, was a view either not shared by or with the President, whose answer to me the next day further ensured his Herbert Hoover legacy.

Senate votes military new anti-drug role

On Friday, May 13, the Senate voted overwhelmingly to give the military a major new role in stopping the flow of illegal drugs across U.S. borders. The Senate voted 83 to 6 in favor of a wide-ranging plan which would give the military a greater jurisdiction in detecting and tracking drug smugglers, and would allow the use of military personnel and equipment to intercept them.

The bill would also give the Navy limited powers of arrest on the high seas. Only those Navy personnel, however, who have received "appropriate training" and specific authorization from the Coast Guard could make arrests. No arrests could be made on U.S. land or waters.

The plan would also expand the use of the National Guard in interdiction and enforcement efforts, earmarking up to \$30 million to help support the endeavor.

The Senate vote virtually assures congressional action to designate a greater role to the military in the war on drugs as part of the \$300 billion defense authorization bill for next year. The House approved an even stronger measure earlier in the week, in which the President was authorized to deploy the armed forces to "locate, pursue, and seize" aircraft and ships carrying drugs and to arrest their crews.

The President has indicated that he could agree to the Senate plan and, according to Capitol Hill sources, has pressured the Pentagon to cooperate in drafting a plan which it could go along with.

The Pentagon has been skeptical, since this increased role in the war on drugs would take them away from their primary, constitutionally designated

task of defending the nation. In a period of austerity budgets, without sufficient additional funding, it would spell disaster for other important Pentagon programs. Pentagon officials have said that the effort could cost \$2 billion.

Death-penalty proposal delays defense bill

One particular item of dispute which, at the time of this writing, is holding up the Defense Authorization Act, is an amendment by Sen. Alfonse D'Amato (R-N.Y.), who wants to make it a federal crime subject to the death penalty for anyone to kill or "participate substantially" in the killing of another person in connection with a drug transaction or conspiracy. Currently the death penalty can be imposed for drug-related killings only in states that have laws allowing capital punishment.

The amendment is hotly contested by senators opposed to capital punishment. There have been threats by the opponents of the bill that they would filibuster in order to delay its passage. The Senate refused 68 to 27 to table the amendment.

The amendment has been causing some problems for those interested in getting through the INF ratification process quickly. A prolonged debate on the capital-punishment issue could seriously delay the passing of the defense bill, or even jeopardize it entirely, and could delay debate on the INF treaty. Attempts have been made to get D'Amato to withdraw his amendment and reintroduce it at another time in the interest of getting swift action on the defense bill.

While 37 states have laws imposing the death penalty for specified crimes, the only such federal laws are two narrowly defined statutes passed in 1973 and 1985. The 1973 law is confined to air piracy and the 1985 law to espionage by military personnel in peace time. Neither law has been constitutionally tested.

At the time of this writing, D'Amato has not agreed to withdraw the amendment, so the issue remains on the floor. Sen. Orrin Hatch (R-Utah), a supporter of the bill, called drug traffickers "scumbags who exploit the weakest in our society" and said that "capital punishment is our society's recognition of the sanctity of human life." Sen. Carl Levin (D-Mich.) opposes D'Amato's proposal for a number of reasons, "not the least of which is, you can't correct your mistakes."

Senate seeks more harassment of Noriega

The Senate has passed a Sense of Congress resolution introduced by Minority Leader Robert Dole (R-Kans.), stating that the drug indictments against Panama's Gen. Manuel Noriega should not be dropped. This occurred as the media reports that the White House, foiled in its attempts to oust the popular general, is allegedly trying to strike a deal with him.

Senator Dole waxed quite eloquent in his attacks against Noriega, saying, "If we let Noriega off the hook on the drug indictments that have been brought against him—no matter what the motive—we have sent a very regrettable message to the world." As was indicated in the May 17 edition of the *Los Angeles Times*, the indict-

ments against Noriega were launched under the oversight of former Assistant Attorney General William Weld. Weld was also the key person in the Justice Department who launched the trumped-up charges against Democratic presidential candidate Lyndon LaRouche.

