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From the Editor

This is not an editorial, and it is not my custom to use this space to urge actions upon readers. Nonetheless, most of you want to know what you can do about the monstrous injustice which was carried out by Judge Albert Bryan in the federal court of Alexandria, Virginia on Jan. 27, in sentencing Lyndon LaRouche to 15 years in federal prison.

I propose that you flood President George Bush with telegrams urging him to act to reverse this infamy by issuing a full pardon for LaRouche and his six associates, who were each sentenced to terms between three and five years in length on that same day. Wherever you are, call the press and media, and brief them on the threat to LaRouche's life. "Talk shows" should be targeted, newspaper ads taken out, etc. In the coming weeks, *EIR* will report on this mobilization globally.

The sentence was imposed after a show-trial in the style of Hitler and Stalin, and one day after the prosecutors of the Boston case against LaRouche announced that they did not intend to pursue that case to trial. A rabbi who sat in the Alexandria court and watched the judge's sentencing remarked that the judge gave the same uniform sentencing to all seven defendants, without regard to what each said or the particular circumstances of each, a clear indication that everything had been decided in advance. The dropping of the Boston case—where LaRouche would surely have been acquitted—shows that the government did not care about justice, but only about eliminating LaRouche and the movement associated with him.

The sentence of 15 years for a 66-year-old man is equivalent to a life sentence. It is far more severe than sentences given to top level drug-pushers and violent criminals. "Do you support this Nazi-KGB justice, President Bush?"

If LaRouche's enemies think they will destroy his ideas, they are in for a rude shock. This week's issue, as you see, is expanded to 80 pages in order to contain LaRouche's important article on economic and monetary policy (see *Strategic Studies*), as well as an overview of the Rome Martin Luther King Tribunal which defended LaRouche, and declared war on Satanism and Gorbachov.

For LaRouche's statement in Alexandria, see page 66.

Nora Hamerman

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Correction: On page 32 of *EIR* of Jan. 27, in an interview with Harrison Budhoo, he referred to a phone call to the International Monetary Fund from "Newsmakers," which is a public relations firm, not, as was interpolated in the text, a "program." In fact all the major media ignored Mr. Budhoo's stunning disclosures. We regret this editing error.

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AIDS spread and poverty linked in new studies

by Warren J. Hamerman

Two recently published studies confirm our repeated published assertion since early 1985 in *Executive Intelligence Review* that there is a direct causal relationship between the out-of-control spread of AIDS in the acutely impoverished populations of Africa, America's poverty hell-holes from Belle Glade, Florida, to the urban ghettos and the economic collapse conditions imposed there.

EIR has specifically contended that the inter-relationship between AIDS and the poverty caused by the International Monetary Fund (IMF), among other global malthusian financial institutions, is best indicated by the linkage between AIDS, malnutrition, and tuberculosis (TB).

The two new studies were published in the January-February issue of *Nutrition* and the Jan. 20 issue of the *Journal of the American Medical Association (JAMA)*. One of the studies demonstrates a direct relationship between malnutrition and AIDS, while the other proves that tuberculosis and AIDS are co-infections, precisely as physical economist Lyndon LaRouche and his *EIR* Biological Holocaust Task Force have long argued.

Lyndon LaRouche and *EIR*'s contention of the causal link between poverty and AIDS spread was violently objected to and ridiculed for four years by the entire health establishment from the Centers for Disease Control (CDC), the World Health Organization (WHO), the Reagan administration as well as the general media.

Poverty marker

In 1986, the trend of declining TB cases in America since the end of the 1930s Great Depression was reversed. That year, the annual number of TB cases in the entire United States increased, while the year before TB cases had decreased by only 0.2%; in contrast the annual totals of TB cases had declined approximately 5% per year from 1953 to

1984. The reemergence of TB as a rapidly expanding disease coincides exactly with the rapid spread of AIDS. Since individuals who have latent TB infections develop the full disease condition when their immune system collapses and/or they lack adequate nutrition and other features of an adequate standard of living, tuberculosis is considered the best "marker disease" for acute poverty conditions.

Readers of *EIR* will remember that in 1985, Dr. Mark Whiteside and Dr. Carolyn MacLeod had documented in these pages this relationship for the case of Belle Glade, Florida, and that Dr. John Seale suggested that AIDS might indeed be capable of being transmitted by respiratory aerosol like TB under crowded conditions. In the new report published in the *JAMA*, a study of the nearly 41,000 inmates in the New York State prison system now four years later, demonstrates an unmistakable correlation between AIDS and TB.

According to the results of the study, the number of inmates with both TB and AIDS increased from 7% of the new inmate TB cases in 1982, to 26% of the new inmate TB cases in 1986. Furthermore, the number of inmates who tested positive for the HIV virus, even though they had not yet been classified as having AIDS, quadrupled from 1985 to 1986. In all, 53% of new 1985 TB cases and 56% of all new 1986 TB cases in the prison system occurred in inmates who had positive evidence of HIV infection! The researchers report in the following words that they are not aware of a single instance of a prisoner with TB who was proven *not* to already be infected by the AIDS virus:

"Human immunodeficiency virus status was not available for all inmates with TB. However, we are not aware of any inmate with TB and negative HIV serostatus, and two thirds of the TB cases with unknown HIV serological status were users of street drugs prior to incarceration."

Latent TB infections are activated when people get AIDS, according to the study, and the incidence of TB in prisons in New York State more than quadrupled in 1986, because of the increasing number of prisoners with AIDS. The new cases were among men aged 30-49, from minority groups and with a history of illegal drug use. The study urged that TB control measures be reinforced in prisons. Since 1985, *EIR* has consistently warned that AIDS and TB were biological co-infections, precisely because the activation of TB is the best “marker” for poverty conditions.

AIDS and malnutrition

In the second study, malnutrition and AIDS progression were linked by another panel of experts. Aggressive efforts to improve nutrition, including intravenous feeding, could improve and extend the life of AIDS patients, according to the 11-member group of government, academic and hospital experts in New York headed by Dr. Myron Winick, a nutrition specialist at Columbia University. Guidelines by the panel were published in the January-February issue of *Nutrition*. Their report indicates that most patients who have AIDS are malnourished. Dr. Donald Kotter, a panel member from St. Luke’s-Roosevelt Hospital Center, said, “Malnutrition in AIDS is common, severe, and progressive.” He said that starvation is a major contributing factor in the deaths of many

AIDS patients and that most doctors do not pay enough attention to malnutrition. Panel members suspect well-nourished patients have better functioning immune systems and will live longer.

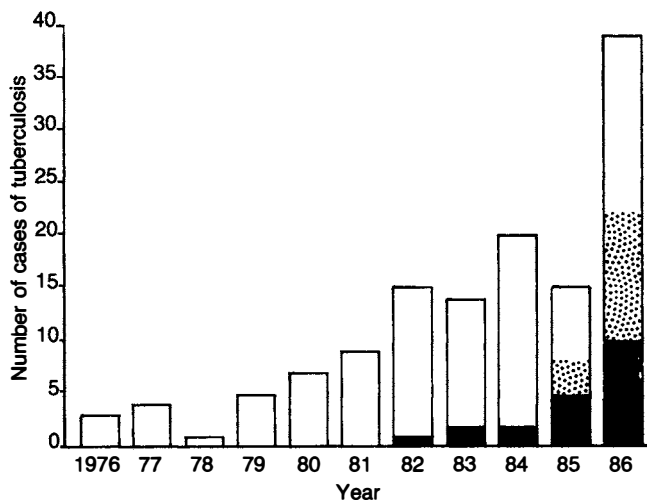
The *JAMA* article appeared under the title “Increasing Incidence of Tuberculosis in a Prison Inmate Population” (Vol. 261, No. 3) and was authored by six experts—M. Miles Brau, M.D., Benedict Truman, M.D., M.P.H., Barbara Maguire, M.S.; George DiFerdinando, Jr., M.D., M.P.H., Gary Wormser, M.D., Raymond Broaddus, Ph.D.; Dale L. Morse, M.D., M.S. Their study found that the incidence of tuberculosis among inmates of the New York State prison system increased from 15.4 per 100,000 in 1976 through 1978 to 105.5 per 100,000 in 1986. The matching of TB and AIDS registries indicated that the majority (56%) of inmates with TB reported in 1985 and 1986 had acquired immunodeficiency syndrome or human immunodeficiency virus infection; none were known to be human immunodeficiency virus seronegative. A case-control study examined 59 inmates with TB reported from 1984 through 1986 and 59 matched control inmates without TB. Inmates who reported street drug use were more likely to develop TB. Although the majority of cases are thought to be due to reactivation of latent infection, phage typing of 16 *Mycobacterium tuberculosis* cultures suggested the possibility of inmate-to-inmate transmission in at least one cluster of three cases. Hence, the experts argued that it is of crucial importance that TB control measures be reinforced in the prison setting to counter the increased risk created by human immunodeficiency virus infection.

It has been well established that the best treatment for tuberculosis is immediately raising the standard of living of the infected. The main treatments for TB include better food, better housing, better sanitation and the appropriate balance between rest, work, and sunshine. What’s required to fight deadly disease in the prisons of New York is even more needed in the IMF and World Bank created poverty hell-holes of Africa, Ibero-America and Asia.

