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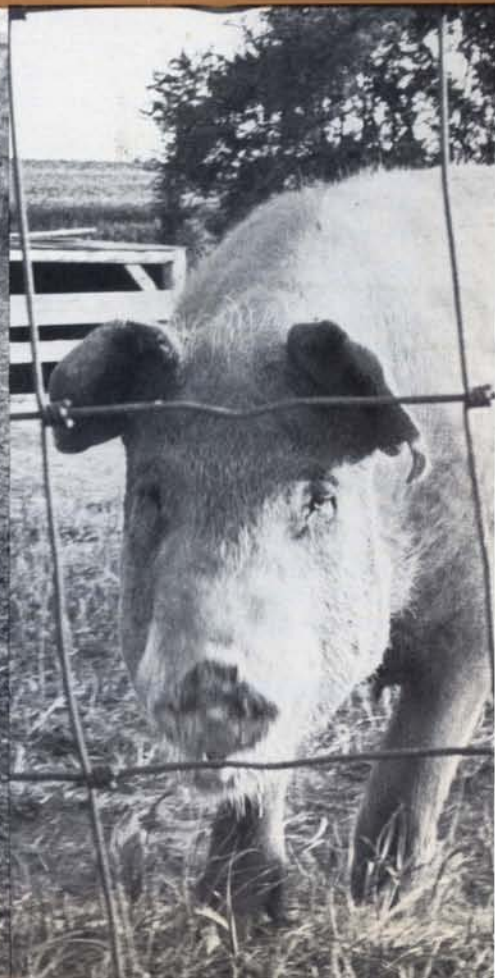
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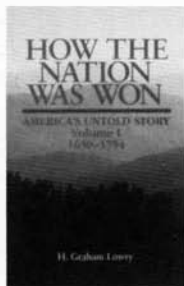
Craxi vs. De Mita: Italy moves toward 1992
Scientific American's AIDS cover-up
LaRouche 'railroad' begins in Virginia

Food cartels move in to
take over meat production



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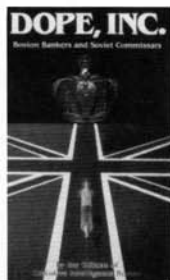
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Modern Irregular Warfare In Defense Policy and as a Military Phenomenon by Prof. Friedrich August Frhr. von der Heydte, with a foreword by Lyndon H. LaRouche, Jr.; \$9.95. The first English translation of this indispensable manual exposing the Soviets' order of battle for world domination.

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In the *Economics* section this week, *EIR*'s investigators on two continents examine the state of food production in the most technically advanced farming regions of the world—the United States and Western Europe. The results they have come up with, are frightening. In the United States, the production of animal proteins from rearing to slaughtering to marketing is being consolidated in the hands of a few mighty conglomerates. In Western Europe, too, the agenda for “Europe 1992” pivots upon driving the individual farmer off the land—or reducing him to serfdom.

As a result, there are no more food “surpluses,” as in the fabled European Community “butter mountain.” U.S. meat production—both in absolute terms and per capita—is far below its postwar highpoints, and will continue to fall until the time-consuming task of rebuilding herds is resumed. People are going hungry. Our articles on pages 10-20 are designed to put information in the hands of the growing political movement known as Food for Peace, to reverse farm policy and stop the re-feudalization of the land.

In the *Feature*, Webster Tarpley directs attention to another flank in the “Europe 1992” campaign, with an in-depth report on the way in which politics in one key European country, Italy, is being subverted and perverted to the ends of a supranational oligarchy.

A special *Music* section highlights two leading international musicians who have embraced the campaign to lower tuning again to the scientific pitch of C=256, a campaign originally inspired by Lyndon H. LaRouche, Jr.

In the foreground of news events, we report on the turmoil in the Transcaucasian republics of the U.S.S.R., the unraveling of the economic deals that held together the United States through the Bush election, and the opening of the “Third Trial of Socrates,” the *political* prosecution of Lyndon LaRouche and his political movement, which has opened in Alexandria, Virginia. There can be no doubt that LaRouche's enemies, in league with the barbarian-imitating rulers of the Kremlin, seek to use these false indictments to effect his political martyrdom.

Nora Hamerman

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Bush under pressure to go with austerity package

by Kathleen Klenetsky

President-elect George Bush is coming under intense pressure to deal with America's economic ills by resorting to savage domestic austerity. Since the election, he has been flooded with advice from various quarters urging him to hike taxes, take an axe to the defense budget, and slash entitlement programs.

Although Bush seems disinclined to follow such a politically suicidal course, he's caught between a rock and a hard place. The U.S. economy is on the brink of collapse, so he must take action quickly. Only a dramatic departure from the "post-industrial" policies of the last 25 years could possibly avert an imminent financial and economic blowout.

But making that break will require substantial political courage on Bush's part, a willingness to incur the wrath of powerful political and financial powers. One immediate step Bush should consider, is junking Gramm-Rudman-Hollings, which is adding considerably to the budget-cutting pressures to which he is being subjected. Officials of the Office of Management and Budget (OMB) briefed Bush on Nov. 11 that the FY 1990 deficit will be \$21 billion higher than the Reagan administration's \$111 billion estimate. The Gramm-Rudman deficit ceiling for 1990 is \$100 billion, so \$32 billion in budget cuts would be needed to close the gap.

If, on the other hand, Bush decides to go with the austerity package being shoved down his throat, it will not only worsen the underlying causes of the country's economic problems, but create a political backlash that could destroy his presidency.

Hardball tactics

The pro-austerity factions are already playing hardball. In a carefully stage-managed maneuver designed to exert

maximum muscle on Bush, Federal Reserve chairman Alan Greenspan on Nov. 16 went before the National Economic Commission, the bipartisan panel of "experts" which is supposed to advise the new President on how to reduce the budget deficit, to warn that unless the President-elect is prepared to slash domestic consumption and hike taxes, international investors will stop lending to the United States. Within hours, the dollar and the Dow plummeted.

According to well-informed European banking sources, Greenspan's remarks were deliberately intended to trigger such a response. Greenspan and the Bank for International Settlements banks "are starting a series of small, controlled crises to show Bush and the new Congress their power. They are letting the markets go 'out of control' to then show that only they can bring them back under control," a Swiss banking source confided to this news service. The danger in this strategy is that if the Fed is forced to increase short-term interest rates very sharply to keep the flow of foreign funds, as Greenspan mooted, it could detonate a chain-reaction series of banking and corporate crises.

Washington has been reverberating with the echoes of Greenspan's threats. Just days after his testimony, the General Accounting Office (GAO) issued 23 reports on various aspects of the U.S. economy, including one which said the budget deficit was much worse than generally believed, rejected Bush's proposed "flexible freeze" program as unworkable, and asserted that the financial markets "would not view as credible any deficit reduction effort without revenue increases."

Another report called for a reexamination of U.S. military alliances, claiming that, "The rising costs of our worldwide commitments, in the absence of increased burden-shar-

ing by our allies, may simply be unavoidable." The GAO also criticized the Reagan administration's "unprecedented peacetime buildup of defense."

The GAO reports were considered an unprecedented intervention by the agency into the presidential transition process, and Bush seems none too impressed. Asked about the agency's report on the budget deficit Nov. 22, Bush said he would be guided more by his budget director than by the GAO.

Another rather unique intervention came from a private group called the American Agenda, which was set up for the sole purpose of making policy recommendations to the new administration. Funded by the Times-Mirror Corp., the outfit is chaired by former Presidents Jimmy Carter and Gerald Ford, and includes such influentials as Henry Kissinger, Brent Scowcroft (whom Bush named as his national security adviser Nov. 23), NEC co-chairman Robert Strauss, former Congressional Budget Office director Alice Rivlin, and former Secretary of State Edmund Muskie. Ford and Carter met with Bush Nov. 21 to present the group's recommendations, which include slapping an additional tax on gasoline; limiting the Social Security cost-of-living allowance escalator; slashing Medicare and farm price supports; and cutting \$50 billion a year from the Pentagon budget over the next four years.

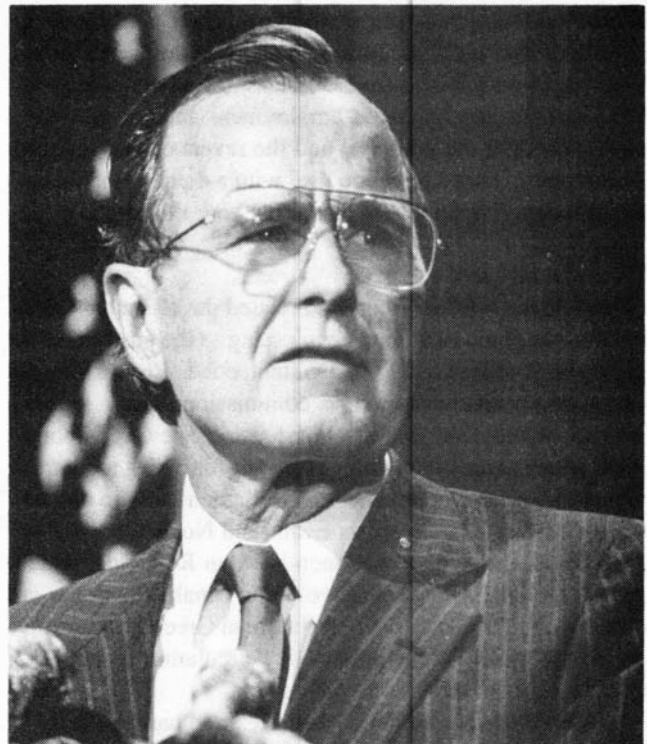
The NEC's role

The NEC has been torn by internal dissension over recent weeks, primarily between the Democratic members, who favor a big tax hike, and some, but not all, of the Republicans, who oppose this move. The fissures have become so sharp that commission co-chairman Drew Lewis announced that the group will postpone its report from Dec. 21 for another several months at least. Lewis and his co-chairman, Robert Strauss, had wanted to get the report out as early as possible, so as to influence the composition of the new federal budget.

But despite its internal problems, the commission is still capable of doing great damage, as its mid-November hearings demonstrated. In addition to providing Greenspan a forum for his fulminations, the NEC took testimony from a host of other leading advocates of the austerity non-solution to the U.S. economic crisis.

Alice Rivlin advocated slapping additional taxes on gasoline—not for the sake of protecting the domestic oil industry, but simply to force Americans to tighten their belts. Trilateral Commission member Bill Brock, the former U.S. trade negotiator, concurred: "I know of no industrial country in the world where gasoline does not cost at least twice as much as it does in the United States. . . . I'd like to see a major increase in the tax burden on gasoline in the first year, and further increases each and every year for the succeeding 10 years at a minimum."

As if that wasn't bad enough, Brock also called for a national tax on consumption, excepting only food, shelter, and medical care, and urged limits on the cost-of-living es-



Stuart Lewis

The President-elect—presumably he knows what bad shape the economy's in, since he must know what was done to keep it together through Election Day.

calator for Social Security and other entitlement programs. Brock's demand for cutting consumption—which will mean a further decline in living standards of the average American—was echoed by numerous witnesses.

Two representatives from the Business Roundtable, John Creedon and James Lynn, insisted that far too great a proportion of the federal budget is going to Social Security and other entitlements for the elderly. They cited favorably an article in the Nov. 18 issue of *Forbes* magazine which charges that Americans over the age of 65 are robbing future generations by gobbling up a disproportionate share of spending.

Dr. Robert Bulger, representing the National Leadership Commission on Health Care, railed against the spread of medical technology as a prime cause of the deficit. We should strive to keep health care costs down by creating an environment to go slower with the "introduction of new technologies," even if this means "not getting out all options to all patients." In other words, it's less important to keep patients alive, than to save money.

None of these people are truly interested in the health of the U.S. economy. They are using the budget deficit issue as a cover for applying the same "IMF treatment" to the United States that has long been demanded of Third World countries. Cutting benefits to the elderly, and slashing defense spending, are not only stupid and immoral, but irrational.

The only way the U.S. economic decline can be reversed

is by abandoning the “information economy” and restoring basic industry and agriculture—the real sources of wealth. What the country needs is to increase its real economic growth. This will, in turn, increase employment and productivity, thus expanding the tax base, and the revenues flowing into Washington. That’s how you deal with a deficit—not starving grandma or grandpa, or disarming your military.

Bush in the hot seat

While the NEC hearings and related developments were intended to panic Bush into acquiescing to the austerity program, he is still resisting being stampeded. Responding to Greenspan’s testimony to the commission, Bush spokeswoman Sheila Tate told a television interviewer, “Economists never agree on anything. I mean, for every economist you cite, we can trot out one who is diametrically in opposition.” Syndicated columnists Evans and Novak reported on Nov. 23 that a memo by economist Alan Reynolds, which states that deficits by themselves “don’t make the dollar go down—or up” and attacks Fed chairman Greenspan for triggering the attack on the dollar—is “circulating through the upper reaches of transition Washington.”

Bush himself is no fan of the NEC, and has repeated his vow not to raise taxes numerous times since the election. However, he has not displayed the same steadfastness on the issue of domestic spending. Although he continues to maintain that he will not allow any cuts in Social Security, his selection of Richard Darman, a protégé of James Baker III and Elliot Richardson, as Office of Management and Budget director, signals a willingness to scale back other vital entitlement programs. At the press conference at which Bush announced his appointment, Darman said that while Social Security will be protected, every other entitlement program, including Medicare and farm subsidies, will be fair game. Bush did not demur.

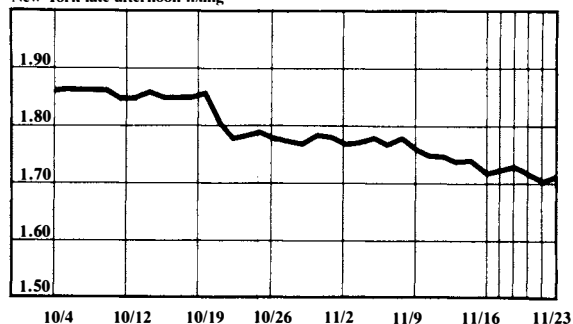
Then, on Nov. 25, the *Washington Post* ran a front-page article, citing Bush transition aides as its source, which claimed that the Bush administration will back “substantial” Medicare cuts for fiscal 1990. Reached for comment, Bush told reporters that the stories “don’t have authority behind them,” but did not deny that trimming Medicare might be in the cards.

Bush could send a very different—and positive—signal in December, when he reportedly will select his two appointees to the NEC. Who they are will give a good clue as to his approach to economic policy in general. Bush is reportedly considering naming Richard Rahn, chief economist for the U.S. Chamber of Commerce, who violently opposes tax increases. That alone could trigger the panel’s dissolution, since several Democratic members have threatened to resign if Rahn is appointed. Rahn did nothing to endear himself to the commission’s pro-tax majority, when he testified to the panel that a tax increase would be the worst possible route to take.

Currency Rates

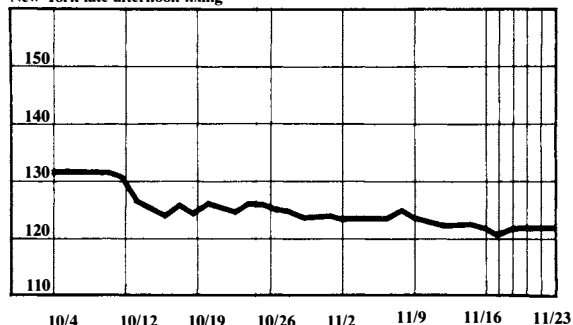
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New York late afternoon fixing



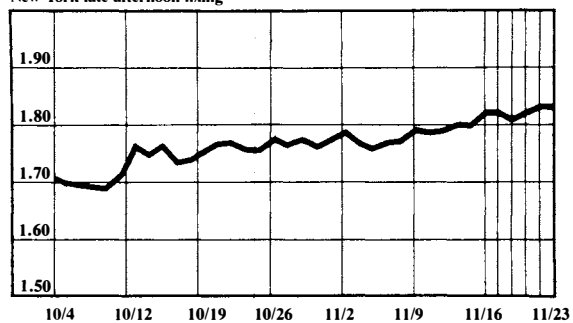
The dollar in yen

New York late afternoon fixing



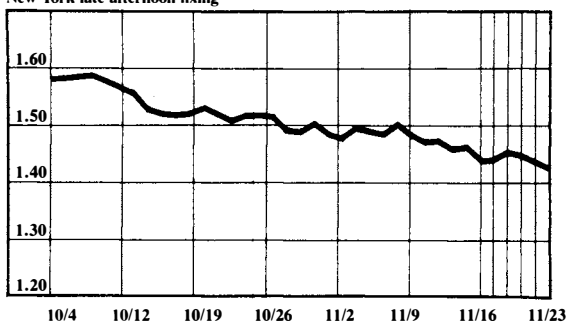
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Want to buy a used perestroika?

by Scott Thompson

In the last year, there has been a growing chorus of Western financiers who want to help “bail out Gorbachov” by “financing *perestroika*.” For anyone with a middling knowledge of history, this fantasy ought to be met with the level of hilarity of the rube who buys the Brooklyn Bridge.

Repeatedly, since the 1917 Bolshevik Revolution, the Soviets have run deliberate deceptions—e.g., the 1920s New Economic Policy (NEP) and the 1970s era of *détente*—to gain the credits, technology, and industrial re-tooling necessary for their military economy and “Third Rome” dreams of a world-spanning empire. While a significant faction among Western rentier-financier interests believes that by strengthening the Soviet Empire, it can then achieve global power-sharing arrangements, once the Soviet ruse has achieved its goals, these “useful idiots” (in Lenin’s terms) discover that the Soviets really want tribute, not trade.

While there is some dispute as to whether Lenin ever said that these “useful idiots” would “sell the rope by which they will be hung,” Lenin, whom Soviet Czar Mikhail Gorbachov claims to emulate, was most explicit on the underlying motives of the NEP-style deception, when he wrote to his Foreign Minister Chicherin before the Genoa Conference that was to arrange credits for the equivalent of a European “Marshall Plan” to rebuild the battered Soviet economy in the 1920s. Lenin steeled Chicherin to mount the NEP deception that the Bolshevik Revolution had run its course and the Soviet Union was slowly returning to the capitalist fold, because:

“They will open up credits for us, which will serve us to support communist parties in their countries. They will supply us with the materials and technology which we lack and will restore our military industry, which we need for our future victorious attacks upon our suppliers. In other words, they will work hard to prepare their own suicide.”

Just as Lenin said, some three generations later, Western capitalists are preparing “their own suicide” with schemes like the Western European pipe dream that peace can be achieved through a \$100 billion “Marshall Plan” for the Soviet bloc. Like the rube who once again buys the Brooklyn Bridge, there are “useful idiots” today lining up to buy a used *perestroika*.

This time around, there is an open faction fight that has erupted within the Reagan-Bush administration on the question of financing *perestroika*, which reflects the faction fight

among Western financial interests. The hegemonic faction of the Reagan administration, which has been dominant since the Neville Chamberlain-style appeasement INF Treaty, is best known as a recurrence of the “Anglo-Soviet Trust.” This group, which is led by Secretary of State George Shultz and Commerce Secretary C. William Verity, believes in unrestricted strengthening of the Soviet Union both economically and militarily, so that global power-sharing arrangements (a “New Yalta”) settlement can be reached to rule the world through a condominium.

In Western Europe, this “Trust” faction, which takes its name from one of the most successful deception operations of Vladimir Lenin and Cheka chief Felix Dzerzhinsky during the 1920s’ NEP, is allied with such figures as West German Foreign Minister Hans-Dietrich Genscher, Venetian-linked financier Carlo De Benedetti, and others who seek to mount a \$100 billion “Marshall Plan” to build up the Soviet Union along lines of Gorbachov’s “Common House of Europe” stretching from the Urals to the Atlantic—i.e., a Europe dominated by the Soviet Empire as happened with the 19th-century Holy Alliance, where Russia became the policeman against republicanism in Europe.

The dominant institution handling the economic aspects of the “Trust” deception in the United States is the U.S.-U.S.S.R. Trade and Economic Council (USTEC), whose president, James Giffen, was once asked if he desired to make the Soviet Union an “economic superpower.” Giffen responded, “I see no reason why not.” Commerce Secretary C. William Verity, who has traveled to Moscow to lift restrictions on the transfer of Western high technology to the Soviet Union, is a former chairman of USTEC, which had been founded by David Rockefeller, Armand Hammer, and George Shultz during the 1972 Nixon-Brezhnev Summit in Washington at the height of *détente*.

Secretary of State George Shultz, who has used his considerable clout against opponents of unrestricted loans and trade with the Soviet Union, outranks Verity within the Trust, since his father, Birl Earl Shultz, worked with the American International Corporation at 120 Broadway, New York which was then the financial center of the original Trust. Through his job with the AIC, Shultz’s father engaged in cover treaties with the Bolsheviks, and he took part in preparing the entirety of the projects of the First Five Year Plan.

Faction fight erupts

There are a variety of positions in opposition to this Trust faction, which are most strongly coalesced at the moment around the question of untied, general purpose lending to the Soviet Union. Such loans, not tied to the purchase of any specific commodity or transaction, are believed by their opponents to be used for modernizing the Soviet military, financing KGB foreign operations, and toughening up the sinews of the Soviet empire when the sums are re-lent to less creditworthy states such as Cuba, Nicaragua, Afghanistan,

Angola, Vietnam.

When the “pragmatic” Deputy CIA Director Robert Gates counseled caution on such untied lending to the Soviet Union in an Oct. 21 speech to an Air Force symposium, Secretary of State George Shultz reportedly went berserk, dressing the CIA official down. Gates had not only warned that untied loans made possible \$1 billion in Soviet aid to Nicaragua and a whopping \$7 billion per year to Cuba, but he said that Gorbachov needs détente today to obtain advanced technology and Western investment and to avoid higher military spending.

Reporters Rowland Evans and Robert Novak, who broke the story in a Nov. 9, 1988 article entitled “Shultz’s Final Days,” believe that the reason why Shultz was so harsh in his rebuke is “that the secretary of state fears he is losing control of policy during his last weeks in office.” Shultz was further irked by the fact that, within a week of Gates’s speech, “presidential spokesman Marlin Fitzwater publicly endorsed Gates’s call for going slowly and not giving Gorbachov too much too soon. . . . The White House spokesman called the CIA official’s appraisal ‘totally consistent’ with what the President has been saying about U. S. policy toward the embattled Soviet chief.” Evans and Novak believe that Shultz’s final drive for another appeasement START treaty, coupled with his “regional matters” settlements for a global “New Yalta,” were becoming unglued because of Gorbachov’s holding out for an even better deal at the last moment.

Gates’s Oct. 21 speech had been preceded by one on Oct. 14, 1988 before the American Association for the Advancement of Science Colloquium on Science, Arms Control and National Security, which was titled “Recent Developments in the Soviet Union and Implications for U. S. Security Policy.” Gates stated that the primary reason why “Gorbachov wants to establish a new and far-reaching détente for the foreseeable future [is] to obtain technology, encourage investment and trade, and, above all, avoid large increases in military expenditures while the Soviet economy is being revived.” Although Gates betrayed little understanding of the NEP-style deception or that *perestroika* was itself an invention of the Soviet military strategist Marshal Nikolai Ogarkov, who recognized the need to modernize the Soviet war arsenal with a new generation of weaponry for global conquest, Gates was unequivocal on his stand against financing *perestroika*: “The question I am most frequently asked is whether it is in our interest for Gorbachov to succeed or fail. . . . We should ask ourselves if we want the political, social and economic revitalization of the historical and current Soviet system. I think not.”

Former Deputy CIA Director Ray Cline, now head of the U. S. Global Strategy Council, takes an even stronger stand than Gates, who would permit “expanded business ties” (if there is no transfer of sensitive technology). In a June 1, 1988 editorial commentary appearing in the *Washington Times*, entitled “Eyes on a \$100 Billion Prize,” Cline announces the

findings of a task force he launched—chaired by former Deputy National Security Adviser Richard Pipes—that sought to burst the bubble on declared Western European plans for a \$100 billion “Marshall Plan” for the Soviet bloc.

This is the first major study to rip apart the strains of deception in the latest détente ruse, which the Cline-Pipes report acknowledges to include: 1) an extortionist demand that if the West “will only reduce its defenses and extend economic help,” then “good communists in the Kremlin will prevail and all will be well”; and, 2) “Expanded trade and investment opportunities will be held out to market-hungry businessmen and farmers, provided, of course, credits are extended to the Soviet Union.” Cline is very clear in his commentary on the historical nature of the deception: “Détente sounds great, doesn’t it. Yet it is one big bear trap, the same kind sprung repeatedly on the free market democracies since Lenin’s New Economic Policy of the 1920s. For the real goals of détente, Soviet-style, are simultaneously to cause the United States and its Western alliance to relax while the Soviet borrows money and technology to support the perpetually collapsing communist economy.”

Former Treasury Secretary William Simon lines up with Cline in opposing any increase in credits and trade with the Soviet Union under *perestroika*, as reflected in a September 1988 *Reader’s Digest* article entitled “Should We Bail Out Gorbachov?” Simon begins his piece by singling out the untied loans, like a \$200 million loan syndicated by the First National Bank of Chicago, which was at only one-eighth percent over LIBOR (London Interbank Overnight Rate, i.e., the cost of funds): a loan on remarkably favorable terms. When an officer of the bank was asked whether the money could be used to purchase strategic missiles, he responded, “The loans could be used for the military, of course, but we would hope not. We can’t control that.” To develop his argument against untied lending, Simon turns to the work of Roger W. Robinson, the former National Security Council senior director for international economic affairs, who has mounted an international campaign on the issue of untied lending, while, as the former Chase Manhattan portfolio manager for the Soviet bloc, not opposing pursuit of more conservative business dealings with the Soviet Union.

As Robinson has repeatedly pointed out (see *EIR* Vol. 15, No. 20, May 13, 1988 “Soviets face ‘scissors crisis,’” by Scott Thompson), before the latest orgy of \$9 billion in loans from Western European nations during a ten-day period in October, Mikhail Gorbachov had overseen a rapid increase in Soviet indebtedness: the debt held relatively steady from 1980 to 1984 at around \$20 billion, when it suddenly jumps to \$41.2 billion for 1987. While Soviet hard-currency earnings have slumped to a mere \$29 billion, because of the decline of gold, oil, and natural gas exports, the Soviets managed to secure 80% of the increased loans from 1984 to 1987 in the untied form.

Ninety percent of these new loans were supplied by West-



Stuart Lewis

A loyal, but outranked, asset of the Trust: Commerce Secretary Verity.

ern Europe and Japan. Simon attacks as bankrupt, the Western European fantasy that such loans “will somehow draw East and West closer.” Actually, Simon notes, the untied lending of 1986 fulfilled 100% of Soviet requirements to sustain control of Cuba, Nicaragua, Vietnam, Angola, Ethiopia, etc.

Simon is explicit, quoting Soviet Admiral Vladimir Maslov, that the fundamental purpose of *perestroika* is to assure “that unless Soviet technology quickly improves, the country will fall behind the United States militarily ‘i years.’” Simon notes that where Soviet Foreign Minister Eduard Shevardnadze places Soviet military consumption at 19% of GNP, other Soviet economists believe the figure may be as high as 40%: proving that one of the systemic problems of the Soviet economy is that it is war based. This coheres with a study of the House Armed Services Committee, which found that in 1986 and 1987, the height of Gorbachov’s *perestroika* campaign, Soviet military expenditure actually grew at the rate of 3%, as opposed to 1.5% earlier. With this increase in Soviet military expenditure, it is clear that current increased lending, has either gone directly to the military or else been used to free up capital for military spending purposes.

Faction fight in the White House?

There are signs that Vice President George Bush may

share the concerns of the “pragmatists,” rather than the rose-colored-glasses view prevailing at the White House since the INF Treaty. An interview appearing in France’s *Le Figaro* on Nov. 8, carried a policy statement of the Bush campaign, originating in an interview with Andrew Carpendale, the deputy foreign policy coordinator, who, when questioned about Bush’s policy toward untied lending, said:

“We don’t want to see untied credits being given to the Soviets at this point in time. We want to put Gorbachov in a position where he has to make hard choices and pull back from defense spending. That is supposed to be one of the hallmarks of *perestroika*. If we give him enough money, without stipulating how he is to spend it, we make it possible for him to avoid making this fundamental decision. So we don’t want untied loans or credits.”

Asked if Bush shared the European, notably West German view of Foreign Minister Genscher, that the West should “help” Gorbachov with *perestroika*, the Bush staffer replied: “It seems to me we don’t know enough about the dynamics of the Soviet system to know how to help Gorbachov. . . . Since we’re not certain we really understand the mechanism of change under way in the U.S.S.R., we should stick to the guiding principle of a reasonable foreign policy—that is, give priority to satisfying our own interests. My approach to Gorbachov is summed up in two words: hope and caution. . . . But we haven’t seen what we’d like to see—the transfer of a significant part of the enormous Soviet military budget to civilian ends.”

On the same election day that this interview with a top Bush staffer appeared, which is supposed to reflect the thinking of the President-elect, National Security Adviser Colin Powell announced in a speech before the American Stock Exchange that the recent \$9 billion in European and Japanese credits are not likely to have a significant effect on Moscow’s military preparedness or on Western security. Claiming that the loans appeared to be tied to the purchase of Western light industrial equipment and consumer goods, Powell said: “It does not appear that these relatively small amounts of borrowing, tied to the purchase of Western consumer goods, will have any discernible effect on Soviet military preparedness or on the security of the West.”

One day after Powell’s speech, the U.S. State Department announced the publication of an interagency task force report, which had concluded that the recent loans by Western European and Japanese banks to the Soviet Union are within the guidelines set by the U.S. to ensure that the West does not help fund a Soviet military build up. Essentially, the report, instigated by moves within Congress against expanded lending, used the same sophistry that the tremendous increase in Soviet borrowing was acceptable, because the loans were not “untied.” Even former Chase Manhattan Bank employee Roger Robinson, who only opposes untied lending, questioned whether, given the secrecy maintained by the lenders, this was true.

Food cartels tighten control over U.S. meat industry

by Robert Baker

A combination of a record drought, high interest rates, and federal anti-parity price policies has set the stage for another even bigger consolidation phase in the U.S. meat industry. The traditional independent producer—the corn and hog farmer in Iowa, the independent cattle rancher in Oklahoma and Texas—is being shoved aside to make way for the “money agriculture” systems of vertical integration by the meat cartel.

Millions of dollars of East Coast money have been earmarked for investment in meat production, according to Steve Marbery, editor of *Hog Farm Management* magazine. They smell profit, says a principal player in the scheme. “The money is there, but it is not coming through the traditional channels. The Bass Brothers, Cargill, Tyson, etc., have access to the capital, and whoever controls the capital will control the industry.”

Driven by what is seen as potential high returns on equity, the meat and grain processing giants (IBP, ConAgra, Cargill, etc.) have dug in and, as they have done in the broiler industry, are now rapidly pulling the net of vertical integration over the pork and beef industry as well.

By tapping into the big bucks of speculative investor capital, large high-tech pork production and cattle-feeding companies have positioned themselves for a phase of even more rapid growth and expansion. These mega-producers, who have the ability to produce hundreds of thousands of head per year, are now rapidly “networking” with the giant meat cartel packers and processors in a move that consolidates a major portion of pork and beef production and processing in the hands of a few very political and financial giants.

Cartels move into ‘factory pork’

Vertical integration has closed down markets for independent poultry producers. Now, pork producers face the same reality. Smithfield Foods, a Smithfield, Virginia firm, the fourth-largest U.S. pork packer, plans to be the first in the United States to vertically integrate and produce its own pork (Table 1). Two years ago, Smithfield Foods formed a partnership with Carroll’s of Warsaw, Inc., Warsaw, N.C., called Carroll Foods of Virginia. Today, this partnership plans to build one of the largest hog production units in the world. When finished, this pork production factory will consist of 100 separate production complexes, each housing

1,000 production sows. Each complex will produce about 20,000 baby pigs and grow them to market weight (235 lbs.). When at full production, this giant production operation will produce 2,000,000 hogs for slaughter all of which will be slaughtered at Smithfield Foods’ Virginia slaughtering plant.

According to the November issue of *Feedstuffs* magazine, National Farms, Inc., owned by the billionaire Bass Brothers—Edward, Robert, Sid, and Lee—of Fort Worth, Texas, is investing \$150 million in the meat industry. Probably the biggest owners of red meat on the hoof, the Besses own a \$50 million hog farm with 17,000 sows, which produces 350,000 market hogs per year. National Farms has hog operations in Nebraska and nine cattle feedlots which can hold 250,000 head of cattle, and more than 100,000 acres of ranch land from Nebraska to Texas. It sells cattle and hogs to packers. William Haw, president and chief executive of National Farms, Inc., has bought, on the Besses’ behalf, five feedlots in the last year, picked up distressed grassland ranches, and expects to double the hog operation within a year.

The Besses are not necessarily in red meat production for the long haul. According to *Forbes* magazine, some producers think that meat packers eventually will want to control the entire livestock production process. This suggests they may want to buy operations like National Farms and integrate from factory back to farm and feedlot. Haw says that he and the Besses will, if the price is right, be happy to sell their farms and feedlots. Seven years ago they sold 40,000 corn growing acres to Prudential when land prices were high.

A number of other major pork industry players (Table 1) have many or all of the requirements necessary for full-scale integration. Cargill, Inc., one of the big three pork packers, has all the tools for vertical integration; all it needs to do is expand its current Excel slaughtering plants. The giant feed company, Central Soya, has recently branched into contract hog feeding. Continental Grain, owner of Wayne feeds, and Louis Dreyfus Corp., are known to be contracting farmers to raise hogs for them. These giant international grain cartels have all the capital necessary to go big into pork production or buy out existing large producers.

Others (Table 1) are already big in the meat production business or heading in that direction. Tyson Foods, one of the largest vertical integrators in the poultry industry, is also one of the largest U.S. hog producers. British Petroleum, owner of Purina Mills, the largest U.S. feed manufacturer,

and Central Soya Co., the second-largest feed manufacturer, both plan to operate pork-processing plants in Indiana. Both plan a more formal farm-producer relationship. Central Soya plans "a fully integrated system," which will coordinate farmer producers to supply pork. Central Soya's chief executive officer, David Swanson, said the hog industry "is beginning a transition and, we believe, offers opportunities to Central Soya." He said "a form of vertical cooperation" will be important to the future of the hog industry.

Cartels feed cattle

Shrinking cattle numbers and loss of financially distressed large-scale cattle feeders are changing the face of the feed-yard business (Table 2). New strongly capitalized, high-tech businesses plans to feed large numbers of company cattle. With many financially strapped Corn Belt feed yards only 50% filled, according to analysts, some farmer-feeders are keen to do contract cattle feeding for larger operations which furnish both the cattle and the financing, and pay the farmer a per-head fee for his feed, facilities, and labor. One family operation, Beef Belt Feeders, Scott, Kansas, custom feeds cattle for investors by charging \$104 per ton for feed and 5¢/head/day for yardage.

Approximately 26 million head of cattle will be fed out for slaughter in 1989, of which 80-90% will go through custom-feeding operations. The top 20 custom feedlots can feed out approximately 7.75 million head, an amazing 30%

TABLE 1

Potential pork integrators currently producing or contracting pork reduction

Smithfield Foods (P & C)
 Cargill Inc. (P)
 Central Soya/Ferruzzi (C)
 National Farms Inc. (P & C)
 Continental Grain (C)
 Louise Dreyfus Corp. (C)
 Gold Kist Pork (C)
 Tyson Foods (P)
 Bensen-Quinn (C)
 Murphy Farms Inc. (C)
 Land O'Lakes Coop. (C)
 Prestage Feeds (P & C)

P = producers
 C = contract hog production

of total production through this small number of lots. The top 10 producers account for 22% of total production, and the top 200 feedlots feed 50% of all fed cattle in 13 major feeding states.