Senate leaders on guard against START surprises

Although the INF treaty has not yet been ratified, the subject of a future START treaty is now being mooted. Senate Majority Leader Sen. Robert Byrd (D-W. Va.) and Minority Leader Robert Dole (R-Kans.) have introduced an amendment to the Defense Authorization Bill calling for the presentation of a comprehensive presidential report on the implications such an accord would have for the future strategic force postures of the United States in the 1990s, *before* the signing of any START treaty.

The amendment is intended as a defensive maneuver to establish some congressional oversight of an eventual treaty. As Senator Byrd indicated in his remarks on presenting this amendment, "Arms control is wise, but only wise if it enhances our national security and that of our allies. . . . The architecture of our future national security posture must be developed to the satisfaction of not only the administration, but also the Congress, and in particular, the Senate, which has the role under the Constitution of giving its advice and consent to treaties. It would be the height of folly to rush into a START agreement without the precise development of this architecture."

Senator Byrd has been a key figure in demanding critical examination of the INF treaty, leading to the latest last-minute negotiations between Shultz and Shevardnadze in Geneva. Byrd is under heavy pressure to hasten Senate ratification of the treaty in time for the upcoming summit. Hopefully, he will heed his own words concerning the "height of folly" of rushed treaties and see to it that the INF is examined thoroughly, taking all the time necessary to do that.

Demand probe of Wright's finances

House Speaker Jim Wright (D-Tex.) could be in hot water if the House Committee on Standards of Official Conduct decides to launch an ethics inquiry called for on May 18 by Common Cause, a citizens' lobbying group based in Washington. The president of Common Cause, Fred Wertheimer, in a letter to the chairman of the committee, urged an inquiry into the financial arrangements surrounding the publication of a book by Wright, and reports that the Speaker had intervened with federal bank regulators on behalf of Texas savings and loan operators.

Wright has often been accused of improprieties by Republican opponents, and is noted for his high-handed methods of manipulating voting in the House. At one point, Wright was given the epithet "Mussolini of the House" by Rep. Newt Gingrich (R-Ga.) because of his tactics.

Gingrich has for months said that he would formally request that the ethics panel investigate Wright, and is "working with lawyers to develop formal charges." Under House rules, any

member can request an ethics probe of another member. If Gingrich does make such a request, it would be up to the committee to decide whether to conduct such an inquiry. Wright's office called the Common Cause request just another attempt to "blacken his [Wright's] name."

Euthanasia scored in Senate hearings

Testimony by a representative of the National Democratic Policy Committee to the Senate Appropriations Subcommittee for Labor, Education, and Health and Human Services centered on a strong condemnation of euthanasia, as well as the general health care policies imposed by the international insurance/reinsurance cartel with the help of such politicians as Sen. Ted Kennedy.

Specifically denounced were the Prospective Payment System and Diagnostic Related Groups, which delimit health care and increase the death rates among patients.

NDPC witness Webster Tarpley confronted Sen. Lawton Chiles (D-Fla.) with a report by the congressional Office of Technology Assessment which comes out clearly in favor of euthanasia (i.e., patient murder) as a "cost-cutting" measure. The report states, "The fact that a reliable life-saving treatment exists does not mean that a person who will die without it, has a right to receive it."

Tarpley called on the Senate to save money by cutting all funding for "cost-containment research" in the federal health care budget, and also to force insurance companies to open their books on medical insurance and physician liability policies.

National News

EMP weapons testing curtailed

"The Defense Department, under a legal agreement reached May 13, must stop or moderate its electromagnetic pulse (EMP) experiments at laboratories in Virginia, Maryland, Alabama, and New Mexico until the government determines whether the energy is harming people and wildlife," the *Washington Post* reported May 15.

With the Soviets far along on a weapon that would use EMP radiation to kill troops and disable vehicles, the Pentagon had been simulating such pulses to determine how to protect the circuitry in its planes, tanks, and ships. However, Jeremy Rifkin's group, the Foundation on Economic Trends, sued on the grounds that experiments were proceeding without an assessment by the government on their potential harm.