Fifteen years ago, in a special study commissioned by Lyndon LaRouche, the *EIR* Biological Task Force specifically warned that the consequences of the genocidal malthusian policies then proposed by the IMF, World Bank, and other financial institutions would create the conditions for the full-scale biological holocaust which is now unfolding around the globe. Those in the Establishment who ridiculed and flaunted their objections to our forecasts and studies over these 15 years, are today leading the demands that Lyndon LaRouche be eliminated because he represents the unity of morality and economics.

The point is not just that we were proven absolutely right and they were wrong, but rather that large numbers of people were brutally murdered because those in power refused to spend the money and extend the credits to reverse these economic holocaust conditions even though they were warned of the consequences.

FIGURE 1
New York State inmate tuberculosis 1976-86



The open bars indicate the TB cases among inmates, where the status of human immunodeficiency virus (HIV)—the “AIDS virus”—is unknown. The shaded bars indicate the percentage of tuberculosis cases that tested seropositive for HIV virus, but did not have full-blown AIDS. The solid bars indicate tuberculosis sufferers who were also sick with AIDS. The graph shows that by 1986, not only had overall TB rates skyrocketed, but over half of those were either infected or sick with AIDS.

Source: The Journal of the American Medical Association, Jan. 20, 1989.

Governors decree austerity drive

Three state governors with national political ambitions are showing how to kill with austerity. Steve Parsons reports.

In the two weeks before George Bush's inauguration, several state governors launched their own versions of the vicious austerity that will undoubtedly characterize the "sacrifice" demanded by the new President in his inaugural address.

With the nation mired in the debris of Ronald Reagan's great "recovery," virtually every state is facing a crippling budget deficit, and the concomitant choices of cutbacks and tax hikes. We feature here three of those states—New York, California, and Massachusetts—whose governors have proposed drastic austerity measures, triggering an uproar of incompetent "debate" over how the sacrifices will be implemented.

Cuomo: a Wall Street Democrat

The 1990 New York State budget unveiled on Jan. 17 by Gov. Mario Cuomo focuses on eliminating an expected \$2.6 billion deficit. Echoing Republican Bush and Wall Street friends, Democrat Cuomo opposes any increase in the state's personal income and corporate taxes. His intent is not only to hit virtually every state program and locality with cutbacks, but—as Reagan has done and Bush will accelerate—to begin dumping financing requirements for these programs onto local governments.

This will force local governments to make more cuts and raise property taxes, the only taxes localities can raise without state approval. Since New York property taxes are already nearly double the national average, construction and purchases of homes will be further decimated, and real estate values eroded.

Cuomo's budget calls for eliminating state revenue-sharing contributions to counties—a loss of \$79 million in unrestricted local grants that would particularly devastate rural areas and unincorporated towns. Further cuts would be made in aid to localities, including sewer, prison, and Medicaid funds.

Cuomo wants to double the share of Medicaid contributions paid by local governments, from 5% of costs to 10%, while the state cuts its share by the same amount. Even more morally outrageous, he wants the state to cease funding education for the handicapped. Together, he says, these two measures will "save" the state \$100 million a year. But local

officials believe the cost to them will be much higher.

These cuts would be in addition to a drastic "overhaul" of the Medicaid reimbursement system featured in the Cuomo budget: requiring Medicaid recipients to pay the state a fee for each visit to a doctor, and eliminating coverage for visits to private podiatrists and psychologists. He also proposes a 15% reduction in the state's reimbursements for hospital capital equipment costs. "The hospital industry will be reeling with these cuts," said Kenneth Raske, president of the Greater New York Hospital Association.

Cuomo presents a potpourri of gimmicks and chiseling to achieve his balanced budget:

- Reduce aid to localities by \$700 million.
 - Eliminate 2,100 state jobs.
 - Increase the education budget by only 3%, less than the rate of inflation. This would mean terminating 1,335 faculty positions at the City University of New York alone, paring down curricula, closing schools, and forcing big, local property tax hikes.
 - Impose nearly 200 new or increased fees and taxes, ranging from parking tickets to marriage license. Some are downright absurd, like a \$10 monthly "probation supervision fee" for convicts!
 - Cut the allocation to the state insurance fund, which has already been raided to shore up this year's deficit.
 - Cut the state payment to its pension fund by \$300 million, based on "new estimates" of the fund's interest earnings from investments in the Wall Street markets. This has become a favorite gimmick of more than half the states in the nation, which is setting these funds up for bankruptcy—and the taxpayer for a big hit—when the bubble bursts.
- Cuomo does hint, however, that things could get a lot worse if the "great recovery" dissolves into financial collapse under George Bush. "There are no margins in my budget," warned Cuomo. "There is no leeway."

Deukmejian's booming economy

Over the past two years, the state of California has covered actual deficits by draining its \$1.1 billion reserve fund. This year, Gov. George Deukmejian has particularly targeted cuts for the most vulnerable strata: the poor, the infirm, and

the elderly.

He proposes to save \$242 million by withholding cost-of-living increases for both welfare recipients and the aged, blind, and disabled. This would deny, for example, a mere \$29-32 monthly increase for a disabled person or welfare mother with two children, freezing their monthly stipends in the miserly range of \$602-663. To save \$63.9 million, Deukmejian wants to limit state payment by the In-Home Supportive Services program for the disabled and elderly, to a mere 70 hours a month—at the minimum wage. Unless localities picked up the tab, tens of thousands would be virtually condemned to death.

Perhaps most sinister, Deukmejian proposes to cut \$363.9 million from the state's medically indigent program, and then create a new program that would provide "uncompensated care"—for fewer people with more stringent requirements for qualification. The funds for this would supposedly come from the federal government's illegal alien amnesty program, and from new cigarette taxes. The catch is that it may be determined that these funding sources cannot legally be applied in this manner. If that happens, localities would be forced to pay, while thousands would go without medical treatment. This could cost the overburdened hospitals in Los Angeles County alone, an impossible \$100 million.

Deukmejian says that he is being forced to take these drastic steps because of a voter-approved referendum mandating substantial increases in state funds for education. But education is slated for only an 8% increase in his budget. Not only is this hardly sufficient to compensate for inflation; the California university system has imposed a 10% tuition fee hike just to tread water, with no new programs permitted by the governor.

All of this, "despite the fact that our economy is booming," in the words of Governor Deukmejian.

Dukakis's 'competence'

Gov. Michael Dukakis of Massachusetts has delivered on his erstwhile presidential campaign promise, in spades. On Jan. 12, he proposed the biggest tax increase in the state's history.

After demonstrating the managerial "competence" he advertised to the national electorate as his chief qualification, by taking out repeated short-term loans, Dukakis wants well over \$1 billion of new taxes assessed over both the 1989 and 1990 fiscal years. He has already decreed more than 400 fee and fine increases to help ameliorate the state's current \$636 million deficit. Although the Duke insists that the state's revenue problems are over—as he did in July—the state legislature is howling.

Democrats in Massachusetts are demanding that Dukakis make budget cuts, while their comrades in California and New York are clamoring for tax hikes. No one is addressing the real issue: how to generate real economic growth and the expansion of the revenue base.

Haggling over the price of Soviet Jews

by Scott Thompson

In mid-January, officials of the U.S.-U.S.S.R. Trade and Economic Council (USTEC) gathered with world Jewish leaders in the Manhattan apartment of whiskey baron Edgar Bronfman to map out a campaign for the direct shipment of Soviet Jews to Israel in return for lifting the 1974 Jackson-Vanik trade barriers. Bronfman, who is president of the World Jewish Congress, is a board member of USTEC, whose president, James Giffen, has publicly stated that he wants to turn the Soviet Union into an "economic superpower" through favorable trade and credit agreements. The Bronfman family is also one-third owner of E.I. DuPont de Nemours, which has been a major corporate sponsor of USTEC, also involved in trade with the Soviet Union which Giffen admits borders upon military-related technology.

Apart from Giffen and Bronfman, the other USTEC official involved in the scheme to swap Jews for expanded trade is Dwayne Andreas, the U.S. co-chairman of USTEC and chairman as well of the grain cartel firm Archer Daniels Midland (ADM). In a Dec. 26, 1986 front-page article in the *Wall Street Journal*, entitled "Gorbachov's Pal: Dwayne Andreas Gains an Apparent Position as Kremlin Favorite," the writer wondered "whether Mr. Andreas is beginning to edge out Armand Hammer, the chairman of Occidental Petroleum Co., as Moscow's favorite American businessman." It is Andreas who has recently filled Soviet grain bins with cheap American grain, despite the ongoing drought that is likely to create global shortages and push grain prices sky-high.

Ripping up the Helsinki accords

Syndicated columnists Rowland Evans and Robert Novak in a Jan. 23, 1989 article entitled, "Swap Soviet Jews for U.S. Trade?" went directly to the core of the problem posed by the Bronfman-Andreas-Giffen proposal:

"'An ugly deal,' one former official told us. 'Jackson-Vanik is a statute with specific provisions. They say nothing about Jews and nothing about Israel.' 'The 1974 Jackson-Vanik amendment imposed major restraints on trade until Soviet emigration becomes 'substantially free.' The amendment was one of the opening wedges in the human rights movement. It presupposed that all Soviet emigrants—Jewish, Pentecostal, Armenian, or other—would have freedom of choice to leave and to go where they wanted. Although it avoided target numbers for emigrants, the United States told

Moscow that 60,000 a year would be satisfactory.”