Competition among the top beef packers is hot as cattle

TABLE 2

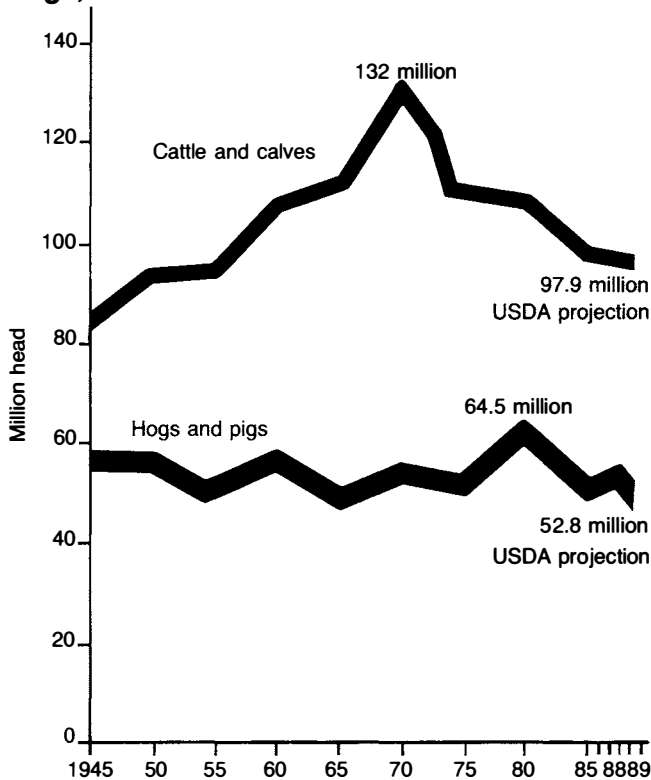
The beef industry's top five beef feeding operations

Name	Owner	One time feed lot capacity
1. Cactus Feeders Inc.	Paul Engler, Tom Dittmer	333,000
2. Con Agra Red Meat Co.	Con Agra Inc.	305,000
3. Caprock Industries, Inc.	Cargill, Inc.	273,000
4. Continental Grain Co.	Private	255,000
5. National Farms Inc.	The Bass family	249,000

Cow-calf producers:		No. Cows
1. King Ranch	Family owned	40,000
2. Desert Ranches of Florida	Mormon Church	34,000
3. Parker Ranch	Richard Smart Trust	19,200
4. Granada Corp. Inc.	David & James Eller	165,000
5. Hayt & Sons Ranches	Confidential	16,100

Slaughtering houses:		No. slaughtered (1987)
1. IBP, Inc.	Occidental Petroleum	7.8 million
2. Con Agra Red Meat Companies	Con Agra Inc.	Confidential
3. Excell Corporation	Cargill, Inc.	4 million-plus
4. National Beef Packing Co.	Idle Wild Foods, Inc.	1.2 million
5. Dubuque Packing Co.	Private	Confidential

FIGURE 1
The decline in U.S. numbers of cattle and hogs, 1945-89



numbers fall to their lowest level in 28 years. Second quarter packer losses and falling fed cattle marketing will have a big impact on beef packer survival.

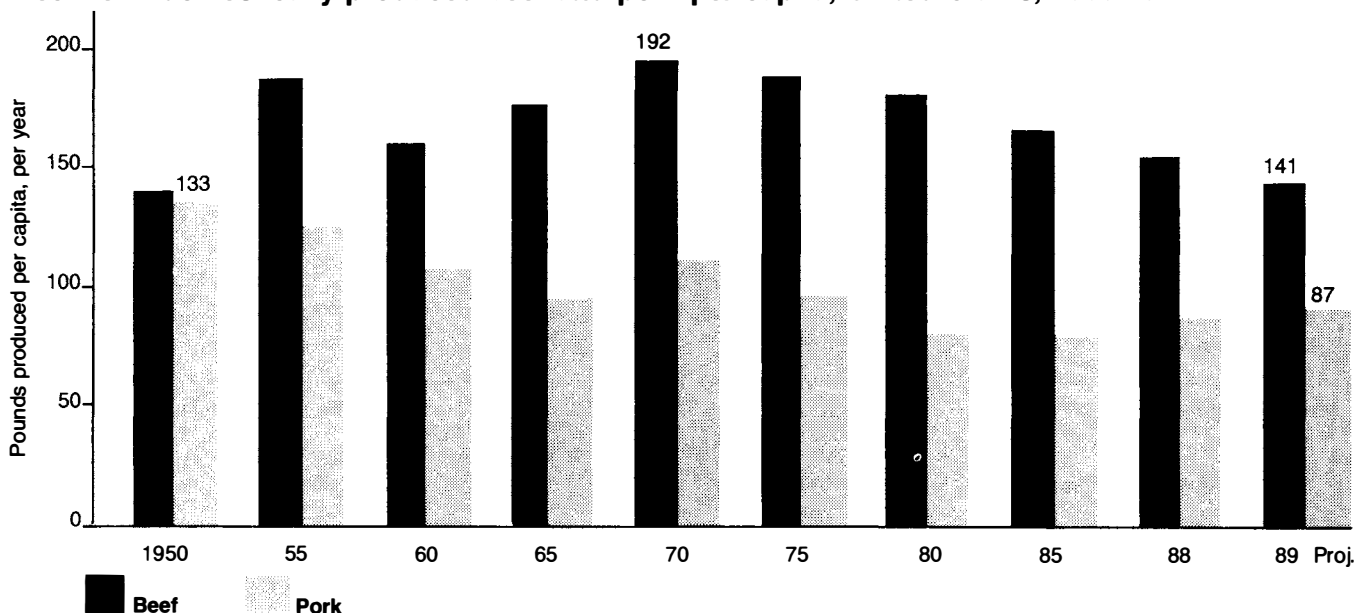
In 1920, when the federal government moved to curb the power of a few companies over the meat industry, the top five packers—Wilson, Armour, Cudahy, Swift, and Morris—controlled 46% of beef slaughter in the United States. That effort 68 years ago eventually succeeded in breaking what had been called the “greatest trust in the world.” But powerful new firms have arisen.

The fight among the big three (IBP, ConAgra, and Excel) will intensify, and smaller packers will find it hard to survive. Today, according to Agriculture Department statistics, the big three slaughter 62% of all heifers and steers in 1987, sell 80% of the boxed beef, and by 1995, will slaughter 85% of all fed cattle. Some experts say the big three in hogs are the same as in beef and that they control 30-40% of the hog market. Steve Kay, publisher of *Cattle Buyers Weekly*, believes every packer other than the big three is vulnerable to takeover. ConAgra was ready to buy Dubuque Packing Co., but IBP, Inc. bullied the Justice Department and threatened to buy National Beef Packing and Hyplains Packing if ConAgra got the go-ahead.

Cartels combine feeding and slaughter

Iowa Beef Packers Inc. (IBP, Inc.), owned by Armand Hammer's Occidental Petroleum Inc., slaughtered 7.8 million head in 1987 and is the world's largest beef processor. IBP's determination to stay on top is exemplified by the

FIGURE 2
Decline in domestically produced beef and pork per capita, United States, 1950-89



installation of a \$20 million satellite communications system five years ago to direct its 80-plus staff buyers. Cactus Feeders, Inc., of Dumas, Texas, the largest cattle feeder in the United States, marketed 780,000 head in 1987. Co-owner Paul Engler, who ran IBP's beef slaughter from 1972 to 1975, is working out an arrangement to feed cattle for IBP, Inc. National Farms, owned by the Bass family, intends to market all its company-owned cattle through IBP.

ConAgra, Inc., of Omaha, Nebraska, owns ConAgra Red Meat Companies which is the second-largest beef packer after it purchased a large portion of Swift. It also became the second-largest cattle feeder when it merged with Monfort of Colorado after purchasing Interstate Feeders of Malta, Idaho, and has the capacity to feed out about 762,000 head per year. The third-largest cattle feeding operation, Caprock Industries, Inc., is owned by Cargill, Inc., which owns the third-largest beef packer, Excel Corporation. Caprock can potentially feed out about 680,000 beef cattle and Excel Corporation is projected to slaughter 4 million head for 1988.

Continental Grain owns two feed yards in Dalhart, Texas and one each in Oklahoma, Kansas, and Colorado and has the capacity to feed out 635,000 head per year.

Cartels control poultry

Sources at the U.S. Department of Agriculture acknowledge that poultry production has the highest degree of vertical integration (Table 3). Of the projected 198 million turkeys to be produced in 1988, 90% are produced by a handful of vertically integrated feed companies, owned by giant food cartels. Twenty companies completely control 80% of turkey meat production, from hatching to grocery shelf.

In the broiler industry, almost 100% is produced by big corporations. The April 1988 issue of *Broiler Industry* magazine reports that in 1987, the top 4, 8, and 20 producers accounted for 36%, 56%, and 79% of broiler production, respectively. The ConAgra-Holly Farms merger brings together two industry giants in stiff competition with Tyson Foods, Cargill, Continental Grain, and other big poultry producers.

Under the onslaught of the cartels, farmers and ranchers have been hit with lower and lower profit margins, and are being forced out of business. The national trend in meat production is that farms that have been in family control for generations are being turned into production tools for the cartel food producers. As a direct result of the farm financial crisis, many farmers cannot borrow the money needed to purchase feeder livestock and feed or rebuild liquidated breeding herds. As an alternative—many times with their local bankers' blessing—farmers are contracting their labor, management skills, and production facilities to cartel-owned feed companies. Under these contracts, the feed companies purchase the feeder livestock and the feed, and hire the farmer to custom feed them until they go to market.

Along with the disappearance of the independent farmer

TABLE 3

Largest poultry producers

Con Agro (B)
Cargill (B)
Continental Grain (B)
Tyson Foods (B)
Holly Farms (B)
Perdue (B)
Gold Kist (B)
Campbell Soup (B & T)
Seaboard (B)
Corbett Enterprises (B & T)
V.F. Weaver (T)

B = broilers

T = turkeys

and rancher, there has taken place a drastic shrinkage of cattle numbers. Cattle and calf numbers (Figure 1) in the United States have fallen to around 99 million head for 1988 based on USDA reports, and are expected to fall to 97.6 million head in 1989. This is an amazing 26% drop from the high in 1975 of 132 million head. Not only are total cattle numbers at a critical low, but the amount of beef produced per person (Figure 2) has fallen 26% from a high of 192 lbs. per person in 1970 to 141 lbs. per person projected for 1989. At this, the lowest level in 30 years, beef imports are almost five times higher than beef exports.

The USDA projects hog numbers (Figure 1) to go lower next year, as higher grain prices will cause negative returns and breeding herd liquidation. *EIR* projects pork production per person (Figure 2) in the United States for 1989 to all to 87 lbs. per person, which is down 35% from a high in 1950 of 133 lbs. per person.

With the lowest pork and beef production per capita in almost 30 years (Figure 2), if "free trade" "supply and demand" theory were correct, meat producers would be seeing some of the highest profits in history. But the real value of inflated livestock prices paid to the producer is at an all-time low. The selling price of beef in 1988 is projected to be the highest in history, averaging 72.3¢ per pound, but closer evaluation reveals a different story. Table 4 compares Jan. 1 cattle and hog inventories from 1945 through the USDA projected inventories for 1989. This table also lists the average selling price for each year, and next to it the purchasing power of that particular years average price, as expressed in 1988 inflated dollars.

For example, in 1950 farmers were selling cattle for 23.3¢ per pound. To have the same purchasing power, today's farmer would need \$1.20 per pound to buy the same amount of goods as 23.3¢ did in 1950. Using this evaluation for both

hogs and cattle, Table 4 reveals that the real purchasing power of today's cattle prices is lower than the prices received by producers 60% of the time during the last 43 years. Likewise, the real purchasing power of hog prices is at a historic low. Farmers are receiving 43¢ per pound for pork today, whereas in 1945 the price farmers received was 14¢ per pound but had the purchasing power of \$1.09 per pound in 1988 dollars.

Experts speak out

John Conner, a Purdue University economist and one of the nation's leading experts on the effects of monopolistic trends in the food manufacturing industries, said the impact of this growing level of concentration will be felt first by the livestock producer. Producers, he said, can expect to be paid less for their livestock. As for consumers, Conner said that

once the top firms shift to highly advertised brand products, as is expected soon, prices will rise significantly above the level that would have existed in a highly competitive marketplace.

Another recognized expert on food industry concentration is Bruce Marion, professor of agricultural economics at the University of Wisconsin. Referring to the dominance of the Big Three packers, Marion told the House Judiciary Committee, "This rate of concentration is unprecedented. There is no parallel in any of the industries—food and nonfood—with which I'm familiar."

Congressional and land grant university studies have shown that in some regions of the country, the major firms control more than 80% of the cattle-buying market. A decade ago, Rep. Neal Smith (D-Ia.), as chairman of the House Small Business Committee, held hearings to investigate the growing influence of a few meat packers over livestock prices. But farm and livestock groups downplayed his findings. The American Farm Bureau Federation and the National Cattle-men's Association opposed Smith's legislative efforts, 10 years ago, to curb packer control, but today are alarmed.

The USDA's Packers and Stockyards Administration tried to limit the control packers had over cattle supplies during the 1970s, but dropped the effort during the Reagan administration years. According to the Nov. 7 *Des Moines Register*, some high USDA officials say privately that the agency was rebuffed repeatedly by the Justice Department in recent years when it tried to raise some legal questions over the impact on farmers of allowing mergers in the meat packing industry.

Jens Knutson, economist at the American Meat Institute, which represents packers, noted that mergers have played a major role in the dominance of a few firms in cattle and hog packing. While IBP has relied mainly on internal growth, he told Congress, ConAgra and Cargill "have relied heavily on merger." Bruce Marion told a congressional committee that several recent packing mergers appear to have violated the Clayton Antitrust Act.

Many economists and financial elites would consider the trend toward vertically integrated meat and livestock production the wave of future progress. Many consider it to be the natural outcome of advanced technology in livestock production and processing.

Many centuries ago, during the feudal age of Europe, the land and livestock were controlled by a few rich aristocrats. Farmers worked as serfs in drudgery in order to receive physical subsistence to produce crops and tend livestock. Since that time, many battles have been fought to make it possible for farmers and livestock producers to independently own their land and raise livestock with dignity. Until the present time, this has been the basis of U.S. food security.

What many perceive as "progress" toward control of food by a few, is really a big step backwards. The cartels today, like the aristocrats of centuries before, need serfs to survive.

TABLE 4

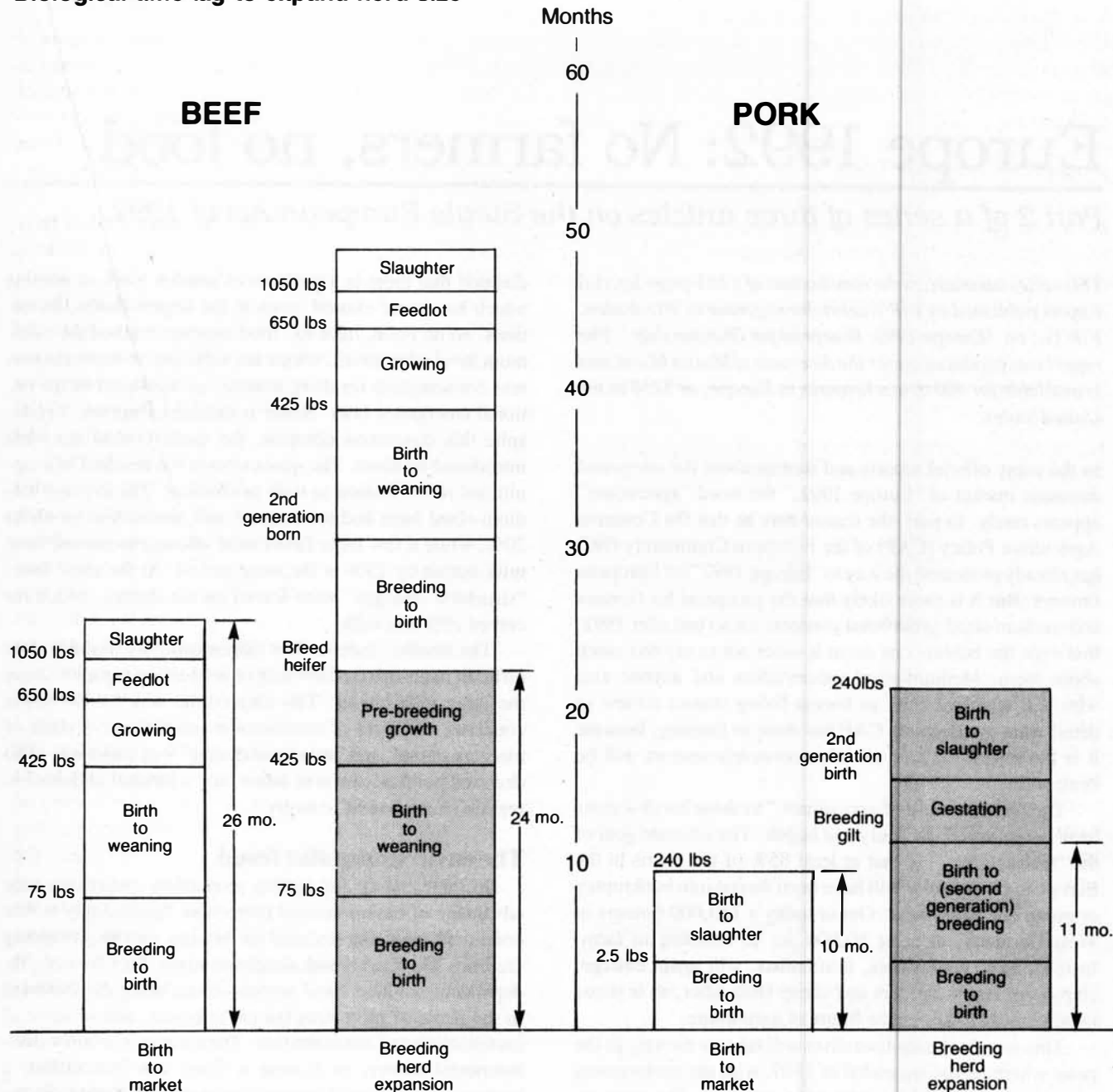
Number of cattle and hogs, and real price to the farmer, declined 1945-89

Beef	Cattle & calves millions head	Average price to farmer cents/lb	Purchasing power in 1988 inflated dollar cents/lb
1945	85.7	12.1	94.5
1950	77.9	23.3	120.1
1955	96.6	15.6	70.6
1960	96.2	20.4	81.3
1965	109.0	22.0	80.3
1970	112.0	27.1	79.5
1975	132.0	32.2	66.8
1980	111.0	62.4	89.5
1985	110.0	53.7	59.6
1988	99.0	72.3	72.3
1989	97.0	78.0	78.0

Pork	Hog & pigs millions head	Average price to farmer cents/lb	Purchasing power in 1988 inflated dollar cents/lb
1945	59.3	14.0	109.0
1950	58.9	18.0	92.8
1955	50.5	15.0	67.9
1960	59.0	15.3	60.1
1965	50.8	20.6	75.2
1970	56.7	22.7	66.6
1975	54.9	47.9	99.4
1980	64.5	39.0	56.0
1985	52.3	44.5	49.4
1988	55.5	43.0	43.0
1989	53.4	43.0	43.0

FIGURE 3

Biological time lag to expand herd size



Without profit levels that will allow producers to replace older and less productive sows and cows with younger more productive stock, the breeding herd will decline in numbers, and meat production will go down. The chart indicates the amount of time needed to produce pork and beef animals for either slaughter or the breeding herd. It takes at least 26 months to produce a feeder steer from conception (nine months) to slaughter (15 months). A market hog takes about 10 months from conception (114 days) to slaughter (5-6 months). However, a longer time and more expense is necessary to grow and raise breeding stock.

In beef production, an additional 24 months (shaded area) is needed before a young female calf is old enough to conceive and produce a second generation calf. In pork production, an additional 11 months (shaded area) is needed to prepare a young female to conceive and produce a second generation pig. The lag time needed to produce breeding stock is expensive for the farmer-producer. When profits are too low or negative, the breeding herd is not replaced as older and less productive females are culled out.

Europe 1992: No farmers, no food

Part 2 of a series of three articles on the Single European Act of 1992.

This series summarizes the conclusions of a 261-page Special Report published by EIR Nachrichtenagentur in Wiesbaden, F.R.G., on "Europe 1992: Blueprint for Dictatorship." The report was produced under the direction of Muriel Mirak and is available for 400 deutschemarks in Europe, or \$250 in the United States.

In the many official reports and studies about the integrated domestic market of "Europe 1992," the word "agriculture" appears rarely. In part, the reason may be that the Common Agriculture Policy (CAP) of the European Community (EC) has already pioneered the way to "Europe 1992" for European farmers. But it is more likely that the prospects for farmers and medium-sized agricultural concerns are so bad after 1992, that even the bureaucrats deem it wiser not to say too much about them. Medium-sized industrialists and anyone else who still wants to earn an honest living should review in detail what the Brussels CAP has done to farming, because it is the model for how all other economic sectors will be dealt with.

The "restructuring of agriculture," as these harsh actions have been termed, has only just begun. The ultimate goal of the "restructurers," is that at least 85% of the farms in the European Community will have been forced into bankruptcy or going out of business. Out of today's 750,000 farmers in West Germany, at most 80,000 are to continue to farm. Instead, large landowners, latifundists, will again emerge, employing tenant farmers and cheap farm labor, as is stated in numerous studies on the future of agriculture.

This way back into feudalism will take us directly to the point where feudalism ended in 1807: with the enslavement of farmers, who will be reduced to peasants. The great reforms of Baron vom Stein at that time, land reform, and liberation of the peasants, laid the foundation for modern agriculture and our modern industrial society. To reduce the independent farmer to serf-like dependency on "agrobusiness," will have a corresponding, disastrous effect on the general economic structure and society as a whole.

"Overproduction" has been the rallying cry of those out to destroy modern agriculture. For years the mass media have

claimed that there is a problem of surplus food—a surplus which has never existed, even in the largest producing nations. At no point, have EC food reserves reached the minimum level of reserves, which are sufficient to maintain current consumption for three months, as mandated in the national emergency laws. Butter is the one exception. Yet despite this dangerous situation, the quota system has been introduced by force. The quota system has resulted in a significant redistribution in milk production. The average medium-sized farm had to decrease milk production by about 20%, while a few large farms were allowed to expand their milk output by 25% in the same period. At the same time, "structural changes" were forced on the dairies, which received 20% less milk.

The smaller, independent dairies naturally found it more difficult to absorb the lowering of production capacities than the large milk chains. This cleared the way for the larger concerns to get rid of troublesome competitors; a wave of mergers started, and "structural change" was under way. The declared political aim is to allow only a handful of dairies to remain in any one EC country.

The environmentalist fraud

In their clamor for cutting production, politicians take advantage of environmental protection. Increasingly severe conditions are being imposed on farming, and on processing facilities like dairies and slaughterhouses. Step by step, independent producers and processors are being dispossessed in the name of protecting the environment, and in favor of cartelization and concentration. The *éminence grise* of environmental matters in Europe is Ernst von Weizsäcker, a nephew of the West German President and director of the Institute for European Environmental Policy, and one of the spawn of the European Cultural Fund. Von Weizsäcker is a radical ecologist, whose frequent tirades against modern agriculture are totally unfounded. It is von Weizsäcker's goal to reduce the intensity of European agriculture on a broad scale. His financial backers are such exclusive and wealthy circles as the World Wildlife Fund, headed by Britain's Prince Philip, the man who recently stated he would want to be "reincar-



Maria Schmitz

A 1987 farmers' demonstration in Bonn, West Germany. The Schiller Institute banner (right) reads, "Don't Talk About Surpluses, When Millions Are Hungry." The other banner says, "To the Devil with the Agrarian Policy."

nated" as a deadly virus, to help reduce world population.

In the name of environmental protection, the tyrants from the EC headquarters in Brussels are forcing through irrational—and destructive—policies. The latest example is the new European fresh water act. A limit has been fixed for water purity from certain substances, that only 0.0001 milligram per 1,000 liters of water of a given substance is allowed, and all substances combined must not exceed 0.0005 of a milligram. This is a 10th of 1 billion parts per liter, and corresponds to someone attempting to isolate one single person among 10 billion people or 1 second in 317 years. The list of banned substances includes, for example, Atrazine, which is completely non-toxic, and harmless to humans, but which is used in pesticides. However, not included in the list are substances like mercury, arsenic, and cyanide, which are harmful to humans even in tiny amounts. They are not used in agriculture, but could find their way into the drinking water in other ways, which seems to be of little concern to the EC bureaucrats.

Yet the politicians selected only substances that are used in agriculture. The guidelines of the fresh water act cannot be enforced, even if tens of millions of dollars were spent. This makes it an ideal tool in the hands of the EC European Commission, to be used against farmers and industry. The Commission now has the right to intervene at any given time, in any region of any member country, to enforce this impossible fresh water act. The Commission can close down any fresh water well or simply threaten to wield the new regulations as a formidable blackmail potential.

The bureaucratization of eating

"Europe 1992" calls for equalization, or "harmonizing," which will have disastrous effects on the national cultures of Europe. Not only will taxes and fees be equalized, but the

size of wine bottles, the ingredients in wine—and the taste of food. Wine production is in grave danger. Although wine production in Europe (excluding Spain) increased from 149 to 155 hundred million liters between 1976 and 1986, consumption levels have dropped, due to a general decrease in real wages and buying power of the population.

It is most probable that the Commission will enact a wine tax which, together with other unnecessary and arbitrary regulations, will increase the price of every bottle of wine by approximately DM 2 (\$2.60), thus further reducing consumption. In addition, the EC is planning to cut 700,000 hectares of vineyards, representing 30% of those in production. This is disastrous, because to reconstitute a vineyard will require at least 10 years of investments at a loss. For German wine-growers, whose products are not in direct competition with Italian and French (red) wines, the measures proposed by the EC mean certain death.

By 1989, even non-exporting wineries have to use bottles of 0.75 liter volume rather than 0.7 liter. For improving the quality of wine, the use of sugar is banned in the future; what can be used is an Italian grape juice concentrate, termed RTK. This does not actually improve the wine, but it raises the price of the bottle by DM 0.25 (\$.45). "Harmonizing" will also enforce standardization of the *taste* of food—under the tyranny of the bureaucrats. At present, food is standardized only by size, appearance, and weight, but this is to be changed, with a research program called "FLAIR" (Food-Linked Agro-Industrial Research). FLAIR was designed especially for the European Commission. The consumer will no longer judge the taste of food himself or herself: Enzymes and bio-sensors will take over this task. This is a horrific vision for everyone who considers eating more than simply the intake of food. If not stopped, we will ultimately have sterile, artificial food indistinguishable from plastic.

“Harmonizing” will reduce the quality of food drastically; therefore, the Commission is doing things that will get consumers used to its policy in time. The lifting of purity laws, as in the case of beer and pasta, is the first, logical step. If the purity law is lifted in the case of cold cuts and milk too, as is expected, then the farmer will have nothing to do with food production anymore. Then even the raw materials of food will be produced by Unilever or Nestlé.

Soviet-style bureaucrats

The Brussels bureaucrats seem committed to using the policy of harmonization of taxes and fees in every country, as an excuse for increasing taxes across the board. In addition to taxes, every farmer and producer will be burdened with so many regulations that they will be swamped by paper work of the sort known now only in the East bloc. What is happening to the wine industry can easily be transferred to other sectors, like grain production. The heads of state decided at

their last European summit to limit the grain harvest of the European Community to 160 million tons. If this amount is exceeded, the EC will collect a producer tax of 3%—on top of the 3% which has been collected for years.

The Commission has decided on the following simplified procedure—one that feudal barons would have been delighted to enforce. Both 3% taxes are due *in advance*. If it turns out that the grain yield remains below the upper limit, the already-taxed farmers can apply for a refund on taxes they have already paid. Applications must be picked up from the local authorities and have to be turned in with appropriate receipts and documents. Then the Commission will decide if and when these unduly raised taxes will be returned. Not only will the clerks be overburdened with paper, but the middlemen in the farm sector as well; taxes will have to be collected directly from the farmer, who, in his free time, will have to do the paper work for the Brussels authorities, free of charge. The revenues realized from this extra tax will only be a

There is no food surplus

Butter production in the European Community has fallen by almost 30%. All dairies without exception complain that they do not even receive enough milk to satisfy butter demand in their local areas. The former EC “butter mountain” has melted down to the indispensable minimum. Since current production is lower than current consumption, the dairies have already announced price increases and supply bottlenecks. This has consequences not only for the consumer in the EC, but also for the whole world, because the EC is the world’s largest exporter of milk products. Not only has the quota system hurt the farmers, but they are now supposed to pay for the shortages. Milk powder is an essential part of mixed feed for cattle, and milk powder has been in short supply in the EC for a long time.

The feedstuff industry already purchases milk powder in the United States, making the mixed feed that the farmer depends on significantly more expensive. The Association of European Mixed Feed Industries warned in June 1988 that the feedstuff supply may not be guaranteed in the future, due to empty warehouses and decreasing production. Here, too, whopping price hikes are occurring. The effects of this policy on the world food supply can only be called apocalyptic.

- World milk production stagnated in 1987, and will decrease in 1988.

- The world output of sugar, another supposedly surplus product, will be lower than consumption needs this

year—making sugar production lower than demand for the fifth year in a row.

- World grain production is decreasing significantly, and the world output of soybeans, the most important feedstuff, would have been below current consumption even without the severe drought in the United States.

- Production of fish meal, the most immediate substitute for soy, suffered a dramatic collapse of 10.7% in 1987.

- Meat—especially beef—production, is growing. But the higher figures of slaughtered animals are due exclusively to dairy production cuts because of the milk quotas and drought. With the destruction of the herds, the beef market will collapse, and its collapse will be all the more complete. Shortages are just ahead, now even for the “fat” part of the world.

It must be kept in mind that all figures and calculations cited always refer to demand associated with strong purchasing power only, not to the actual worldwide food needs. As for feeding the world population, agriculture had to give up long ago, thanks to national regulations. World hunger is not a distribution problem.

Even in times of the highest mountains of surplus, food supply fell short of feeding the world population. The largest grain harvest ever recorded by world agriculture was 1.8 billion tons in 1984. But to supply 5 billion people adequately, we would need between 3.4 and 3.6 billion tons of grain, including rice, per year. This would mean a doubling of the previous record harvest. The 1984 result has not even been approximated since, due to various measures to curtail production in the United States and Europe.

fraction of what it will cost to administer and collect the tax, but what farmers get for producing the key commodity of grain, will be cut by 3%.

The power of the cartels

Farm trade is the most controlled economic sector in the world. For many years, over 90% of world food trade has been in the hands of five multinational corporations. It is they, not any "invisible hand of the marketplace," who determine the price of different products. Even according to the theories of the "free-market" economists—apologists for the cartels—in a free market, raw material prices could fluctuate with supply and demand; under current conditions, food prices would skyrocket. There are only 10 companies which supply supermarkets.

Moreover, more than half of this supply comes from only two corporations: Unilever and Nestlé. The total value of farmers' investment assets has been devalued at the same rate that farm income has been lowered. The same is true for medium-sized processing industries. At least since the time of European federalist Sicco Mansholt, Brussels' slogan for farm policy has been "creeping dispossession." What Stalin had to ram through with violence and mass murder, is being achieved in the EC with price fixing and conditionalities.

Farm property is being expropriated from individual owners, slowly but steadily; grabbing up what has been acquired over generations becomes easier and easier. While family farms grow poor, their property falls to the large corporations. And this process is called "structural change" by the politicians. However, there is still a chance of earning good money in farming, provided you are backed up by sufficient capital and you have control over a wide network of good relations.

For example, if you know in time when there will be a clearing of inventories or which subsidies may be allocated, then you can adjust to the situation early and reap fat profits. This is the secret behind the breath-taking profit margins of the big cartels. While agricultural production is going down, the large trade and production chains were able to increase their profits dramatically. Cargill reported a 66% increase of net profit in 1987. And the rest of the cartels do not go hungry, even if their profit margins are modest in comparison. The British multinational ICI, involved in agriculture worldwide, had to be satisfied with an increase of 29.1%, and Unilever increased its profit by 25.6% in one year. In the same period, farm income dropped in Denmark by 35.3% and in West Germany by 27.5%.

"Restructuring" is in full gear. One of the biggest sources of the multinationals' earnings is subsidies from the EC. They loot an estimated DM 10-12 billion each year, simply by transporting food and raw materials back and forth across the national borders. Sales of food from one nation, taken to and sold at a different price in another nation, are subsidized by the EC, therefore, for the big cartels, even carting food over

long detours, and frequent repacking are profitable. This is a key source of the profits reaped by these corporations.

They all live off taxpayers' money and reinvest it to enlarge their control over politics. These honorable gentlemen praise free trade and, of course, are highly critical of any state interference. From the outside it may seem strange that almost all international chains are currently investing in agriculture. Thus, recently Daimler Benz intervened massively in the Spanish hog-breeding market. Since Spain receives money from the Community's structural fund, this is a very profitable enterprise indeed, for a corporation with such unlimited possibilities. And Volkswagen is breeding tens of thousands of cattle in Brazil, for the European market, of course.

Brazilian beef is purchased at preferential prices by the EC to help develop the country. In this fashion, however, it turns out to be development aid for Volkswagen! They all are cashing in on money nominally designed to subsidize agriculture. For the insider, this interest by large corporations in agriculture comes as no surprise at all. First, this involvement allows the firms to pocket even more state subsidies and, second, these circles know very well that having a share in food production will be a passport to power very soon. You buy cheaply in times of enforced structural change, and a couple of years later, when the farm crisis is "cleared" and cartellization is completed, you can dictate the prices both of food and of rural real estate.

These conglomerates with their hundreds of daughter firms and thousands of partnerships will dominate the integrated domestic market. They all are "armed" for 1992. Medium-sized industries cannot compete because, for one, they cannot afford to hire armies of lawyers capable of leading them to the huge pot of subsidies.

The food weapon

The policy of a deliberate shortage of food has added power and influence to the cartels. Under the slogan of "reducing surplus production," they intend to cut food production further. Actions aimed at lowering production will drive thousands more independent farmers into bankruptcy, thus increasing the power of the cartels, which will create even more severe shortages. Ever less food and ever higher concentration, have transformed food into a dreadful weapon, which can be used to force entire continents to their knees.

The 1988 drought hitting the grain and soybean belt of the United States and Canada has dramatically worsened the tense food situation. The 1988 world grain harvest is estimated to be only 1.5 billion tons, with large shortfalls in the United States, Canada, and China. It is certain that the American crop yields of grain, soy, and sugar beets will be only half of those in an average year. The Canadian government has already announced that it will have to reduce grain exports from 30 million to at most 14 million tons in 1988. Mexico, Brazil, India, China, and parts of the East bloc also

suffered large-scale drought losses. In addition, there were reduced crops in Cuba, China, and parts of the Soviet Union because of flooding.