Under a settlement approved by U.S. District Court Judge John Garrett Penn in Washington, the EMP facilities at Patuxent Naval Air Station in Maryland must be operated at low voltage of not more than one kilovolt per meter until environmental risks are assessed.

The Navy's Empress I EMP simulator in the middle of Chesapeake Bay may not be operated at all until its impact has been assessed.

Also shut down under the agreement were EMP simulators at Redstone Arsenal, in Alabama, the White Sands Missile Range in New Mexico, and a facility in Woodbridge, Virginia.

Bush purged President's FIAB

Martin Anderson, who was one of President Reagan's original domestic policy advisers, in his recently published book, *Revolution*, indicates that George Bush staged an intelligence coup inside the Reagan administration in 1985.

Former U.S. Ambassador to Britain Anne L. Armstrong, a strong ally of Vice

President Bush, had Don Regan's help in arranging for a gutting of the Foreign Intelligence Advisory Board in October 1985.

"That action, which included firing Anderson and 10 other board members . . . made it possible for then-CIA Director William J. Casey and National Security Council aide Oliver L. North to mount their covert arms sales to Iran and funding for the Contras," said the *Washington Post*, quoting from the book.

The Iran-Contra operations were then conducted under the supervision of Vice President Bush's office, *EIR* has documented.

According to Anderson, Armstrong persuaded Robert McFarlane, then-National Security Adviser, that the board was unnecessarily large and split by disputes. As a result, President Reagan, under recommendations from Armstrong and McFarlane, wrote letters firing 11 board members.

After the letters were sent, the President reportedly asked Don Regan, "Don, why are we firing all these people?"

Columnist calls for mandatory AIDS tests

Washington Times columnist Cal Thomas called for mandatory AIDS testing on May 15. After relating the story of a woman whose husband had, for more than 20 years, lived a secret life as a homosexual, and who had infected her with AIDS but refused to tell her and refused to permit their doctor to tell her, Thomas inveighs against the inadequacy of the federal AIDS pamphlet that will soon be mailed to every household in the United States.

"As long as we pretend that information alone will curtail the spread of AIDS and reduce the chances of innocent people dying, little impact will be felt. The battle against AIDS must be stepped up to include mandatory testing of every American and the repeal of laws that prohibit a doctor from informing the wife or lover of an AIDS patient that he or she has been exposed to the disease."

Among other things, Thomas contends that the Centers for Disease Control in At-

lanta "estimates that the average homosexual AIDS carrier has 61 different sexual partners each year," and that recent government statistics "project that 1 out of every 30 men between the ages of 20 and 50 are HIV-positive."

Contra leaders 'chosen' by CIA

"They are the ones who put up the money, they are the ones who have chosen us," top Contra official Aristides Sánchez told other Contra leaders in a recent meeting.

After a dispute, he had called a CIA official in Washington and asked him to dictate a resolution of the problem to the Contras' directorate.

Fellow directorate member Pedro Chamorro had proposed dumping Enrique Bermúdez as military chief of the Contras. The CIA man whom Aristides had called demanded to be put on the speaker phone. He proceeded to launch into a 20-30 minute tirade, calling Chamorro's proposal "imbecilic" and "stupid."

Reagan doesn't deny belief in astrology

At a surprise press conference May 17, President Reagan categorically refused to say that he doesn't believe in astrology, and actually apologized to people who do.

But Reagan did deny that the timing of the signing of the INF treaty was astrologically charted. "Nothing of that kind was going on," he told reporters. "We're not binding our lives to this."

He quickly added, however, "I don't mean to offend anyone who believes in it, or engages in it."

Asked if he personally believes in astrology, Reagan responded, "I've not tied my life by it, but I won't answer the question the other way [i.e., "no"] because I don't know enough about it to say, is there something to it or not."

New York called AIDS 'disaster area'

New York City may need disaster assistance because of its AIDS crisis, according to the city's mayor, Ed Koch. The mayor announced that an estimated 400,000 city residents are infected with AIDS and between 200,000 and 320,000 of them will die in the next 10 to 15 years unless a cure is found.