The USTEC proposal not only limits the question of Jackson-Vanik’s scope to Jews, but it proposes that Jews who wished to leave the U.S.S.R. would have no choice but to travel to Israel. Again, Morris Abram, departing head of the Conference of Presidents of Major Jewish Organizations, has been quoted in the Israeli newspaper *Yediot Ahronot* after the Bronfman meeting that the issue “is not an issue of human rights but the redemption of Jews as Jews. They should go to Israel.”

Presently, most Soviet Jews choose to emigrate to the United States, where they have family, friends, and a more secure future. The USTEC proposal would eliminate that freedom of choice—a major pillar of the Helsinki Accords—by forcing Soviet Jews to settle first in Israel, from which it would be impossible (because of immigration quotas) to then move to the United States. This represents a cynical deal between the USTEC crowd, who are a direct continuation of the 1920s gang that guaranteed survival of the Bolshevik Revolution, with the radical Zionists in Israel who want to use Soviet Jews as cannon fodder to fulfill their vision of a Jewish-dominated “Greater Israel.” Not only would Soviet Jews be virtually forced to live in new settlements within the occupied territories (a dangerous policy opposed by the United States), but they would be used as part of a racial purification policy within Israel to offset the higher Palestinian birthrate.

Return of the Montagu Norman deal?

While it is doubtful that Andreas and Giffen see the latest proposal as anything more than a cynical deal along the road to transforming the U.S.S.R. into an “economic superpower” that could engage in expanded global power-sharing agreements, one informed analyst commented that the position taken by Bronfman, Morris Abram, and other Jewish leaders involved in the deal is reminiscent of Bank of England head Montagu Norman’s haggling with Adolf Hitler over the price per head for European Jews.

Since these Jewish leaders have already disavowed the human rights question—especially as it applies to non-Jews imprisoned in the U.S.S.R.—the question might legitimately be posed whether Bronfman secretly fears that Soviet Jewry is especially threatened by the rising tide of anti-Semitism within the Soviet Union, which the liberal Western media have virtually blacked out in their gushing over Mikhail Gorbachov. The truth is, not just Jews, but many of the other ethnic, religious, and national minorities within the Soviet Union are threatened to a very high degree by the Gorbachov regime, which has used the “iron fist” of the KGB and GRU to repress those who seek real freedom from imperial rule.

But, the story of this covert repression within Armenia, the Baltic states, and elsewhere in the Great Russian empire is all the more reason to uphold Jackson-Vanik within the foreseeable future.

Save the U.S. savings Edwin Gray proposal

by Lyndon H. LaRouche, Jr.

The 1983-87 chairman of the Federal Home Loan Bank Board and head of FSLIC, Edwin Gray, has some useful proposals for emergency action to save the United States Savings & Loan institutions from a catastrophe as bad or worse than that of the 1931-34 period.

As I expected, and warned during my campaign for the Democratic presidential nomination, the next U.S. financial crash to follow the October 1987 crisis, was being merely postponed until after the November 1988 election. Immediately following President Bush’s inauguration, the new crisis has begun to erupt, with an open fight between President Bush and Federal Reserve chairman Greenspan, and an imminent collapse and looting of a major chunk of the U.S. savings institutions, the Savings and Loan associations.

As quoted in the Washington, D.C. leak-sheet, *Regardies*, former FSLIC chief Edwin Gray charges that former Treasury Secretary Donald Regan deliberately bankrupted the S&Ls. This is the same charge I made during the 1988 Democratic nomination campaign. Mr. Gray adds information on Treasury Secretary Regan’s expressed views, which I did not have at that time.

In an *EIR* interview, Mr. Gray reports that Mr. Regan acted deliberately to “destroy the FSLIC, the Home Loan Bank Board, and the S&Ls for five years” because “he thought there is too much housing in America,” and because “he wanted to give the [deposit] business to his friends on Wall Street.”

I endorse adoption of Mr. Gray’s recommendations:

1) Immediately reinstitute all S&L regulations, such as Regulation Q and other protective legislation.

2) Strengthen FSLIC by taxing speculative income.

Mr. Gray’s proposals are useful, and urgent, but they are not sufficient. The other measures which I outlined during my campaign must be adopted, or the savings of many ordinary Americans will simply be wiped out, or nearly so.

The LaRouche measures

What I proposed, and should be done immediately, are the following:

1) **Federal Reserve reform establishing a two-tier credit system.**

My 1981 Federal Reserve Reform Act proposed: a) Prohibit the Federal Reserve from creation of fiat money (money

and loans: should be adopted

supply) to the Wall Street banks through its current open market operations. b) Provide the banking system and S&Ls instead with large amounts of new credit through the Fed's discount window. S&L mortgages as well as other productive bank loans earmarked for agriculture, new capital investment, production, transportation, etc. would be freely discounted for cash up to 50% of their face value. This would allow banks and S&Ls to make further such loans at a low tier of 2-4% interest rates. c) Speculative paper would be discounted only at high rates, forcing the banks to charge a higher tier of rate to borrowers seeking credit for speculative ends. d) Raise reserve requirements on banks and S&Ls whose assets show an inadequate proportion of productive lending, that is, fall below a new Federal Reserve "productive loan standard," where loans for production are at least 80% of assets. This gives market advantage to traditional S&L mortgage lenders and industrial and agricultural bankers.

2) **Tax reform**, directly opposite to the tactic recently proposed by Nicholas Brady. Brady's proposals, although premised on some valid observations, do not address the underlying issues, and would, in fact, play into the hands of Bush-wrecker Greenspan. All proposals to replenish the FSLIC or otherwise solve the S&L crisis by taxing productive S&Ls or their depositors are suicidal. a) The American family, the basic depositor in the S&Ls, is already being prohibited from family formation by the tax structure, and needs a huge tax cut. My 1981 proposal, "Taxation for Capital Formation," pointed out that while 80% of households had an income of \$20,000 or less, only 17% of those families had two or more children, the minimum necessary to reproduce the population. Today it is worse. I propose to remove all tax liability up to annual incomes of \$30,000. Under this proposal a great many savers would pay no tax on S&L deposit income, encouraging deposits. b) For depositors with higher income, provide savings incentives with exemption of 50%, or \$1,000, whichever is higher, on interest income on deposits in S&Ls and banks whose asset base meets the new Federal Reserve standards. This would make interest income on large deposits competitive with tax-free bonds.

3) **Tax financial institutions with a certain level of business in the Eurodollar market at a much higher relative rate.** Revenue to replenish the FSLIC and make up for the family-formation tax cut by increasing tax schedules on

income and capital gains on nonproductive investment, especially commercial real estate. This would include financial institutions with a significant proportion of assets and deposits in the Eurodollar market (See my statement "U.S. Not Responsible for Eurodollars," *EIR*, July 20, 1982).

4) **Reinforce and strengthen the Glass-Steagall Act, directly opposite to Bush-wrecker Greenspan's proposal to eliminate that Act.** This was the 1934 Act which separated Morgan Guaranty commercial bank from the Morgan, Stanley stock brokerage so that the banks could not use depositors money to speculate on the stock market instead of making productive loans.

The enemy game-plan

The current effort to wipe out most of the S&Ls, by turning their looted carcasses over to the Wall Street vultures, is the first of a series of steps being taken in support of a plan by a cabal around former West German Chancellor Helmut Schmidt's globalist think-tank, the Inter-Action Council, and by a new globalist agency soon to be launched and headed nominally by Schmidt. Greenspan's actions have identified him as a supporter of that cabal.

The intent is to sink the U.S. dollar through a new international financial crisis orchestrated by a consortium of powerful European financier interests. The object is to put the U.S. under IMF "conditionalities," and to proceed to loot the U.S. in a way similar to that already being done to Mexico and other developing-sector indebted nations. This action is scheduled to be unleashed in full force by no later than this coming summer.

The object is to place the world under the iron-fisted control of a handful of international financier cartels, who enrich themselves by looting the industries, farms, infrastructure, and populations of North America and Western Europe in the same way they are looting the nations of Africa and Central and South America.

In the course of this, they intend to break the Bush administration politically, by aid of an orchestrated holocaust of "reversed financial leverage" against the bloated U.S. financial structures. Greenspan's actions, including his efforts to push up interest-rates, are setting the stage for the planned new financial crash.

The alignments in this are as follows:

The enemies of the Bush administration are centered in its professed "best friends" in London and Zurich, and in the London-allied Mitsui financial factional minority in Japan. Allied with the Bush administration, are the so-called Mitsubishi interests of Japan, including the Dai Ichi bank, the Mitsubishi bank, and others. The attempted "watergating" of the Japanese government of Prime Minister Takeshita is part of the London-Zurich-Mitsui operation against Mr. Bush's strategic flanks.

The Japan forces behind Prime Minister Takeshita are supporting the U.S. most energetically, and massively, be-

cause Japan's patriots believe that Mr. Bush represents a stable institutional force inside a U.S.A. upon which the survival of Japan as a free nation depends.

Helmut Schmidt and the Inter-Action Council represent well-known international connections centered in the London, Zurich, and Mitsui Liberal Establishment factions. The fact that Herr Schmidt is a former German chancellor is secondary in importance to the fact that his career in postwar Germany was launched by London, and that he has close ties to the London Chatham House faction of London and the U.S.A.