Only in the EC and Australia are normal crops to be expected. Because of drought conditions, soy crops will be extremely small. Soy prices have already doubled and cattle feedstuff will be in such short supply that ranchers will have to shift to grain. This means, however, that grain for human consumption will be curtailed even further. Most immediate-

“By now, in the milk sector of Germany and the EC we have developed an administrative economy which is even worse than the East German planned economy.”—Wolfgang Suwelack, Managing partner, Dr. Otto Suwelack Co., Billerbeck, West Germany

ly hurt by this development will be those already in the gravest situations, the Third World nations.

Shipments to developing nations will decrease, and at the same time these countries will have to pay higher prices for purchases on the world market. In May 1988, UNCTAD representatives already warned at the World Food Conference in Brussels that the situation in the Third World was threatening to go out of control with these developments. And while politicians and farmers still quarrel about reducing surplus production, German relief organizations do not even have food supplies for their current emergency projects in Africa. Even now, “the hungry in Africa have to compete with our hogs and cattle,” the secretary general of the *Deutsche Welt Hunger Hilfe* organization said Aug. 7.

Soviet officials have already admitted that agricultural production stagnated in 1987, and that this year’s harvest will be tens of thousands of tons short of what is needed. According to official statistics, the Soviet grain crop was 211.4 million tons. From that, approximately 30% must be subtracted because the Soviets use “silo weight” for their figures, i.e., the grain is still moist and uncleaned when weighed. Soviet grain consumption is estimated to be at least 234 million tons. So far, import requirements from the West have been around 34 million tons per year; the present-day Russian czars got the rest from their satellites in Eastern Europe, even though these nations do not have enough food for their own

people. Food supply has dramatically worsened in the whole East bloc, and shortages are a key cause of the widespread strikes and protests there—subsidized food shipments from the United States and EC notwithstanding. For the industrialized nations, the question, “Who will eat, and who will not?” is already before us. The critical food shortages in the East bloc pose a direct threat to Western Europe.

The Soviet Empire, carrying out the biggest military buildup in history in the midst of severe food and industrial crises, is desperate to seize an “agricultural surplus region.” One such region, Western Europe, is on the Soviets’ doorstep. If the crisis deepens, and Western Europe and the United States do not reverse the current trend and defend themselves, the future for Europe’s farmers is bleak indeed. They would be told to produce the minimum quotas—enough for the Soviet war machine—and our population would have to watch trainloads of food moving eastward, as the Poles and East Germans already do today, while they themselves barely survive.

The EC is paying tribute to the East bloc already. Now, as always, the Soviets get what they want from the EC, for token prices: butter for DM 1.80 a kilogram—1/6 the price the consumer pays in West Germany; beef for DM 1.50 per kilogram—1/15th of what it costs inside the Community. According to *Bild-Zeitung* the EC paid DM 6.6 billion in tribute to the East in the form of subsidized food in 1987. This sum is also listed as a “subsidy to European agriculture.” But the Russian czars are demanding even more.

The Soviet ambassador to West Germany, Yuli Kvitsinsky, stated at the Soviet 19th Party Congress at the end of July that the Soviet Union would have to also achieve “economic parity” as well as “military parity” with the West. “It is urgent that we institute international controls over the use of economic power in the relations between nations, and also over how excessive wealth which exceeds the need of some nations and their populations, can be used for the benefit of the international community.” Kvitsinsky went so far as to attack the Third World nations because they allegedly fail to ship enough food to his country in return for Soviet aid—which is mainly military.

The first results of this blackmail have already become visible. The Bavarian Farmers Association has signed a cooperation treaty with the State Committee for the agro-industrial complex of the Russian Soviet Republic, involving export of new plant varieties, planning and expansion of warehouses and agro-technology centers, and the export of meat, drinks, and dairy products. In the future, Bavarian and Russian firms will cooperate directly. And West German Agriculture Minister Ignaz Kiechle is seeking similar agreements on the federal level. Besides meat, butter, and grain, West Germany is also supposed to provide the Russians with technologies for competent storage of the donated food. Again, the prices will be dictated by the Russian masters.

Moscow dangles 'golden ruble'

Western bankers are teased with hints that the Soviets will join the Western monetary club by making the ruble convertible.

Soviet spokesmen in recent months have hinted at a possible revolutionary move to make the worthless Russian ruble into a "good as gold" commodity in Western financial markets.

In early October, "authoritative" Moscow sources were heard "whispering" in Paris about a secret study on the subject. City of London circles have been buzzing with similar rumors since September, when the Moscow Narodny Bank of London announced it had joined the newly formed London Bullion Market Association. At that time, a Soviet economic delegation held closed-door talks with Bank of England officials and senior London bankers.

According to City of London reports, Moscow has commissioned a confidential study from experts in London, Paris, New York, and Zurich. The mandate is to study the feasibility of fixing the ruble—presently inconvertible into any Western currency, hence worthless in international trade—to some accepted value which would make securing of large Western credits and substantial Western technology investment inside Russia an attractive reality.

"This would be an attempt to reintroduce the gold standard, with the spirit of Montagu Norman transmigrated to Moscow," one City of London insider stressed. Montagu Norman, Bank of England governor from 1919 to 1944, was notorious for his golden imperial schemes.

Moscow has teased eager Western bankers with hints of becoming part of the Western monetary club by making the ruble convertible to Western

standards of value, even suggesting eventual membership in the International Monetary Fund. Under the present system, no Western investor can determine accurate measure of value outside cumbersome barter dealing. Russia's alternative, buying from the West with hard Western currencies, has declined with collapsing oil prices.

"Joint ventures need convertibility" stated one London gold analyst. "The Soviets accept that their present exchange rate is insane. Hungary is the only sane one in the group. Moscow does not want more loans from the West. They want exchange convertibility." London's Nov. 5 *Economist* featured "A Gold Ruble," outlining how Gorbachov could benefit from revaluing the ruble to an agreed value of gold: "At present their exchange rate is grossly over-valued instead of being kept cheap. The official rate pretends the ruble is worth \$1.65 when its purchasing power on East Europe's black markets is probably more like 25 cents." The journal argues, "The most desirable way for Russia to borrow is for it to have a currency people want to hold, instead of Western politicians giving it soft credits at their taxpayers' risk in the hope this might make Mr. Gorbachov nice."

According to the reports circulating in London and Bonn, this convertible ruble would be tied not to a fixed weight of gold, but to a "world gold price." The scheme would allow Moscow to convert, but avoid becoming hostage to a dollar exchange value. "The corollary of a ruble pegged to a world gold price" added a London gold

analyst, "would be a *modus vivendi* deal between Moscow and South Africa, nominal enemies who have worked together in the past on points of mutual advantage. Between them they control some 70% of total world gold production, more than OPEC does oil. Oppenheimer [Sir Harry of Minorco and De Beers diamond cartel of South Africa and Luxembourg] has already shown his willingness to do a deal with the Russians to control world diamond trading. Gold would present little problem."

Is such a prospect motivating Harry Oppenheimer's attempt to grab control of the world's second-largest gold mining group, Consolidated Goldfields, via his Minorco SA holding? The combination would give Oppenheimer's group an estimated 32% grip on total non-Communist world gold production, far the largest. Bolstered by a production stabilization pact with Moscow, such an Oppenheimer-Gorbachov "gold cartel" would dominate world markets for the far future, permitting a stable fix for the weak ruble. Minorco's board includes the New York-London investment bank Lazard Frères, which is also Minorco's adviser on the Goldfields takeover. Is it only coincidence that the Lazard-owned *Economist* is floating the gold ruble idea?

By one version, the gold ruble would be tied to a single European currency in the wake of the West European 1992 single market transformation. "This would allow Moscow to create a single currency zone from the Urals to the Atlantic," stressed one London economist. Could this be one reason a leading Soviet banker, Thomas Alibegov of the Soviet External Economic Bank, told a European Parliament audience in July that Moscow will increasingly price import contracts and credits in ECUs, the EC's European Currency Unit?

Business Briefs

The Deficit

Trilaterals call for U.S. 'perestroika'

Speaking to a conference in Siena, Italy sponsored by the Monte de Paschi bank, Lord Eric Roll, a founding member of the Trilateral Commission, demanded a *perestroika* (Russian: restructuring) for the United States to reduce the federal budget deficit.

Lord Roll is one of Europe's leading advocates of the "Europe 1992" plan, under which all customs barriers to the movement of people, goods, and capital are to be removed, preparatory to eliminating national sovereignty, placing the economy under the domination of a few cartels, and reducing the continent to the status of a Soviet looting ground.

Roll told the Siena conference, "Markets don't wait, and very soon they will form a view, rightly or wrongly, of what the U.S. administration is going to do, and this will influence the exchange rate and the volatility of the dollar."

Roll was seconded by Trilateral founder David Rockefeller, who, lamenting U.S. President-elect Bush's pledge not to raise new taxes, added, "It is difficult to see how he can deal with the deficit without some kind of revenue enhancement." Rockefeller backed new gasoline taxes as the answer, a proposal first floated 12 months ago by the Bank of England.

Food

Predict big Russian, Chinese soybean imports

Russia and China will be major importers of Western soybeans and fats in the years ahead, according to Hamburg grain traders. The imports will begin this December, they said.

Russia will import massive quantities of oils and fats for their livestock production demands, the sources said. Moscow will import 3.45 million tons of oilseeds over the next 12 months, up sharply from the past 12 months.

In addition, because of the devastation left by floods, drought, and frost, China has lost some 1.3 million tons of its planned soybean harvest, and is certain to be a large importer.

State Budgets

Cuomo demands broad new budgetary powers

New York Gov. Mario Cuomo on Nov. 21 demanded extraordinary emergency powers to cut his state's budget without legislative approval. New York now faces a \$2 billion deficit that grew up under Cuomo's administration. If Cuomo gets his way, he will attempt to appease bankers by shutting down services.

The emergency powers Cuomo has asked for would allow him to cut the budget without getting the approval of the state legislature. If the legislature goes along, it would be the first time in history that such budget-cutting powers were granted to the governor.

State legislative leaders have said they are considering Cuomo's demand.

New York State bankers and investment houses are demanding blood to keep their debt afloat. Governor Cuomo made his play for unilateral authority over the budget only days after Standard and Poor's, the Wall Street credit rating service, placed \$17 billion of New York's long-term debt on a "credit watch," and threatened to downgrade its credit rating unless the deficit were narrowed. Standard and Poor's contended that the mid-year plan released by the governor did not contain sufficient explanation of how the gap would be closed.

A spokesman for Moody's, another bond rating house, commented, "We do consider the amount of the revenue shortfall to be significant. It appears pretty obvious that it will require stronger action than what they've done so far."

Various Albany insiders are speculating that Cuomo will try to break his contract with state employees unions in order to balance the budget.

Trade

New Zealand seeks new ties to Chinese, Russians

Chinese Premier Li Peng led a delegation of 90 people, including four ministers and two vice ministers, on a state visit to New Zealand Nov. 20-23. Li Peng's visit was preceded by several reciprocal visits by high-level ministers of both countries in recent years, and featured the signing of an investment protection agreement between the two countries on Nov. 22.

The Chinese premier toured several New Zealand farms and forestry research and production facilities, and had a private dinner with Prime Minister David Lange following the signing.

New Zealand has 13 joint ventures inside China, while China owns a wood-scouring plant in New Zealand. Total trade between the two countries increased from (N.Z.) \$13.2 million in 1972-73, when relations were normalized, to \$544 million in 1987-88. China is New Zealand's fifth-largest trading partner and its largest market for wool.

Meanwhile, Deputy Prime Minister Geoffrey Palmer returned to New Zealand the day of Li Peng's arrival, after a week-long visit to the Soviet Union, the highest ranking such visit in 28 years.

The pro-Soviet Palmer was the guest of honor at a Kremlin state banquet hosted by Deputy Prime Minister Kamentsev, with whom he spent several hours in talks. The two discussed joint ventures, including cattle, agricultural technology, geothermal energy, synthetic fuels, forestry, and fishing, all of which will be examined in more detail by a joint trade commission, which is to meet in Moscow in the spring of 1989.

One immediate upshot of the talks was Palmer's invitation to the Soviets to once again station a media representative in New Zealand. The last such representatives was forced to leave the country in 1980, when the Soviet ambassador was expelled for security reasons.

Upon his return to New Zealand, Palmer waxed eloquent about trade opportunities, the success of *perestroika*, and the "rising

consumer standard of living" that he discovered in the U.S.S.R. One wonders why no Russians have discovered it.

Europe 1992

Eurocrats may form a central bank

A European Monetary Union source close to former West German Chancellor Helmut Schmidt has told EIR that he is sure a European Central Bank independent of sovereign governments and controlling their credit and currency policies will come into being after 1992.

He cited European Commission president Jacques Delors, author of the central bank idea and leader of the forces behind "Europe 1992," European Commission legislation that will eliminate all EC customs and trade barriers. The objective is to eliminate national sovereignty in Europe.

"Delors told a meeting I attended this week," said the source Nov. 19, "The train is on the right track; it will go in the right direction."

"The most important event of the past year is the mandate Delors got to head the study to analyze the European Central Bank idea. There will emerge such a bank, regardless of what name it has. It will be 'federal' to give each member country the feeling it has a voice, but it will be fully autonomous."

"At this point, a new international financial crisis would simply speed the timetable for implementing the Delors bank plan. We saw how vulnerable national markets are following the Oct. 19 [1987] crash."

According to his report, Bundesbank president Karl-Otto Pöhl is privately fully in support of the central bank, "but he is forced to say what he does because of extremely conservative interests on his board. After Delors' report next June," he continued, French President François Mitterrand and West German Chancellor Helmut Kohl "will push the debate, and British Prime Minister Margaret Thatcher, at present an outspoken foe of the 1992 plan, "will ultimately follow."

Mrs. Thatcher has attacked the idea of a supranational European government based in the Brussels bureaucracy of the European Community as "airy-fairy nonsense," and defended Charles de Gaulle's concept of a "Europe of the nations," each sovereign, against Europe 1992's concept of a "Europe of the regions," based on the dissolution of national sovereignty during the next decade.

AIDS

Health worker infection higher than admitted

A Baltimore physician, Dr. Hacıb Aoun, told reporters at a Washington conference on infectious diseases Nov. 22 that the number of on-the-job mishaps that have led to AIDS infection of health workers and researchers is being grossly understated by health authorities.

Aoun was a resident at Johns Hopkins Hospital in Baltimore five years ago. He was injured in a test-tube accident while treating a leukemia patient and was infected with HIV, the human immunodeficiency virus.

Hopkins later refused to provide for his health care, and even insinuated that the doctor may have contracted AIDS in some other way. Dr. Aoun sued the institution and won a large settlement.

In his Nov. 22 remarks, Aoun said that cases go unreported because health care workers are afraid of losing their jobs; hospitals are afraid to report cases to the Centers for Disease Control because of the risk of causing panic; and local health authorities routinely report on-the-job infections as being caused by sex or other means accepted by the health establishment.

The CDC has recorded only one case of full-blown AIDS from an occupational accident, but Dr. Aoun said that he knows of five cases in Baltimore alone. He estimated on this basis that an accurate national figure is much, much higher than the official statistics, but gave no estimate.

The Baltimore cases include a laborer, a nurse, and a phlebotomist.

Briefly

● **SEVEN MILLION** people in Vietnam are starving, especially in the four disaster provinces of Nghe Tinh, Binh Tri Thien, Quang Nam, and Nghia Binh, where 10 million people live. An unusually long cold period, followed by drought and a massive infestation of insects, led to a very bad harvest.

● **SOUTHERN FARMERS** in the United States will be hit hard by Farmers Home Administration (FmHA) foreclosures. The federal agency has sent 90,000 notices to "delinquent" farmers nationally. Some 41% of FmHA borrowers in Georgia are delinquent, as are 38% in Louisiana, 32% in Mississippi, and 18% in Alabama—and all have received foreclosure notices conditional on loan restructuring.

● **THE ARGUMENT** about European subsidies to the farming sector is a bigger threat to the relationship between the United States and Western Europe in the eyes of Americans, than, for example, the debate on burden sharing in NATO defense, stated the U.S. ambassador to the European Community in Brussels, Alfred Kingston, on Nov. 18.

● **THE NEW YORK** Metropolitan Transit Authority has unveiled a capital budget that cuts \$350 million in bus and subway improvements. Among the cuts, the purchase of 300 city buses and some structural improvements to the Broadway 7th Avenue IRT subway line have been eliminated.

● **NEW JERSEY** state revenues are reported down \$155 million. Michael Cole, chief counsel to Gov. Thomas Kean, told the press Nov. 19 that the governor will be making "some tough choices" on the funding of existing programs. He said the governor will not increase taxes. Cole termed the fiscal condition "a significant problem, but it is not a crisis, emergency or deficit like those occurring in other states like New York and Massachusetts."

What 'Scientific American' doesn't tell you about AIDS

Garance Upham Phau dissects a recent 'authoritative' report that obscures the dimensions of the AIDS threat and the need for a crash research program.

Throughout the 19th century, the medical authorities proclaimed *for political reasons* that cholera was not contagious. The reason for such strange behavior was that quarantine would stop trade with Asia and with Moscow, where most epidemics came from. Such was the case in the 1832 cholera epidemic when 100,000 people needlessly died in France, because no attempts were made to control the spread of the disease.

Today, *for political reasons*, the scientific community is complicit in the cover-up of the century in relation to AIDS. As with cholera in the 19th century, AIDS is said to be non-contagious, for fear that "authoritarian measures" might be taken, and above all to save money. Hence, public health measures are not taken, the looting of Africa proceeds as usual, and promising scientific research areas are blocked. Allegations that we may be close to finding a treatment remind one of the 19th-century physicians convinced that treating cholera patients with blood-sucking leeches improved their condition.

The October issue of *Scientific American*, the "reputable" organ of popularized scientific research, is entirely devoted to AIDS with the title: "What Science Knows about AIDS."

Indeed, the list of contributors is a "who's who" of the AIDS specialist's club: Gallo, Mann, Haseltine, and others. The fraud starts with the first pages, when Robert Gallo and Luc Montagnier pretend to write something together on the discovery of the virus, as if it had been a collaborative affair, albeit unwittingly. . . . It goes thus: "One of us (Gallo). . . did (etc.), to another one of us (Montagnier). . . ." The result is queer, like the offspring of a sexual affair between a chicken and a fox, if you will forgive me the thought. No more need be said.

Ostensibly ten AIDS-related topics are examined in *Sci-*

entific American, from the "probable origin" and cellular activity of human immunodeficiency virus (HIV), on to treatment and vaccines being looked at today, or the epidemiology and "social dimension" of the disease.

Methodologically the worst articles are those on treatment and vaccine research, because the wealth of "facts" is only matched by the poverty of ideas and the overall fraudulent claim that "we are well on our way" to solutions to the problem.

Dubious therapies

"AIDS Therapies," authored by Robert Yarchoan, Hiroaki Mitsuya and Samuel Broder (from the Clinical Oncology Program of the National Cancer Institute—NCI), is a case in point. The authors are among the people who initiated the use of AZT (also called azidothymidine or zidovudine) in the treatment of AIDS patients, a drug which they rediscovered from the work done on mouse retroviruses (so they write) by people at Max Planck Institute, the Belgian Rega Institute, and others. The effort was financed by Wellcome Research Laboratories which must have made a handsome profit since the work started.

As everybody knows, AZT is the antiviral drug most widely used on AIDS or pre-AIDS patients today. The authors pretend that AZT offers a solution, albeit a temporary one, in that it slows the progression of the disease, and early administration could be successful in thwarting the development of full-blown AIDS. They add, "The drug can be toxic, particularly to bone marrow, so that patients on AZT often develop anemia [a decrease in red blood cells] and in some instances low numbers of white blood cells and platelets as well."

This a gross understatement, or rather only half the pic-

ture, since AZT also attacks nerve fibers rather rapidly. Under such conditions, can it be asserted that AZT is a "solution," or even the beginning of a solution worth gloating about? They go so far as to excuse the toxicity of AZT by saying that "penicillin too is toxic"! AZT does not clear the organism of the HIV virus from the organism, it does not even prevent the formation of scyncytia (clumping together of cells, which is one of the most characteristic actions of the AIDS virus), and it is highly toxic. It cannot be administered for a long time without dramatic side effects, and it has not saved one life. How this drug can be compared with penicillin, which saved millions of lives, is beyond imagination.

Another "solution" coming on the market today is soluble CD4, "rCD4" as it is called. The idea is that the rCD4 will bind to the glycoprotein gp120 of the HIV virus, and thus prevent it from binding to the CD4 molecule of the lymphocytes. There are also several problems with that approach, which is going into the first clinical trials at present. First, it could be toxic to a certain type of naturally produced antibodies, known as MHC class II immunoglobulins. Thus it could produce its own form of immune dysfunction resulting in clinical problems similar to AIDS.

Beyond that, the evidence is slim that HIV only binds to the CD4 molecule, as non-CD4-bearing cells can be infected with the virus. Obviously, there are other binding mechanisms which we do not, as yet, understand.

Anything that fails to get rid of the intruder altogether, while being toxic to the host is going to fail in the long term. This is precisely the same problem we face in cancer chemotherapy. So far, unfortunately, with all the efforts which the authors mention, and they seem to be only interested in pharmaceutical companies' efforts, not one patient has survived the disease, or even survived longer without side effects.

While pretending to be exhaustive, the article is mostly oriented toward Anglo-American laboratories. For instance, it fails to mention the immune stimulator "immuthiol" developed by a French group, which has the merit of having some beneficial effect for cancer patients and of being non-toxic; or the effort by some Japanese to develop interferons that also have some beneficial effect and are non-toxic as well. But the main problem is in the extremely reductionist approach to the subject:

The authors break down the activities of the virus into a step-by-step factory of sorts, and suggest that if we know each and every individual part of the time sequence in the virus activity, we could successfully intervene at any point in the process.

The list goes as seen in the picture: "Ways to intervene." What is missed is twofold: 1) How can we distinguish the virus from the host cells? That is the first useful question to ask ourselves. All the more so, since the creation of antibodies seems to be part of the problem in an auto-immune-type mechanism. The second is a question that disagreeably tickles all the hairy molecular biologists: what about the extracellular activity of the virus? What Montagnier calls the

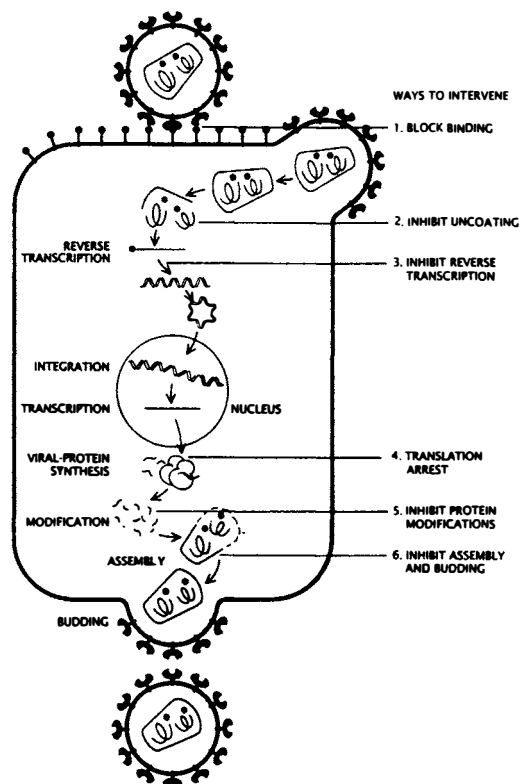
"mysterious" "action at a distance"? Neither he, nor all the people mentioned in this article in the search for treatment even looks into the question.

It is reported that some researchers are creating "anti-idiotypic antibodies," antibodies to antibodies of CD4, which would presumably get at the gp 120 surface molecule of the virus, but the problem is the reaction of other cells, such as macrophages, to such antibodies. Just as with "rCD4" we are merely apprentice sorcerers in immunology, who don't know the consequences of our intervention, as all honest specialists will admit.

The article on "AIDS Vaccines" is by Thomas Matthews and Dani P. Bolognesi (from the surgical virology laboratory at the Duke University Medical Center).

They write, "A rich tradition of vaccine research guides the efforts to develop an AIDS vaccine." True enough, but no vaccine has even been found against a retrovirus, which the authors admit in passing, without stressing the point, to say the least. But they do add a truthful and most important remark:

"The fact that HIV attacks the cells that are responsible for defeating infection adds its own twist to vaccine development. In particular some investigators are concerned that a vaccine could actually enhance the infection of the virus. Certain cells of the immune system have receptors that bind



This "Ways to Intervene" diagram from Scientific American's October issue, fails to distinguish the virus from the cells, and fails to deal with the extracellular activity of the virus.

to antibodies opposite the antigen-binding region. Macrophages are among these cells, and macrophages are a target of HIV infection. Antibodies attached to free virus could therefore be attracted to macrophages, increasing the chances that a macrophage will become infected. Hence raising antibodies to HIV by means of a vaccine could conceivably facilitate rather than deter the spread of the virus [emphasis added].”

That is the main reason why no vaccine has even been found against Visna or other animal retroviruses. As French researchers have said: the problem lies in the activity of the macrophages that harbor, carry, and produce HIV. Besides, the macrophages are thought to be the main vehicle bringing the HIV virus to the brain.

The details supplied as to who is doing what in the field are not very relevant, since the approach remains traditional, and so partakes more of a random experiment than anything else. Today one wishes more medical researchers would think like the French Pasteurian Charles Nicolle who confided to his pupils in 1937, “I hate random experiments, I love experiments to think.”

In the French medical community generally today, I have found more and more top people who say that a vaccine in the traditional sense of the term is out of the question. Those researchers who have been best trained in Pasteur’s method of vaccination do not believe it will or could apply in the case of AIDS; no linear extrapolation will do.

One of the additional problems, we could say, is that beyond going to the “head” of those normally in charge of defense, the lymphocytes and the macrophages, the virus also mutates, and mutates faster than anything that has ever affected mankind so far.

In birds, retroviruses effect one mutation per replication cycle. Say HIV would do that in fact, this does not mean that it would be so different as to be unrecognizable each time, of course, but we do know today (as demonstrated by several people during last June’s WHO AIDS conference in Stockholm) that HIV mutates very fast, from one person to the next, during the course of infection in the same person (for example, virus retrieved during the beginning phase of the infection is much less active and much less cytotoxic than virus retrieved later in the course of infection.) In addition, virus obtained from the cerebrospinal fluid and from the peripheral blood of one single patient has as different biological activity as two different strains.

“The Origins of the AIDS Virus” by Max Essex and Phyllis Kanki (Harvard School of Public Health) is so banal and vague, it reads like a fairy tale. It says that SAIDS (Simian AIDS) only infected captive Asian monkeys (not those in the wild) and that African Green monkeys were often found to be infected with SIV but did not develop SAIDS. It says chimpanzees can be infected with HIV but do not catch the disease, and that the chimps might have been exposed to a close relative of HIV and developed resistance. This information, and what is inferred from it, is just nonsense, since

the animals do get clinical manifestations after infection with HIV, as I am informed of that fact. So the article is far from representing the state of research today, or even that of a year ago!

As for the assumption that HIV-2, which is prevalent in Western Africa (as opposed to HIV-1 in the eastern part) is less pathogenic than HIV-1, that too, I would say is disinformation: Several people have died of HIV-2-induced AIDS in European hospitals already, and, as with HIV-1, the neurological manifestations can be impressive.

The possibility that AIDS began with a laboratory accident is, of course, ignored by the authors, who stick to the monkey story, in effect, saying we know nothing about the origin of AIDS.

An ‘unprecedented threat’

“The International Epidemic of AIDS” (Jonathan Mann, Piot and Chin) admits: AIDS represents an “unprecedented threat to global health.” WHO estimates that 250,000 AIDS cases have already occurred and that 5 to 10 million are HIV infected today. Bad as those figures may sound, they are still far from the truth as the number of infected in the U.S. alone is 4 to 5 million today. The authors admit to the obvious correlation between genital or anal lesions and transmission in the homosexual community, and that areas of high HIV prevalence in Africa are also the areas of prevalence for sexually transmitted diseases (STDs) such as syphilis. But they use that to promulgate the STD theory of epidemiology, saying that there is no evidence of transmission by “food or water, biting insects, coughing, or sneezing . . . no casual transmission.”

And the maps of the world accompanying the article tend to indicate a “homosexual and IV drug users transmission only” in America and Western Europe, and special heterosexual transmission in Africa (they admit to up to 20% or even 25% of people infected in areas of Central Africa). This is another hoax, which the Masters and Johnson report on heterosexual transmission in the U.S. should have dispelled. Presumably, this is what prompted Robert Gallo at the most recent international conference on AIDS in Africa, which took place in Tanzania this September, to suggest that only Africans could be used to test vaccines, because there were only “special populations” affected in the United States. This guinea pig proposition provoked a protest by most of the African health ministers present.

Mann, et al. add that, “The Harvard Institute of International Development estimates that, by 1995, annual loss to Zaire from AIDS deaths will be \$350 million, 8% of GNP, or more than all the international yearly financial assistance received from the West. . . . Economic loss to Central Africa would reach \$980 million.” Nonetheless the authors end by congratulating themselves and WHO: “There is no precedent in history for public health effort for the speed, intensity or scope of the global AIDS effort.” (To spread condoms?)

From Walter Reed Institute, Robert Redfield raised the

interesting point that it is wrong to ask physicians to explain AIDS, because AIDS is just one particular late manifestation of the HIV infection, which is what one should ask about. The problem is that, while arguing as to the advantages of early tracking of the HIV infected (a strong argument in favor of mandatory testing), only the immunological effects of HIV are taken into consideration in the Walter Reed classification (a more intelligent one than the Centers for Disease Control for sure) which evaluates the progressive deterioration of the immunological system.

Redfield notes that the deterioration in lymphocytes means that infections with mycobacteria, viruses, fungi, and parasites, will develop more commonly than infections by bacteria. This is because bacteria are not repelled by T-cells, but instead evoke an antibody response from the B-cell system, the other branch of the immune system. This is important to understand the facility with which the mycobacteria, such as tuberculosis, develop in AIDS patients.

In the author's evaluation, the virus proliferation evolves along with the virus toxicity, which means that the person is more contagious at the onset of the disease, before there is any significant immunological response, and then again toward the later phase of the disease. "More virus in the body means greater infectivity," obviously! And he makes a strong point: Early diagnosis of HIV infection, by more screening, means that we can follow the evolution of the immune system better, and have a more precise evaluation of the contagiousness of the person. We can only regret that Redfield seems to push aside the neurological manifestations of HIV, which represent a clinical picture of the utmost interest in developing a grasp of the disease. He even says that neurological manifestations could be just opportunistic infections (e.g., not due to HIV).

What is remarkable about this type of media coverage, is that it seems to have the double intent of dumbfounding the public, and, more importantly, of getting some decent people to degrade themselves into writing half-truths, such as Montagnier, who is normally not afraid to say that he alone discovered the virus. We are face to face with that Inquisition which Professor Benveniste denounced for the behavior of *Nature* magazine toward his research (See *EIR*, Vol. 15, No. 34, Aug. 26, 1988, page 20). This type of coverage serves as a message to the scientific community as to the "acceptable" ways in which to shape their thinking and research, lest they be left out and get no funding. It is a sort of guarantee as to "all that which science shall never know about AIDS."

But the extent of the epidemic, the grim future, the incredible costs, and the threat to a whole continent, are recognized even while appropriate action is blocked.

The social dimension

"The Social Dimension of AIDS" by Harvey Fineberg (Dean of the Harvard School of Public Health), has some hairy news to tell:

- Infection among drug users is markedly on the rise.

- The cost to the U.S. economy and health care system will be horrendous: "The U.S. Public Health Service recently predicted that 450,000 cases will have been diagnosed by the end of 1993, extending the 270,000 by the end of 1991. Personal medical costs for AIDS patients during 1991 have been projected to reach levels of between \$4.5 and \$8.5 billion. Other costs are subtler," Fineberg continues. "When a hospital adopts universal precautions requiring frequent use of disposable gloves, gowns, masks and protective eyewear, hires additional infectious disease specialists and infection control personnel, follows special blood-screening and laboratory procedures . . . such costs are spread over all patients and are not found on those having a diagnosis of AIDS."

- Fineberg informs us that in the United States, "One in five AIDS patients has no insurance, 40% are covered by Medicaid, (more than four times the proportion in the general population)." This indicates that AIDS affects especially the black and poor population in the U.S. generally.

"Medicaid only covers 40% of those with income below the poverty line, and frequently pays less than the cost of care." (The American Medical Association has submitted a bill to Congress to extend Medicaid to the 20 million or so people not yet covered by insurance who are below the poverty line; it would double that budget.)

The problem of rising epidemics of opportunistic diseases such as TB is also raised:

- "HIV can also indirectly contribute to the rise of other infections in the community. After declining for many decades tuberculosis has began to increase in the U.S. Between 1984 and 1986 reported cases jumped 36% in New York City. Today, these new cases are found mainly among patients with HIV infection, but as more people in the community develop active tuberculosis the risk of spread to those not infected with HIV will increase."

The Fusion Energy Foundation was first to point out this HIV-TB interaction, seen by tropical disease specialists in Florida and Haiti but denied by the CDC, until the recent period, notably since the Stockholm Fourth International Conference on AIDS last June (see report in *EIR*, Vol. 15, Nos. 26 and 27).

In late October of this year, the French virologist Professor Chrétien from St. Louis Hospital reported his finding that TB which was decreasing in France by 11% per year until 1984; it subsequently decreased by 8%, then only 1.3% in 1987, and increased by 2% for the first half of 1988 (compared to first half of 1987). He pointed out that HIV infection was activating TB, and that there had been "laxity" in applying TB control measures (which include quarantine) and that these ought to be revived along with HIV control measures. About the "social dimension of AIDS" in the Third World, Fineberg again doesn't offer any solution, but he does write something about the stark reality of the matter: "Demographic projections suggest that the long-term impact of AIDS on those populations [Africa and the Caribbean] may be similar to a prolonged war."

Craxi versus De Mita: Italy moves toward 1992

by Webster G. Tarpley

The Italian Republic, founded after the Second World War by Alcide De Gasperi, now lies squarely in the path of the immense steamroller of the cartelized "single market" which is scheduled to flatten the nations of Western Europe between now and 1992. "1992" and the "single market" have become a shorthand for selling 330 million citizens of the European Community into the thrall of continent-wide monopolies of banking, insurance, foodstuffs, and finance, all controlled in turn by the pro-Soviet titled feudal aristocracy. In Italy, as in the other EC countries, 1992 brings the long shadows of a supernational political regime ranging from merely authoritarian to downright totalitarian.

In Italy, as elsewhere, one observes a flareup of partisan warfare among political factions; this reflects the fact that those interests and factions who manage to be on the inside of the 1992 supernational regime may hope to survive, whereas those who are locked out must reckon with triage and cannibalization mercilessly meted out by the insiders. The brutal struggle to be on the inside explains the current round of conflicts.

In Italy, the struggle to emerge on top in 1992 has produced the clash of two coalitions of political and economic forces which tend to cut across the definable lines of party, church, and freemasonry. At first approximation, these can best be labeled with the names of the dominant bosses within each coalition: on the one hand, the premier of the governing five-party coalition and secretary of the majority Christian Democratic Party (DC) Ciriaco De Mita, and on the other, the former premier (of the years 1982-87) and secretary of the Italian Socialist Party (PSI), Bettino Craxi. Craxi's newer northern mafia squares off against the older southern *camorra* of De Mita. Craxi's base of operations is PSI-ruled Milan, where a new-style radical-chic mafia based on drugs and drug-money landering has emerged over the recent two decades under the PSI mayors, and Craxi backers, like Aldo Aniasi and Tognoli.