"The federal government would have to act as though there were an earthquake," said Koch, "and pour in aid."

Health Commissioner Stephen Joseph added, "The epidemic doesn't stop in 1991 and the numbers will continue to rise for some years after that. No one knows at what point the epidemic will begin to level off."

Meanwhile, New York City is building a \$5 million AIDS research facility. "We need it because we are the ones who suffer most from the virus," said Health Commissioner Joseph, who added that the lab would provide "enormous" help to researchers looking for a cure. "My personal optimistic horizon is 5 to 10 years for effective treatment and 10 to 15 years on a vaccine," Joseph said. "We are somewhere between 9 and 12 months away from having the laboratory up and running."

Mayor Koch's capital budget allocates \$523,000 for planning the lab and another \$2 million for its construction. An additional \$2.5 million to operate the lab for three years is being sought from private foundations and government grants, according to Joseph. The lab will take up at least one full floor of renovated space at the Public Health Research Institute.

VA puts veteran on prisoner-of-war diet

The Chancery Court of Delaware was told May 17 that Sgt. Arnold Shumusic, a 23-year-old brain-damaged patient whose parents want to starve him to death, currently receives only 560 calories of nutrition a day at a Veterans Administration hospital. This

serves "to keep him more manageable, easier to move," the court was told.

Dr. Ellis, chief neurologist at the Ellsmere Delaware VA Hospital, testified that he did not know what a prisoner of war receives, but a person can survive on 700 calories daily.

This prompted Judge Allen to ask, "Wasn't he undernourished, doesn't that affect his ability to respond?"

Shumusic weighed 220 lbs. when admitted to the facility in July 1987. By March, he weighed only 102 lbs. Yet, he still is able to push away painful stimuli and grasp a friend's hand.

At one point, the White House said it was investigating the case, but later, reporters were told there was nothing that could be done about Shumusic's slow murder.

Gaffney warns of INF impact on SDI

Frank Gaffney, the former deputy secretary of defense, told a press conference in Washington May 17 that the INF treaty will have an impact on the Strategic Defense Initiative in two ways.

First, he said, the so-called Biden amendment would make every pronouncement about the interpretation of the treaty by an administration official binding on U.S. behavior under the treaty, whether or not the Soviets adhered to the same interpretation. This would be used retroactively to enforce the Soviets' "narrow interpretation" of the ABM treaty, strangling SDI development.

Second, the agreement to prohibit deployment of "futuristic weapons" between Shultz and Shevardnadze would affect SDI forward deployment systems as well as tactical defensive systems deployed by the Europeans or Israelis. The agreement prohibits use of emerging non-nuclear technologies, which, Gaffney said, Soviet Marshal Ogarkov has expressed particular concern about.

The Joint Chiefs of Staff, he added, "seems to lack the vision to appreciate the potential of" these technologies, ranging from lasers to particle beams, high-energy explosives, radio frequency weapons, and microwave systems.

Briefly

● **VICE PRESIDENT** George Bush trails Michael Dukakis and faces a "very tight election," according to GOP pollster Richard Wirthlin. His survey shows that 55% of Americans believe that the country has "seriously gotten off the track" and needs a change at the top. Only 34% thought the country is going in "the right direction." Bush, he said, has also been damaged by the revelations of the Reagans' belief in astrology.

● **JUSTICE** Department officials will have the final word on whether to disclose classified information needed in the prosecution of the Iran-Contra conspiracy case, Special Prosecutor Lawrence Walsh disclosed in mid-May.

● **JEANE DIXON**, the queen of the astrologers, has determined that George Bush would make a "more compatible" and "harmonious" President than Michael Dukakis. In a *New York Times* commentary defending her occult trade, Dixon writes, "There is more compatibility between the country (Cancer) and the Vice President (Gemini), than there is between the country" and Dukakis, who's a Scorpio.

● **DON REGAN**, wearing a wide smile, was seen watching some "sidewalk theater" in Washington which featured Ronald and Nancy Reagan consulting their star charts and a crystal ball. Asked if he liked the skit, Regan nodded enthusiastically. Some of the actors asked him to stand by the table and have his picture taken, but two men accompanying him immediately cried out "No! No! You can't do that!"