The factional alignment behind these moves, is principally as follows:

In the U. S. A., the center of the scheme against President Bush and the United States, is those circles centered around Gerard Smith and Lloyd Cutler who are leading supporters of the "Europe 1992" world-federalist project in the United States. This is the liberal faction centered around the New York City Anglican diocese of Bishop Paul Moore, and together with Bishop Moore, the Satan-worshipping Lucis Trust and the assortment sponsoring the Lucis Trust's United Nations Association and Temple of Understanding.

The enemy of the U.S. in Western Europe, is centered in that part of the Anglo-American Liberal Establishment to which Bishop Paul Moore's diocese is most closely tied.

The general plan is as follows:

1) To continue the 1985-88 pattern of appeasement of Moscow, the "pro-glasnost" policy of "I Like Gorbys" centered in such figures as London's powerful Victor Rothschild and the darker, more powerful figures he represents as a frontman. Use globalist "understandings" with Moscow, as an aid to crushing all independent opposition to the Anglo-American Liberal Establishment within the United States and other nations.

The recent legal frame-up patterns against me and my friends are but an aspect of that pattern of crushing and elimination of all independent forces of determined opposition to both Soviet appeasement and the neo-feudalist sort of globalist fascism sought by the relevant elements of the Anglo-American Liberal Establishment.

2) Split the United States from Western Europe strategically, as rapidly as possible, while establishing London-centered cartels as the dictatorially dominant forces within a "federalized" Europe.

3) Eliminate the sovereignty of the United States by approximately the summer of 1989, through a crushing financial crisis which places the U.S. under IMF "conditionalities."

In the meantime, London elements of this cabal are going to great lengths to paint themselves as admirers and friends of the Bush administration, to lull that administration into a state of overconfidence in suggested understandings reached with London forces.

The efforts by Greenspan to increase interest rates, to

dissolve the anti-Depression Glass-Steagall Act, and to assist in the looting raid on the S&Ls, are preparatory steps being taken to prepare the way for the scheduled financial crash later during this year.

The battle to save the S&Ls and ordinary Americans' savings from the looting-operations of Wall Street and London financier cartels should be mounted as a first counter-measure against the plot of the U.S.A.'s deadly Liberal Establishment adversaries.

Mr. Edwin Gray has presented valuable warnings and suggestions. Those should be supplemented promptly by the measures which I proposed during my 1988 presidential-nomination campaign. Those actions, by themselves, are only defensive actions, which will not solve the problem by such measures, alone. They are defensive measures, which buy the U.S. government time for putting more fundamental actions into place.

Excerpts from Edwin Gray's remarks reported in the October 1988 issue of Regardies:

On the 1984 rescue of Financial Corporation of America, the nation's largest thrift: "In September 1984, given the fact that FCA was threatened with a continuing liquidity crisis and had virtually run out of collateral with which to borrow either from the Federal Home Loan Bank or the Federal Reserve, we had gone to Dick Pratt, my predecessor at the bank board, who at the time was in a key position at Merrill Lynch. He was putting together a \$1 billion brokered funds package at our request. This would provide liquidity for FCA, which was desperately needed to stay ahead of the crisis.

"Then, one day, Pratt called to say that he couldn't go ahead with the deal. He said that he'd been overruled by his superiors. By the skin of our teeth, the next day we lined up another firm to put together the deal. . . . More than a year later Pratt confided to me that Don Regan had been the reason that his superiors had overruled him. He said that Don Regan had intervened and caused his package at Merrill Lynch to be scuttled. I found this to be interesting indeed."

On his warnings of the coming FSLIC crisis: "I was talking about the problem way back in 1983. I realized that I'd probably have the problem dumped on my doorstep down the road, and I wasn't about to countenance that. I felt very strongly that I had to make my concerns about the FSLIC known early on. But I felt that if I wasn't careful, I could start a run on federally insured institutions, so my statements were carefully crafted to try to prevent that."



'Farmer's representative' backs food cartel's free trade policy

Dean Kleckner, president of the American Farm Bureau Federation, was interviewed by EIR Agriculture Editor Marcia Merry on Dec. 6, 1988 in Montreal, where Mr. Kleckner was present for the Mid-Term Review Round of the General Agreement on Tariffs and Trade (GATT).

EIR: Now in process of formation are giant free trade zones, such as Europe 1992, the new Canada-U.S. Free Trade Agreement, and the new Australia-New Zealand 1990. Many fear that there will be consolidation of market control by a certain very few companies.

Kleckner: Well, it's a potential problem, it seems to me, though I'm not that concerned at this point. I'm always concerned with monopoly, and at some point, there is a monopoly, or we're moving well toward it, any time you have a lack of competition—and different people see that differently—it *is* becoming more concentrated, and it *is* becoming worrisome to farmers in the United States. I'm not sure whether we'll see a new bilateral agreement, like the U.S.-Canada agreement, and of course 1992 in Europe. I'm not sure how that will play out. I think the more we go to freer trade, the better it will be for farmers and everybody in the long run. There could be some short-term problems for certain sectors, but long-term, freer trade just means a better economy, and it's better for everyone.

. . . There will always be problems. Sometimes we can't foresee what they will be, but there are always problems with change. And human nature being what it is, we're not very adaptable to change. We do change, because everything is changing, nothing is constant—but change worries us—farmers no more and probably no less than anybody else. We'll just have to adapt to it.

I think on these trade talks that we're having right now, it's hopeless, it's foolish, to put obstacles in the way. These things are going to happen: We're moving toward freer trade in the world. I think agriculture ought to be doing what we're doing now—we ought to be involved with it, and helping to shape it, so that it will be something that we can more easily live with, rather than saying, "We don't like it, we're not going to participate, let's set up as many roadblocks as we can"—and they will just go around us, we'll be isolated. That's not the proper way to do it.

EIR: U.S. dairy product surpluses have run out and the government has discontinued free distribution of milk and cheese products. The milk producers have called for a national debate on what level milk stocks ought to be at. In that light, the U.S. food security proposal at GATT said that we should not have "self-sufficiency" be the criterion for "food security" for any nation, but rather "access to the markets," the "ability to store."

Kleckner: Well, I certainly agree that we ought to ban the phrase "self-sufficiency." It just doesn't fit in with free markets and with adequate supplies. And certainly it *does* fit in with surpluses. The European Community has proven that—you go right beyond self-sufficiency into gigantic surpluses, so we then have the trade distortion. So food security is something different.

In the matter of milk in our country, I don't have the concern—there *will* be adequate milk and milk products, if the price is there and the incentive to produce. And I think that the market system is dictating that right now. We're having dairy farmers in some parts of the United States now receiving above the loan rate for their milk, because there is a demand for it. I don't have the concern either, that our excessive supplies are going down, so that we don't have the amounts of powder or butter, or whatever it is, that we've given away in the past. . . . If that's a policy, then it can be bought on the market—it doesn't need to be surplus disposal!

So I would say, it never hurts to have a national debate on what the right amount ought to be, whether that's 5 billion pounds or 3 billion or 7 billion. . . . But don't be so concerned that that amount should be raised or else the giveaways will stop or vanish. That doesn't necessarily need to be true. As I said, it can be purchased from the market. Let's buy it from the market, and have the market system work! Dairy farmers will respond to that.

EIR: There are huge flows of food being committed from Western nations to the Soviets through bilateral deals, from France, New Zealand, and the United States. And Australia is now negotiating a commodities pact. What are your views on this process?

Kleckner: I don't know what the Australian-Soviet pact will mean, if anything, any different from any of the other bilat-

eral pacts. Of course, we do have a bilateral pact, a long-term agreement with the Russians, and we are now renegotiating if we can for another period of years. I think, too often, though, American farmers, and maybe world farmers, forget that trade goes on even without these bilateral pacts, or multilateral pacts. They buy from us, we buy from them, so trade does go on, and you don't need these pacts to have trade. What it does, apparently, is to add a little certainty to it: There are minimums and maximums that can be purchased, and certainly from the U.S. and the Soviet pact, the minimums that are set are there so that we know they *will* be buying that much year after year, and we can plan accordingly.

I don't see a lot wrong with that—but on the other hand, it's not going to be the savior of the world, because it probably, in the end, won't affect trade all that much. It would have gone on anyway, and over a period of five years, I'm not so sure that those pacts mean any more trade. It may smooth it out a little bit from year to year, and probably that's beneficial.

EIR: There is concern that the bickering and possible trade war over beef hormones between the United States and the European Community is in fact straining NATO. This is really to the benefit of the Soviet Union.

Kleckner: I would prefer to have the Western connections strong, and a lack of trade war, or freer trade. Of course, that's the purpose of the exercise in the GATT negotiations: to move toward freer trade and less restrictions and more open borders, and so forth, and it's slowly becoming that way. But frankly, the problem is that there is some excess production in the world, in the Western world—we have a more capitalistic society in the West, so that leads to better production, it leads to more. And so we have things that we need to sell, and the truth of the matter is, we're fighting each other in the West, because we're subsidizing exports. And the beneficiaries of that are the countries that import, that need to import, Russia being one of them—that's the big one that we look at—but there are other ones also.