De Mita has his home base near Naples, where the organized crime machine calls itself the *camorra*, and where politics revolve around the parish church and oratory. Avellino, as part of the Mezzogiorno, is one of the many areas that will



be written off in 1992. This grim fact does not stop De Mita from leading the fight for free-market liberal economics in the DC, a sure way to destroy a party whose centerpiece has always been the state sector. De Mita plans to liquidate steel, chemicals, nuclear energy, and shipbuilding in favor of tourism, movies, fashion, and television.

Craxi was able to stay in office as prime minister longer than any politician since De Gasperi, and it is clear that he would like to make that tenure permanent. He is fond of comparing himself to Giuseppe Garibaldi, the activist of Italian unification and the Risorgimento. During his years in Palazzo Chigi, he was also frequently compared to Benito Mussolini, an image that Craxi tried to meld into a personality cult. His values in office were presented as "decisiveness" and "guts." He called the Italian Parliament a "stockyard." Often, just like his model, his tough-guy posturing crossed over into the ridiculous (as when he said before meeting the British prime minister, "I only know Mrs. Thatcher by bed.")

Craxi's entourage is typified by the Venetian Gianni De Michelis, now vice-president of the Council of Ministers. De Michelis, although approaching 50, still sports the long and greasy locks of a 1960s hippy; after his television appearances, disgusted Italians write in demanding that he be forced to wash his hair. De Michelis's hobby is visiting night clubs and discotheques, accompanied by a clientele of starlets, harlots, and political groupies which Rome political observers have dubbed "the sows." De Michelis is also a technocrat, the president of the Italian branch of the Aspen Institute.

Craxi's trumps

In his contest with De Mita, Craxi possesses two formidable trumps. These are first his connections with the U.S. State Department and Central Intelligence Agency, and secondly the warm support for him radiating from the Secretariat of State of the Vatican, and most especially from the leftist Cardinal Achille Silvestrini.

Craxi seized control over the PSI at the Hotel Midas palace in Rome back in 1976 thanks to U.S. support. In 1982, Craxi's ascent to Prime Minister was facilitated by the notorious support for the Socialist International on the part of U.S. Secretary of State Alexander Haig. Haig's emissary to Craxi in those days was Michael Ledeen, the self-professed universal fascist with links to the P-2 freemasonic lodge and the safe houses of the Italian terrorist Red Brigades. Ledeen, who was identified during the U.S. Irangate scandal as the initiator of the process that led to the arming of Ayatollah Khomeini, is an asset of the Israeli Mossad. It must be assumed that the various Shultzes and Websters of official Washington, as well as private U.S. financial interests, still use Ledeen as a go-between. The support given to Craxi by the U.S. embassy under Carter's ambassador, Richard Gardner, tour guide for the late Billy Carter on the Roman leg of his Libyan escapades, has been continued under the tenure of Reagan's man, organized crime figure Maxwell Raab.

Craxi's support among the Casaroli-Silvestrini forces in the Vatican rests on material interests, not spirituality. In 1984, the concordat between the Italian state and the Holy

See, first stipulated in the Lateran Pacts of 1929, was brought up for revision and renewal. The result was a new concordat which, among other things, disestablished the Roman Catholic Church as Italy's state religion. But, in the view of Silvestrini and some others, the 1984 concordat was palatable because, through its provisions, the Italian state became the disbursing agency for the paychecks of Roman Catholic parish priests. Some in the Vatican joked that with the help of Craxi, an atheist and supporter of abortion, divorce, euthanasia, pornography, and secularism, the Holy See had gotten a better deal than would have been offered by any of the Christian Democratic leaders, most of whom are practicing believers.

Craxi's support from the CIA and Silvestrini helped to pave the way for significant election gains by the PSI in the municipal elections of June 1988. In this test the PSI, which had started the decade with less than 10% of the total votes cast in national elections, upped its haul to around 17-18%, a 35-year record. At the same time, Craxi's rivals in the Italian Communist Party (PCI), continued their decline from the heights attained back in 1975-76 under the late Enrico Berlinguer, now coming in with about 22%. All at once, a novelty seemed possible in the immobile Italian party system: the PSI was within reach of the *sorpasso*, within reach of overtaking the PCI as the second largest party after the DC, within reach of becoming the dominant force on what is called "the left."

The PCI, back in the middle 1970s, had appeared as an attractive conveyance of upward mobility to a legion of office-seekers and social climbers. These have now deserted the PCI in favor of Craxi. To put the point in slightly different terms, the PCI had been composed of three factions: liberals, Catholics, and Stalinists. The liberals have defected to Craxi, among them writers like Lucio Colletti; the Catholic and Stalinist plebeians remain in the PCI. Factory workers, once the backbone of the PCI membership, have been in steep decline for nearly 20 years. In addition, even the ritual self-criticism of the Gorbachov perestroika has been devastating for the PCI, which is likely to continue to decline in vote-getting power. The PCI is now divided into *correnti* (factions) just like the DC and the other Italian parties. Of these, the KGB faction of PCI "Interior Minister" Ugo Pecchioli, as well as the CIA faction of right-wing Amendola heir Giorgio Napolitano are both supporting Craxi. The new party secretary, the weak opportunist Achille Occhetto (a Sicilian), tends to line up with De Mita on certain issues.

But with the PCI hemorrhaging votes, some observers think that Craxi may have a chance of breaking the bipolar dominance (DC-PCI, Catholics, and Communists) which has dominated Italian politics since the late 1940s. The perspective of political commentator Giorgio Galli in his 1966 study, *Il bipartitismo imperfetto: comunisti e democristiani in Italia* (The imperfect bipartism: communists and Christian Democrats in Italy)—the perspective of busting up DC and PCI in

favor of the "socialist area" around the PSI—seems to such observers inscribed on the current agenda. The Vatican group around Casaroli and Silvestrini has been only too eager to accept this idea.

Craxi's principal ally on the Italian political scene is none other than the perennial DC politician and former Prime Minister Giulio Andreotti, who has for some years been ensconced at the Palazzo Farnesina as foreign minister. During the early 1980s, after his most recent tenure as premier (1976-79), "the star" Giulio had formed a close alliance with the PCI with the goal of being elected President of the Italian Republic, with the clear intention of expanding the powers of that largely ceremonial office into something much more resembling the French Fifth Republic.

But Andreotti failed in that design, and former Interior Minister (at the time of the Moro assassination in 1978) and Prime Minister Francesco Cossiga got the presidency. When Craxi fell as premier in 1987, Andreotti waged a bitter fight to return as prime minister, but failed, owing to the opposition of the PSI. The premier's post went to former Treasury Minister Giovanni Goria, an inept younger man, who was in any case a stalking horse for De Mita. When Goria was toppled earlier this year, it was DC chief De Mita who became prime minister.

Andreotti, always known for his "ductility," wasted no time in reversing alliances, especially since the decline of the PCI was part of the handwriting on the wall. Andreotti has for the moment accepted the role of partner to Craxi in the quest for a 1992 authoritarian regime. His first target of opportunity along the way is the post of DC Secretary. Editorial scribblers are now busily prating that premier and DC boss (the pileup of offices) are too much responsibility for De Mita; Andreotti hopes to be the beneficiary of this campaign.

De Mita's coalition has an altogether more southern, old-fashioned flavor. It is the traditional DC undergovernment of bribery and corruption, but still preferable to the technocratic holocaust of the PSI. De Mita's biggest weakness is that he insists, in order to retain what he imagines to be the support of certain decisive financier factions, in wrecking his own base with a policy of savage austerity. The avenging angel of this austerity is the PSI Treasury Minister Giuliano Amato, a man who calls himself a Catholic but who aspires to the role of Hjalmar Schacht. In September, Amato sent a circular to the other ministers demanding to know what budget cuts they were offering. If the cuts proposed were not enough, Amato went on menacingly, he would make further cuts himself. Amato wants to close hospitals, to cut the wretched pensions of invalids (the standard INPS pension is about 290,000 lire per month), old people, war veterans, and the like.

End of secret ballot

One traditional Italian defense against such barbarity has been the unwillingness of a mass of DC back-benchers in the

Montecitorio parliament to ratify the cuts. Among the hundreds of DC deputies there exists a very numerous group of malcontents who, calling themselves pawns, frequently ambush legislation. The method is that of the snipers who use the secret ballots often prescribed by the rules of the Italian parliament to attack unwanted bills under the cover of anonymity. Now, Antonio Maccanico, De Mita's minister for institutional reform, has initiated a successful campaign to abolish the secret ballot, to put the snipers out of business and force all the DC deputies to toe the line laid down by the party secretary, on pain of being purged.

It is a totalitarian measure designed to facilitate the murder of Italian citizens through banker-imposed austerity. Maccanico's characteristic justification: "In the British House of Commons, the parliamentarians can't take any initiatives on the budget at all." The first bill that De Mita wants voted on with no secret ballot is the 1989 finance bill, in effect, the Italian budget.

The measure, although it did pass in October, was not opposed. When De Mita went to Montecitorio in an attempt to sell his "institutional reforms," the vice president of the Chamber of Deputies, DC leader Gerardo Bianco, explicitly attacked De Mita's proposal. "I don't think it's possible to support proposals which, by weakening the parliament, would weaken democracy," summed up Bianco to the applause of all the DC deputies present, plus that of the PCI. De Mita's "liberal austerity" is not popular.

De Mita's principal ally is Interior Minister Antonio Gava, the latest of a dynasty of Naples DC politicians, and a former stalwart of the "Dorotheans," the DC current that was based on the state-held conglomerate IRI and the other components of the large Italian state sector. Gava has been faced with a significant flareup of terrorism, partly directed against the government itself.

Terrorism

Rome insiders point out the following interesting correlation: When Craxi is the premier, terrorism tends to subside. When someone other than Craxi takes over, terrorism boils over, with the terrorists taking aim at those who seem to be the main obstacles to a Craxi comeback. Craxi's notorious terrorist connections, documented by numerous studies in the 1970s, have never lapsed, despite the heavy losses suffered by the Red Brigades and other groups in the interim.

Thus, on April 16 this year, Red Brigades terrorists shot down Senator Roberto Ruffilli, one of the closest associates and advisers to De Mita. Also this year, a Red Brigades terrorist suspect was taken into custody not far from De Mita's home.

On Sept. 6, a Carabinieri (military police) unit under the command of Gen. Roberto Jucci raided four Rome safehouses of the Red Brigades faction that calls itself *Partito comunista combattente* (Fighting Communist Party), arresting 21 terrorists, including Fabio Ravalli and Maria Cappelli, both

wanted for the Ruffilli slaying. General Jucci announced that these raids had largely wiped out the newly created terrorist infrastructure in the Rome area. Rome insiders interpreted the successful raids as the elimination of terrorist assets which Craxi had intended to unleash against De Mita and his friends. Other insiders noted that Interior Minister Gava enjoys good relations with the *camorra*, the Naples-area underworld, and that *camorra* intelligence networks may be working with the government against the Red Brigades.

De Mita's coalition is the traditional DC undergovernment of bribery and corruption, but still preferable to the technocratic holocaust of the PSI. De Mita's biggest weakness is that he insists, in order to retain what he imagines to be the support of certain financier factions, in wrecking his own base with savage austerity.

Another aspect of the fight over Craxi's terrorist assets involves the arrest, on charges of murder, of Adriano Sofri, the historic leader of *Lotta continua*, Continuing Struggle, the celebrated crazy Maoist formation of the 1968-75 era. *Lotta continua* was known for its slogans of "proletarian shopping," or shoplifting, and "Let's take over the city." Behind the Maoist hooliganism was something much more ugly: an in-house assassination capability. The charge against Sofri is that he ordered the spring 1972 shooting of Inspector Luigi Calabresi, a Milan cop whose anti-terror investigations *Lotta continua* obviously feared. But Sofri is much more than a relic of the destabilizations of 1968. He has been a top adviser to Craxi and his sidekick Martelli, according to some accounts Craxi's speechwriter. When Craxi made a state visit to Peking, Sofri was part of his official entourage.

Lotta continua was run by Sofri, Luigi Bobbio, Guido Viale, Marco Boato (now a senator), and Mauro Rostagno. It is thus no coincidence that Rostagno was shot to death by assailants in Trapani, Sicily, where he ran what was billed as a drug therapy center. Rostagno had been at the University of Trento together with Boato and Red Brigades founder Renato Curcio; he unquestionably knew much about two decades of Italian terrorism and therefore much about the relations of the terrorists with the PSI. Rostagno had reportedly been ready to talk before he was shot.

De Mita's allies

Other allies of De Mita include, interestingly, Gianni Agnelli and Fiat, which has now passed Volkswagen as the largest auto producer in Europe. Whatever Agnelli may represent on the ideological plane (certainly nothing good), he nevertheless remains the head of a large firm that must clash with the post-industrial thrust of Craxi. Agnelli is the owner of companies like Aeritalia, a world leader in aerospace, and also presides over a large part of the Italian industrial-military complex, which is one of the world's top half-dozen arms exporters. Agnelli supports the U.S. SDI and wants a prominent Italian role in it. Craxi's ideal of a post-industrial entrepreneur is Silvio Berlusconi, owner of several national television channels which are a cultural holocaust in their own right.

Eugenio Scalfari, publisher of *La Repubblica*, now the largest Italian daily, supports De Mita. Indeed, *La Repubblica* is widely regarded as the semi-official paper of the De Mita regime. Scalfari supports De Mita because he regards De Mita as favorable to the PCI.

The centerpiece of De Mita's convergence with the PCI has been the city government of Palermo, Sicily, which has the form of the "historical compromise," a DC-PCI coalition. The Palermo situation has driven Craxi and Martelli to public transports of rage. Mayor Orlando's coalition in the Palermo city council was set up with the help of a Jesuit faction based on the Centro Arrupe which includes Padre Bartolomeo Sorge (forced out of his editing post in Rome) and Padre Pintacuda. Other Jesuits, like Padre Macchi of San Fedele of Milan, have remained loyal to Craxi. The Italian Bishops Conference (Conferenza Episcopale Italiana, CEI) under the Cardinal Vicar of Rome, Ugo Polletti, tends to side with De Mita and the older DC.

Parallel to the split in the Jesuits goes a split in the freemasonic lodges. The freemasons of Piazza del Gesù are with Andreotti and Craxi. But the other masons, those of Palazzo Giustiniani, support De Mita. This situation is reflected by the presence of the small Italian Republican Party (PRI, the Mazzini party) on the side of De Mita. The PRI is now led by Giorgio LaMalfa, who continues to demand austerity in the tradition of his ghoulish father, the late Ugo LaMalfa.

As Craxi surveys the situation, his most pressing problem comes down to this: In order to retain the upward momentum of the PSI, he needs to keep assimilating large chunks of the party machines and voting base of rival political formations. He has looted the PCI as much as possible for the moment. On the face of it, further electoral booty can only come to Craxi from the DC.

Craxi's problem is posed thus: After having looted the PCI to a significant degree, how to perform a similar raid on the DC, so as to allow the PSI to emerge as the pillar of a 1992 regime and permanent Craxi dictatorship? Craxi's sponsors in the Ledeen wing of the CIA and among the friends of Cardinal Silvestrini think they have the answer: a self-styled "traditionalist" but actually gnostic Catholic group

called Communion and Liberation (CL). CL was founded about 30 years ago by an activist priest, Don Luigi Giussani, who is still the de facto boss of the movement. CL asserts that it is opposed to modernism, hedonism, secularism, immorality, and greed.

In reality, CL is as gnostic as Simon Magus or Tammy Faye Baker. The political arm of CL is called *People's Movement*, and it counts some 2,000 members of city councils, primarily in Lombardy, and the rest of northern Italy. CL itself claims that it controls over 1 million votes. The business arm of CL, the so-called *Compagnia delle Opere*, says it has 1500 "mini-enterprises" which provide some sort of work for up to 150,000 people, mostly young, unemployed Catholic students and university graduates put to work part time making photocopies, selling lecture notes and other clerical services.

With the ham-handed stupidity typical of a fascist like Ledeen, Craxi's backers are now attempting to wrench CL out of the DC and transfer their votes to Craxi's PSI. If this can be done, they calculate, the DC will experience a partial collapse similar to that already undergone by the PCI. If the votes can be moved into the PSI column, so much the better. If, as seems likely, CL breaks up in the course of the attempted maneuver, the dispersion of DC support will still be a boon to Craxi, who will take a giant step toward his desired coup d'état.

In Italy, as elsewhere, the postwar period, and the postwar order of things, are ending. As they end, they pose once again the question that emerged in the Vatican under Pius XII in the mid-1940s. On the one hand, Monsignor Giovanni Battista Montini, later Pope Paul VI, supported the plan of Catholic statesman Alcide de Gasperi to create a single Catholic party. Monsignor Tardini and the Segreteria di Stato opposed this idea, and went so far as to support the so-called "Catho-Communists" like Franco Rodano and Adriano Ossicini, both exponents of synarchist corporatism. Among the younger Catho-Communists of that era was Giulio Andreotti, then president of the Italian Catholic University Federation (FUCI). The young Giulio was hostile to De Gasperi's ideas until they became hegemonic, and Giulio in any case made sure the Catho-Communists got a hefty slice of the FUCI funding.

Or, perhaps a somewhat older analogy is needed. If so, it is provided by the aged philosopher Augusto Del Noce, one of the leading intellectuals associated with CL. In an article published by the newspaper *Corriere della Sera*, Del Noce established the following parallels: "Can't we say that history repeats itself? The Catholic hard-liners of long ago had already looked with favor on Mussolini, while dumping the Partito Popolare [the Catholic party of Don Luigi Sturzo]; today's hardliners seem to be doing the same thing with Craxi, preferring him to De Mita, or at least to most of the DC leadership." Del Noce admits more than he intends. Ledeen's proposed CL operation is a prelude to fascist degeneration in Italy today.

Craxi's gambit: 'Communion and Liberation' movement

by Webster Tarpley

The scene is Rimini, a beach resort on the northern Adriatic Sea, and a town with a robust gnostic tradition. Rimini has in recent years been the site of a late-summer national meeting of Communion and Liberation, generally organized around a pseudocultural theme. In 1985, the theme was Parsifal and the quest for the holy grail. In 1986, it was "More Society, Less State." This time the theme is "Seekers of the Infinite, Builders of History," supposedly as an introduction to the question of religious feelings.

Christian Democratic deputy Paolo Cabras called the atmosphere "psychedelic." Among the guests, the timed-honored presences of Foreign Minister Giulio Andreotti of the Christian Democracy (DC) and Cardinal Achille Silvestrini of the Secretariat of State of the Vatican. Some foreign dignitaries, like French Foreign Minister Roland Dumas. But the big news of this year's CL Meeting was the invasion of the top bosses of the Italian Socialist Party (PSI): Gianni De Michelis, Venetian playboy and vice president of the Italian Council of Ministers, with his retinue of party girls; Claudio Martelli, ex-premier Bettino Craxi's boyish hatchetman and enforcer. Martelli's raving speech identifies the principal issue of the meeting: "Jesuits and bigots, ex-Stalinists and unrepentant freemasons, mingle their shouts in a noisy superstition with indignant shouts of 'get thee behind me,' because Craxi-Beelzebub speaks with Torquemada-Don Giussani." Apart from Martelli's raving, ideologized rhetoric, the message comes down to: The PSI has come to Rimini to make a deal with CL to get Bettino Craxi's strongman ambitions back on track.

How could a self-styled traditional Catholic group like CL support the PSI, the party of abortion, divorce, euthanasia, radical-chic modernism, and above all of the grab for raw power at any price? A good question. Here are some of the attempted answers offered by the new leader of CL, Giancarlo Cesana, himself a former *Lotta Continua* Maoist: "It is true. We have a certain feeling for the PSI. Craxi is an intelligent man who has opened up to the needs of society. We like the fact that he has taken the hammer and sickle off the seal of the PSI. That he wants to return to humanitarian socialism, to socialism as it was originally. And that he has

abandoned ideological schemas. We liked what he did for the Concordat."

Pressed little, Cesana admits that he finds Craxi more "simpatico" than De Mita. Why? "From the human point of view and for a certain idealism that he has. I don't think that his position is only realpolitik, his is not atheistic Marxism, but humanitarian socialism, more open to popular Christian feelings, more open to the rights of everyone to liberty, not tied so tightly to the state in a way that hurts the individual."

Craxi's Damascus Road conversion from atheistic freemasonry came, at least in Cesana's view, in an interview to CL's weekly paper, *Il Sabato*. Here the would-be Duce pontificated as follows: "Secular politics has the vital need of winning back moral values, on pain of dying of consumerism, personalism, and the most egoistic hedonism. In this regard there is a function for religions and for the religious spirit which we do not repudiate in any way." After these remarks by Craxi, argues Cesana, it is simply impossible to pretend that something momentous has not happened.

But even the Milan daily *Avvenire*, owned by the Italian Catholic bishops, and massively influenced by CL itself, could not help but ask, what about the PSI stand favoring abortion and divorce? The Cesana group responded with an official communiqué: "The cultural convergences between the Popular Movement and the PSI of Craxi boil down to the slogan, 'more society and less state.' "

De Michelis was never briefed. When this Venetian voluptuary began his speech to the CL audience, he blurted out, "I am a Protestant. I am for more state." Meaning, as he quickly explained, new rules to govern society.

Undaunted, CL's communiqué went on, "It is slanderous to imply in these convergences any capitulation on divorce, abortion, euthanasia, with their anthropological roots," before concluding self-righteously: "Today, as in the past, CL's members are risking unpopularity and even more serious things to affirm the necessity of those values of creative freedom which give a people their countenance."

Cesana had been meeting with Gennaro Acquaviva, Craxi's personal envoy, at the Rome restaurant Il Coriolano since this past spring. In late June, Cesana was brought to the

PSI headquarters for a private audience with the new "Il Duce." Not surprisingly, Cesana at Rimini attacked Craxi's main rival: "In reality the DC of De Mita is an unmoving power structure. The Catholic world is reduced to a tank full of votes. The DC is an electoral misunderstanding." Cesana's communiqué spells it out further: CL is opposing "a predetermined political project, which involves, among others, components of the DC who, in their declared cultural accordance with the LaMalfians [Republican Party], see the salvation of the country in the alliance with the PCI [Italian Communist Party]."

So what is the practical result? Vote PSI, suggest the CL ideologues. One of them, Alessandro Banfi, editor of *Il Sabato*, observes: "If we are living in a world that is post-modern and post-ideological, then the single party for all Catholics does not make sense." Cesana hints in the same direction: "Change parties at the moment of the elections? For now it's not part of our strategy, but it's not unthinkable." Another CL ideologue elaborates: "We are like Pius IV, who said he preferred the earthquake (Garibaldi) to the cholera (Cavour)." The subservience to the self-styled Garibaldian Craxi, and the willful rejection of the most positive political leader in recent Italian history (Cavour), could not be clearer.

Foreign Minister Giulio Andreotti had appeared at Rimini to tell Communion and Liberation that they could not get engaged to the Socialist Party, since they were already married to the Christian Democracy. But he was fooling nobody, nor did he intend to. Fulsome was the praise of Cardinal Silvestrini: "This is a historic day. What seems like a conflict in reality is a method for encounter, for true unity. Even if the political unity of the Catholics is not a dogma. What counts is coherence with faith, and here at the Meeting I can visibly feel it." This endorsement of splitting the DC caused something of a stir, including in the Vatican. Many were puzzled by a statement issued by Cardinal Silvio Oddi, who noted that while CL is "chomping at the bit," it is galloping, and "galloping in the right direction."

The Italian newspapers found a word for CL's maneuvers: *politicume*, dirty politics. The CEI, the Italian Bishops' Conference, issued a reprimand against CL for their activities. De Mita dismissed them as "hack theologians and beach theologians." But Giussani, Formigoni, and Buttiglione are determined to press on. Their topic for Rimini 1989, if their organization lasts that long? "Socrates, Sherlock Holmes, and Don Juan."

And Don Giussani has new tricks up his sleeve to gain favor in the Secretariat of State. He is one of the promoters of "Lumen 2000," a network of three television satellites which will allegedly make it possible for the Vatican to televise papal messages and other programming to suitably equipped television sets all over the planet. The head office of Lumen 2000 will be in Dallas, Texas. The money comes from certain Dutch charismatic circles.

CL: pornography, Mao, and dirty money

by Webster Tarpley

Communion and Liberation (*Comunione e liberazione*) always presents itself as a rigorous guardian of traditional Catholic virtues. CL leaders like Formigoni and Buttiglione boast that they have taken vows of chastity, and hint that they have kept their virginity intact. These claims of purity and abstinence stand in stark contrast to the cultural atmosphere of the Rimini meeting.

Pornography

One of the stars of that meeting was a certain Franco Branciaroli, noted as one of the leading Italian pornographic actors of the current phase. Branciaroli has made two films with the notorious Tinto Brass, one of the world's leading red lights among erotic and pornographic cineasts. For Tinto Brass, Branciaroli has been the protagonist of "La Chiave" and "Miranda." The stars of these two productions were Stefania Sandrelli and Serena Grandi, respectively. Serena Grandi has predicated her career upon the exhibition of her mammary apparatus, which seems to owe something to art as well as to nature.

Stefania Sandrelli has admitted her participation in sex orgies in the Roman nightclub Number One, which was at the center of a scandal some years back because of cocaine consumption on the premises, especially by senior officials of the Bank of Italy, the nation's central bank. Both films graphically depict a series of squalid sexual encounters. In spite of all this, Branciaroli was presented by CL at Rimini as a member in good standing. When asked by journalists if he had any second thoughts about his erotic roles with Grandi and Sandrelli, Branciaroli answered: "The only mistake I made was not to have actually performed intercourse with both of them. But I am a Catholic, and I could not do it."

Asked what he thought about pornography, he answered: "Look, this was pornography that was more like a good meal. Anyway, I am convinced that the Church is not based only on the sixth and ninth Commandments. . . . But I have to be myself, and I am thinking of complete love, including the

flesh. I believe and I sin, and I am awaiting the Last Judgment. I have faith, and I will be responsible for my desires. But women are just so beautiful.”

Maoism

Among the other pious participants at the Rimini Meeting we also find one Aldo Brandirali, who enjoyed a brief blaze of notoriety in Italy and some other parts of the world in the years after 1968, when he was the charismatic leader of one of the largest Maoist political formations in the Western world, the Italian Communist Party (Marxist-Leninist), also called *Servire Il Popolo* (Serve the People). In those heady days of the Great Proletarian Cultural Revolution, Brandirali officiated at numerous “people’s weddings,” amounting to large-scale fornication somehow legitimized by the spirit of Chairman Mao. Brandirali would be placed by Dante among the procurers in the Inferno. Yet, Brandirali, through the mysterious actions of Don Giussani, is now a member of the national leadership of CL.

Among the other debris of 1968 that washed up on the Rimini beach in time for CL’s meeting was feminist Maria Antonietta Macciocchi, who operated out of Paris in the years before Mao’s red sun declined. Macciocchi attained a kind of literary recognition in certain communist quarters with her highly laudatory study of Antonio Gramsci, the early leader of the Communist Party of Italy, who wrote that it would be necessary to seize control over the culture of a nation like Italy before imposing a communist political dictatorship there. Lately Macciocchi has been the author of a book entitled *Il Portone di bronzo*, which treats of Vatican diplomacy and Western culture, after a fashion. Ugly rumors now circulate alleging that Macciocchi is in illicit intimacy with a high prelate.

In addition to the presence of these luminaries, the Rimini meeting also cast new light on the founding phase of CL. Leading members of this formation like to refer sanctimoniously to themselves as “poor Parsifals” fighting modern, materialistic Italian society, Parsifals who have to make painful sacrifices on the material plane in order to wage their battle of faith and morality. Now it turns out that from the very beginning some years back, the CL weekly *Il Sabato* has been paid for by none other than “Sua Emittenza” Silvio Berlusconi, the man who more than any other has been responsible for the moral and intellectual degradation of Italian television and news media.

Berlusconi’s latest production is a television version of *Valentina*, the radical-chic perverse-pornographic comic strip drawn by Craxi’s friend Guido Crepax of the rotten Milan cultural circles of the Italian Socialist Party (PSI). The state of affairs thus exposed can be roughly compared to a Catholic group in the U.S. relying on financing from Hugh Hefner of *Playboy*, and then claiming to be in a fight with the immoral Establishment.

CL also finds room for former fascists like the Mayor of

Rome, Giubilo. Their entire Rimini meeting was financed by the unsavory businessman Giuseppe Ciarrapico, who calls himself a “CL businessman.”

Oligarchs on parade

Europe 1992 means, among other things, atavistic domination of the continent by the titled feudal nobility. Some leading aristocrats were recently on display in Il Borro, near Arezzo, on the occasion of the wedding of Princess Bianca d’Aosta of the cadet line of the Italian royal house of Aosta with the Venetian Count Giberto Arrivabene Valenti Gonzaga. The princess is the daughter of Prince Amadeo di Savoia-Aosta and of Claudia of Orleans, daughter of the Count of Paris, the Orleanist pretender to the French throne and of the Princess Isabel of Braganza.

The wedding was attended by the 82-year old former Queen of Italy, Maria Jose of Savoy, whose reign lasted little more than the month of May 1946, before she and her late husband Umberto II were ousted by a referendum that created the Italian Republic. Maria Jose was the daughter, and later the sister, of Kings of Belgium. Among the pretenders present were the Count of Paris, Henry of Orleans and his wife, the Duchess of Clermont, King Michael and Queen Anna of Romania, the Bourbon-Sicilia King of Sicily, and King Idris of Libya.

The wedding of Bianca of Aosta was supposed to assume the aspect of a reunion of the Savoy and Savoy-Aosta clans, who have been riven by dissent, backbiting, scandal, and crime. Maria Jose was returning to Italy for only the third time (legally, that is) since the referendum that terminated the monarchy just after the war. She was joined by her three daughters, the Princesses Maria Gabriella, Maria Pia, and Maria Beatrice. Maria Gabriella had with her her daughter, Elisabeth de Balkany. Maria Jose’s son, Prince Vittorio Emanuele and his son, Prince Emanuele Filiberto, were both kept out of Italy by the provision of the constitution that continues to exclude the direct male heirs of the House of Savoy from crossing the frontier legally.

Vittorio Emanuele some years ago shot a tourist on one of the islands near Corsica while on vacation; the description “pistol-packing prince” has stuck, also because Vittorio Emanuele is involved in arms trafficking. For Maria Jose, the absence of her son and heir was the biggest disappointment of the day, even though Vittorio’s wife, Marina Doria, was able to attend.

Caroline of Monaco was there, much sought after by the paparazzi. The Agnelli family, owners of Fiat, were represented by Umberto Agnelli and his wife Countess Allegra Caracciolo. There was also Clara Agnelli and her husband, the Count Nuvoletti, joined by Ira Agnelli Fürstenberg. Archduke Lorenz of Hapsburg represented the imperial house of the Holy Roman Empire. All politicians were rigidly excluded. Maria Pia Vecchi, the wife of former Italian Prime Minister Amintore Fanfani was in attendance, but Amintore

was nowhere to be found. This represented a political decision by the oligarchs to profile themselves against the political class. Duke Amedeo of Aosta told the press: "This is a family gathering, all the more so because no politicians are present."

Maria Jose was clearly on the same line. "I am for all Italians, and for no party," she told a packed press conference. Maria Jose also disavowed any link to monarchism, now represented in Italy by marginal and rapidly aging forces. "No, I am not a monarchist," Maria Jose proclaimed. "I want to be treated just like a normal person."

Now it turns out that from the very beginning, the Communion and Liberation weekly Il Sabato has been paid for by Silvio Berlusconi, the man who is most to blame for the moral and intellectual degradation of Italian TV and news media.

These remarks caused an outburst of rage from among the House of Savoy's old-line monarchist devotees. Maria Jose was at pains to elucidate her original thought: "That phrase of mine has been wrongly interpreted, because only half of it was cited. I only wanted to say that I am not a monarchist because I want to belong to all Italians, without any distinction of political ideas. I feel very close to those who never knew what monarchy was, and to those who did not like it. And I think that it is not a mystery that in 1945, in the referendum between monarchy and republic, I did not vote, and in the elections for the Constituent assembly, I voted for Saragat, that is to say, for a socialist government. But one thing means more to me than any other: I hope that one day the Italians will remember me like a normal person, and not like a queen."

Maria Jose went on to explain that although she has lived in exile in Switzerland for 40 years, she feels very much at home in the Soviet Union and in the People's Republic of China. The Italian press interpreted the absence of the Royal Houses of Great Britain, Spain, and Greece as messages to Duke Amadeo that he must patch up his quarrel with Vittorio Emmanuele, or in terms of more direct dynastic rivalries and resentments. In Italy as elsewhere in Europe, the oligarchs are thus able to take advantage of public disgust with the party politicians of all stripes, hoping thus to prepare dynastic restorations they hope may lie just over the historical horizon in the "post-ideological" future.

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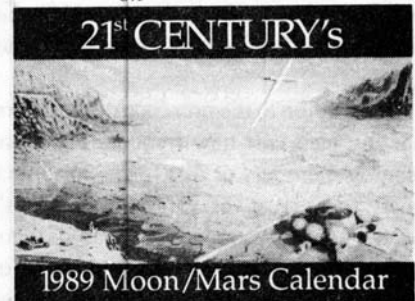
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Transcaucasus ethnic riots divert nationalist protests

by Konstantin George

During the week of Nov. 15-22, when the world's media were fixated on developments in the three Soviet Baltic republics, the gravest crisis of national unrest was coming to a head elsewhere, in the Transcaucasus republics of Armenia, Azerbaijan, and Georgia. The current crisis was generally ignored until Nov. 23, when, as a result of Azerbaijani pogroms against Armenians, all hell broke loose. What is now erupting in the Transcaucasus is no replay of the February pogroms against Armenians in the Azerbaijan city of Sumgait, but a qualitative change in the national unrest in the U.S.S.R. For the first time, simultaneous mass nationalist outbreaks are under way in all three Transcaucasian republics—the Christian republics of Armenia and Georgia, and the Muslim republic of Azerbaijan.

Nov. 23 marked a turning point in the Transcaucasus. Azerbaijani Shi'ite mobs went on a rampage against Armenians in the Azerbaijani city of Kirovabad and in Azerbaijan's Nakhichevan enclave. Nakhichevan is a strategically important territory; separated from Azerbaijan and sandwiched between Armenia and Iran, it forms a significant portion of the Soviet-Iranian border. On the same day as the pogroms, the official Soviet media provided indirect, yet solid proof that massacres had occurred, admitting that three soldiers deployed by Moscow's Interior Ministry were killed, and 126 people, all civilians and mostly Armenians, were wounded.

In contrast, when the February KGB-directed pogrom by Shi'ite mobs against Armenians was in progress in the city of Sumgait, Moscow at first denied that any deaths had occurred, and later admitted a death toll of 31, when in fact hundreds had been butchered. One can surmise that the current pogroms have produced a grisly death toll of Armenian

civilians, where the news of the real extent of the massacres is being suppressed.