● **FRANK CARLUCCI**, the Defense Secretary, in a speech to the annual conference of the American Israel Public Affairs Committee (AIPAC), characterized the SDI as important to the future of Israel and called on pro-Israel lobbyists and lawmakers to support increased funding for the program.

Editorial

Educating tomorrow's astronauts

On May 15, while addressing a citizens' group in Hackensack, New Jersey, presidential candidate Lyndon LaRouche was asked what he was going to do about the U.S. education system. The question is so much on the minds of all thinking citizens, that we believe a synopsis of Mr. LaRouche's answer is in order.

The answer begins with LaRouche's national ABC television broadcast of a couple of months back, called "The Woman on Mars." A significant number of the responses to that show came from children under 9—children who wanted to register as astronauts for the program of establishing a permanent colony on Mars 40-50 years from now.

Forty years is about the point of maturity of a leader of that kind of colonization, born right now. One graduates from a university at about the age of 22-25, and retires 40 years later. Forty years is about two generations. The question is therefore really, what are we doing now that will positively affect the lives of our grandchildren?

And how long has it been since we heard of a U.S. government that could get a policy that will even last for one year? Yet, we must think ahead—or our government serves no purpose.

The first thing to get across in education is that you have to have a child in the classroom who wishes to master knowledge. The President, the government of the United States above all, must stand up and address the children, and say, "The United States government has prepared a meaningful life for you 20 and 40 years from now. These are your opportunities—all you have to do is qualify for it."

This message has to be taken to the children throughout our society—particularly, into places that look like bombed-out ghettos in World War II, where they fight for existence with cockroaches and rats. These children must be promised that they *may* become astronauts.

Then, we have to recognize that a qualified teacher cannot be trained on the kind of salary we're putting up

now. A qualified elementary school teacher requires six to eight years of higher education to do the job right. One must present valid concepts to the children in children's terms, but from an advanced standpoint.

Similarly, no one should work for 10 years in the secondary school system without having the equivalent of a doctorate in education.

That costs money. It requires dedication. We must provide the salaries that are needed to those who are qualified to teach, and rid ourselves of unqualified teachers.

We have to provide more schools. We must increase the number of teachers per pupil, or conversely, reduce the number of pupils per teacher ratio in the educational systems.

Then, we have to reverse the structure by which teachers' preparation time has been cut down to "save costs." Nowadays, a teacher does not even have enough preparation time to competently test students. When a student has written an essay, it takes a long time for a teacher to assess that essay, from a standpoint that is more than just the grade. This has to do with how the student's development must be steered, based on what can be seen in the essay.

Thus, not only do we have to increase the teacher to pupil ratio, but we must increase the preparation time to classroom time ratio, so that on the secondary level, preparation time will be approximately half of the teaching time. That, too, will cost money.

We must make these changes if we are committed to the result. The policy has been, "You have to give this kid a diploma to get him out of the house and get him a job. Let someone hire him and they can take responsibility for him." But if we want an astronaut, and we don't want a bunch of flying junk coming down on earth instead of space ships going up, then we have to say we are committed to educating these children to be qualified for this job.

We'll go back to what they said in the 1950s: "We won't let anything stand in our way."

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SPECIAL

REPORT

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Kalmanowitch
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**Moscow's Moles in the
Reagan-Bush Administration**

with a preface by Lyndon H. LaRouche, Jr.

On December 23, 1987, some were shocked at the news that Israeli playboy and arms trafficker Shabtai Kalmanowitch had been caught working as a top agent for the Soviet KGB. But it was no shock to George Bush's "secret government," which had just finished brainwashing President Reagan into accepting Moscow's phony "peace" treaties.

For more than 20 years Moscow has been using the Israeli intelligence services as a conveyor-belt to place its agents high within the U.S. government. And although "little fish" Jonathan Jay Pollard was caught passing U.S. secrets to Israel—and from there to the KGB—the man who recruited Pollard still walks free at Tufts University in Massachusetts.

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