Through the GATT, of course, we are trying to reduce those barriers. But I would guess that we're still going to have more produced in the Western world than the Western world will consume—and there is nothing wrong with that; I am for that. I am for production, and then using the markets to sell. So, Russia will be the beneficiary of our production. Hopefully, we can get away from subsidizing exports, both the United States and the EC and other countries that do it.

EIR: The United Nations has called for a 13% increase in the world output of cereals. Even the grain trade people in London, who follow soybeans and so forth, say that we're going to have record low stocks.

Kleckner: Well, certainly the United States is responding to market conditions—I mean the price: The stocks were

low, so the prices rose. That was the market system at work, that's supply and demand.

EIR: There's also concern that farmers who do want to plant or increase output for 1989, won't have access to the credit they need. What do you think of that?

Kleckner: I'd be very surprised if that happened. I think there is going to be adequate credit there. There frankly always is enough credit, for those who show that they can pay it back. And most farmers now are in that position—there aren't a lot that have a real credit crunch, or a real financial crunch. There are some, but there always are some. There will be credit available. It may cost a little bit more, but that has virtually nothing to do with farming and farmers. The credit, and the interest rates, are really set worldwide now, and so interest rates are tending to go up right now. I'm in the minority, but I think that that's not going to continue; I would look for interest rates to be falling—maybe not in 1989, but the long-term trend of interest rates, I believe, is down, and not up.

EIR: The Department of Agriculture computed "production subsidy measurements," for use in making proposals on cutting subsidies. For the United States the dairy and sugar sectors are singled out for big cuts.

Kleckner: Well, those two commodities are always pointed at by the rest of the world, as they point the finger at the United States and say, "You're not really white either." And we recognize that, we admit it. I say, "Certainly, the United States is not really white"—and it's not just dairy and sugar. We have other forms of protectionism in the U.S., but those two are singled out, it seems to me. And they're more worried than over the rest of our commodities, frankly, because . . . I think they *have* some more protectionism than some other commodities. . . .

Dairymen that talk to me say, "How can we compete with New Zealand, when they can produce milk for \$4, \$5, or \$6 a hundred [pounds of milk]?" I say, "I don't think we can, I don't think there's a farmer in the United States who could produce milk for that, but don't *worry* about New Zealand! They could fill New Zealand with cows, and it still wouldn't affect the world market that much! They're not that major a producer."

In the rest of the world, though, U.S. producers are efficient enough that we can compete, if the playing field is level. So I say to U.S. dairymen, "Don't get all that shook up!" Efficient and productive U.S. sugar producers will compete in a world market, again, where the rules are fair and the playing field is level. . . . The problems that our farmers have, are the same as the problems of farmers in the rest of the world: They don't know what the future holds, so they are concerned about it, and that leads to negative comments and negative thoughts, because they don't have the certainty that they are used to right now.

Why the Chicago Mercantile probe?

The international food cartel no longer needs the pretense of an auction market.

Late in the day on Jan. 25, the Senate Agriculture Committee announced that the Jan. 26 confirmation hearings of Clayton Yeutter for Agriculture Secretary were postponed for at least a week, pending the outcome of the current FBI investigation of wrongdoing by traders on the Chicago Mercantile Exchange and Board of Trade.

On Jan. 25, Sen. Tom Harkin (D-Iowa) asked for an investigation of the role of Yeutter in the operations of the Chicago markets. Yeutter's seven years as president of the Merc overlaps the stated FBI probe from 1983 to 1985. Whatever was committed during that time—either by the FBI, by traders, or Merc member companies—happened during Yeutter's watch, while he was in service to the famous-name food cartel companies (Archer Daniels Midland, Cargill, Continental, Bunge, Louis Dreyfus, Garnac/André).

As surely as scum rises to the top, the dirty connections of Yeutter and the questions surfacing about the Chicago Mercantile Exchange and Board of Trade are now out in the open, at an inconvenient time for the Bush administration. The hearings' postponement is a glitch in the Bush team's hopes to have a smooth administration start-up.

The Senate Agriculture Committee had planned to have no outside testimony at the hearings; they were going to rubber-stamp the nominee. The news media hushed up the postponement for days. Such is the power of the cartel companies on Capitol Hill.

There is something more fundamental involved here. First, look at

the nature of the Chicago exchange probe itself—"Operation Hedgeclipper" in the yen futures pit, and "Operation Sourmash" in farm commodities futures. The FBI does not conduct spectacular investigations like this in order to uncover fraud, right wrongs, or do good. The FBI wouldn't be caught dead righting wrongs. The FBI is a political dirty tricks outfit.

Over 250 subpoenas have been issued as of the third week in January to individual traders and clerks, and to clearing member firms. Several FBI agents posed as employees of the Archer Daniels Midland cartel company. A grand jury is under way. There are threats of prosecution, and uncertainty in all directions. The price of a seat on the futures exchanges has plunged. The Mercantile Exchange has begun an advertising campaign to keep up its image: "The meats move faster. . . . For the active trader, livestock futures at the Chicago Mercantile Exchange are particularly interesting right now."

The government is presumed to be pursuing charges of widespread racketeering, individual profit-skimming, bilking of clients, etc. Speaking politely, a Wall Street futures lawyer said, "If there has been a lot of skimming going on, the general public has been paying a bit more when they bought, and selling lower than they should have."

However, for the entire history of the Chicago exchanges, this has been the "legal" purpose the markets served for the international cartel trading companies—to "justify" the low prices

they pay to farmers, and the high profits they make off their domination of international food flows. The Chicago Board of Trade is a hated institution.

But now, it may be viewed by the cartel as redundant.

In recent years, the cartel companies have moved beyond domination of world food trade, into almost total control. After leaving the Mercantile Exchange in 1985, and becoming U.S. Special Trade Representative, Clayton Yeutter advanced the cartel cause by launching an international free trade campaign. He demands the elimination of all "trade-distorting" agriculture programs and national "barriers" to trade—by these, he means any sovereign decision a nation makes (import quota, farm support, food subsidy) which the food cartel wants to eliminate.

Yeutter wants to create a world trade police force, out of the International Monetary Fund, World Bank, and General Agreement on Tariffs and Trade (GATT). At the Dec. 5-9, 1988 Montreal GATT talks, Yeutter's delegation included two top Cargill executives in his "private sector" group.

There is a scramble for the futures gang to "clean up its act," on their own, but no one is paying much attention to that. There is a nine-member special panel at the Merc, considering changes in trading to protect customers. There is the standing oversight group, the Commodities Futures Trading Commission—since its inception in the 1970s, a front for cartel interests. The FBI operation will make this latter group look silly.

The real question posed, by both the Yeutter nomination itself, and the FBI actions against the Chicago futures exchanges, is: Are the world food cartel companies moving to wreck the functioning of Chicago and other markets, because they plan to exercise direct, total control over food supplies?

Food production in Pakistan: an area of growing concern

by Ramtanu Maitra

Over the years, Pakistan's food production has gone through periods of crises. Bestowed with an irrigation system which was superior to that in any part of India, Punjab and Sind provinces of Pakistan were producing bountiful food, and Pakistan was a food surplus nation at the time of partition of the Indian subcontinent in 1947. But less than two decades later, Pakistan had become a food-importing nation dependent largely on the U.S. government's PL-480 program.

In spite of the "green revolution" and subsequent rise in food production, and to a certain extent productivity, Pakistan's food-growing sector has remained perilously close to insufficiency. In the 1980s, Pakistan's food production kept up with the growing population but could not build up any significant buffer stock. As things stand, the future looks shaky unless a qualitative improvement in the agricultural sector is undertaken forthwith.

Since 1970-71, the year the eastern wing tore away from Pakistan to become the independent nation of Bangladesh, Pakistan's production of major cereals has shown a significant rise (see **Table 1**). During this period, production of wheat rose by 100%, rice by about 50%, and maize by 57%. Unfortunately, however, production did not go up because of enhanced productivity. During this period Pakistan had put under the plow more land which for the most part accounted for the production increase. The sown area in the case of wheat grew by 22%, while 31% more land was used for paddy cultivation and 34% in the case of maize. In effect, the productivity rise over the 18-year period had been less than substantial, and is a major cause for concern.

By the year 2000, as the population growth projection indicates, Pakistan will have at least 25 million more people. To keep them alive, at least 25% more food-grain production at the end of the coming decade will be required. At the same time, a large segment of the population in Pakistan today requires more food, both in terms of calories and nutrition, to be healthier and more productive.

Pressure on land utilization

Pakistan, what was known as West Pakistan until 1971, has a reported arable land area of about 58 million hectares, of which 36% was under cultivation as of 1986-87. According to available reports, about 10 million hectares—about

18% of cultivable land mostly located in Sind and Punjab—have become unusable because of waterlogging and growing soil salinity. Government experts claim that 50% of this "unusable" land can be reclaimed without incurring large expenditures. However, the effort to do that has not yet become visible.

Meanwhile, large tracts of land lying west of the Indus River and belonging to the barren Baluchistan and not-so-barren North West Frontier Province (NWFP) have very little access to water. With a very low annual rainfall, the cost of bringing these lands under productive cultivation will be high. However, proper planning and effective implementation can make both Baluchistan and the NWFP highly productive regions for fruit growing and other low water-consuming agro-products which, in turn, can contribute significantly to local agro-based industries.