One guaranteed result of the violence in Azerbaijan will be martial law, *de facto* or *de jure*, and there is the pretext for a certain Soviet troop buildup in Azerbaijan and Nakhichevan. Indeed, on the evening of Nov. 23, the Azerbaijan authorities announced that a state of emergency had been declared in the Kirovabad region and in Nakhichevan, and a similar status is expected soon for Baku. In short, under these latest emergency decrees, during the final week of November, the next phase of the militarization of the Transcaucasus, which began last March, was in full swing.

The Azerbaijan pogroms capped seven days of protests by hundreds of thousands of Azeris in the Azerbaijani capital of Baku, denouncing what they termed Armenia's "creeping annexation" of the predominantly ethnic Armenian enclave of Nagorno-Karabakh, which lies inside Azerbaijan. A pogrom had been only narrowly averted Nov. 22, when Azeri crowds marched to the Armenian quarter of the city, and were only prevented from storming it by thousands of assembled Soviet Interior Ministry troops and Army units. The mass demonstrations in Baku by Nov. 23 had reached a total of 800,000 persons in the streets, demanding Armenian blood. Marchers shouted "Long live the heroes of Sumgait!" (referring to the pogrom murderers on trial) and carrying green Islamic flags.

The demonstrations were triggered by: 1) the first death sentence imposed on an Azeri in the ongoing Moscow trial of the Sumgait rioters; 2) the fact that Armenia has funded and is constructing a branch of an Armenian aluminum enterprise in the Karabakh town of Shusha. The Azeris are claiming a violation of the U.S.S.R. and Azerbaijan Consti-

tution, which stipulates that any investment decisions must either be decided by Moscow or the republic on whose territory the project is to be constructed. The fact that the Shusha project is being constructed means that Moscow gave the go-ahead for Armenia to build enterprises in another republic; 3) rumors spread in Azerbaijan by KGB sources that "Armenian settlers" are pouring into Karabakh by truck from Armenia.

Every move taken, or rumor started, that has contributed to launching the Azerbaijan explosion, stems from the Moscow center.

Armenia's anti-Moscow revolt

Moscow's decision to re-launch anti-Armenian pogroms in Azerbaijan was a conscious attempt to deflect the Armenian mass nationalist movement from its anti-Moscow campaign, and rechannel its energies into a conflict with Azerbaijan. The pogroms in Azerbaijan struck at precisely the moment that huge protests in Armenia were in full swing, demanding, both that Karabakh should join Armenia, and an Armenian "declaration of national sovereignty" and the right to veto any laws from Moscow. The pogroms also intersected startling developments in the Republic of Georgia, Armenia's neighbor, where the long-dormant nationalist movement, during November, came out in full bloom, with huge protests against Russian rule.

The Azerbaijan pogroms touched off a new dimension to the now daily rallies of 500,000 or more people in the Armenian capital of Yerevan. At the Nov. 23 mass demonstration, when the news of the pogroms reached Armenia, speakers called for the formation of Armenian vigilante squads to protect Armenians in Karabakh, elsewhere in Azerbaijan, and in those areas of Armenia which contain a mixed Armenian-Azeri population. Once the news spread, workers at Yerevan factories laid down their tools, transport workers struck, and, starting late in the afternoon of Nov. 23, a general strike was under way.

A mood of rage already prevailed the day before in Yerevan when the Armenian Parliament was in session and about to vote to follow Estonia's Nov. 16 "declaration of national sovereignty." At that point, in walked Arkadi Volsky, Moscow's special emissary for the Transcaucasus. Volsky, the KGB-linked former adviser to the late General Secretary Yuri Andropov, whom Moscow appointed in July as its *de facto* governor general for the Transcaucasus, abruptly adjourned the session, ordering all the deputies back to their home districts.

The explosion was already building. Rallies of half a million Armenians had been held each day in downtown Yerevan since Nov. 18, to renew the campaign to have Armenian-inhabited Karabakh join Armenia, and to demand that the Armenian Parliament issue a declaration of "national sovereignty." The Nov. 18 rally also featured a one-day general strike in Yerevan. In Karabakh, the general strike

that began on Nov. 16 continues, and, following the outbreak of anti-Armenian pogroms in Azerbaijan, Karabakh—with its 80% Armenian majority and 20% Azerbaijani minority—is on the verge of inter-ethnic armed conflict. In recognition of this, immediately after he adjourned the Armenian Parliament, Volsky flew to Karabakh's capital, Stepanakert.

Georgian nationalist rebirth

This time around, however, in contrast to previous rounds of the Transcaucasus crisis in 1988, the upsurge in Armenia has been joined by nationalist protests in neighboring Georgia. The day of the pogroms, Nov. 23, the Georgian Parliament convened to decide whether or not to follow Estonia's example. For whatever reasons, the Georgian Parliament became the only Parliament of any Soviet republic to demand that Moscow change the proposed U.S.S.R. Constitution to guarantee to republics the right to veto laws from Moscow, and declare null and void any attempt to abrogate a republic's paper "right to secede" from the U.S.S.R.

The really important event that day in Tiflis was the rebirth of active Georgian nationalism, in a nation with a 3,000-year history, and most of whose population would like nothing better than independence from Russian rule. More than 200,000 Georgian nationalists marched in Tiflis. Huge banners read: "Long Live Independent Georgia!"

This is the first time that such slogans have been the lead slogans during a demonstration by the people of a Soviet captive nation. Taking up Lenin's famous phrase about the Russian Empire, Georgian demonstrators are now denouncing the Soviet Union as a "jail of nationalities." The characterization was also used by Lyndon LaRouche to describe the Soviet Union, in a U.S. nationwide TV broadcast last spring, during the course of the presidential election campaign.

A demonstration of 13,000 had already occurred in Tiflis Nov. 12, and another one, with 15,000, on Nov. 18. Nov. 20, a crowd of more than 20,000 Georgian nationalists protested against Moscow's national policies in the Black Sea port of Batumi. On Nov. 22, a memorandum drafted by Georgian nationalists, demanding a Georgian veto right over any Moscow legislation and the "right to secede" from the Soviet Union was sent to the U.S.S.R. Supreme Soviet, with a copy for Gorbachov himself. Along with the memo were sent hundreds of thousands signatures collected on petitions calling for "national sovereignty." The signers vowed that if Gorbachov does not meet Georgian demands for a veto right and the right to secede, he will be confronted by the "disobedience of the population."

New protests are guaranteed in all three Transcaucasian republics, as the biggest national unrest crisis of 1988 inside the Soviet Union escalates by the day. Much of what will transpire is unpredictable, but the trouble will certainly extend into December, and then intersect probable eruptions elsewhere in the Muscovite Empire's "jail of nationalities," and Moscow's satellites in Eastern Europe.

New Serbian power bid pushes Yugoslavia to the breaking point

by Konstantin George

A Soviet-backed Serbian power play has moved into its decisive phase in Yugoslavia. The latest round began with an eruption by Albanian residents of the autonomous region of Kosovo on Nov. 18, provoked by a Serbian ultimatum to the region's Albanian leadership to resign. Kosovo, while nominally part of Serbia, has near total autonomy. The following day, 1,300,000 Serbian nationalists rallied in the Yugoslav capital of Belgrade.

The crucial event that set off the Serbian power play was generally ignored by Western newspapers. That was the Nov. 13-16 visit to Yugoslavia by Soviet Defense Minister Dmitri Yazov. The visit served to implement an autumn decision taken in Moscow to fish in the troubled waters of the Yugoslav crisis, by openly supporting the Serbian Communist leaders and the Serbian leadership of the Yugoslav Armed Forces. It was that decision by Moscow which moved up the timetable in the crisis, to where the point of no return in ethnic conflict had already been crossed in mid-November.

Kremlin tilts toward the Serbs

The signal that Moscow had decided to intervene to tilt the Yugoslav power balance in Russia's favor, was given in an article that appeared Oct. 30 in the Soviet Defense Ministry daily, *Krasnaya Zvezda*. The article signaled loud and clear that Moscow was ready to back Serbia and the Serbian-run Yugoslav military. It denounced "Albanian nationalism and separatism," as responsible for the Kosovo crisis, supported the September "mass demonstrations" by Serbians in the autonomous region of the Vojvodina (which has a mixed population of Serbs and Hungarians), and noted favorably how they had forced the resignation of the Vojvodina leadership. *Krasnaya Zvezda* charged that there was a campaign to "destabilize" and "defame" the Yugoslav Armed Forces, a clear reference to the leadership in the western Yugoslav republics of Slovenia and Croatia, which have voiced their concern that the Armed Forces are planning a Serbian coup d'état.

Soviet coverage of the Yugoslav Central Committee

Plenum of Oct. 17-18 focused on the "crucial contributions" made by "the speakers from the leadership of the Armed Forces"—all Serbian—who were then listed by name.

Then, on Nov. 10, came the sudden announcement from Moscow that Yazov, who less than a month before had spent five days in neighboring Bulgaria, would arrive in Yugoslavia "during the first half of November." Three days later, he was there. The visit featured lengthy talks with the Serbian brass in the Army, following which the Serbian League of Communists issued its ultimatum to the Albanian party leadership in Kosovo to resign, and announced that the long-postponed Serbian rally in Belgrade would go ahead on Nov. 19. The rally has become the springboard for launching the decisive phase of Serbian party leader Slobodan Milosevic's drive for power.

Milosevic's demagoguery

With the backdrop of the Nov. 18 Albanian demonstrations in Kosovo, the first such eruption since 1981, Milosevic delivered a Mussolini-style tirade of chauvinist demagoguery, addressing the crowd of 1,300,000 people, who roared their approval and applauded thunderously after each sentence:

"There is as yet no order in Kosovo, but this is not the time for regret, but the time to fight. We will fight for Kosovo until final victory. . . . No power in the world can stop Serbia in the struggle to attain its unity. . . . The Serbian people can lead and win a fight for freedom. . . . We'll win the fight for Kosovo, in spite of any resistance against us, whether from within our country, or from abroad. . . . We're not afraid. We'll start any fight, and we know that we're going to win it. This leadership has no other choice. Either it places itself at the head of the people, or it will be swept away in time."

Two days later, Nov. 21, the Serbian Party Conference opened, with a keynote speech by Milosevic, who demanded the imprisonment of "the leaders of the [Albanian] counter-revolution in Kosovo. . . . Those really responsible for the genocide and terror in Kosovo should go to jail." Referring to the numerous Albanian youths jailed since 1981 for sepa-

ratism, Milosevic added: "Mostly children have paid the price, and not those who led the counterrevolution." He underscored that solving the Kosovo crisis "has absolute priority," along with constitutional changes "without delay" that would give Serbia direct rule over Kosovo.

The Serbian Party Conference concluded with a demand that an extraordinary Federal Party Congress be convened soon, to ratify constitutional changes giving Serbia direct rule over Kosovo and Vojvodina, and increasing central—read, Serbian—power, at the expense of the other republics, notably Slovenia and Croatia. The Serbians are also demanding that the extraordinary Party Congress conduct a purge of non-Serbian party leaders and institute "drastic cuts" in the federal party bureaucracy.

The ethnic tinderbox

In Kosovo itself, tensions have been rising each day since Nov. 18. The ban imposed on Albanian demonstrations by the nine-member Yugoslav Federal State Presidium, first on Nov. 20, was ignored for three days by the Albanian inhabitants of the region, before finally, on Nov. 23, a temporary and deceptive "lull" set in.

Only a miracle has prevented violent clashes between Albanians and Serbs in Kosovo, so far. For example, Nov. 21, a core group of 4,000 Albanian workers marched some 45 miles to Kosovo's capital, Pristina, to protest the forced resignation of the local Albanian party leadership. In Pristina, they were joined by thousands of others and all marched through the Serbian suburb of Kosovo, Polje. Only a heavy police escort prevented otherwise certain violence.

The ethnic conflict is now spreading. On Nov. 22, at least 15,000 Slovenians demonstrated in their capital of Ljubljana, to protest the constitutional changes Serbia is demanding. In Croatia, Yugoslavia's other western republic, the leading daily *Vjesnik*, on the same day, carried a front-page editorial blasting Serbia for wanting "to force others to bend to its will," and asked: "With what right are the demands coming out of Serbia for the resignation of numerous political leaders in other regions?" Serbia was accused of a "double standard" in praising Serbian rallies, while condemning Albanians who demonstrate as engaged in "subversive political demonstrations." *Vjesnik* concluded by noting that "it is almost as if with regret" that the Serbian press mentions that "so far" no violence has occurred during the Albanian demonstrations.

The lack of bloodshed will not last for long. The key to propelling Milosevic further on the road to power, and thus bringing Yugoslavia to the point of open fragmentation, lies in setting up violent incidents in Kosovo. Moscow has many assets among the extremist nationalists, both Albanian and Serbian, and can be expected to employ them to effect the next turning point in Russia's favor. The Serbian drive is but a prelude; the real power play is Moscow's open bid to dominate the entire Balkan peninsula, by sometime during 1989 at the latest.

Thatcher aborts royal plot with Kremlin

by Mark Burdman

Over the Nov. 18-20 weekend, British Prime Minister Margaret Thatcher's office at 10 Downing Street took some preemptive measures against a nasty deal shaping up between the Kremlin and Buckingham Palace.

In the days prior, the Kremlin had caused a report to be circulated in the British press, that Mikhail Gorbachov, during his Dec. 12-14 visit to London, would be bringing with him an invitation for Queen Elizabeth II to visit Moscow. This invitation would be extended, at a Dec. 14 meeting between Gorbachov and the Queen at Buckingham Palace, according to the reports leaked by the Kremlin to chosen British conduits.

But on Nov. 18, in a background press briefing, an aide to Mrs. Thatcher let it be known that the British prime minister would advise against any royal family visit to the Soviet Union. Since, under British constitutional arrangements, the monarchy is bound to remain out of political affairs, such counsel from the prime minister would amount to an effective veto, unless the Palace were prepared to initiate a confrontation that could rapidly escalate into a constitutional crisis.

Reporting this story, the Nov. 20 *Sunday Times* of London commented that the Soviets had leaked the story of the invitation to the Windsors "to test British reaction before a formal invitation was issued. . . . The Kremlin has had its answer in unmistakable terms with this preemptive veto."

Against the 'Russian party'

The pretext cited for 10 Downing Street's decision is that it would be inappropriate for the Queen to visit a Bolshevik regime, since the Bolsheviks murdered leading members of the Romanov dynasty, who were relatives of the House of Windsor in Britain. This, in and of itself, would hardly be an insurmountable obstacle. As British newspapers pointed out, King George V himself took measures to prevent safe exile for his cousin, Czar Nicholas II, and was, to some extent, complicit in the deaths of the Romanovs.

If that fact only hints at high-level British Establishment support for the Bolsheviks, it points to the core issue behind

Mrs. Thatcher's preemptive veto. The monarchy, by and large, represents the "pro-Russian party" inside Britain.

Hence, while the late Lord Mountbatten might have invoked "family outrage" for the Bolsheviks' murder of his royal relatives as the reason for boycotting a dinner for visiting Soviet Prime Minister Aleksei Kosygin in the early 1970s, the same Mountbatten was a self-professed socialist and Soviet sympathizer. He brought KGB-linked petroleum magnate Armand Hammer into the inner sanctums of the monarchy, to the point that Hammer is today one of the trusted friends and advisers of Mountbatten's protégé, Prince Charles.

Likewise, the Church of England leadership, under the Queen's appointee Archbishop of Canterbury Robert Runcie, has taken an overtly pro-Russian view in the past years, all the more damning of Buckingham Palace since the Queen is the formal head of the Church. The same "Russian party" problem is indicated in the story of Anthony Blunt, the "fourth man" linked to the Philby-Burgess-Maclean Soviet spy ring, who was at one time special art adviser to Buckingham Palace, and who carried out at least one important spy mission on behalf of the royal family.

In whatever way Mrs. Thatcher understands the threat the "pro-Russian party" poses to Great Britain and the West, she is acting to abort the Windsor-Kremlin axis. What the public will be told, as the Nov. 20 *Sunday Times* phrased it, is that Mrs. Thatcher believes that a state visit by the Queen "would give Gorbachov a propaganda coup which would weaken the West's efforts to press for faster progress towards political freedom in Russia." Other papers said that Thatcher is angry about Soviet human rights violations, and would regard a visit by the Queen to Moscow as "an endorsement of Kremlin policy."

Mrs. Thatcher is expressing the caution of a certain faction of the Western elite toward the Soviets. She may, indeed, have told *Washington Post* and *Newsweek* editors, during her mid-November trip to the United States, that Gorbachov's policies had effectively "ended the Cold War." However, London insiders inform *EIR* that such odd statements are counterbalanced by briefings she has received from British military sources that the Soviets have recently been doubling the warheads on their SS-18/Mod-5 intercontinental ballistic missiles targeting the United States, and have thereby greatly increased their offensive capabilities against the West.

Outrage from the palace

One can be sure that the Queen and her entourage are seething, especially because there was unquestionably some behind-the-scenes plotting going on.

The Nov. 20 *Sunday Mail* of London reported that when the Kremlin originally "signalled" its intent to invite the Queen, the invitation had been "welcomed by Buckingham Palace." The paper fretted that 10 Downing Street's action could "jeopardize the trip" of Gorbachov to London, if the

Soviets regard Mrs. Thatcher's action as a "diplomatic snub."

The *Sunday Times* commented that the Queen "is known to be fascinated by the Gorbachov phenomenon," and is likely to be "disappointed" by the Thatcher government's opposition to her visit. The paper claims that Her Majesty "receives copies of all Foreign Office telegrams and is said to question all those who have met the Russian leader. Other members of the royal family have visited the Soviet Union in a private capacity. The Princess Royal attended a three-day eventing competition in Kiev in 1973 and Prince Philip visited Moscow in 1979 as president of the International Equestrian Federation."

Since the news of Thatcher's decision to "veto" the trip, the prime minister has been subjected to a range of absurd, if also revealing, attacks. Lord St. John of Fawsley, a former cabinet minister and personal friend of the royal family, said, "I think the Queen would love to go to the Soviet Union. She has great curiosity and loves to travel to new places and enjoy new experiences. . . . I personally think such a visit would help ensure that Mr. Gorbachov survives and succeeds, and that is essential."

From the Labour Party, foreign affairs spokesman George Robertson accused Mrs. Thatcher, whom he dubbed "Queen Margaret," of acting out of motives of "envy," wanting to maintain a monopoly on international diplomacy and on contacts with the Russians. Said Robertson, "I think it is in the country's interest that the Queen should visit the Soviet Union."

Perhaps the most absurd of all is the *Sunday Express's* columnist, Sir John Junor, who wrote, "Of course, a royal visit to Moscow would be an enormous propaganda coup for Mr. Gorbachov. But what would be wrong with that? Don't we want to sustain Mr. Gorbachov in power? And, besides, wouldn't it have been an even bigger coup for the Queen? Might she not, just for once, have even upstaged Mrs. Thatcher?"

The British Foreign and Commonwealth Office is taking a more restrained, if equally bitter view. One FCO source told the liberal *Observer* Nov. 20, "From a political point of view, there would be quite a lot of merit in a royal trip." When asked by the *Guardian* Nov. 21 what he thought of Mrs. Thatcher's action, Foreign Secretary Sir Geoffrey Howe huffily deferred all questions on the matter, indicating that he had not been consulted and was angry at 10 Downing Street.

The Russians, too, may have already expressed "disapproval" of Mrs. Thatcher's decision. On Nov. 20, the Irish Republican Army bombing campaign against the British military was renewed, with eight soldiers injured in a blast near an Army barracks in Belfast. The Nov. 21 *Times* of London reported a military alert over an imminent "terror blitz" by IRA recruit-trained and supplied by Libya. In the past weeks, Soviet officials have on more than one occasion attacked Thatcher government policy in Northern Ireland, and signalled public support for their "irregular warfare" assets there.

Cabinet shake-up in New Zealand

by Allen Douglas

On Nov. 4, New Zealand Prime Minister David Lange fired Minister of State-Owned Enterprises and Assistant Finance Minister Richard Prebble from all his posts and his cabinet position. The sacking of a cabinet minister—very unusual in New Zealand politics—is only the most visible sign of a government crisis which has been brewing for many weeks.

On Nov. 21, New Zealand Radio reported as its lead news item that Lange himself could be sacked at the first post-Christmas holidays caucus of the Labour Party, when a ballot will be taken on Lange's leadership. After a cabinet meeting the following day, government ministers did their best to play down the crisis, insisting that Lange's job was not in danger.

But the crisis will almost certainly erupt again. At issue is the degree and pace of the radical restructuring of New Zealand's economy, a program led by Finance Minister Roger Douglas and his key ally, the sacked Richard Prebble.

Douglas and Prebble have taken the point in carrying out what London *Economist* editor Rupert Pennant-Rea, visiting New Zealand the week of the government crisis, praised on New Zealand Radio Nov. 21 as "the most extreme form of economic liberalization in the world."

The radical free-enterprise policies of the Labour government involve the wholesale sell-off of almost all government ministries and assets (see *EIR*, Oct. 21, 1988). As in the "Europe 1992" scheme, and the North American Common Market that is intended to follow Mexico's incorporation into the U.S.-Canada Free Trade Agreement, New Zealand, is slated to become part of a single South Pacific market with Australia, its economy placed under the total domination of a few cartels. In the process, its productive industry and agriculture, the latter among the most productive in the world, are being destroyed.

The ultimate strategic outcome, as in Europe, is to be the region's assumption of the status of Soviet protectorate—a goal otherwise evident in the Lange government's anti-U.S., anti-nuclear, pro-Soviet foreign policies.

Douglas and Prebble have argued that New Zealand's *perestroika* must proceed at full steam, with Douglas insist-

ing, in speech after public speech, as in a public meeting in Birkenhead on Nov. 28, "The decisions we take in the next 12 months will make or break everything we have done to date."

Prime Minister Lange, on the other hand, perhaps reflecting the increasing restiveness of the Labour Party's base in face of the "reforms," has repeatedly argued that the government should stop for "a cup of tea" before proceeding with the rest of the proposed measures.

The "reforms," as the Labour Party's base is experiencing first-hand, are ruining New Zealand's economy and have pushed New Zealand's unemployment rate to 156,000—the highest in its history. Next on the agenda are austerity in the labor market and slashes in social service spending.

The financial elite

While Douglas and Prebble are the leading public spokesmen for the "damn-the-torpedoes" pace of *perestroika*, they are merely carrying out the policies dictated to them by New Zealand's speculation-centered financial elite gathered around the New Zealand Business Roundtable, which is chaired by Sir Ron Trotter. After Prebble was sacked, Trotter showed up at a party to express his solidarity with the former Minister of State-Owned Enterprises, though Trotter took pains to try and hide his presence from New Zealand's media.

As chairman of one of the country's two largest corporations, Fletcher Challenge, Trotter has been a leading purchaser of the former government assets which Douglas and Prebble have been raffling off for a fraction of their worth.

As the chief beneficiary of the looting of New Zealand's national assets, Trotter has threatened that "business confidence" in the government and the economy will suffer if the pace of *perestroika* slows down.

Trotter was echoed by *Economist* editor Rupert Pennant-Rea, who was omnipresent in New Zealand's media during his stay in the country. That the chief editor of one of the British Establishment's flagship weeklies would spend over a week in New Zealand, and boldly jump into the fray on behalf of Mssrs. Douglas and Prebble, is a telling indicator of the importance the international financial oligarchy places on the New Zealand "experiment."

In an interview with New Zealand Radio Nov. 21, Pennant-Rea stressed that he had been watching Douglas's work very closely for the past four years, and that "I personally applaud the speed" at which it is proceeding. Reacting to building ferment against Douglas's programs, including the statement by Labour Member of Parliament Jim Anderton that unemployment would soon reach 200,000, out of New Zealand's total population of 3.25 million, Pennant-Rea opined to New Zealanders, "So far you, have had most of the pain and very little of the pleasure," but "these sorts of programs, take a long time to produce benefits," and that at all costs, the pace of the program must be continued, or "you will get none of the benefits."

Russians plan to stay in Afghanistan

by Ramtanu Maitra

Soviet leader Mikhail Gorbachov used the occasion of his recent visit to New Delhi and talks with Prime Minister Rajiv Gandhi to announce that the Soviets may not pull their troops out of Afghanistan by the Feb. 15 Geneva Accord deadline. The Soviet plan not to vacate Afghanistan had earlier become evident in a series of measures to re-establish Russian military and political control over the country.

Though it was cloaked in the predictable bluster about Pakistani violations of the accord, the Soviet decision to stay on became evident with the posting of Deputy Foreign Minister Yuli Vorontsov as ambassador in late September, and was no doubt made long before that. Following Vorontsov's arrival in Kabul, pressure on the Afghan-Pakistan border was stepped up dramatically. Reports of SU-22 planes violating Pakistani air space have since become routine.

On Nov. 3, Moscow officially announced that it had suspended further pull-out of troops from Afghanistan because of the "situation prevailing in the country." A week earlier, it came to light that some 30 advanced MiG-27s, attack planes used for offensive operations, are only being flown by Soviet pilots. Simultaneously, it became known that Moscow has supplied the Kabul regime with surface-to-surface Scud-V missiles, which have Pakistan's strategically sensitive and most populated areas within their range.

Notwithstanding the "democratic criticism" in Moscow of the late President Leonid Brezhnev for dispatching troops to Afghanistan in 1979, and a stream of doublespeak indulged in under the banner of *perestroika*, the decision to build up "Fortress Kabul" probably did not begin with Vorontsov's appointment. Long before the Russian aristocrat appeared in Kabul, the Soviet Union had been pouring arms into Kabul to prop up the fast-fading Najibullah regime, which, contrary to Soviet propaganda, does not control Afghanistan militarily or politically.

Interesting also is the fact that the Soviets have continued to protect their Afghan assets from the rough and tumble of Kabul power politics. In September, intelligence reports indicated that Afghan Interior Minister Said Mohammad Gulabzoy and Defense Minister Gen. Shahnawaz Tanai were plotting to overthrow Najibullah. Both Tanai and Gulabzoy belong to the Khalq faction of the ruling People's Democratic Party of Afghanistan (PDPA) and were trying to "cleanse" the ruling party of the Parchamites—followers of the other faction of the PDPA, Parchami. Reporting on the coup at-

tempt, *The Muslim*, an English-language daily published from Islamabad, said that the Soviets, sensing the plot, called both Tanai and Gulabzoy to Moscow to cool their heels.

But it would be wrong to assume Gulabzoy is just another hothead. Moscow realizes that Gulabzoy is a valuable asset who cannot be left to the mercy of Najibullah, who knows about the coup plot and the two Khalqis' involvement. Along with Tani and Aslam Watanjar, the communication minister and a Khalqi holding a vital post, Gulabzoy has long served Soviet interests. He played a critical role in the coup that overthrew and assassinated President Daoud on April 28, 1978.

The Watanjar-Tanai-Gulabzoy troika survived the regime of Parchamite Babrak Karmal, who came back to Afghanistan with the Soviet invaders in 1979, simply because Moscow protected them. Najibullah accommodated all of them in his cabinet following Karmal's ouster.

In early November, sensing retribution by Najibullah in the offing, the Soviets protected Gulabzoy by pressuring Najibullah to appoint him Afghan ambassador to Moscow. Moscow's likely plan is to bring in Gulabzoy with the next wave of Soviet tanks, if the latest manipulations fail. If accurate, the recent report of a broadside labeling Najibullah's PDPA as "out of step" with the Afghan people, on Soviet TV's weekly current affairs program "Panorama," may be a sign of things to come.

The game that the Soviets are playing is to establish a government in Kabul that will be broad based on paper, and so, acceptable internationally, but which in reality is controlled by Moscow's stooges.

This is the gameplan on which the Nov. 3 U.N. resolution was based. The resolution, better known as the Cordovez formulation, called for convening a *loyajirga* (convention of tribal chiefs) to arrive at an internal political settlement. The mujahideen faction of Burhanuddin Rabbani has rejected the proposal, and proposed instead the constitution of a representative *shoora* (advisory council) that would work out the mode of elections in Afghanistan. Rabbani has also rejected PDPA participation, a built-in feature of the U.N. resolution, as unacceptable.

Pakistan is also aware of the designed flaw of the Cordovez formulation. Foreign Minister Yaqub Khan, who described the Soviet decision to temporarily halt troop withdrawal as a "matter of concern and disappointment for Pakistan," has pointed out that the *loyajirga* proposal must be broadened enough to include all Afghans and not just an alliance consensus.

Moscow's flexing of muscle to shove their own formulation down the throats of the Afghans and their backers in the United States and Pakistan, indicates that Soviet propaganda about the PDPA's strength is as phony as a three-dollar bill, and unless the Soviet Army continues to stay in Kabul, Moscow's hope of extending its boundary eastward will come to nought.

No clear-cut mandate in Pakistani elections

by Susan Maitra

The Nov. 16 National Assembly and the Nov. 19 Provincial Assembly elections in Pakistan have established the Pakistan People's Party as the single largest party in the country, but its majority is not sufficient to form a national government alone.

As of Nov. 23, the PPP and the other major groups are busy wooing the independently elected candidates and winners belonging to the small parties, in an effort to put together an absolute majority. It has been announced that the new prime minister will be named by acting President Ghulam Ishaq Khan in early December. Already, according to the press reports, Ishaq Khan has told the cabinet that PPP leader Benazir Bhutto Zardari should have the first chance to form the government.

In the National Assembly elections, the PPP secured 92 out of 204 seats, falling short of an absolute majority by just 11 seats. The Islami Jamhoori Ittehad (IJI)—the Urdu name for the Islamic Democratic Alliance (IDA), which consisted of eight like-minded parties led by the Pakistan Muslim League (PML) and the Jamaat-e-Islami (JI)—came out a distant second with the 54 seats. Independent candidates, some of whom were backed by the IJI, secured 40 seats and are expected to play a decisive role in the formation of the government.

In the Provincial Assembly elections, neither the IJI nor the PPP came out as outright winners in three out of four provinces. In Sind alone, the PPP secured 67 of 100 seats. In Punjab, Baluchistan, and the North West Frontier Province (NWFP), the IJI is holding on to slender majorities and will have to accommodate others to form the provincial governments.

It is difficult to identify any definitive trend in the overall election results, especially since both major parties—the PPP and IJI—campaigns primarily on non-issues. The PPP, which was ousted from power in 1977 by an Army coup and subsequently persecuted by martial law regime, harped on its legitimacy. The IJI, consisting of handpicked cabinet members under the late President Zia ul-Haq, tried to convince the electorate that the PPP was anti-national. Issues such as the Afghan crisis, ethnic tensions, the depleted economy, and the international crisis were not addressed.

Moreover, both the IJI and PPP had put up landlords and their kin in large numbers as candidates. Both had their Islamic credentials to offer. The PPP formed a seat arrangement with the Jamiatul-Ulema-e-Islam (JUI)-Fazlur Group in the

NWFP, and the IJI had the orthodox Jamaat-e-Islami as a dominant force in its alliance. Similarly, both the PPP and IJI refrained from criticizing the Army, which has managed Pakistan's affairs since 1977.

The only clear verdict appeared in Sind Province. Destabilized in 1983 when a pro-secessionist group, Jiye Sind, went on a rampage against the martial law regime, Sind has witnessed intense ethnic violence. In recent years, the province, where the large port city of Karachi is located, has seen a massive influx of drug mafia, armed with Soviet-made Kalashnikov assault rifles.

In Sind, the electorate unambiguously rejected the people in power, namely the IJI, as well as the secessionists of the Sind National Alliance and Sind-Pakhtoon-Baluch Alliance. Instead, the Mohajirs, Urdu-speaking people who migrated to Pakistan following the partition of the subcontinent in 1947 and formation of Bangladesh in 1971—have emerged as a very powerful political bloc, particularly in the cities.

Well-organized and with a solid economic base, the Mohajirs had been the backbone of the Muslim League, the party that brought Pakistan into existence. But they became demoralized and disaffected with government as the mafia controlled by the Pathans and Punjabis began to use Sind as their operational base in the 1980s. Mafia operations were behind many of the ethnic riots that the Mohajirs became convinced were deliberately organized to break their economic and institutional hegemony in Sind.

In 1986, the Mohajirs formed their own group, the Mohajir Quami Movement (MQM), but did not register it as a political party. In the national election, it was MQM independents who swept Karachi, winning 11 out of 13 seats. The top IJI candidates were blown away in this process: former Prime Minister Mustafa Junejo; IJI chairman and a prospective prime minister Ghulam Mustafa Jatoi; and PML's spiritual leader and political fixer, Pir Ali Mardan Shah of Pagara, all lost decisively.

Acting Chief Minister of Sind and IJI member Akhtar Qazi also lost in the provincial elections.

What's in store?

Despite such mixed-up results, it is most probable that the PPP's Benazir Bhutto, daughter of the late Prime Minister Zulfikar Ali Bhutto, will be asked to form a government. There is cautious optimism in the Pakistani media that Bhutto may not continue puffing up the populist image her father and his friends gave to the PPP.

Bhutto has made it a point to acknowledge publicly that both the Army and Islam are important ingredients for Pakistan's security. According to recent reports, she promised the Army brass that if the PPP won, the Army could nominate the next President, as well as the foreign and interior ministers. She has also proposed to create a Supreme Defense Council, in which the Army would have a permanent and decisive constitutional role in policymaking.

Sweden and the 'Finlandization' of the Baltic republics

by Göran Haglund and Ulf Sandmark

While the confrontation between Moscow and the three Baltic republics of Estonia, Latvia, and Lithuania, is coming to a dangerous head, the Swedish foreign-policy establishment exhibits an ill-disguised euphoria over Soviet leader Mikhail Gorbachov Baltic experiment in social control.

To the Swedish foreign ministry and assorted auxiliary foreign-policy analysts, Moscow's creation of mass-based "Popular Fronts," to coopt and redirect the justified nationalist ferment building among the captive Baltic peoples, represents but another chance to try to prove themselves useful to the Kremlin, and at the same time to boost their own role as mediators between East and West.

Although the "Popular Fronts" in the three Baltic republics were officially formed as a result of a series of mass rallies and demonstrations during the summer and fall of this year, their coming into being has been sponsored by Moscow since at least March, explicitly as support organizations for implementing the *perestroika* policy of Gorbachov and the Soviet Communist Party. Swedish eagerness to join the bandwagon is shown by several recent events in which Swedish representatives went out of their way to smooth relations with Moscow and prove their trustworthiness in dealing with the Baltic countries:

1) The rush to strike a deal regarding the unsettled border dispute over the waters between Sweden and the Soviet Baltic coast. The disputed area, called "the White Zone," is situated in the Baltic Sea between Estonia and the large Swedish island of Gotland. By dealing with Moscow on the matter, Sweden confirmed that it accepts the Soviet occupation of the Baltic states; the deal meant that the Russians got "only" one-quarter of the disputed area, which, according to international law, was entirely Swedish. After signing an agreement in principle in January of this year in Stockholm, during the visit of Soviet Prime Minister Nilolai Ryzhkov, a final agreement was signed in April by Swedish Foreign Minister Sten Andersson during his visit to Moscow.

2) The Swedish consul general in Leningrad, Tomas Bertelman, this fall paid a visit to the Baltic republics. This was the highest-level Western official to visit those republics since World War II. Sweden has announced its intention to open consular representation in the Baltic republics, maybe in all three capitals, Tallinn, Riga, and Vilnius. Foreign Minister Andersson is now preparing another visit to the Soviet Union next year, and reportedly wants also to visit the Baltic republics.

That would be the first time a member of a Western cabinet visited any of the Baltic republics since World War II.

3) The first Swedish joint venture with Estonia was signed in October. A municipally owned Swedish computer company, Kommundata, made a deal with the city of Tallinn to form KomEst, a company with 51% ownership by Tallinn, which will run the information system of the city administration. The export manager of Kommundata said: "If the cooperation succeeds, the idea can spread to other regions of Estonia. After that the whole Soviet market is open to us, an enormous export potential." One and a half years ago, under the *perestroika* policy, the Finnish-Soviet border trade administration, Lenfintorg, which also administered the Swedish-Soviet border trade, was in part decentralized from Leningrad to the Baltic republics. New administrations, called Estimpex, Litimpex, and Interlatvia, were established to handle the relevant trade. These work independently, but do only barter deals.

4) One Swedish city, Norrköping, signed a deal in mid-November with Riga, Latvia, for developing trade, and establishing a ferry line called Baltic Link. There will also be a Swedish trade fair in Riga next year.

5) Three Swedish economists, Rudolf Jalakas of Svenska Handelsbanken, Ilmar Roostal and Toomas Kabin of the Swedish Export Council, all three of Estonian extraction, visited Estonia early in November to discuss market economy and management.

6) A Swedish delegation from Rotary, besides visiting Moscow, also traveled to Estonia.

The Estonian reforms

The Estonian reforms, like the movement backing them, are a mixed bag of truly patriotic demands for political independence and a local variation of the *glasnost* policy inspired by Gorbachov and the Communist Party. As advocated by the Estonian Popular Front (EPF), the economic reforms were proposed by a group which began to work a year and a half ago. Their proposal was first presented in September 1987, but was rejected. Since then, there have been personnel changes in the Estonian leadership, and at the 300,000-people EPF rally Sept. 11, the proposals were accepted.

Tiit Made, a leader of the "brain trust of economists and politicians in Tallinn," which is credited with having devel-

oped the proposals for Estonian economic reform, visited Stockholm Oct. 28 and was interviewed in the leading daily *Svenska Dagbladet*.

A member of both the Communist Party, the EPF, and the ecology movement, Made said, "The plan is to totally restructure the Estonian economy. Today it is more than 90% governed by Moscow. . . . We must introduce a new pricing system and shut down a big part of the heavy industry which is totally dependent on Moscow for raw materials, capital, and the work force."

Svenska Dagbladet wrote: "The Estonian economists now speak quite seriously about an Estonian currency and an Estonian central bank. In so-called joint ventures, capital and businessmen from the West are to be encouraged to invest in Estonia, which has cheap labor, an industrial tradition of its own and a developed infrastructure. In the future, they think about Estonia as an economic free zone, similar to the Chinese enclaves."

Economist Made said: "Gorbachov wants us to start the Estonian economic independence program earlier than we ourselves think that we can do it. He wants us to become a buffer zone between East and West." *Svenska Dagbladet* added, "According to Made, the group around Gorbachov wants the Estonians to get going with a program for economic independence already beginning Jan. 1," but Made's group instead has "a plan to begin Jan. 1, 1990."

Asked whether it is possible for Estonia to gain its freedom, Made replied, "Nothing in the world is forever. Gorbachov trusts us and I trust him. He has said that we have two, three years to do it, and we will take one step at a time. . . . Now we are satisfied with *glasnost*, but there is no *perestroika*. Instead there is a deep economic depression. If Moscow wants to change something in the economy, very radical reforms are necessary and therefore I am very confident."

Another leader of the EPF, Lennart Meri, told *Svenska Dagbladet* Nov. 1, that working for Estonian freedom "can be realistic in the sense that, as I believe, the Soviet Union needs a place for experiments where we can make economic and political tests to get higher efficiency."

The Swedish view

In a prominent op-ed published Nov. 13 in *Svenska Dagbladet*, retired ambassador Sverker Åström, a former under-secretary of foreign affairs and the grey eminence of Swedish foreign policy, elaborated his views of the "dramatic developments in the Baltic states." Praising *glasnost* as the policy which has made possible "the peaceful, gradual revolution which is now occurring in the Baltic," Åström noted, "Sweden is, along with Finland, the next-door neighbor of the Baltic countries. The cultural and historical ties are strong. It is self-evident that we Swedes are following the struggle of the Balts intensely and with the profoundest sympathy."

"In a longer perspective, in the Baltic countries they speak about building 'market socialism,' apparently meaning a system with features borrowed from both Lenin's NEP policy and 'the Swedish Model.' Everything seems to indicate that they want to use also the Swedish experience in this construction work. We ought to help. . . .

"In this we are acting in agreement with a basic goal of Swedish foreign policy which is to work, according to our means, for economic and social development in peaceful and democratic forms. There is no reason to believe that thereby we would upset our very important relations with the Soviet Union, *maybe rather the contrary.*" (Emphasis added.)

The confrontation grows

After the details of Gorbachov's proposed changes in the Soviet Constitution became known late in October, and the simultaneous *New York Times* interview with Politburo member Aleksandr Yakovlev, published widely in Sweden and Finland, some of the "optimism" expressed by EPF leaders like Made was toned down. The constitutional changes, promptly rejected by the Estonians in an explicit challenge of Moscow's authority, provide for an unprecedented strengthening of Soviet central power against the autonomy of Soviet republics. In the *New York Times*, Yakovlev proclaimed a flat "no" to an Estonian currency and any Estonian diplomatic representation.

Meri told *Svenska Dagbladet*: "If Yakovlev is so afraid of an Estonian currency, I want to remind him that those funds could perhaps buy more modern technology, something the Soviet Union greatly needs. The idea is very realistic, as the ruble is worthless on the international market." Meri, like other EPF leaders, stress that their striving for Estonian independence is not aimed against any vital Soviet interests: "There will be Soviet military bases in Estonia. We can give guarantees that Soviet security will not in any way be undermined."

Indrek Toome, a member of the Central Committee of the Estonian CP, considered by many the Estonian chief ideologue and the likely next prime minister of Estonia, told *Svenska Dagbladet* of Nov. 2: "A rift between the party and the EPF is excluded. We are committed to walk hand in hand."

This fact notwithstanding, Moscow's dilemma is how to control the unchained nationalist ferment, which impatiently demands that deeds follow the words about Estonian independence. The Kremlin's helpers have been keen to lend their support in trying to rein in "exaggerated hopes." Swedish Foreign Minister Andersson on Nov. 13 issued one such call for moderation, and Finnish Prime Minister Harry Holkeri, speaking in Helsinki on Nov. 21, sharply denounced even media support for Estonian political independence, asserting, "The foreign policy is conducted by the President and the government."

The 'authoritarian personality': an anti-Western hoax

by Michael Minnicino

Part III

The first two parts of this series described how the concept of the "authoritarian personality" was created in the 1930s as a weapon against the idea of technological progress by the Institute for Social Research. The ISR, also known as the Frankfurt School, was founded by the Hungarian Communist International official Georg Lukacs, and became the Soviet Union's most important cultural warfare operation against the West.

Consider the state of Europe almost exactly 70 years ago.

In the five years from the end of 1918 to the end of 1923, a "New Age" revolution swept the continent. Despite certain local variations, this revolution's core ideology was invariably anti-capitalist (often feudal), anti-rational, and racist. It had different names in different places: it was generally known as "Fascism" in Italy, "Nazism" in Germany, and "Bolshevism" in Russia.

These were not "authoritarian" movements—that false description would be manufactured many years later. These were very explicitly "anti-authoritarian" revolutions, promising "the wave of the future," and the overthrow of the paternalistic bourgeoisie and the soulless bureaucrats who represented the "old order."

It is always difficult to write history about those things which most people think they know, and even more so, in the age of television. We have been warped by soap operas, and by that soap opera writ large, the "docu-drama."

All great playwrights of history, from Aeschylus, to Shakespeare, to Schiller, tried to craft characters whose individuality encompassed a whole world, wherein the audience could see itself, its society, and the great issues its society faced. The docu-drama attempts the exact opposite. The great struggles for which millions shed and let blood, around which nations died or were born, must be shrunk to the petty motivations of a few individuals. "I know all about the Holocaust," says the victim of docu-drama viewing, "it was horrible . . . but I liked the love scenes." (This was completely understood by the Frankfurt School, which first studied the psychological effects of the radio soap opera in the early 1930s, and, as we shall later see, shaped modern television programming to this purpose.)

Docu-drama accepts only the history of highly identifiable good guys and bad guys. In its most sophisticated forms,

it will show the occasional good guy seduced to evil, or a bad guy who demonstrates his "heart of gold" before the last commercial; but, processes do not really exist. Herein, for instance, rests the entire credibility of Hannah Arendt's definition of "totalitarianism": Nazis and Fascists are "bad guys," and Bolsheviks are idealists who, in their haste to do good, "give in to the dark side of the Force"—to use a banal modern phrase.

Things were not so obvious as the 20th century was ending its second decade.

The Great War ended in November 1918, and Germany, a monarchy, became the Weimar Republic. At about the same time, the Bolsheviks dropped the word "Provisional" from the name of their year-old government in Petrograd, and began work on the ratification of a Soviet constitution, although it was not immediately clear to observers what "Soviet" meant. (Ironically, the word was first used to describe the "workers' councils" that were set up by the Russian secret police at the beginning of the century.)

That did not stop others in Europe from declaring their own local insurrections to be "Soviet." That is what the Spartakus organization of Rosa Luxemburg called its Berlin uprising; it was crushed by the end of January 1919. Next came the "Bavarian Soviet Republic" in the south of Germany; it was led by a strange collection of intellectuals, including Germany's two most famous avant-garde poets. This collapsed in February.

But in March, Hungary—about half-way between Russia and Germany—declared itself to be a "Soviet Republic," and received official credentials as such in a radio broadcast by Vladimir Lenin himself. The same month, a few hundred miles away in Italy, a revolutionary party calling itself "Fascist" announced its existence; it was unclear what "Fascism"—named after the fasces, a forgotten symbol of authority in ancient Rome—actually meant, but the party was headed by a well-known socialist revolutionary.

The Hungarian affair ended within an embarrassing 133 days, in August. However, in September, in nearby Fiume on the Adriatic coast, Italy's most famous avant-garde poet, Gabriele D'Annunzio, seized the town at the head of an armed force of revolutionaries. They didn't call themselves "Fascists" or "Soviets," but they all wore black shirts and daggers, and saluted each other with a rigidly upraised right arm; they

declared free love legal, and rang the church bells of the city every time their leader completed a new poem, among other mystifying policies.

Left or right?

As the 1920s began, the distinctions between left and right became almost meaningless. In Italy, Mussolini's Fascist thugs were beating up socialists and democrats, and calling for a "workers' state"; in Russia, Lenin's Bolshevik thugs were beating up socialists and democrats, and calling for a "workers' state." This comparison may sound glib to modern ears, but it is not. What would you have found, if you were an "investigative journalist" in 1922?

On the first level, you would have found that Lenin's credentials as a socialist were no better than Benito Juarez Mussolini, the son of socialists and editor of Italy's mainstream socialist daily newspaper until 1915. The two had read the same books, were trained by the same people, and, over the years, shared the same friends, although they presumably never met each other. And, the similarities went well beyond personalities.

Both seized state power with *military* forces so small, as to barely count as a skirmishing unit in the recently concluded Great War. Clearly, their opponents had been weakened to the point of collapse *before* the insurrection, and they themselves had resources outside the country, far larger than that which they were able to mobilize in the streets. Lenin's organization inside Russia was controlled less by him, than by the Okhrana; this huge secret police operation was nominally loyal to the Czar, but in fact committed to the Czar's overthrow on behalf of Russia's Old Believer religious fanatics in alliance with Western financial interests, largely British. Much of what was called Bolshevik organizing, was in fact first cleared with the British embassy. One of the top case officers of the whole affair was the head of British Military Intelligence in St. Petersburg, Col. Sir Samuel Hoare.

Hoare had just come to Russia from northern Italy, where he had run military intelligence operations. His primary task there was to fund Mussolini's organizing. This fact was so well known, that Hoare used to joke about it with Mussolini in 1935, when Mussolini was Il Duce, and Hoare, then British Foreign Secretary, was negotiating the Hoare-Laval Pact to legitimize Italy's illegal invasion of Ethiopia.

Higher level controls were shared by the Fascists and the Bolsheviks, although an investigator in 1922 might not have been able to discern them. Lenin, and substantial amounts of gold, had arrived in Russia to start the Bolshevik phase of the revolution via a sealed train from Switzerland. The operation had been organized by super-spy Alexander Parvus; this much was known to many. More recently, it has been found that Parvus was working for the Venetian financier, Giuseppe Volpi, Count of Misurata. Volpi di Misurata was the power-broker behind Mussolini, too, and controlled the Italian dictator directly through Dino Grandi, Mussolini's closest ad-

viser on the Fascist Grand Council.

Mussolini and Grandi both emphasized the similarities between Fascism and Bolshevism. Even before the Fascist Party was founded, both had studied the sociological theories of Roberto Michels, a veteran of Max Weber's Sunday Circle, and subscribed to the idea that social change was based on the "class warfare" between "proletarian nations" and "capitalist nations." That was how both explained the First World War, and their support for Italy's entry into it.

When Mussolini and Grandi came to power, they declared Italy a "workers' state"; the official history of the movement described Fascism only as "*un socialismo molto battagliero*" ("a very pugnacious socialism"). In 1933, when a book was published titled, *The Triumph of Fascism in the U.S.S.R.*, it was reviewed favorably in the Fascist theoretical journal by Il Duce himself, and as late as 1938, Mussolini was on record saying Stalin was a Fascist without the courage to admit it.

The 'barbarian intellectuals' of Russia

There were many in Russia who agreed.

The Bolshevik Revolution was developed and nurtured by those who wanted to protect Holy Mother Russia from the fatal poisons of reason, republicanism, industrial progress, and other accompaniments of Western Judeo-Christian civilization. Such philosophies would prevent Russian culture from establishing what Dostoevsky called, "the Third and Final Rome," the great Eastern imperium that would rule for a thousand years.

"For a long time," wrote Nicolai Berdiaev from Moscow in 1921, "we [Russians] have recognized the distinction between culture and civilization. . . . Beneath their hostility to Western culture, many Russian writers and thinkers revealed not their hostility to Western culture, but to Western civilization. . . . Russian easternism, Russian Slavophilism was but an open struggle of the spirit of religious culture against the spirit of irreligious civilization."

Berdiaev belonged, at the time, to one of the Revolution's high-brow propaganda units, the Free Philosophical Association. The association was founded in 1919 by R. V. Ivanov-Razumik, a member of the left wing of the Russian Social Revolutionary Party, precariously allied to the Bolsheviks; and included three of Russia's top avant-garde poets, Alexander Blok, Andrei Belyi, and Sergei Esenin. Informally known as the "Scythians," this group used the writings of Dostoevsky and "anthroposophist" mystic Rudolf Steiner to prove that the Bolshevik revolution was the beginning of the "new age" that would sweep the world.

Said Ivanov-Razumik in 1920, "Russia is the country where out of the blood and torments of the revolution has been completed the birth . . . of a new world. . . . The new ecumenical idea now incarnated into the world through 'backward,' 'uncultured,' 'dark' Russia resembles the birth of Christianity twenty centuries ago in dark, uncultured, and

backward Judea, rather than in advanced, cultured, brilliant Rome.” Thus, the Scythians called themselves, “barbarian intellectuals.”

In 1922, these particular barbarians were officially expelled from the Soviet Union, although they had already set up satellite operations in Berlin and elsewhere two years previous. The Scythians were part of a huge strategic deception operation conducted after the Revolution by “the Trust,” the alliance of Western financial interests with the Soviet secret services. This operation included wave after wave of

In 1922, you would have found that Lenin’s credentials as a socialist were no better than Mussolini’s. They read the same books, were trained by the same people, and shared the same friends.

cultural “exiles” from Russia who flooded Germany and France in order to undermine civilization, using both “pro-Bolshevik” and “anti-Bolshevik” philosophies. Despite differences in coloration, all these groups shared funding from a top financier of the Trust, A.I. Guchkov, and were supervised by novelist Ilya Ehrenberg, a notorious intellectual thug, and later a Stalinist executioner.

Closely allied to the Scythians, was the *Smena Vekh* group in Germany, which called upon Russians to return to their motherland in order to build a “new epoch” based on the “worldwide influence of Russia and Russian culture.” The founder of *Smena Vekh*, N.V. Ustrialov, also coined the phrase, “National Bolshevism,” by which he meant: “Nationalism, not in opposition to other nations, but fusing with them, leading them. The poet Blok’s Christ leads the Red Army men on with a bloody banner—the only Christ in which one can still believe is the new Rus.”

Such sentiments found resonance throughout Germany, where the Strasser brothers formed the National Bolsheviks, an important component of a tiny new party, previously known as the German Workers’ Party, but newly renamed the National Socialist German Workers’ Party by its leader, military intelligence informer Adolf Hitler. In fact, many of the early recruits came to the Nazis because they had been impressed with the success of Russian “national socialism” in the Bolshevik Revolution. One such was Josef Goebbels, who in 1922 was trying unsuccessfully to peddle his first novel, *Michael*, about a young student who reads Dostoevsky, tries

to achieve “genuine socialism,” and dies the sad, sad death of all novel heroes in those days. “In the last analysis,” wrote Goebbels slightly later, “it is better to go down with Bolshevism than live in eternal capitalist servitude.”

When Hitler attempted a coup d’état in Munich in November 1923, the so-called “Beer Hall Putsch,” it was not altogether clear whether this was a left- or right-wing affair; banners written by Goebbels proclaimed in blood-red, “The bourgeois state is coming to an end; a new Germany must be forged!” Just five months before, the Secretary of the Communist International in Moscow, Karl Radek, had made a public speech calling for a tactical alliance of German Communists with the Nazis around the protests over the death of Leo Schlageter, a member of the National Bolshevik wing of the Nazis who had been executed for terrorism by the French occupation forces in the Ruhr region.

A pure Dostoevskian revolution

The success of the Bolshevik Revolution also had a startling effect on Georg Lukacs, drawing his confused thoughts on socialism together into a vicious conception that would be the starting point for the Frankfurt School. It is useful to back-track here, in order to give a more detailed report on Lukacs’s Budapest Soviet of 1919. Here, we see the 1917-23 New Age wave of revolutions in its most naked form—as pure Dostoevskyism.

In 1917, Lukacs returned to Budapest, recontacting Ervin Szabó, his former mentor, who had said, “We have had enough of Judeo-Christian teachings.” Together, they set up the Free School of *Geisteswissenschaften* (which might inadequately be translated, “humanities” or “mental studies”). Lecturers at the school included, in addition to Lukacs and Szabó: the “Russian School” composers Zoltan Kodaly and Bela Bartok; Bela Balázs, a film theorist who left the employ of Leni Reifensthal, later Hitler’s personal film-maker, to become professor of film at Moscow University; the sociologist of culture Karl Mannheim; and art historian Arnold Hauser. The school initiated contacts with the Logos group, which published a magazine in both Germany and Revolutionary Russia; Logos was dominated by the writings of Berdiaev, and an older Russian mystic, Vladimir Soloviev, whose work deeply influenced the cult theories of anthroposophist Rudolf Steiner (in fact, Steiner’s Russian wife translated Soloviev into German).

Lukacs’s clout in Budapest’s intellectual scene was greatly aided when he received honorable mention in two documents printed in 1918, and widely read through the early years of the Weimar period: Thomas Mann’s autobiographical *Reflections of an Unpolitical Man*, and Max Weber’s published lecture, *Science as a Calling* (wherein the scientist model is the hoaxster, Hermann Helmholtz). Lukacs was a sufficiently “hot property” that the head of the Hungarian Communist Party (HCP), Bela Kun, personally petitioned him to join the party, as soon as Kun arrived in Budapest

from Russia.

The Austro-Hungarian Empire collapsed in October 1918; the rumor, widespread in Budapest at the time, was that the fall of the Emperor was demanded by an unnamed British Army brigadier, operating out of the embassy. A broad coalition was formed by Count Károly on November, and Kun arrived by mid-month; Lukacs joined the HCP in December and was almost immediately placed on the “alternate Central Committee,” the party’s second-tier leadership body. Lukacs organized a series of seminars at Budapest University, a cadre school for the coming revolution; he himself lectured on “Terror as a Source of Law.”

In February, the coalition government turned on the HCP, arresting Kun and his Central Committee; while Kun sat ignorant in jail, the second, clandestine Central Committee, dominated by Lukacs and others, started giving orders for armed insurrection. Under the threat of warfare, the coalition collapsed; the more moderate Social Democrats appealed to the HCP, and a “Hungarian Soviet Republic” was declared March 21. Lukacs was named People’s Deputy Commissar of Public Education and Culture; the Commissar was a do-nothing Social Democrat, and Lukacs controlled the Commissariat.

Here, now, was Lukacs’s chance to create the “spontaneous, wild, and blind revolt” that he thought would be necessary to create a new society peopled by Alyosha Karamazov. Old trade unionists were horrified to see that the overthrow of the monarchy had mutated into some monster. József Lengyel remembered in 1959 that, when he went to the House of the Soviet in 1919, he was “literally dumbfounded” to find Lukacs leading the Central Committee in discussion of insane philosophical problems. “One of these problems: We communists should take the sins of the world upon ourselves, so that we may be capable of saving the world. . . . Just as God ordered Judith to kill Holophernes—that is, to commit a sin—so he may order communists to destroy the bourgeoisie, both metaphorically and physically. . . . In support of their argument, they used to refer to Dostoevsky’s ‘Grand Inquisitor.’ ”

Ilona Duczynska, a leading HCP member at the time who later quit communism, reported that Lukacs was “perhaps the only brain behind Hungarian communism. . . . [He] once said to me: ‘The highest duty for communist ethics is to accept the need to act immorally. This is the greatest sacrifice that the revolution demands of us.’ ” Duczynska also claims to have heard Lukacs say: “The true communist has the conviction that Evil will be transformed into its opposite, Good, through the dialectic of historical development.” Lukacs’s manichean terrorism, concluded Duczynska, “spread like a secret doctrine . . . until it was finally considered as the quintessence of real communism.”

It is clear that the depredations of Ottó Korvin, the head of Kun’s Cheka (secret police), were goaded by Lukacs’s reportedly incessant remonstrations with him. Lukacs’s So-

cial Democratic boss at the Commissariat testifies that Lukacs identified anti-regime intellectuals for harassment and liquidation. The Dostoevskian lunacy in Budapest reached such heights that, when the cadets of the Budapest Military Academy started an abortive rebellion, it was decided not to execute them, but rather to force them to attend a seminar on the Grand Inquisitor section of Dostoevsky’s *Brothers Karamazov*.

“Politics is only a means; culture is the goal,” Lukacs wrote in the Official Statement of the People’s Commissariat of Public Education, by which he meant the “anti-paternalism” that would become such an important part of the Frankfurt School’s authoritarian personality studies. Lukacs was so extreme, that he probably greatly contributed to the growing counter-revolutionary ferment. His commissariat called for the prohibition of alcoholic beverages, but was forced to rescind; it started sex education classes, and was seriously investigating the free distribution of contraceptives. The anti-Communist writer Victor Zitta notes: “Special lectures were organized in schools and literature printed and distributed to ‘instruct’ children about free love, about the nature of sexual intercourse, about the archaic nature of bourgeois family codes, about the outdatedness of monogamy, and the irrelevance of religion, which deprives man of all pleasure. . . . This call to rebellion addressed to children was matched by a call to rebellion addressed to Hungarian women. Among the numerous curious pamphlets published under Lukacs’s auspices . . . one calls upon women over the world to unite and overthrow the chains imposed on them by exploitative bourgeois-spirited males.”

Lukacs’s attempts to “abolish culture” (as he said), were complemented by an appreciation for a new technology that was to become so important to his students at the Frankfurt School: film. Lukacs set up a Chamber of Film within his Commissariat, which included his friend Balász, later the official film theorist of the Soviet Union; Bela Lugosi, the ham actor of *Dracula* fame, and Alexander Korda, who became one of the most powerful film producers in England, and was film-maker to British Intelligence during and after World War II.

Lukacs was trying to “force-grow” a counterculture. He failed, but as we shall see in a later section, his heirs were much more successful in their attempts at the same thing in America and Europe during the 1960s.

Four months after it started, the Hungarian Soviet began its collapse under military pressure from a joint Romanian-Czechoslovakian army. In the final days, Lukacs went to the front as the Political Commissar of one of the Red Armies, where he was noted for his recklessness. After 133 days, the experiment in Dostoevskian rule ended. Lukacs, with the help of his friend Karl Mannheim, escaped to Vienna, disguised as a monk.

Next: The strange case of Martin Heidegger

Moscow's game with the German Jews

Behind the campaign to oust Bundestag leader Jenninger, are four decades of Soviet manipulation of Jews in the West.

The forced resignation Nov. 11 of parliamentary speaker Philipp Jenninger, over a trumped-up campaign on the "anti-Semitism" issue, has now been recognized as an absurdity even by the same media that were the first to call for his resignation.

The affair sheds some light on the ongoing restructuring of the German Jewish communities, which is proceeding as a "joint venture" between Moscow and the faction in world Jewry headed by Edgar Bronfman.

There are some 30,000 practicing Jews living in the western part of divided Germany, and some 400 in the eastern part. The figures tell something about the reality of Jewish life in Soviet-run East Germany. For comparison, some 60,000 practicing Jews are registered in Hungary.

There are, however, more Jews in East Germany than the 400 who are officially registered, because many German Jews, having worked with the Soviet-controlled "anti-fascist" committees of the pre-1945 period, dropped their religious ties and joined the communist party.

One of these "deserters" is Hermann Axen, member of the ruling Socialist Unity Party's Central Committee in East Germany. He is not only in charge of international relations, but also of international Jewish relations, specifically to the pre-1945 left-wing exile community of European Jews in the United States, Great Britain and France. California, New York, London and Paris were the big centers of exile Jewish communities, under significant political control of the "anti-authoritarian group" of the Frankfurt

School, and of the networks of Bertold Brecht and the Thomas Mann family.

Axen, who has been in the inner circle of the regime in East Germany from 1945 on, was important enough for the Soviets to let him survive the anti-Jewish purges and pogroms in East Germany in the 1950s. During this period, more than 3,000 of the 5,000 Jews then living in East Germany chose to emigrate to the West, to escape persecution for what the regime called "treasonous collaboration with Western imperialist and Zionist circles."

On an official level, East German policy toward the state of Israel and international Jewish organizations has remained one of enmity, ever since the late 1940s. That has much to do with why a faction in the Israeli foreign service protested Bronfman's East bloc diplomacy as "private, and not serving the interest of Israel." It came as a big surprise, therefore, that Axen was the honored guest in May of the U.S. State Department. During his tour he met with representatives of the World Jewish Congress, and extended an official invitation to WJC head Bronfman.

There is no reason for surprise, however, since Axen's networks had kept in close contact with left-wing Jewish networks in the United States throughout the postwar period. This has implications for the domestic U.S. situation, too. To understand why most of the U.S. Jewish vote on Nov. 8 was cast for Michael Dukakis and not for George Bush, it is important to look at the influence of Soviet-run (via East

Germany) Jewish networks.

When WJC's Bronfman, the Canadian-born liquor magnate, met with East Germany's leader Erich Honecker and Axen in October, rumors in Germany had it that deals concerning the political activities and voting patterns of Jews in the United States were on the agenda. In return, Bronfman signaled extended business relations with the East Germans, and assistance in getting Honecker invited for his first official visit to the United States, in 1989 or 1990.

Another "favor" East Germany promised Bronfman was to have the prewar Jewish group, *Adass Yisroel*, reestablished at its former headquarters in eastern Berlin. Bronfman's favor in return is, some say, a yet-undefined "opening" on the U.S. side, and assistance in East Germany's plans to extend its control over Jewish affairs in West Germany.

A successor organization to *Adass Yisroel* was established in West Berlin several years ago under the same name, but it was never officially recognized by the western-based Central Council of the Jews in Germany. It is said that the recognition was blocked because of the group's links to the East Germans. Until his unexpected death in January 1988, Werner Nachmann was the chairman of the Central Council.

Intelligence sources in Germany have pointed out that Heinz Galinski, the "Bronfmanite" current chairman of the Central Council, is an old friend of Michael Wolf, long the head of East Germany's foreign intelligence. It comes as no big surprise, these sources say, that Galinski received the highest state medal of the East Germans, the Golden Star of People's Friendship, from the hands of Honecker at a ceremony in East Berlin on Nov. 12, the day after the forced resignation of Jenninger.

Bankers give victory to Communists

Policies of wage cuts and no infrastructure investment could hand Brazil over to anti-U.S. fanatics.

In Brazil's Nov. 15 municipal elections, millions went to the polls, and turned the ballot box into a means of protest against International Monetary Fund (IMF) austerity policies, which the José Sarney government has imposed.

The PMDB and PFL parties that make up the so-called "Democratic Alliance," which gives political support to the current government, were roundly defeated in the country's major state capitals. The new big winner was the anarcho-sindicalist Marxist Workers' Party (PT) and, on the other hand, the PDT, run by social democrat Leonel Brizola.

The electoral dispute was a perfect reflection of the institutional collapse that the current administration is going through. This really began in April 1987, when the bankers forced the resignation of Finance Minister Dilson Funaro who had declared a moratorium on interest payments on the foreign debt and intended to begin an industrial modernization program desired by the entire country.

But the government opted instead to embrace IMF austerity policies—wage cuts and no investment in infrastructure—and now, in the elections, the communists marked up a victory and advanced in their political and cultural designs.

The PT won the elections in the city of São Paulo, the largest industrial city in Ibero-America, and in other cities in the same state and in Porto Alegre, capital of one of the big food-producing states; and it came out second in the city of Rio de Janeiro. The PT, founded only in 1979, surged as

the force which catalyzed the voters' ire and disillusionment.

In 1982, the party ran for the first time in São Paulo municipal elections, winning 1.4 million votes. As we go to press, without all the votes yet counted, it had 8 million votes. It won 37 mayoralties in total in the Nov. 15 elections.

If Brazilians voted for the PT or the PDT, they did so because of the lack of credibility of the traditional parties. But the PT has a well-defined political design and it is not going to squander the political space which was opened to it thanks to the IMF.

As was shown in the city of São Paulo, the PT will use its party structure and its disciplined cadre to advance toward its goals.

Luiza Erudina, mayor-elect in São Paulo, the PT's main base of action, comes from the most radical faction of the party, called the "Shiites." This is a collection of tiny Trotskyist, terrorist, communist, and socialist sects. Erudina's political life began in the impoverished Northeast of Brazil under the tutelage of the grouping infiltrated into the Catholic Church which we today know as Marxist Theology of Liberation. In her first statements to the press, Erudina said she was a "Catholic socialist."

Later on a television program in November, she accepted the possibility of resort to armed struggle "as a condition for society's structural transformation; the PT will not be the ones to prevent this from taking place. . . . If that were the decision of the majority of the workers [collective will], we would not have any way of

impeding it from happening."

The Liberation Theologists who arose out of the so-called Christian-Marxist Dialogue played a decisive role in founding the PT and in its later activities. In this conception, the PT is the continuation of the Nicaraguan experiment with the Sandinistas.

One of the principal mentors and advisers of the PT is the famous ex-terrorist disciple of Carlos Maringhella, Brother Betto, who was recently in Moscow with Leonardo Boff to pay homage to *perestroika* and President Gorbachov and to the morbid culture of 19th-century writer Fyodor Dostoevsky. Before Dostoevsky's tomb, Boff professed, "I even offered a silent prayer for him who in a bewildered moment of my life also made me leave the house of the dead." Dostoevsky's satanic ideas led to both fascism and Bolshevism in the 20th century.

Brother Betto is a friend of Fidel Castro, and through his urgings the PT has turned itself into the principal promoter of Castro's plan for restructuring Ibero-America's burdensome foreign debt.

A good part of the civilian and military elite, barely recovering from the PT's electoral victories, have stated in diverse ways that these are the fruits of political pluralism, or that the PT will have so many problems to solve that it will soon undergo an "inevitable erosion."

These are purely pragmatic delusions. If Brazil's economic policies are not drastically changed, the velocity of institutional collapse and the resulting destruction of the democratic parties will take place more rapidly than the supposed erosion of the PT. In that kind of situation, a second Nicaragua, but with Brazil's size, could emerge in Ibero-America in the short term.

U.S. loan kills democracy in Tabasco

The state election exposes a dictatorial regime, which holds power in Mexico through fraud and thuggery.

The U.S. government gave a \$3.5 billion emergency loan ostensibly to assure a "peaceful" transition from one Institutional Revolutionary Party (PRI) administration to the next. The money, however, was used to assassinate Mexican democracy and the majority will of the citizenry.

We are not exaggerating, nor do we want to cause pangs of conscience among the U.S. taxpayers who are footing the bill for the bailout of Mexico; the facts speak for themselves, in dry and sometimes violent language.

The assassination of democracy took place in the state of Tabasco, Nov. 9, during the elections there for all state and city offices. Two political organizations fought it out in the elections: the incumbent PRI and the National Democratic Front (FDN). The PRI had everything going against it, as was widely known. Opposition FDN gubernatorial candidate López Obrador is extremely popular. He won the admiration of many members of the PRI party while its state chief until 1984. When he left the PRI for the FDN, López Obrador stressed that during the Miguel de la Madrid administration, the PRI had betrayed its former patriotic principles favoring Mexico's economic and social development and had handed the country over its foreign creditors.

A few weeks later, López Obrador's example was followed by Darvin Ballina, the state chief of the National Peasant Confederation, to which most of the state's farmers, the majority of the voters, belong. From that time on, it was clear the PRI would lose the elections.

Furthermore, the PRI's candidate, Salvador Neme, had been nominated despite huge opposition inside the PRI itself. Neme represents a group of businessmen associated with ex-governor Leandro Rovirosa Wade, who have gotten rich thanks to millions of dollars worth of contracts with Pemex, the state oil company, which has some of its richest oilfields in Tabasco. Everyone in politics knew Neme had been foisted through wheeling and dealing by Miguel de la Madrid and the nest of Pemex contractors who did not want to lose their juicy prebends.

PRI members were ordered to vote for Neme. The government was willing to pay whatever was necessary to guarantee that he at least had the appearance of winning. It also sent Carlos Rojas Gutiérrez, the brother of Pemex director Francisco Rojas, as the PRI's secret agent in the state. He went with Pemex money to buy consciences and votes at any price. Alleged PRI President-elect Carlos Salinas also dispatched his friend Roberto Madrazo, known to be Neme's top enemy, as the PRI's official representative in the state.

On Nov. 9, tension in the state reached the boiling point. The PRI deployed squads of goons to various parts of the state. Army troops from three neighboring states provided an intimidating display of force in the streets of Tabasco's towns. The PRI ran a libel campaign in the press, accusing the FDN of trying to provoke violence during the elections. Many voters stayed home.

That night, the PRI proclaimed itself the victory in every contest. It

claimed to have won 81% of the vote, while saying López Obrador's FDN got only 18%. All the media painted the vote as "the FDN's debacle." It tried to give that impression not only in Tabasco, but all over the country. The highest level of the government had ordered the FDN, which had possibly defeated Salinas in the July 6 presidential elections, to be "smashed" in Tabasco.

The Goebbels-style trick, however, backfired when the PRI was forced to admit that the 81% of the vote it was claiming was based on the count of only 378 out of 1,062 polling places. The PRI proclamation is ridiculous. It wanted to make a propaganda "coup," to give the impression of a PRI victory. The next day it came out that only 38% of the 680,000 registered voters voted. Thus, even if the PRI candidate had won fairly, he would have only had a minority mandate.