The provinces of Sind and Punjab, washed by the Indus and its mighty tributaries—Sutlej, Ravi, Chenub, and Jhelum—will continue to produce the bulk of Pakistan's food supply. Out of 21 million hectares of land under cultivation, cotton is sown in 3 million hectares and sugarcane in 1 million hectares. Major cereals, such as rice, wheat, and maize, account for 10 million hectares. The minor cereals and cash-crops account for the rest of the 15.54 million hectares sown in 1986-87.

In the coming years, as Pakistan's population, which now stands at 102 million with an annual growth rate of 2.5%, grows, the pressure on land will increase. Unless land management planning, which must include highly productive food-grain production schemes, is undertaken right now, Pakistan may fall back to the lean days of the 1960s. The problem is that in the 1960s the world had a substantial surplus of food-grains; according to various projections, there may not be any surplus at all in the 1990s.

Benefits of the Indus Water Treaty

In the 1960s when Pakistan's food-grain production stagnated, the introduction of chemical fertilizers, enhanced irrigation, and the high-yield variety (HYV) seeds succeeded in breaking the logjam, and Pakistan, over the next few years, emerged as a food self-sufficient nation. The Indus Water Treaty between India and Pakistan in 1960 was a major con-

tributor to this success. The treaty provided for sharing of the Indus water through transfers from the three western rivers (Chenub, Jhelum, and Indus) to the three eastern rivers (Sutlej, Beas, and Ravi) through a network of canals and barrages.

The mighty Indus Basin project, one of the world's largest, on the Pakistan side consisted of two major dams—Mangla Dam on the Jhelum River and Tarbela Dam on the Indus—primarily for irrigation purposes. Besides, eight inter-river link canals, five barrages and one gated syphon were part of the basin development. Mangla Dam, with a storage capacity of 0.66 million hectare-meters (mhm) of water, and Tarbela Dam, one of the world's largest earth-filled dams with a storage capacity of 1.14 mhm of water, became the major suppliers of irrigation water. In 1985, the Indus water system provided about 12 mhm of water at the farmgate, while the tubewell system, used for pumping water up from underground aquifers, accounted for another 1.5 mhm of water for irrigation.

In spite of the Indus Basin development and a spurt in the pumped-irrigation system, most farmers in Punjab and Sind make do with about one-third of the water that farmers elsewhere use. According to one expert, Dr. Abdur Rahman, vice-chancellor of Agriculture University in Pakistan, the water shortage results mainly from huge losses occurring in the conveyance system; from canal head to outlet to the tune of 25%; from outlet to farmgate, 15%; and to field another 6%. It adds up to a colossal loss of 46% of the total surface water diverted. According to Dr. Rahman, 4.42 mhm of river water goes unused to the seas.

While ways to hold a significant part of the unused water flowing to the seas must be found, exploitation and recharging of groundwater must be stepped up to meet the increasing water demand with better control. Pakistan's performance in the exploitation of groundwater has been a mixed bag. From a modest beginning in the 1950s, the number of tubewells installed grew steadily at the rate of 6,000 per year, and by 1965 there were 31,000 tubewells. The installation of tubewells rose faster after 1965, and by 1973 the number of functioning tubewells reached 100,000. Although the installation rate slowed down after 1973, the number of tubewells installed continued to rise, and reached the maximum in 1982 when the number of functional tubewells reached 202,158.

Since then, the number of functioning tubewells has been on the decrease. Reasons cited include increasing cost per installation, groundwater becoming saline, lowering of the groundwater level, and lack of pumping power.

Green revolution inadequately exploited

There are two other areas—seeds and fertilizer—that could be taken advantage of to enhance food-grain productivity significantly. When used in conjunction with adequate fertilizer and water, HYV seeds can give a 20% rise in production. According to available reports, only 43% of seeds

for wheat production, 26% for paddy production, and 15% for maize are HYV. By converting the entire foodcrop-seeds to HYV seeds, Pakistan's food-grain production can get a boost in a short time-span. At present, however, Pakistan lacks the institutional strength necessary to undertake a large-scale scientific development in this area.

Compared to the performance with HYV seeds, Pakistan has done considerably better in fertilizer use. Total fertilizer use increased from 283,200 nutrient tons in 1970-71 to 1,783,840 nutrient tons in 1986-87, an increase of about 529% during the period. The consumption of fertilizer per

TABLE 1
Production of major crops
(in thousand tons)

	Year		
	1965-66	1970-71	1986-87
Wheat	3,854	6,374	12,882
Rice	1,296	2,165	3,486
Maize	531	706	1,111

Source: Ministry of Food, Agriculture and Cooperatives, Government of Pakistan

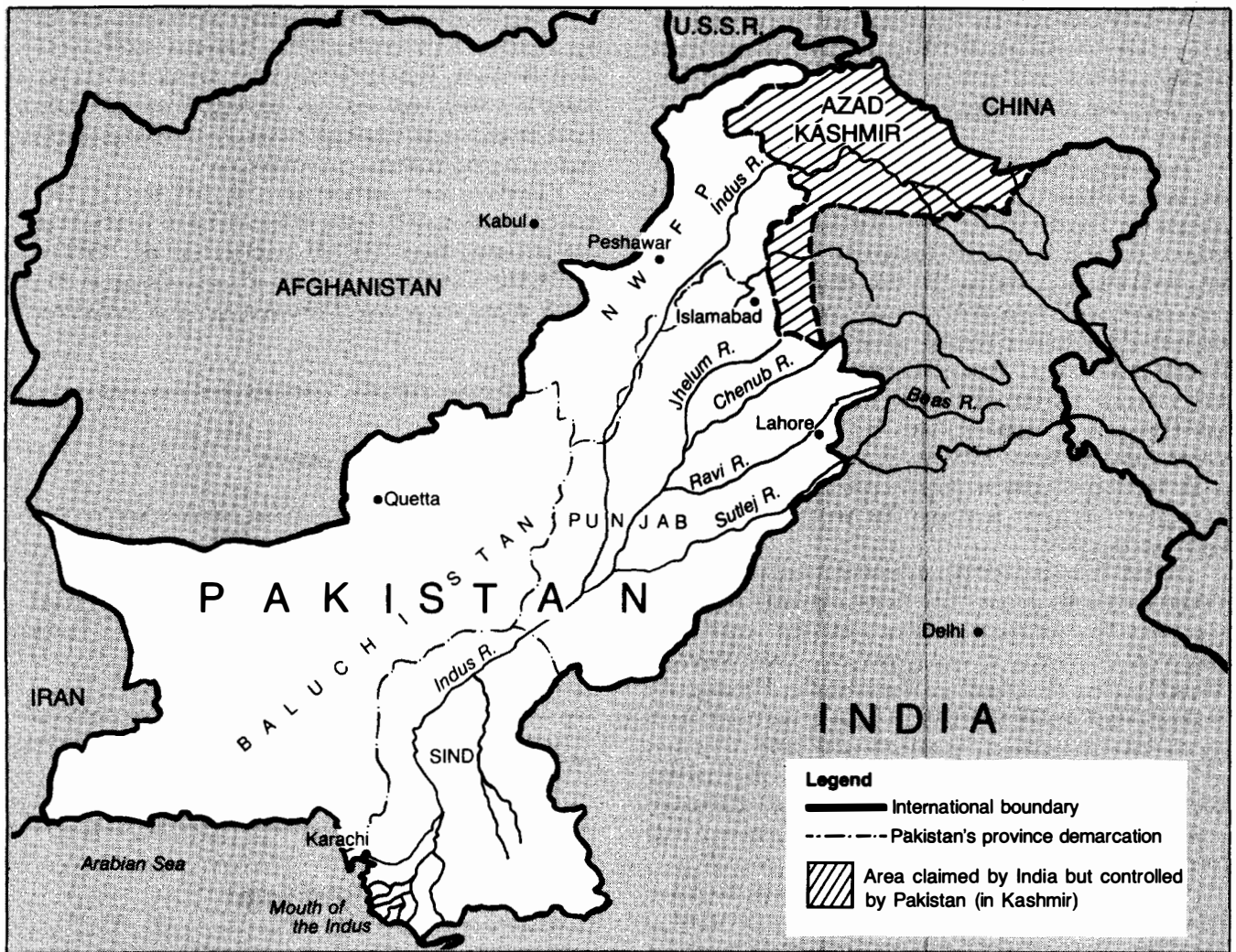
TABLE 2
Area under major food crops
(in thousand hectares)

	Year		
	1965-66	1970-71	1986-87
Wheat	5,157	5,980	6,932
Rice	1,394	1,504	1,968
Maize	542	640	842

Source: Ministry of Food, Agriculture and Cooperatives, Government of Pakistan

TABLE 3
Yield of wheat in 1985

Country	Yield
Pakistan	1.59
India	1.87
China	2.95
U.S.S.R.	1.65
U.S.A.	2.52



cropped hectare rose substantially from 15 to 59 nutrient kilograms—about 20 kilograms more than the average in India. However, it is doubtful whether the Pakistani farmers were able to extract the optimum benefit from increased fertilizer use.

As Dr. Rahman pointed out recently, the proper use of fertilizer is associated not only with the quality of the nutrients itself, but also its judicious use at the proper stage of plant growth. The infrastructural weakness in Pakistan's agriculture, combined with its institutional weakness, is also noticeable in the way fertilizer is used. Farmers, not being aware of vital scientific findings, often use fertilizer without taking into account soil conditions and other parameters.