The vote fraud was worthy of a dictatorship. Only 8,000 of the 17,300 FDN pollwatchers were given credentials. The government violated election laws by refusing credentials to anyone who had not lived two years in the precinct. And the 8,000 were issued in the state capital the night before the election, too late to get them to the rural areas.

On election day, the PRI sent brigades of voters to vote at one poll after another. Where it knew the FDN would win, it refused to allow thousands of voters to cast their ballots or stole the ballot boxes, etc. The next day, the Pentacostalist minister who leads the oil workers' union in the state was shot to death; the authorities have not lifted a finger to find the murderers. Insiders speculate it was retaliation for the union not having tried to stop its members from voting FDN.

The U.S. loan financed these atrocities.

Hit attempt on defense minister

Colombia's communist insurgency has launched an offensive "to the death" against the armed forces.

Terrorists scored a near miss on Nov. 22, when a remote-control bomb intended for the car of Colombian Defense Minister Manuel Jaime Guerrero Paz was detonated seconds later than planned, and blew up the security car following a few feet behind the minister's. All four guards in the second car died in the explosion, which occurred very near the defense ministry in Bogotá.

General Guerrero Paz had only recently become defense minister, after his predecessor Gen. Rafael Samudio Molina was fired by President Virgilio Barco after he called for an "end to the martyrdom of the armed forces," an implicit criticism of the government's straitjacketing of the military in its war on subversion. Guerrero Paz, a co-thinker of Samudio's, has been a long-standing target of the Colombian Communist Party, which has demanded his resignation as armed forces commander for years. Throughout the week before the bombing, the Communists had been seeking Guerrero Paz's resignation, for his alleged sponsorship of paramilitary violence.

The murder attempt occurred in the midst of an escalating Communist propaganda campaign to hold the military responsible for a series of rural massacres which evidence suggests was carried out either by the drug mob or their guerrilla allies. The latest scandal was whipped up around a bloody Nov. 11 terrorist assault on the gold-mining town of Segovia, in northwestern Antioquia department. Some 200 heavily armed commandos invaded the town in the midst of a

violent nighttime thunderstorm and proceeded to mow down civilians, many of whom had taken shelter in bars and coffee shops. A toll of some 45 dead and another 30-40 wounded made it one of the worst terrorist incidents in Colombia so far this year.

Antioquia Gov. Antonio Roldán Betancur told the media that the attack was carried out by combined forces of the Maoist ELN (National Liberation Army) and Moscow-run FARC (Colombian Revolutionary Armed Forces), an assessment confirmed by Gen. Raúl Rojas, commander of the Army's XIV Brigade. Days later, on Nov. 19, Roldán was the target of a failed assassination attempt, when his helicopter was machine-gunned and forced into an emergency landing.

Nonetheless, the Colombian left presented Segovia as the latest victim of the military's "dirty war." The mayor of Segovia, a member of the Communist Party electoral front, the UP (Patriotic Union), charged that the attack had been carried out by right-wing paramilitary forces backed by the army, although only one victim of the Segovia massacre was a member of the UP, and all the rest members of Colombia's traditional political parties. Further, the mayor had been meeting with UP town councilmen at the time of the assault, and yet they were unmolested by the terrorists. An ongoing meeting of radical trade unionists was also undisturbed.

Immediately following the Segovia massacre, both the Colombian Communist Party and the UP leadership issued public statements charg-

ing the military with responsibility, and demanding the resignations of Defense Minister Guerrero Paz, Interior Minister Cesar Gaviria Trujillo (who had successfully orchestrated the defeat of the terrorist-endorsed general strike of Oct. 26), and other cabinet members. The Communists insisted that "struggle in all its forms" be employed to defeat militarism and "state terrorism."

Incredibly, the government appears to be following the Communist Party's scenario to the letter. The Colombian Chamber of Deputies approved a motion, sponsored by UP congressmen but backing by members of the ruling Liberal Party as well, strongly criticizing the military in the area for failing to defend "life, honor, and property." An official investigating commission headed by the justice minister issued a preliminary report suggesting that the Segovia massacre was the work of paramilitary forces. Interior Minister Gaviria declared that "the most likely hypothesis is that it was a paramilitary group."

While the military, in the aftermath of General Samudio's sacking, is backed into a corner, the Barco government has formally endorsed a concept of "regional dialogue" with the same narco-terrorist guerrillas who have declared "total war" against the Colombian state. The man heading up the "regional dialogue" initiative is Alberto Santofimio Botero, whose faction in the Liberal Party has sponsored numerous known drug traffickers for public office, including the head of the infamous cocaine-trafficking Medellín Cartel, Pablo Escobar Gaviria. Santofimio is reliably reported to be using the "dialogue" initiative to pave the way for a presidential bid in 1990, and is already demanding sweeping reforms of the Constitution to permit his narco-terrorist allies to take part in politics.

International Intelligence

Walesa sees little chance for talks

Polish Solidarity leader Lech Walesa said Nov. 20 that there was no prospect of negotiations between his opposition movement and the Polish government. He made the statement after two secret meetings with Poland's interior minister.

"At the moment the 'roundtable' talks have not even the slightest chance of taking place," Walesa told Reuters in a phone interview.

He said he and Interior Minister Gen. Czeslaw Kiszczak made minimal progress at meetings on Nov. 18 and 19.

"The coming days will be decisive. . . . I repeat that compromises must be far-reaching because the situation in the economy is bad and there can be no more claims as far as pay is concerned. There can be no strike claims," he said.

Gorbachov, Gandhi want U.N. role in Afghanistan

Soviet President Mikhail Gorbachov, ending his three-day visit to India Nov. 19, signed a joint statement with Prime Minister Rajiv Gandhi that said an international conference might be needed to produce a solution to the Afghan conflict.

The declaration urged U.N. Secretary General Javier Pérez de Cuellar to use the mandate he was given by a resolution passed in November, to get talks going between the parties to the Afghan conflict to establish a coalition government.

The declaration also noted that "the two countries deplore the obstructionist policy of certain forces which are violating the accords," a presumed reference to Pakistan and the United States, as well as Afghan guerrillas.

Gorbachov left open the door to abandoning the Geneva Accords and leaving troops in Afghanistan beyond the Feb. 15, 1989 deadline, noting that the actions of the United States and Pakistan "appear to indicate that they would like to make us rescind

those accords."

On other matters, the declaration said that no nation should have military bases outside its borders. This was not elaborated on, nor did Gorbachov offer to close Soviet bases abroad. "Militarism, power politics and the division of the world into military alliances . . . should be discarded. There should be no military bases or facilities outside national borders."

Trotsky's son is rehabilitated by Kremlin

Leon Trotsky's son, Sergei Sedov, who was shot in Moscow in 1937 after his father was alleged to have plotted to kill Josef Stalin, has been rehabilitated.

The decision was made by the Soviet Supreme Court, which during November "lifted all charges" against Sedov, who stayed behind when Trotsky was exiled abroad in 1929.

Sergei's brother, Lev, was murdered in Paris by Soviet agents at the beginning of the Moscow purges.

Analysts view the decision to rehabilitate Sedov as an obvious step toward partial rehabilitation of Trotsky himself.

Another step came during October, when an official of the State Publishing Committee announced that some of Trotsky's works would be published in Moscow next year to mark the centenary of his birth.

Form new opposition alliance in Burma

A new alliance of 22 Burmese factions, including guerrillas, fugitive students, and overseas groups, joined into the Democratic Alliance of Burma in mid-November, and urged the international community to completely isolate the military government currently in power in Rangoon.

It has called for an interim government to be established under U.N. auspices.

Rangoon radio reported that government officials had met with diplomats from Australia, Singapore, Egypt, and neighbor-

ing Bangladesh to explain the country's situation and ask that normal commercial relations be maintained. On this, there was agreement.

Chinese Prime Minister Li Peng also said during a visit to Thailand that commercial relations between the People's Republic of China and Burma were proceeding normally.

Only the United States, Britain, and the United Nations have halted all aid.

Briton sees Soviet manipulation of 'greens'

Former British Defense Minister Michael Heseltine warned Nov. 23 that the Soviets are playing the "green peace" card, to manipulate the "environmentalist" movement to cause the unilateral disarmament and weakening of the West. Because of such Soviet operations, Heseltine warned, the Soviet Union under Mikhail Gorbachov was potentially more dangerous to the West than previous Soviet regimes.

The speech was unusual, coming from a liberal politician and strategist. All the more so in that it was delivered before the very liberal Royal Institute for International Affairs in London, also known as Chatham House, the seat of the most pro-Soviet faction of British intelligence.

Heseltine identified his approach as that of the "realists" of the West, presumably indicating that same faction as CIA Deputy Director Robert Gates and former Secretary of State Henry Kissinger, who agree with liberal Establishment factions on "global power sharing" with the Soviet Union, but refuse to put so much trust in the Russians' living up to agreements that they do not insist that the West maintain its military strength.

Heseltine focused on the Soviets' use of the phrase "international ecological security," as a key-and-code for using "environmental" issues to bring about the disarmament of the West.

In the concluding section of his speech, Heseltine stated that there is a particular danger in the Soviets focusing their "green

peace" ploys on West Germany, against the modernization of NATO weaponry, and against short-range missiles stationed in West Germany. The Soviets will argue that NATO weaponry is destroying the environment, and that the West's refusal to disarm is forcing the Soviets to keep arming, thereby worsening the environment even more. Such arguments, he said, will find a particular resonance among the West German electorate.

The reason the Soviets push international cooperation on "environmental matters," is that technologies important for monitoring the environment, both via space and via computers, are also applicable in the military domain.

Australia promotes Soviet Pacific role

Australian Foreign Affairs Minister Gareth Evans has told neighboring nations, especially the island nations of the South Pacific, that Australia would not oppose their development of trade with the Soviet Union, the *Daily Telegraph* of London reported Oct. 27.

Talks are already being held in Moscow on a plan for Soviet fishing fleets to use Australian ports. The former foreign minister, Bill Hayden, now the governor-general designate, had strongly opposed fishing and other agreements with the Soviets.

But Evans said on television in late October that "Australia has to acknowledge the reality that all these Pacific countries are sovereign nations in their own right, perfectly able and willing to make decisions without help from countries like us. To protest about Pacific links with the Soviets would go against the maturer set of relationships we want to develop in the region."

Papua New Guinea is now discussing allowing the Soviets to open an embassy in Port Moresby, and Aeroflot is seeking landing rights—to rotate fishing crews, it claims. Fiji, Tonga, Vanuatu, and Kiribati are negotiating or have already signed fishing agreements with the Soviets.

Ian Sinclair, leader of the Federal National party, called Evans "recklessly indif-

ferent to the strategic and political realities of Australia's neighboring region."

State Dept. considers visa for Arafat

The U.S. State Department, as *EIR* goes to press, is considering issuance of a visa to Palestine Liberation Organization leader Yasser Arafat. The United Nations formally submitted a visa application on Nov. 21, so that Arafat might address the U.N. General Assembly on Dec. 7.

Reuters reported that Arafat, speaking in Cairo Nov. 22, said that Egyptian leaders had told him that the United States would give him a visa to visit New York Dec. 6 and 7.

This would coincide with Soviet leader Mikhail Gorbachov's visit to the U.N.

However, State Department spokesman Charles Redman Nov. 22 denied that the United States had already decided to grant the visa to Arafat, and stated that Arafat had not yet submitted a formal application, contrary to the indications of a U.N. spokesman.

Vietnam initiates population measures

The government of Vietnam, which is facing severe food shortages, has announced that any family having more than two children will be punished, Britain's *Independent* newspaper reported Nov. 22.

One day earlier, Malaysia followed Hong Kong in announcing that it could accept no more Vietnamese "boat people," because of the difficulty of maintaining the rapidly growing numbers of refugees.

Over 1,000 Vietnamese arrived in Malaysia in October alone, and the main Malaysian refugee camp already has 13,000 people in it. The camp will be closed after the refugees are resettled.

Meanwhile, advanced sector nations are taking only a tiny number of Vietnamese refugees for final settlement—as few as 2-3 a month by Great Britain, for example.

Briefly

● **AUSTRALIAN** Prime Minister Bob Hawke announced Nov. 22 that the United States will be permitted to operate its two early warning bases in Australia for at least another 10 years. Hawke told parliament that the United States had agreed to allow more Australian involvement in the management of the bases at Pine Gap and Nurrungar under a new agreement.

● **RITA SÜSSMUTH**, the West German health minister notorious for her do-nothing AIDS policy, was elected speaker of the Bundestag Nov. 25, replacing Philipp Jenninger, who resigned after a Soviet-orchestrated propaganda campaign falsely branded a speech he delivered "Nazi."

● **ISRAEL'S** Supreme Court will hear an appeal from lawyers for the condemned John Demjanjuk Dec. 5. In April, an Israeli court ruled that the retired Cleveland autoworker was in fact "Ivan the Terrible," the murderous Treblinka concentration camp guard. The only evidence was Soviet-supplied, and the proceeding has been broadly condemned as a railroad.

● **THAILAND'S** foreign minister, Siddhi Savetsila announced that his deputy will meet with Deputy Japanese Foreign Minister Takekazu Kuriyama when the latter arrives in Bangkok from Hanoi to present a Japanese peace plan for Kampuchea. The plan involves Japanese aid to revive the Kampuchean economy. Siddhi said that Vietnam was concerned over improving Moscow-Beijing relations, and wanted Kampuchea settled on a regional, not international basis.

● **THE CATHOLIC** Bishops Secretariat of Central America, meeting in San Salvador, voted to urge the United States to lift all sanctions against Panama, and pledged to promote dialogue as a way to end the region's conflicts.

Experiment proves music sounds better at low tuning

by Hartmut Cramer

November 6, 1988 will undoubtedly go down in musical history since, on this day, in an internationally famous musical institute, the scientific proof was given that music sounds more beautiful in the "Verdi tuning" of $C = 256$ Hz (corresponds to $A = 432$ Hz) than in the higher tuning commonly used today.

In a simple but extraordinarily conclusive experiment, which absolutely deserves the predicate "unique," it was demonstrated that the sounds produced in the low tuning have a greater abundance of overtones. The result: The sounds have more color, and their volume and carrying capacity are greater. The qualitative difference, which is heard immediately when comparing the low and the high tuning, was thus objectively and unambiguously confirmed.

Prof. Bruno Barosi, director of the Physical Acoustics Laboratory at the International Institute for Violin Construction in Cremona, and Prof. Norbert Brainin, first violin of the unforgettable Amadeus Quartet, carried out the experiment together at the institute's headquarters in historic Palazzo Raimondi, one of the most beautiful buildings in this world-famous northern Italian city.

Naturally, in a place so rich in tradition, Brainin played on a Stradivarius violin—the Omobono Stradivarius of 1736, which was probably built by Omobono, one of the two violin-building sons of Antonio Stradivarius, under his father's supervision, if not by the then 92-year-old master himself.

The experiment

The idea on which this experiment was based is the following: Since the tones in the low tuning sound significantly "rounder," that is, fuller and with more color, they must be physically distinguished by a greater abundance of over-

tones, in comparison with the tones in the high register. If the attempt to make this difference in richness of overtones obvious by means of a physical experiment is successful, then the proof is produced that the lower, scientific Verdi tuning is superior to the higher, arbitrary "von Karajan" tuning.

The special importance of such a physical experiment lies, however, primarily in the fact that the question of musical tuning is removed from the realm of personal opinion and individual taste and raised to the level of scientific *fact*.

In carrying out the experiment, Brainin played on the four open strings G, D, A, and E, as well as the corresponding octaves, first in the low tuning and then in the high. Brainin's precision in intonation astonished the Cremonese experts, who have had many great violinists as guests at their institute. Without fail, Brainin each time hit the octave, "exactly to the Hertz," and thus twice the frequency of the open string, in each tuning.

Using computers, Barosi and his assistants carried out spectroscopic analysis of the recorded sounds that were finally drawn in the form of curves. Comparison of the curves produced an unambiguous picture: The sounds in the deep tuning were distinguished by their abundance of overtones, both with regard to the number of such and to the volume. The whole procedure was recorded and stored so that it can be repeated and controlled.

In a further experiment, the recording demonstrated the rate at which the Omobono Stradivarius reacted to the entire spectrum of frequencies from 20 to 20,000 Hz, the typical pattern of an "old violin of the Cremona School," and really quite similar to the famous Il Cremonese Stradivarius of 1715 that is displayed in the Cremona Town Hall. Remarkably,



From the April 9, 1988 Schiller Institute conference in Milan: left, Norbert Brainin and pianist Günter Ludwig at the close of their concert; below, Prof. Bruno Barosi of Cremona during his presentation.



the violin showed its best resonance at 259 Hz, and thus quite close to C = 256 Hz; Stradivarius, therefore, "tuned" this violin low, as he did his others as well.

The music

In order not to leave the matter on a "cold" physical-technical level, Brainin repeated in conclusion a musical demonstration that he had done earlier this summer in private. Following a suggestion of his friend Lyndon LaRouche, Brainin, using Bach's works for solo violin, demonstrated the musical superiority of the low tuning over the high; thus he extended to the instrumental field, the experiment with the human voice, with which the Italian baritone Piero Cappuccilli had so convinced his listeners in April in Milan at the historic conference of the Schiller Institute.

In Cremona, the demonstration was especially successful. It was recorded for TV, and broadcast that evening on the regional news. On Nov. 24, Professor Barosi explained the experiment to politicians at a hearing in Rome at the Ministry of Culture that is considering the proposed law formulated by the Schiller Institute for a return to the Verdi tuning.

Italy would not be Italy, and Cremona, not Cremona, if matters had been left like that. Naturally, there was, following the successful experiment, a typical Italian banquet, in this case, of course, in a restaurant boasting classical Cremonese cuisine. At a dinner featuring Cremonese salami, prosciutto, homemade pasta, exquisite pheasant, and incomparable *dolci* (desserts), the "secret" of the Stradivarius was

revealed: "All the stories of varnishes wrapped in mystery, of special wood, etc. have very little to do with the actual achievement of the greatest Cremona violin makers, of whom Stradivarius was unambiguously the best," Barosi stated.

"Cremona was at that time *the* scientific and mathematical center of Italy," he explained. "Stradivarius, an absolutely first-class craftsman, was simultaneously also a great experimenter who constantly sought new ways to build better violins. Since he had the best mathematicians in Italy around him, it is no accident that he not only created violins that are wonderfully beautiful from the craftsman's point of view, but are also violins that produce the most beautiful tone, a 'round' tone that is distinguished by an extraordinarily soft address and the greatest carrying-capacity."

In closing, there was yet another precious moment: After the espresso, the head chef asked Brainin to play his Stradivarius since she, although born in Cremona, had herself never seen or heard such an instrument. To the great pleasure of the last guests, the waiters, and the kitchen staff, Brainin played the Omobono once again.



'All music comes from the human voice'

Mr. Richard Bonyngé, leading international opera conductor, is also a historian of the bel canto school and artistic guide for his wife, soprano Dame Joan Sutherland. During a brief stop in the U.S. in October, Dame Joan and Mr. Bonyngé enthusiastically signed the Schiller Institute's petition to the Italian Parliament in support of a pending bill to establish standard pitch for all government-subsidized musical performances at A=432, instead of today's International Standard Pitch of A=440, or the often higher tunings which prevail in many symphony halls and opera houses today.

Mr. Bonyngé gave EIR correspondent Kathy Wolfe both their thoughts on the subject Oct. 25, as Dame Joan was indisposed.

By way of background, A=432 was the standard proposed by Giuseppe Verdi in 1884 as the equivalent of setting middle C at 256 vibrations per second, which had long been known as the "scientific pitch" and which was the tuning fork of the classical composers from Bach onward. A bill has now been introduced into the Italian Senate by Senators Boggio and Mezzapesa, to return to the "Verdi A." The historical research and scientific investigations to support the "Verdi A" based on C=256, have been carried out by Schiller Institute members at the encouragement of Lyndon H. La-Rouche, Jr.

The campaign for the current legislation was started in April 1988 at a Schiller Institute conference in Milan addressed by soprano Renata Tebaldi and baritone Piero Cappuccilli, who are among the world's leading opera singers of the postwar era. The "Verdi A" is pitted against the "Goebbels A," the A=440 tuning, imposed in 1939 at the instigation of Nazi Propaganda Minister Josef Goebbels's Radio Berlin, which cannot claim either a scientific or a historical foundation.

EIR: Mr. Bonyngé, the Schiller Institute particularly sought out Dame Joan and yourself for signatures, because you two led the movement to revive the great bel canto operas.

Bonyngé: I'm glad you did that. . . . I must say I feel quite strongly about it, because the pitch in some places has gone

wild. In Milan and Vienna we've had it up to 448, it's ridiculous. It not only puts a great strain on singers; to me it's absurd because it makes them sound so bad. The sound comes out over-bright, and the high notes are hard—and both for singers and for orchestras. And I think you are hearing a different sound than that of which the composers conceived.

EIR: What motivated you to revive bel canto opera?

Bonyngé: Probably about 1949-50, we heard the first Callas record of [Bellini's] *I Puritani*, and that made us realize that not only light sopranos can sing the bel canto repertoire. It had been limited to light sopranos in the 1930s, 1940s, and 1950s. We began as early as 1951, working on things like *Puritani*, and the very florid Mozart roles, and then moving later into all sorts of bel canto repertoire.

Because when Joan first went to Covent Garden in 1952, they gave her heavy roles—*Aida* and *Un Ballo in Maschera*.

EIR: Really!

Bonyngé: Oh yes, she sang them in the theater many times. Her first understudy role was the Marschallin [in Richard Strauss's *Der Rosenkavalier*] and they wanted her to understudy Flosshilde and Sieglinde [from Wagner's Ring cycle].

EIR: You're kidding!

Bonyngé: Yes, and we rebelled against it, because we thought it was the wrong direction for her, and we had many fights. And for a long time she was singing both the heavy and the light repertoire, until they gave way after three years and gave her the doll [Olympia, a high coloratura role] in Offenbach's *Tales of Hoffman*.

However, they gave her Olympia and *Aida*, in the same week. They'd give her *Aida* on Monday, the title role, and Olympia on Wednesday. She had big success in both, but the success as Olympia was overwhelming—and I think that changed the tide. After that they gave her [lighter roles such as] Gilda in Verdi's *Rigoletto* and eventually Donizetti's Lucia in 1959.

They thought she was a Wagnerian, a dramatic soprano. They were grooming her to be the Wagnerian singer for the

house. Well, she *is* a dramatic soprano, insofar as she is capable of singing Turandot, Norma, and Donna Anna. She certainly could sing the big Wagner roles, if she had gone into them.

But she preferred to go the direction of the bel canto; because there is so much more to it, she could go so much further, it opened up the repertoire for her so much.

EIR: I always thought it was a rather large voice for Lucia. . . . You agreed with their diagnosis, you just didn't like the repertoire?

Bonyng: I like Wagner, I just didn't think it was right for her. It wasn't that I thought she couldn't sing it, it was just that I wanted her to sing so much else. But I think that if she had sung Wagner, *under present conditions*, the pitches of course as they are, and the orchestras as absolutely open as they are today—Wagner did not intend for his operas to be sung with this huge amount of orchestra. He wrote all of the big ones for [the covered orchestra pit at] Bayreuth; in the earlier ones, the orchestras were under the stage, anyway. And the voices were not supposed to have to yell all the time. You listen to Wagnerian singers today: Most of them don't sing, they yell! And I didn't want her to get into that way of singing, and she has been able to avoid it all of these years.

EIR: Just for Dame Joan, or is the bel canto route better for all singers?

Bonyng: It would probably be better for all voices. I believe very strongly that all voices should study the bel canto, it doesn't matter whether they are male or female, or dramatic, or *what* they are—what size has nothing to do with it. They should all study the bel canto, because *if* you can sing and master the bel canto repertoire, I think you can sing anything. The modern repertoire becomes easy if you are proficient in bel canto, because you know how to place your voice and where to put all the notes. If you are started in the heavy repertoire, and the modern repertoire, you *never* learn to sing—all you do is get into some terrible faults.

EIR: Was it the conductor Tullio Serafin who started the bel canto movement?

Bonyng: Serafin cared a great deal for bel canto, yes, he started back in the 1930s with Rosa Ponselle—and he introduced her to *Norma*. . . . Covent Garden sent us to Venice in 1959 to study with him. And that was quite wonderful, because he was supposed to work on *Lucia* with us, but after a couple of days of *Lucia*, he said, "Why don't you just bring *Norma* and *Sonnambula* and *Puritani*?" [all operas by the bel canto composer Vincenzo Bellini] and then he worked on all of them. . . . He was a wonderful man. He was the greatest opera conductor of the century, or the greatest one that I had the privilege of hearing.

EIR: Your manager Mr. Boon said Maestro Serafin fought

the rise of the pitch, too.

Bonyng: I don't know, but once we had done a lot of performances in Milan and Vienna, we realized that this A = 448 is just ghastly!

EIR: When did you start doing it that high?

Bonyng: Oh, I suppose already in the 1960s, they were using that very, very high pitch. In Vienna, they loved to have a high pitch there; and Milan was very bad. Milan recently has dropped again, because so many of the singers have made such a fuss about it.

EIR: You have stressed that the importance of bel canto is that music is based upon the human voice. . . .

Bonyng: I think all music comes from the human voice, because that's how music began; and then men invented instruments to go *with* the human voice, and things became more and more sophisticated as time went on. For example, I am not crazy about going *back* to old instruments, because we have developed the instruments so much. But I do think this raising of the pitch is a horrendous thing; because what one is hearing constitutes things which are not the way the composer wants them.

To be very specific, in *Puritani*, for example, the tenor's music is written exceptionally high.

EIR: Including an F above high C. . . .

Bonyng: It's general to drop that a semitone today. If it is dropped a semitone it sounds much more beautiful—very, very much more beautiful—because the sound becomes more dulcet and more round. There are a couple of tenors who are *able* to sing it up, and then of course because they are able to, they want to show that they can. But I don't think it sounds better, I think it sounds better down.

The same goes for the high piece in *Lucia*: It sounds too brittle to me. The composer, Donizetti, wrote Lucia di Lammermoor for Fanny Persiani (1812-67), who had a very, very high voice, so he wrote it up there; but when the other singers started singing it, they all sang it in a lower key. Actually it was almost never published in the higher key.

EIR: Henry Pleasants, the opera scholar, in a recent article being published by *EIR*, reports on a new finding of the Donizetti autograph of *Lucia*, which shows Lucia's famous mad scene was actually composed in F, not in E-flat, but had to be taken down because of the subsequent rise in the pitch. . . .

Bonyng: This is quite true—it was composed that way for Persiani. It wouldn't have been as high as our modern-day F—it would have been no more than an E at most.

EIR: And it's normally done today only in E-flat, isn't it?

Bonyng: Yes, but you see, it was done already in the early 19th century in the E-flat. Persiani may have sung it in F, but

it was very soon dropped, and nearly all of the published scores are in E-flat.

EIR: But mightn't that be because, by 1840 or 1850 in many places—and it *was* Wagner who did this—they had already pushed the pitch almost up to 450?

Bonyng: As high as that? I think it varied enormously from city to city. . . . In Naples [where Donizetti composed *Lucia*] the pitch was not so high. . . .

EIR: Conductors aside, there is evidence that the great composers starting with J.S. Bach composed for the scientific pitch of $C = 256$, between $A = 427-432$. In many Bach choruses, the tenors and sopranos have high B's above the staff; and the altos and the basses have low, low F's and D's, such that about 430 is where it can be sung. Not much higher, certainly, but also not much lower. If you take Bach down to $A = 392$ you need to have men singing the alto line!

Mozart and Beethoven are also routinely recorded at $A = 430$ by original instruments groups today, too. So wouldn't it seem that that's where Donizetti wanted his pitch?

Bonyng: I would imagine so, because it sounds better at those pitches. Sometimes a composer heard something in a different key, but then when he sat down with the singers, then he found that it didn't work. For example, Bellini wrote [the major aria from *Norma*] "Casta Diva" in G major. We have actually recorded it in G major, but I still think it sounds better in the lower key, to my ears, in F. It's always pitched in F. In fact certain singers in history sang it in E or E-flat.

EIR: But the idea that Donizetti and Bellini wrote these at least as far down at $A = 430$, if not further, makes perfect sense to you?

Bonyng: Absolutely! Now, take for example all the Handel operas. Those are murderous to sing at the modern pitch—especially for sopranos, because he constantly makes the voice sit up between a G and an A-natural, the top of the voice.

EIR: Which operas, for example?

Bonyng: Well, any you would like to mention—*Julius Caesar*, *Rosalinda*, *Alcina*. . . constantly, the soprano voice is up in G-A—which is just in the break—and they become extremely awkward. If you drop them, by modern standards, even by 440—a semitone—then they become much more singable, much more manageable. It seems to make an enormous amount of difference, just this small amount.

EIR: Yes, enough to change all the registers of the voices. When you move the pitch, even as little as 10 Hertz, from say 430 to 440, you change the register shift. At $A = 430$, a tenor need not "cover"—[shift up into the high third register—his F-natural, he can leave it in the middle register. But at $A = 440$, even a Pavarotti, as he pointed out in a recent TV

feature you did with him, must cover the F-natural.

Where do you and Dame Joan believe that tenors and sopranos, say, should shift their registers?

Bonyng: I don't think you can categorize it. I don't think you can say it's exactly on this note or that note. To me, it alters very much for different voices. I hear sopranos who have the high shift come on F-sharp-G, and others G-A-flat, and others A-flat-A-natural. And for Joan, the shift from the chest to the middle register is E-flat to E-natural.

There are three registers; to me there is no doubt about that. . . . It's just that one has to disguise the registers so absolutely, that it sounds as if there aren't any!

EIR: Sure, but if you tried to drive your car in first gear all the way up to 90 mph, you'd get into trouble!

Bonyng: And if you try to sing, in chest register, arias all the way up to the C above middle C—which I have heard singers try to do—they get into trouble, too!

EIR: Some composers wrote for specific shifts. For example, Piero Cappuccilli demonstrated the proper shifts for a baritone at $C = 256$ at the Schiller Institute Milan conference. He sang "O, de verd'anni miei" from Verdi's *Ernani* which has a turn right in the first line going up to an E-flat. This is a quick turn, it should be a smooth passing note, staying down in the lower middle register. He was visibly delighted—he had never done it this low with no need to shift that E-flat into the third higher register. Then he sang it at $A = 440$, and had to jack the E-flat up, and didn't like it at all.

Furthermore, often the composer wants one phrase, poetically, in a lower register color voice, and a second, new phrase, in a new register voice. But in this aria at $A = 440$, you have to shift *both* the E-flat and the E-natural up, so you're *not* getting two poetic voices.

Bonyng: Right, right. . . . I could see immediately! It will make an enormous amount of difference. I've done Handel operas, for example, by modern pitch, a semitone low—so whatever that comes to, that comes to around 430 or 428 [about $A = 420$ —ed.], it certainly makes the whole thing sound more beautiful, and certainly easier to sing. You have to then have very good altos, very good contraltos, because it does, as you say, put the lower roles down—take Marilyn Horne—they are very comfortable around the F and the E below middle C. Monica Sinclair, also—another singer who had a certain career many years ago. They were absolutely comfortable down in that register. And I have a feeling that the singers of Handel's time were much happier down there. Everybody is pushing up their voices today.

EIR: That raises another issue. Do you and Dame Joan have any concrete views on how we are going to continue bel canto as a scientific tradition? I noticed that you are always bringing up younger artists.

Bonyng: All one can do is to advise them, and try to lead

them in that direction. But you know, young people are very stubborn. And in these modern days, they all want to be stars yesterday. I'm afraid that these days they have to learn through experience—and experience often kills. And I think this is the reason that we have a dearth of singers these days, because everyone tries to do everything too fast. The pitches are grueling, and that hurts very much. And of course, they have all the jets, and they fly from here to there, they're performing too much, everybody does too much.

EIR: Do you think the opera houses are too big?

Bonyng: The houses are much too big; the television is a disaster, because as soon as the singer is beautiful, or young and handsome, they are on the television doing these roles they shouldn't do. And there are so many things to fight against, that didn't exist in the last century.

EIR: Do you talk to them about registration?

Bonyng: Oh, if they are smart enough, yes! The whole thing is, they're not smart; a lot of it goes in one ear and out the other. You have to find ones that can understand.

EIR: Do you know any schools teaching registration?

Bonyng: No, they don't seem to *understand* the registers anymore. People are so keen on saying "they don't exist," because we shouldn't *hear* them—but of course, they *must* exist, physically they *do* exist. If you try to sing without using registers, the tone becomes pallid, because you don't have the brilliance in the top and you don't have the depth beneath that you need.

EIR: One political question. Did you know that Lyndon LaRouche, the U.S. presidential candidate, organized this movement?

Bonyng: No, not at all.

EIR: This is why he is so controversial—he has attacked the whole rock and roll, drug culture. People don't like someone telling them: "You can't do your thing." He says that modern music is garbage, that the whole present-day culture, with the drugs and the rock music, is making people stupid.

Bonyng: Well, he has more than a point there. . . . I have no patience at all with that. That's just jungle music, it's primitive, it's just primitive instincts that are being catered to. I believe that real music has great powers; I think it has great powers of healing for the mind and the body. And I think a return to classical music would go a long way to fixing the world up. Whether it happens, is another story.

EIR: What do you think of a presidential candidate making that a major plank of his platform?

Bonyng: Wonderful! It's quite wonderful that anybody that's to do with the government, can think really deeply about something that really matters.

EIR: And what do you think of the idea of the fight for a lower pitch at the center of that?

Bonyng: It's very wonderful, but it's going to be very hard to do it. Because you see, apart from me, a lot of conductors won't fight it, because they think that the orchestra sounds more brilliant in a higher register. I personally don't agree with that; I love the more mellow sound you get from a lower pitch. No matter what the music is—all the 18th- and all the 19th-century music at a lower pitch, sounds very much more beautiful.

EIR: But, since art has to represent truth, and since the composers wrote at this pitch, and indeed had poetic ideas which were specific to the pitch—

Bonyng: —then we should try to reproduce the same, as much as we are able. I don't think one can *absolutely* reproduce what was done 100-150 years ago, but one can try.

EIR: The Schiller Institute has just recently worked with a New Jersey opera company called the Lubo Opera to return to the Verdi pitch. They began performing this month, at 435, which is an historic first in the U.S. They want to try to move down to 430-432 if they can figure out what to do about their woodwinds. What do you think of that idea?

Bonyng: I don't know; we've come so far with music, and people have become so used to this at the higher pitch. If people can get down to 435, even 438 in my mind, then I think that would be a good thing, and one might carry the day with that, to a great extent.

EIR: But if composers wrote for 430, they wrote for 430.

Bonyng: Yes, yes . . . but I think it's going to be very hard to get it down to 430.

EIR: Do you think it's desirable, though?

Bonyng: Yes, in many instances.

'Verdi A' advances

At a Schiller Institute conference in Rome on Nov. 24, more than 80 musicians and music lovers gathered to discuss the bill to lower tuning to the Verdi A = 432 (C = 256), now before the Italian Senate. Telegrams of support for the bill were read, including by Luciano Pavarotti and Carlo Bergonzi. Two demonstrations of the superiority of the lower tuning were given, one by Bruno Barosi of the Cremona violin-making institute (see page 58), the other by world famous baritone Piero Cappuccilli, who sang two examples from Verdi operas at the different pitches.