While the application of the fundamentals of agricultural science will take Pakistan over the crisis that is looming ahead in the coming decade, there are areas where long-term thinking and planning are needed. Since a new government has come to power in Islamabad with the promise of eradicating poverty, Pakistan's long-term agricultural development requires a hard look.

Some constraints

First, the annual flooding and large-scale deforestation, which have led to severe land erosion, need to be given priority attention. Flooding and deforestation are deeply intertwined in the present eco-cycle that is heading for a potential disaster.

Pakistan's floodplains consist entirely of riverine areas located between and on either side of the Indus River system. Some 80% of Pakistan's valuable irrigated land area of 16.6 million hectares is located in this riverine tract. The topsoil of the riverine areas is highly fertile and capable of sustaining crops of different types. With the construction of the Tarbela and Mangla dams and a number of diversion and flood protection works, the *frequency* of flooding has been reduced, but the *severity* of the floods has not.

In fact, the floods have become more severe now than before because the riverbeds have been raised due to large-scale settling of eroded soil. Pakistan has very little forest land. According to the government statistics, only 4% of the land mass can be considered as having proper forest cover.

Such a small forest cover itself poses problems of land erosion. Moreover, Pakistan's rainfall is dominated by the southeasterly monsoon which brings 80% of its rains during an eight-week period. Although some winter rains provide relief, by and large most of Pakistan experiences dry spells extending as long as 12-14 weeks. In addition, traditional grazing and indiscriminate felling of trees for commercial and domestic consumption are further eroding the grasslands and forest lands.

Man-made scourge

Particularly since the Soviet invasion of Afghanistan in 1979, millions of Afghan refugees have come to settle in makeshift camps in the ecologically delicate border areas of NWFP and Baluchistan. Reports of armed gangs of Afghan refugees cutting down trees while the forest guards look the other way have become routine. An official memorandum recently presented to the Aid Pakistan consortium of donors said that while the direct financial cost to Pakistan of taking care of the refugees over the past eight years adds up to \$1.5 billion, "there is no way of computing the [indirect] cost in the form of environmental deterioration, economic damage to the rangeland, forests and pastures of vital watershed areas, the consequential water run-off and soil eroion, the resulting reduced productivity, pressure on infrastructure like irrigation channels, roads, etc." The government of the NWFP has estimated that it will cost \$195 billion for initial rehabilitation of physical and social infrastructure in the province, following the return of the refugees to Afghanistan. Of that nearly one-third would go to forestry and pastureland restoration.

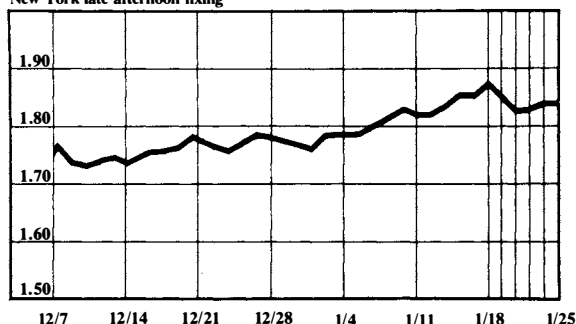
Such ecological stress has resulted in large-scale land erosion. According to hydrological studies, 280-300 tons of soil per hectare are eroded annually, partly as a result of deforestation and overgrazing. The eroded soil washes into the vast irrigation network in the plains. The irrigation network carries some of the silt to the large-scale dam-reservoirs filling up the dams—the main source of electrical power and a steady supply of water to the farmgates—and deposits the rest, raising the riverbeds. It is estimated that the capacity of Tarbela, Pakistan's largest dam, will be reduced by one-third by the year 2000 unless measures are undertaken on a war-footing.

Another distortion seriously affecting Pakistan's agro-development is the continuation of feudalism in the form of landowning elites. In Pakistan, 74% of the farmer-landholders share a small 34% of the total farm area. Seventy percent of the tubewells are installed on the lands of farmers having more than 10 hectares, while 4% of the tubewells are for those having less than 5 hectares, though this group contains 74% of the cultivators in the country. Most of the impact of the green revolution has gone unnoticed by the small-plot owning farmers. Lack of financial capability to acquire the necessary inputs has left a large number of small plots of land unproductive and low-yielding.

Currency Rates

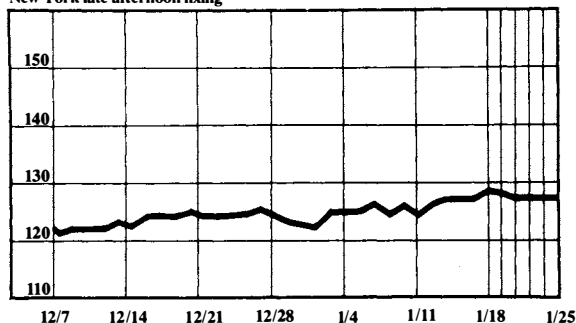
The dollar in deutschemarks

New York late afternoon fixing



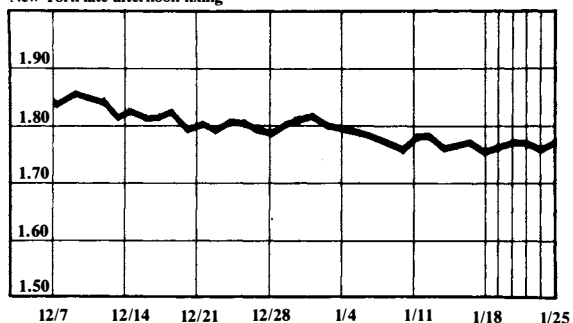
The dollar in yen

New York late afternoon fixing



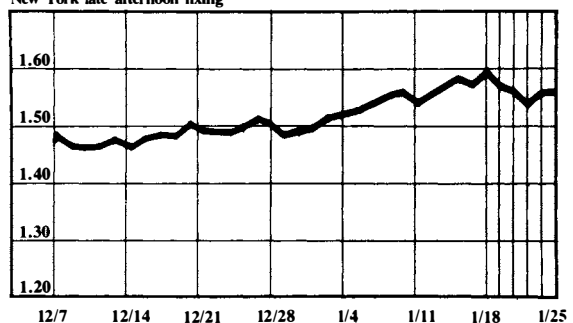
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Behind the strange world boom

The Anglo-American centers of financial power are making a grab for control of the metals markets.

Since the Oct. 19, 1987 stock market crash, there has been a considerable boom in world commodity prices. Copper, nickel, tin, zinc, and bauxite for aluminum all have reached recent price peaks over the past months, as funds have fled the equity markets.

From 1979 to about October 1987, there had been a chronic depression in world mining, and raw material commodity prices kept falling as soaring U.S. interest rates and oil prices plunged the world economy into depression levels, especially after 1979. World mining capacity had been bankrupted or idled since 1980. Before October 1987, the London Metals Exchange (LME), the world's most important metals trading center, traded nickel for approximately \$1.80 per pound.

According to one London metals analyst, industry average production "breakeven" price is \$2.00, meaning heavy losses for mining producers of the metal. By January 1989, the LME price of nickel had hit an impressive \$8.50 per pound.

According to a report by London metals brokers Rudolf Wolff, Western world stocks of nickel by the end of 1987 were at an alarmingly low eight weeks' supply. They fell further during 1988, assisting the boom in prices. Though less glamorous than gold or platinum, or the "strategic" metals such as cobalt, the base metals--zinc, bauxite for aluminum, tin, copper--are the heart of world industrial production. Their prices have been soaring since October 1987.

According to well-informed European and Japanese banking and in-

dustry sources, there was a consensus among Group of Five countries, arrived at perhaps during the feverish summer of 1987 when the Dow Jones index soared to its all-time 2700 point high, that global equity speculation was endangering the overall economy.

The Group of Five countries, U.S.A., Britain, Japan, West Germany, France, "reached a secret agreement at that time to 'encourage' capital flows away from stock speculation and into commodities. The public argument was that this would help the endangered debtor commodity-exporting countries, but actually it was aimed at strengthening the major international banks holding that debt," one banker stressed to this reporter. The "insider trading" crackdowns in New York, London, Tokyo, and elsewhere were part of the G-5 plan to force capital out of stock speculation into commodities, according to this report.

London and New York, the two poles of world financial power since 1919, stand at the center of a global reorganization of raw materials production, refining, and marketing. The London Metal Exchange was the focus of a turbulent shakeup and forced reorganization starting November 1985, around a liquidity crisis in its tin markets. Banking sources in London say that crisis was triggered from Washington. It was used by some as a pretext to reorganize world metals trading.

Today the LME is unchallenged as the world metals trade center and price regulator. This concentrates enor-

mous potential world economic power into the hands of an elite.

Some months earlier, one of the world's most important refiners of platinum and precious metals, Johnson Matthey Ltd. of London, was forced into reorganization over alleged abuses. The Bank of England forced the reorganization.

The beneficiary of that reorganization was the London-South Africa mining magnate, Sir Harry Oppenheimer, who, as a result of the affair, today is the world's most important refiner of platinum, an essential ingredient in catalyzers for "environmentally clean" auto production. Interesting to note is that Oppenheimer is close to Lazard Frères investment banker Felix Rohatyn, whose Lazard partner sits on the board of Minorco, Oppenheimer's Luxembourg-based holding company, now in the process of taking over Britain's Consolidated Gold-Fields to become the keystone of a global mining and precious metals cartel.