LaRouche blasts 'railroad' in Alexandria trial

by Nancy Spannaus

Having whisked through jury selection in less than two hours, on Nov. 21 Judge Albert V. Bryan started the loan fraud and tax conspiracy case of *U.S.A. v. Lyndon LaRouche et al.* in Alexandria, Virginia. Bryan's actions, including the rulings he has made to limit the defense in its attacks on government harassment and financial warfare, led chief defendant and prominent political leader Lyndon LaRouche to comment, "Judge Bryan is an efficient administrator, but he's running the court like a railroad."

Following the opening statement by Assistant U.S. Attorney Kent Robinson, which claimed that the case had nothing to do with politics, the seven defense attorneys all countered with opening presentations on the fact that it is the LaRouche political movement's political enemies, including the government, who are responsible for the movement's financial problems, including the inability to pay back loans.

On trial in Alexandria with LaRouche, are fundraisers Michael Billington, Paul Greenberg, Joyce Rubinstein, and Dennis Small, along with National Executive Committee members of the philosophical association established by LaRouche, the NCLC: Edward Spannaus and William Wertz.

Government interference

In the first opening statement for the defense, attorney Brian Gettings, representing William Wertz, laid out the central thrust of the defense's argument against the loan fraud conspiracy. The evidence will show, Gettings argued, that the defendants had every reason to believe that they would be able to pay back the loans, taken in the "loan years" of 1984 and 1985, based on the growing support for their political movement.

But they were not allowed to do so. First, there was the

raid of October 1986, and then the forced bankruptcy. The only thing you can conclude is that if the defendants had been left alone, they would have been able to pay, but they weren't.

Gettings substantiated at some length the income/loan profile of the organizing over the years. The evidence will show, he said, that total income, from sales of publications and contributions, was growing substantially up through 1983; in fact over the years from 1979 to 1983, the total income was \$50 million, mostly from sales and contributions. When the heavy reliance on loans began, it was also accompanied by continued growth in traditional income and contributions. Loans never came close to exceeding the income derived from publications.

Will Wertz, Gettings said, had every reason to believe that the positive trend would continue, and that loans would be able to be paid back. But by early 1985, the loan situation had become critical, and Wertz became aware of it. His response was to make an all-out effort to lessen the dependence on loans and pay them back.

Some people in the organization at this point just quit and walked away from the problem—like government witness Chris Curtis. But Wertz had every expectation that it could be turned around. Gettings then described the decreasing amount of loans, and efforts to obtain forgivenesses.

The sticking point, however, came with the federal government's intervention, the October 1986 raid, "which all but destroyed any hope they had of paying it back." This not only smashed income, but increased expenses, for things such as lawyers, for example.

There is no evidence of fraud here, Gettings concluded. Despite the raid and the bankruptcy, they bounced back. In

fact, since 1979, they raised over \$150 million—the real context for the \$30 million in loans the government talks about. “Things would be very different today, if they were just left alone,” Gettings concluded.

Political enemies

Michael Reilly, attorney for Paul Greenberg, directly answered the question in the *U.S.A. v. LaRouche* case as to why loans were not repaid by the defendants, in his opening statement. Reilly said that the defense would show that it was a series of unexpected attacks, including by the federal government, that prevented the repayment. Other attackers named were the FBI, state officials, NBC-TV, the ADL, and the big banks.

Reilly then explained why these agencies would oppose the LaRouche political movement. First, because that movement attacked the most powerful forces in the country in an attempt to improve the country. Second, because they went after those things they considered immoral in a harsh way. And third, because the attacks began to be successful—through successes like the Strategic Defense Initiative (SDI) and the Illinois electoral victories.

It was this set of attacks, especially through the media, that interfered with business contracts and other sales expectations. And, in fact, the defendants said so at the time, with the letters sent out to lenders. The government, of course, says the defendants didn’t mean what they said in the letters—they just were lying because they didn’t intend to pay back the loans. But the government took every scrap of paper out of the defendants’ offices in 1986, which showed that in their most private conversations, they were discussing scrambling to repay loans, and saying they couldn’t because of the attacks on them.

In sum, this is not a case about money, as the government claims, but a case about politics. That’s why the money was raised, and how it was prevented from being repaid, Reilly concluded.

The government is lying

Attorney Odin Anderson, speaking for Lyndon LaRouche, ripped the government’s characterization of the NCLC and Lyndon LaRouche to pieces in his opening statement. Directly countering the government’s claim that the NCLC is a criminal conspiracy, and the authoritarian personality theory on which it is based, Anderson was eventually suppressed by the prosecution and the judge.

Anderson began with a discussion of LaRouche’s commitment to dedicate his life completely to his philosophical and political ideas, a life consumed with constant work. He outlined Lyn’s beginning in politics by opposing the New Left: “He tried to recruit young people who would want to save Western Civilization, not destroy it as the New Left was trying to do.” And that’s what the NCLC is all about.

But the NCLC’s dedication to the principles of industrial

progress and reform of the international financial institutions caused LaRouche and his friends some problems, Anderson continued. LaRouche went on a number of people’s hit lists. He also, of course, is on a lot of people’s Christmas Card lists, as he has won associates and friends from around the world, particularly the Third World. Anderson also detailed the C = 256 campaign in the field of music, and noted that the Soviet Union is among LaRouche’s greatest enemies.

Several lies about LaRouche were directly dispelled. First, that he was responsible for the loan policy. Instead, LaRouche said as often and as loudly as he could, that loans had to be curtailed. Second, that LaRouche wanted loans not to be repaid. To the contrary, LaRouche said as often and as loudly as he could to anyone who would listen that it was “suicide” not to pay back loans to political supporters. And the government knows it.

Anderson devoted the remainder of his remarks to attacking the government’s “ludicrous” tax conspiracy charge. LaRouche never hid his situation, Anderson first noted. Second, he lived in a situation of physical threat, arising first from the Weathermen types, then the Communist Party USA, and later the dope lobby. This created a situation where he was a guest and/or prisoner in places created to preserve his physical welfare, but not only used by him.

Anderson then attempted to counter the Marxist-based authoritarian personality theory being used by the government in portraying the NCLC as a conspiracy—which drove the prosecution into frantic objections, which were sustained by the Judge.

This case is about ideas and their suppression

Kenly Webster, attorney for Edward Spannaus, told the court in his opening statement at the *U.S.A. v. LaRouche* trial that the only reason his client was on trial, was that he was part of a political movement which powerful people wanted to suppress. The focus of this political movement was a battle for the minds of men and women, particularly on the issues of the War on Drugs, the Strategic Defense Initiative, the International Monetary Fund, AIDS, and classical culture. These were controversial ideas, Webster said, and they resulted in major attacks.

The evidence will show, he went on, that most of the defendants’ time was spent on intelligence gathering and writing. These were people devoted to spreading the ideas of their political movement.

As for Ed Spannaus, besides writing on the legislation necessary to stop drug money laundering, the American Sys-

tem of Law, "Why the Founding Fathers Rejected British Law," he also wrote on subjects attacking the government. For example, he wrote on the FBI coverup of Iranian gun-running. . .

At this point the prosecution began objecting, and Judge Bryan rushed in to argue that the case was not about the defendants' political ideas, which the government does not claim are illegitimate. When Webster went on to mention an article by Spannaus on FBI Gestapo tactics, and his civil suits against the FBI and FEC, the prosecution went wild again, and was sustained by the judge.

In sum, the government proved Webster's point, that they were trying to suppress the ideas of the defense—by seeking to prevent an exposition of those ideas.

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Witness worked with FBI trying to entrap LaRouche

The prosecution's first witness in the LaRouche case was Elizabeth Sexton, a woman who lent more than \$112,800 to Caucus Distributors Inc., one of the corporations shut down by the federal government in its unprecedented *ex parte* bankruptcy proceeding in the spring of 1987.

The bulk of direct examination of Sexton, an obviously still well-to-do Connecticut Yankee, was conducted by Assistant U.S. Attorney John Markham, who prosecuted the heavily overlapping conspiracy, loan fraud, and obstruction of justice indictments against LaRouche and others in Boston which ended in a mistrial last May.

Markham took Sexton through a laborious elaboration of her loans, which were uncontested by the defense. Sexton tried hard to convey the impression that she was only interested in supporting the publication of the book *Dope, Inc.*, as a business investment, although she subscribed to publications put out by LaRouche's associates, and appeared to be a political supporter during the period in question. Sexton attempted to portray her involvement as merely a question of a high rate of interest for her loans. Yet, she never attempted to get collateral, or ascertain the credit rating of the political organization she was contributing to.

During direct examination, Sexton portrayed her actions, including personal letters to LaRouche about her loans, as simply attempts to get her money back. Under cross-examination, however, Sexton revealed that, contrary to her representations, she had secretly collaborated with the government to try to entrap the defendants.

When all the confusion about when Mrs. Sexton got in contact with the government about her CDI loans was finally cleared up, it emerged that she had written her second letter to LaRouche in June 1986 in collaboration with the government, in hopes of helping the government make its case against LaRouche. In a surprising development, while being cross-examined by LaRouche's attorney, Odin Anderson, Mrs. Sexton suddenly revealed that she had notes about exactly whom she had met among law enforcement authorities.

When questioned as to where those notes were, she admitted that they were right there in the courtroom. Pointing to a man in a dark suit sitting in the back of the courtroom, Sexton declared: "He's in charge of them." And who is he? LaRouche's attorney asked. The person in question turned out to be with the Secret Service, accompanying Sexton throughout her stay in Alexandria. A recess was then called while Mrs. Sexton's notes were produced, and eventually entered into evidence.

Through the course of her cross-examination, it also came out that, far from operating on her own, Mrs. Sexton had consulted with the former Attorney General of Connecticut,

an Assistant U.S. Attorney in Hartford, and a former Attorney General of the United States, Herbert Brownell, in framing her approach to getting her money back. Mrs. Sexton was also made to reveal that she had received newspapers with regular coverage of financial warfare against CDI, and that she had discussed the fragility of the U.S. banking system frequently with Joyce Rubinstein, the fundraiser who organized her to give her loans. She denied, however, that this discussion had anything to do with Rubinstein telling her that her money was safer with CDI than in a bank.

The government's next witness, Lita Witt, an elderly lady from Texas who lent more than \$10,000 for the publication of the book *Dope, Inc.* in 1985, told the jury that she didn't believe the defendants lied when they said she would get her money back.

"I don't lie. I don't think they lied," the witness said under cross-examination by Michael Billington's attorney, Jim Clark, on the question of how she thought her loan would be repaid. Miss Witt said that she expected the loan would be repaid out of revenues from the book, which has already shown itself to be a rapid seller. While incredibly asserting that she, as a *New Solidarity* subscriber, didn't know of the political harassment against the book, and that it was strictly an investment, Ms. Witt nonetheless expressed her expectation that Anita Gallagher and CDI had solicited the money in good faith.

Miss Witt also supported the defense's contention that the wave of harassment following the Illinois primary had a chilling effect on potential lenders, by saying that she ran into the adverse publicity after that primary. If she had seen such publicity before she gave the loan, she said, she never would have given it.

Anti-LaRouche cabal members hit the stand

Integral to the federal government's case against Lyndon LaRouche and six associates, is to portray the philosophical association, the National Caucus of Labor Committees (NCLC), as a criminal conspiracy run by the "authoritarian personality" LaRouche. To accomplish this aim, the government has called upon a cabal of former NCLC members who have committed themselves to making up any lie necessary, in order to convict LaRouche.

Two members of this cabal, Vera Cronk and Charles Tate, took the stand for the government during the second and third days of the *USA v. LaRouche* trial. Others, including Steven Bardwell and Criton Zoakos, are expected to appear at a later date.

Under examination by the government, both Cronk and Tate were led to present an image of LaRouche as an "autocrat." Tate, who admitted later to having been coached cu-

mulatively for nearly two weeks, appears to be vying for the role of being the government's star witness. As well as giving fictional accounts of how LaRouche lives, and lying that there are no security threats against him, Tate claimed to have heard several statements by defendants LaRouche, Spannaus, and Wertz, which "proved" that they did not intend to pay back loans.

Under cross-examination, both witnesses were shown to be enraged and biased against the defendants. This was nowhere more evident than at the conclusion of cross-examination by LaRouche's attorney Odin Anderson of Miss Cronk. "In your heart, you harbor a deep antipathy to my client, don't you?" Anderson asked. Cronk, already deep red in rage and embarrassment, sat silent, unable to answer, until eventually Anderson said he withdrew the question—"she has answered it by her silence."

Tate, also under examination by Anderson, admitted that he felt every hostile emotion but hatred itself against the defendants: disdain, hostility, rage, and anger. He later agreed that he had often been the butt of jokes, because of such things as his inability to get out of bed in the morning, and in to work on time. When recounting this, Tate could hardly control himself, adding that he had been ridiculed for not getting married. Why, LaRouche had even said that he "was the most psychologically blocked person he ever met!" This outburst resulted in a wave of laughter, ranging from Judge Bryan to the audience, to members of the jury.

So now you want to give it back? Anderson asked with his concluding question. Tate, like Cronk before him, sat silently without answering.

Blatant lies

Both Tate and Cronk are known to have been involved in the planning session to "get LaRouche" which occurred at a Halloween Party held at the home of Steve and Gail Bardwell, in October 1986. This cabal was shown in the Boston federal trial against LaRouche—which ended in mistrial in May of 1988—to have been a close-knit grouping, unified by their animosity to the NCLC. In reality, the grouping was brought together by known FBI collaborator Kostas Kalintgis, and was unified, among other things, by support for Soviet positions, against attacks by LaRouche and the NCLC.

Both Tate and Cronk were shown and asked about the invitation which they received to the Halloween Party, characterized by the defense attorneys as a party to "celebrate" the recent raid against LaRouche associates, and to "mock" the NCLC. The invitation features games for the participants, including "Pin the Rap on LaRouche!" This game called for testimony from each participant on "the most serious crime committed by L. LaRouche." With the invitation in front of them, Tate and Cronk both claimed never to have seen more of the invitation than the directions to the party's location. Tate did admit that he put on a mocking skit of LaRouche—but denied the purpose of the gathering as a whole.

CSIS tells Bush: Don't deploy SDI!

by Kathleen Klenetsky

A leading Washington think tank with extensive influence on Republican policymaking circles has called on President-elect George Bush not to deploy the Strategic Defense Initiative, claiming that doing so would harm national interests.

This advice is contained in a report issued just days before the presidential elections, by the Center for Strategic and International Studies' "Presidential Leadership Choices" project.

Conducted by some of CSIS's most prominent personnel, and underwritten in part by Archer Daniels Midland, run by Dwayne Andreas, Armand Hammer's designated successor in the East-West trade circuit, the study is intended to shape the strategic policy of the Bush administration. Although it is just one of numerous such "transition reports" inundating the President-elect, the fact that several of Bush's advisers—including Henry Kissinger and Kissinger's business partner, retired general Brent Scowcroft—were associated with the CSIS study, enhances its potential influence.

'Against U.S. interests'

Although the report contains some superficially sound recommendations—for example, it warns against the denuclearization of Western Europe, and cautions against taking Mikhail Gorbachov's reforms at face value—it is permeated by the same Metternichean, balance-of-power philosophy that has led to the grave strategic crisis in which the United States now finds itself. Rather than outlining a strategy for securing an enduring peace, based on the cultural and scientific superiority of Western civilization, the report's authors envision, at best, a never-ending, manichean struggle between East and West.

That bias is evident throughout, but especially in the study's recommendations on SDI. While calling on the new administration to "maintain a serious program of research and technological development applicable to defense against ballistic missiles and air-breathing systems," the study proposes such stringent restrictions, that a feasible defense could never be achieved.

The report states flatly, "This program should abide by the restrictive interpretation of the ABM Treaty; be evaluated by the criteria of cost-exchange ratios at the margin, degree of vulnerability of the defensive system, effect on stability,

and impact on the strategic balance. . . . Any deployment decision should be delayed until the 1990s at the earliest . . . it is against the national interest to adopt deployment of SDI as a goal at this time."

The justification for this dangerous advice echoes the worst fulminations of the anti-SDI lobby: First, say the authors, "There is no basis for confidence at present that a survivable defense shield is technologically within reach and affordable." That simply is untrue. A huge body of scientific evidence demonstrates that deployment of an advanced strategic defense system is well within reach. The major obstacle is the lack of funds allocated to the program, but the report's authors don't address that.

The report also claims that there are "very substantial problems of political, economic, and military stability attendant to a commitment to deploy." Well, yes, that's true. The Soviets, who have tried every trick in the book to sabotage the SDI, while investing huge amounts of money and manpower in their own strategic defense program, will no doubt scream and howl if the United States seriously pursues the SDI option.

This goes to the heart of the report's unstated premise: The United States should not undertake any initiative that might upset the balance between East and West—even if it is something essential to ensuring the nation's survival.

That presumption is apparent throughout. For example, the study asserts that, until such time as the Soviet threat clearly diminishes, "and particularly until Gorbachov's performance begins to match his rhetoric," discarding alliances or "letting them wither, is a dangerous course." But it undercuts this correct emphasis by demanding more allied "burden-sharing" (a favorite euphemism of those who want to decouple U.S. and European defenses), and proposing the withdrawal of some U.S. military forces from Western Europe and South Korea. Urging the new President to undertake a "comprehensive reexamination of U.S. military doctrines, national security interests and overseas commitments," the report asserts that the "apparently growing imbalance between the United States' foreign and defense policy resources and requirements" will force the new administration "to reassess its contributions to NATO" and other allies.

The CSIS recommendations on economic policy are equally dangerous. Rather than emphasize a technologically vectored economic growth program, the study demands deep cuts in domestic consumption, and points to the National Economic Commission, whose co-chairmen have called for slashing defense spending, as well as Social Security, Medicare, farm price supports, and other vital programs, as offering "the most promising opportunity to achieve a politically realistic approach to this challenge" (see page 4).

President-elect Bush has yet to respond publicly to the CSIS report. Hopefully, he'll put it in the same place where many of the other studies pouring into his office will end up: the trash can.

Everyone was here except Reagan

It was "Presidents Day" in the nation's capital Nov. 21. It was one of those rare occasions when every living President, past and future, was in front of the media on the same day in the same town. Everyone that is, but our current President, who was in California dedicating his new library.

First, President-elect George Bush held a press conference to announce three new appointments. Next, former Presidents Gerald Ford and Jimmy Carter held a joint press conference to offer advice to the President-elect. Finally, former President Richard Nixon met with Dan Quayle to give his advice, pausing to have his picture taken outside the transition team offices.

Bush began the day with one of what became three hastily called, impromptu press conferences in less than a week, all held in the Old Executive Office Building adjacent the White House, to announce new appointments.

In each of the press conferences, Bush took questions from reporters. With the White House press corps excited that this kind of frequent, direct access might become the norm for the new President, Bush bragged about making decisions on key posts in his new administration faster than any President-elect in recent history.

On Nov. 21, one of the questions to Bush came from this reporter, who asked whether the new President would

find a proposal from Soviet leader Gorbachov to cut conventional forces in Europe a "way out" of his bind to trim the federal budget deficit without raising taxes. Speculation abounds, I noted to Bush, that Gorbachov will be coming to the U.S. in December feeling he can "make you an offer you can't refuse," given the pressure on the new administration to take swift action on the deficit.

"By proposing a reduction in conventional forces in Europe, Gorbachov may think he will permit you to cut the defense budget as a way of lowering the deficit without raising taxes," I pointed out.

Bush gave a lengthy response to my question, but failed to address its substance. He said only that there would be "no decisions on specifics" at the December meeting with Gorbachov. Specifics, he said, would not be considered until after Inauguration Day, Jan. 20, after he has had a chance to thoroughly review policy in arms control, and come up with his own ideas.

At his next press conference, however, Bush indicated that conventional arms reduction was "one of the first areas where progress in arms control might come." The comment was generally overlooked, but, ominously, it tended to confirm the speculation I alluded to in my question two days earlier.

Ironically, it was the kind of blasé attitude on arms control exhibited by Bush that Bush's newly announced National Security Adviser designate, Brent Scowcroft, told me last month would result in disaster.

Carter and Ford: a 'united front'

Former Presidents Ford and Carter made their appearance at the National

Press Club after they met with Bush. It was remarkable to see these two men, who contended against each other for the presidency in 1976, in such total agreement.

They formed themselves, so to speak, into a "united front" to help drive home the urgent necessity of swift action on lowering the federal budget deficit. They acted in total concert, coming to each other's aid to help answer tough questions. It was a rare experience.

Things have not exactly been rosy in the 1980s, but these two men put together were living relics of the nadir that U.S. politics had reached a decade ago. Now, they were bonded together by a common, if futile, effort to resist their inevitable obscurity, and to be rehabilitated just long enough to put forth just one more catalogue of policy proposals for the new administration.

They did nothing to redeem their role in history. If anything, they only revealed their common political pedigree that they tried to conceal, against the charges of others who ran against them both, in 1976. They both came across as pliable mouthpieces for those who have been loudly, and monotonously, pounding the drums to force Bush to change his tax policy since election day.

Like actors that have been out of work too long, Ford and Carter were like former stars now willing to do dog food commercials.

Nixon did not fare much better in his media appearance, a few blocks away at the transition team offices adjacent Lafayette Square. At least in his case, Nixon did not hold forth for the press, except to allow his picture to be taken greeting Quayle at the door. He sounded the same chord as Ford and Carter. "Don't be a captive of the conservatives," Nixon cautioned the Vice President-elect.

National News

Reagan uses FEMA to boost nuclear power

President Reagan issued an order Nov. 18 which authorizes the Federal Emergency Management Agency (FEMA) to prepare evacuation plans for nuclear plants when state and local authorities refuse or are unable to do so. The move takes a major weapon out of the hands of anti-nuclear local and state officials who, by refusing to prepare such plans, have blocked such nuclear plants as Seabrook in New Hampshire and Shoreham on Long Island from starting up.

Massachusetts Gov. Michael Dukakis, however, is vowing to continue his fight against the Seabrook plant. According to his spokesman, James Dorsey, Dukakis thinks President Reagan's order allowing FEMA to develop emergency evacuation plans for nuclear plants was "a wrong headed, ill-advised approach which removes the authority of protecting the public health and safety from local government, and yet leaves the local government responsible."

Dorsey said Massachusetts will explore a legal challenge to the President's order. Other Seabrook opponents have asked the Nuclear Regulatory Commission, whose staff recommended that it be allowed a low-power operating license on Nov. 18, to determine whether a bankrupt utility is "financially qualified" to hold a license for a plant with such exacting safety requirements.

New York Gov. Mario Cuomo is also reportedly attempting to line up the votes in his state legislature to close the Shoreham plant before a Dec. 1 deadline. Shoreham also has been issued a license for low-power generation.

Judge rules for du Pont Smith marriage

Judge Lawrence Wood of Chester County, Pennsylvania Orphans' Court, in an order dated Nov. 10, granted the petition of Andrea Diano-Smith to validate her marriage

to Lewis du Pont Smith, which occurred in Rome in December 1986. The decision ended a nearly two-year legal battle to have their marriage recognized in that state.

Two months earlier, Judge Wood had conceded that Smith would be competent to marry under Pennsylvania law, but had raised the issue of whether an "incompetent" could marry under Italian law. After an attorney from Florence on Italian civil law, and another on Catholic Church canon law, presented expert testimony on matrimonial matters, Wood ruled to validate the marriage.

Smith, an heir to the du Pont family fortune, said, "For over three years, my family has waged a relentless legal campaign against me, and my wife, solely because of my generous financial support of, and political association with, Lyndon LaRouche. My family humiliated me for three years, by claiming I was mentally incompetent, only as a pretext to legally prevent me from contributing more money to LaRouche causes. Then, for over a year, my father, E. Newbold Smith, tried to prevent our marriage from being validated under Pennsylvania state law, by making wild accusations that my wife Andrea was an agent, or seductress, for Lyndon LaRouche, and by suggesting that she may be mentally incompetent herself. Finally, my father claimed that Andrea fooled the Vatican. I personally want to thank Judge Wood. Justice has finally prevailed in Chester County, if nowhere else."

Lewis du Pont Smith called the decision a "great victory," and offered to make peace with his family. "In the spirit of Christian charity, which has carried Andrea and me through our struggles, I now offer my family an olive branch, to reconcile. Let's end all this silly legal nonsense. I am not mentally incompetent, nor have I ever been. I am a man of political and moral conviction."

Bush preparing space policy

President-elect George Bush will likely announce his long-term space policy next July 20, the 20th anniversary of the first manned

landing on the Moon, according to Bush advisers who are currently involved in preparing that policy.

The NASA Office of Exploration is working on a series of four possible long-term Moon-Mars mission scenarios, which will begin to be considered in January. The projects being examined include establishing a scientific base on the Moon; a short-stay series of "sprint" manned missions to Mars; and an "evolutionary" program which calls for going to the Moon first, and then to Mars.

NASA director James Fletcher recently said he preferred the latter option, putting a base on the Moon by 2007, from which the trip to Mars would then be made. But there is also heavy emphasis on the sprint missions using conventional chemical propulsion, fear that the Soviets might get to Mars first.

There is also a push from some within NASA to place emphasis on the development of nuclear and fusion propulsion systems; they are trying to revive the NERVA nuclear-rocket program from the 1960s. Some companies, such as Westinghouse, did not throw out their blueprints and hardware from their work on such systems at that time.

Rep. Garcia indicted in Wedtech scandal

Bronx Democratic Congressman Robert Garcia was indicted on Nov. 21, along with his wife and lawyer Ralph Vallone, Jr., on federal charges of carrying out a bribery-extortion scheme to obtain \$185,000 from the Wedtech Corporation. New York FBI office head James Fox said Garcia is charged with receiving payments "to obtain favorable, lucrative defense contracts for Wedtech."

The seven-count indictment charged Garcia with using his official position to demand and obtain Wedtech payoffs, including payments disguised as legal fees to Vallone, most of which were then passed along to Mrs. Garcia as consulting fees.

The indictment followed the sentencing

of Rep. Mario Biaggi (D-N.Y.) to eight years in prison for his conviction in a Wedtech racketeering trial in a federal court in Manhattan. The crucial government witness is Mario Moreno, the Wedtech financial officer who is cooperating with the government.

Garcia blasted both Moreno and the government, saying, "I note that, despite an investigation which lasted nearly two years and has scrutinized virtually every facet of my personal and professional life, the charges deal only with the preposterous allegations of Mario Moreno, one of the most notorious felons of the 20th century.

"My brush with the criminal justice system has left me deeply shaken, as I observed the government harass and intimidate my staff, colleagues, friends, and family to induce them to say something negative about me, while virtually ignoring polygraph evidence demonstrating my innocence and all other exculpatory information and testimony."

Pollard confirms hunt for 'Mr. X'

Convicted spy Jonathan Pollard, who is serving a life term for passing U.S. secrets to Israel, whence they were passed to Moscow, confirmed that U.S. counterintelligence experts are searching not only for his controller, but a network of Soviet and Israeli spies labeled "Mr. X." In an interview Nov. 20 from prison with CBS "Sixty Minutes" reporter Mike Wallace, Pollard said that "Mr. X" is thought to be a list of prominent Jewish-Americans which he was shown after his arrest.

Joseph DiGenova, former U.S. Attorney for the District of Columbia, who prosecuted Pollard and his wife, told Wallace that Pollard did untold damage to U.S. intelligence. He said Pollard is not only lying about what he gave the Israelis, but that he revealed names of agents and procedures of U.S. intelligence, as no other spy had been able to do since Kim Philby, the British spy who defected to Russia.

One intelligence official said that Pollard's information wound up in the hands of the KGB.

Pentagon unveils Stealth bomber

The United States' latest long-range penetrating bomber, nicknamed the Stealth bomber for its ability to avoid radar detection, was unveiled Nov. 22, after 10 years of development. The Stealth, or B-2, is a high-flying craft; its use, combined with the B-1, which operates at low altitudes, is expected to provide a significantly increased potential to penetrate Soviet air defenses to deliver a nuclear strike.

The primary target for the Stealth fleet will be Soviet command posts intended to shelter Soviet civilian and military leaders, so-called hard targets, Air Force Chief of Staff Gen. Larry Welch said on Nov. 19. "The B-2 is the best hope for attacking relocatable targets," such as Soviet mobile missiles, as well, he added.

Experts estimate it will be a "very difficult task" for the Soviets to develop a radar capability to detect the Stealth.

Judge warns Reagan to act before North trial

U.S. District Judge Gerhard Gesell warned all parties at a Nov. 21 hearing that the case of former National Security Council employee Lt. Col. Oliver North "is rapidly approaching trial . . . probably, late January."

Gesell's statement was a blunt warning to President Reagan that if he intends to keep the trial of North from exposing vital national security secrets or possibly curbing presidential power over foreign policy, the President must act quickly, i.e., pardon North.

"It is for the President, not North or any witness, to protect the prerogatives of the President's office if he deems them unduly threatened," Judge Gesell said. "Neither North nor North's counsel can even purport to speak for the President of the United States."

Gesell warned that he, as the judge in the case, will have "very little control" over what material comes out at trial.

Briefly

● **REP. JIM COURTER** (R-N.J.) and two other congressmen warned Israel that drastic consequences would ensue if the new law defining "who is a Jew" is passed. "If Israel is going to redefine laws that may affect the interests of American Jewry, that may eventually impact on U.S. legislation, appropriations, support, and money," he said.

● **JOHN TOWER**, the former Texas Senator and chairman of the Senate Armed Services Committee, is expected to be named Secretary of Defense in the Bush administration. But Bush staff are reportedly negotiating to limit his control over the Pentagon, fearing he would be too independent and uncommitted to Pentagon "reforms." Tower would reportedly be allowed to choose the service secretaries.

● **LYNDON LAROUCHE** gave a brief address Nov. 20 to the National City Christian Church in Washington, D.C. The special Thanksgiving service was sponsored by the Washington City Bible Society and featured a tribute to President John Quincy Adams. LaRouche was invited, as well as other presidential candidates. Adams's work, LaRouche said, "should not be viewed as just history, but as a living responsibility for all of us. I see in the eyes of millions around the world, that we as a nation have failed to build that community of principle based on the gift that has been bestowed upon this nation."

● **POVERTY** in the United States "has reached catastrophic proportions," University of Chicago professor William Julius Wilson stated, in an article in the Nov. 16 *Jerusalem Post*. Under the title, "Poverty Rampant in U.S.," the article stated, "More than 32 million persons in the U.S. are considered poverty-stricken," and quoted Diane Sonde, director of Project Reach-Out, which works with the homeless mentally ill: "It's Calcutta come to the United States."

Czar Mikhail bears the mark of the beast

The situation within the Soviet Union and throughout the East bloc continues to be explosive. It would be wrong, however, to assume that the Soviet leadership has been caught unawares; or that Gorbachov suffered a setback in June in his attempt to then modify Party Statutes and restructure the membership of the Communist Party Central Committee.

A close look at the new Soviet constitution reveals the opposite to be the case. The Gorbachov constitutional reforms will, in fact, give the new President greater power than that wielded by any other Russian head of state in the present century. Where Gorbachov was not successful in taking control of the Central Committee by carrying out a drastic purge of its membership, he will accomplish the same goal of consolidated power through revisions in the Soviet constitution which will take effect on Nov. 29.

A leading Swiss Sovietologist, Ernst Kux, characterized the situation in a Nov. 16 article in the Swiss newspaper *Neue Zürcher Zeitung*. "Gorbachov gives himself *more* legal power than was possessed by Stalin in his constitution of 1936, and more power even, than was possessed by the Czar in the constitution of 1905."

Among other additions to the constitution are the emergency powers which Gorbachov as head of the State and Party will have to deploy Soviet forces against the population of the U.S.S.R. under conditions of internal crisis for the "protection of the integrity of the U.S.S.R." Coupled to this, is the right of the Supreme Soviet and the Head of State to deploy Soviet forces to fulfill international treaty obligations. He will also have the right to deploy forces against other countries in order to fulfill external treaty obligations.

The newly revised constitution will not only consolidate Gorbachov's position (or that of a successor) as combined Party Chief and Head of State, but give to that office the formal right to rule by decree. Article 119, Section 13 of the revised constitution gives the President emergency powers for the protection of the

U.S.S.R. in single regions or the entire nation.

As Kux says, ironically, "The Soviet Union will be moving from totalitarianism of a Stalinist type to an authoritarian 'democracy,' with too much authority." The structure of the State will be transformed to include a 2,200-person Congress of Peoples' Deputies, which in turn is elected by a complex proceeding.

One-third of its membership is, in fact, chosen to serve by the leadership of a variety of State institutions and organizations, including the Russian Orthodox Church. Kux points out that this feature of the constitution is directly modeled upon fascist corporatism. This elected body, which meets once annually, will choose 450 members of the Supreme Soviet (reduced from the 1,500 membership of the past) and the President, who is not directly elected.

While the Party will no longer directly control government and the economic administration, the power of the bureaucracy or *Nomenklatura* will remain unchanged, particularly since the State will remain a one-party state, and despite the fact that many candidates may participate in a sort of primary election process, only one list will be voted on in election itself.

In 1985, *EIR* published "Global Showdown: The Russian Imperial War Plan for 1988," which documented the militarization of the Soviet State. Our readers are familiar with the fact that we have repeatedly exposed the fraud of Gorbachov's reforms. *Glasnost* and *perestroika* are intended to place the economy of the Soviet Union on a war footing, by streamlining it.

Any appearance of democratization—insofar as it attacks the extremes of bureaucratic privilege—is intended for such purposes of streamlining.

The present leadership in the U.S.S.R. is a grouping which emphatically includes the military. Just as Hitler announced that he was bringing a thousand-year Third Reich into existence, so Gorbachov and his crowd believe in the mystical destiny of the Russian Empire in its *second millennium*.

Who Killed Olof Palme?

A Classical KGB
Disinformation Campaign:

NBC-TV and the Soviet military daily *Krasnaya Zvezda* both blame LaRouche. . . .

Swedish Police Chief Hans Holmér suppresses major lines of inquiry, becomes a laughingstock. . . .


Twelve Stockholm investigators resign from the case, in protest against Holmér's cover-up. . . .

The British press breaks the story of Emma Rothschild's love affair with Palme—and the possibility that her father is a Soviet spy. . . .

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SPETSNAZ



SPETSNAZ

In the Pentagon's "authoritative" report on the Soviet military threat, *Soviet Military Power 1988*, the word *spetsnaz* never even appears. But *spetsnaz* are Russian "green berets." Infiltrated into Western Europe, *spetsnaz* have new weapons that can wipe out NATO'S mobility, firepower, and depth of defense, before Marshal Nikolai Ogarkov launches his general assault.

ELECTROMAGNETIC PULSE WEAPONS

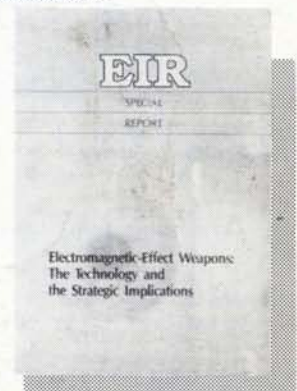
At least the Pentagon report mentions them—but only their "defensive" applications. In fact, they can be transported by *spetsnaz*, finely tuned to kill, paralyze, or disorient masses of people, or to destroy electronics and communications. With EMP, as strategic weaponry or in the hands of *spetsnaz*, the Russians won't need to fire a single nuclear missile to take Europe.

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