Rohatyn, a Democrat, was a key adviser to candidate Michael Dukakis in 1988, while Dukakis was calling for total economic embargo against South Africa. Rohatyn and Oppenheimer have some reason to think world metals worth a big fight.

Curiously, at about the same time, December 1984, certain liberal financial interests in New York and London launched a most virulent financial disinvestment campaign against the world's most important minerals producer--South Africa. Chase Manhattan and Bank of Boston triggered the crisis in the rand, by abrupt disinvestment in South African bank loans.

Does all this add up to an Anglo-American power bid to force restructuring of world economic power along the lines of 19th-century British Empire designs, only this time globally?

Hopeful news on blood supply

There is progress to report in slowing the spread of blood-borne infections.

One area which has been highlighted by the AIDS epidemic is the more general problem of infections resulting from contaminated blood and blood products. In addition to HIV, this includes such infections as hepatitis-B virus and non-A, non-B hepatitis virus. Non-A, non-B hepatitis develops in 5-10% of multiply transfused recipients, resulting in 150,000-300,000 cases annually in the United States alone.

While one problem with non-A, non-B hepatitis is the lack of a sensitive serological assay, even such an assay would not eliminate the problem. Both HIV and hepatitis-B, for which we do have such assays can still be transmitted by seronegative donors. In fact nearly 10% of transfusion-related hepatitis-B cases and nearly 25% of the severely jaundiced cases result from hepatitis-B virus transmitted by donors who are negative for the hepatitis surface antigen. As for HIV, at least 13 cases of transfusion-related HIV infection from seronegative donors have been reported.

One group which has been particularly hard hit are hemophiliacs, who receive both pooled clotting factors as well as whole blood transfusions. Nearly 90% of hemophiliacs receiving plasma or clotting factor transfusions have serological evidence of infection with HIV or hepatitis-B and many of these have active disease. In addition 45-80% of hemophiliacs have biochemical evidence of liver damage suggestive of chronic non-A, non-B hepatitis.

There are two ways to approach

this problem. One is to develop a non-blood-derived clotting factor and the other is to develop a method of eliminating viruses which may be present in blood whether they are detected or not. Progress is being made in both areas.

An article in the Dec. 24/31, 1988 issue of the British medical journal, *The Lancet*, describes the photochemical decontamination of blood components containing hepatitis B virus and non-A, non-B virus. In these experiments, diluted plasma samples containing non-A, non-B hepatitis virus were treated with a combination of two compounds, known as psoralens, and exposed to long-wave ultraviolet light. Plasma solutions of hepatitis-B virus were similarly treated and the solutions were then transfused into chimpanzees. In the six months after the transfusions, none of the animals showed any evidence of hepatitis. When the animals were subsequently challenged with untreated virus, they developed hepatitis.

These experiments were repeated using antihemophilic factor (factor VIII) contaminated by the two viruses. Treatment with psoralen and UV light abolished the infectivity of the viruses without significantly affecting the clotting activity of the concentrates.

A previously reported study showed that treatment with a compound known as hematoporphyrin derivative (HPD) followed by illumination with a specific wavelength of red light would inactivate certain enveloped viruses such as HIV and hepa-

titis-B virus. HPD binds to the envelope of the virus and probably acts by disrupting the envelope. The psoralens, on the other hand, bind directly to the DNA or RNA and therefore should affect both enveloped and non-enveloped viruses.

On the synthetic clotting factor front an article in the Jan. 19, 1989 *New England Journal of Medicine* describes the use of a recombinant antihemophilic factor in the treatment of two patients with classic hemophilia. Classic hemophilia results from a defect of a protein called antihemophilic factor, or factor VIII. Use of concentrates of this factor prepared from pooled blood have dramatically improved the treatment of hemophiliacs over the past 20 years. Unfortunately, 60-80% of hemophiliacs exposed to factor VIII concentrates between 1979 and 1984 are seropositive for HIV.

Because pasteurization of concentrates and blood donor screening have not entirely eliminated this problem, there is interest in developing a recombinant form of factor VIII. Researchers at the University of North Carolina at Chapel Hill tested one such preparation on two patients with classic hemophilia and found it to be an effective agent for treating these patients. In addition to being an effective preparation, the recombinant clotting factor was much easier to prepare for administration and did not provoke an immune reaction even in the one patient with a history of previous reactions to the plasma-derived product.

Thus we see that already the research stimulated by the AIDS epidemic is producing benefits beyond the immediate problem of HIV infection. Unless such research is rapidly accelerated and serious steps are taken to control the spread of AIDS, these discoveries will be swamped by the magnitude of this epidemic and go for naught.

Business Briefs

Third World Debt

Mexico to take tougher negotiating stance?

Mexico may up the ante in debt renegotiation talks with the banks, according to Salmon Brothers.

The investment firm has just issued a study entitled, "Mexico: Now Come the Fireworks," in which it is forecast that Mexican chief debt negotiator José Angel Gurria may put on the table a "demolition bomb" at the next round of talks.

The report says it believes Gurria will demand that the banks capitalize up to 80% of Mexico's interest payments due during the next six years—that is, the banks will simply pay themselves the interest, and add it to the nominal total of Mexico's debt.

He may also demand that interest on all the loans be set not at approximately one point above the London Inter-Bank Overnight Rate (LIBOR), but at a rate based on the average rates of inflation in the developed countries—presently much lower.

'Free Market'

Heritage Foundation to host U.S.-Mexico meet

Mexican journalist Carlos Ramírez, writing in *El Financiero* Jan. 21, reported plans for a secret Jan. 25-27 conference run by the Heritage Foundation, to bring together the top "free market" oligarchists of the U.S. and Mexican business communities. According to Ramírez, the organizers of the conference had hoped to keep it secret until after it had occurred.

In attendance from Mexico were: Eduardo García Suárez and Jorge Ocejo, presidents, respectively, of Mexico's two most important business organizations, Concanaco and Coparmex; José Angel Conchello, a top businessman and leader of the neofascist National Action Party (PAN); and Enrique Krauze, who recently made news by demanding a total purge of the ruling PRI party of all nationalists.

As the heads of Mexico's Concanaco and Coparmex, García and Ocejo issued a 155-page report to President Carlos Salinas de Gortari. The document recommends modification of the foreign investment law that now requires 51% of all shares of any company to be owned by Mexicans; destruction of state monopolies; a complete end to all price controls; bringing private investment into areas now dominated by the government; removal of the government from the Federal Electricity Commission; reduction of government spending; and giving the Bank of Mexico complete autonomy.

In other words, the complete privatization of the economy and delivery into the hands of foreign "investors."

Energy

Argentina suffering electricity shortages

Argentina is suffering from a severe shortage of electricity, and U.S. experts have been called in to assess the situation.

Public Works Minister Rodolfo Terragno invited a group of four U.S. electricity specialists to Argentina help solve the crisis. They will inspect the Salto Grande hydroelectric dam 350 miles northeast of Buenos Aires, which has been reduced to minimum functioning due to lack of rain and a drop in water levels in the Uruguay River. The dam, located on the river separating Argentina from Uruguay, has only 3 of 14 turbines in operation, and the lake is almost empty.

The U.S. team includes: David Pumphrey, director of international assessment for the Department of Energy, James Brown of the Office of Energy Emergencies, Ron Keuther, a member of the North American Electric Reliability Council, a group founded after power outages hit several major U.S. cities, and Robert Griffin, manager of the Bonneville Power Administration.

The electricity shortage has led to elimination of night sports events, only four hours of television broadcasting per night, three- to five-hour outages in Buenos Aires and other major cities each day, and street and

store lighting reductions.

Because of International Monetary Fund programs faithfully implemented by all recent Argentine governments, the country's basic infrastructure has seen no investment for a decade.

Health Care

Bentsen warns of fund bankruptcy

According to an aide to Sen. Lloyd Bentsen, the senator is warning that "we are looking at the bankruptcy of the Hospital Insurance Fund in the not-too-distant future." The fund that pays all government reimbursements for hospital care of Medicare patients is projected to become insolvent in the next decade or so.

Committee chairmen in both the House and the Senate have expressed strong concern about the situation. Proposed remedies range from a tax increase to delaying eligibility for Medicare to the age of 67.

The fund's trustees estimate that interest on the reserves will keep the fund solvent until at least 1995, but that it will probably be unable to pay all its bills shortly after the turn of the century.

The amount of money being paid out is expected to rise steeply after 1995, aggravated by expected increases in the number of older Americans and in the costs of health care.

Henry Aaron, a senior economist at the Brookings Institution, commented, "If it were an S&L, you would say that it's now insolvent."

Agriculture

China will increase farm investment

The People's Republic of China will increase its investment in agriculture, despite a national credit squeeze imposed by the Bank of China, the *China Daily* reported Jan. 21.

Briefly

The Agriculture Bank of China opened a meeting in Beijing to discuss how to get the funds for the increased investment, in an effort to turn around a four-year stagnation in grain production, now at around 394 million tons. Cotton and edible oil production have also dropped sharply. By 2000, China will need 500 million tons of grain a year to feed its people.

Deputy Governor Wang Jinshi said the Agriculture Bank will increase farm investments by \$2.47 billion, up 21.8% over last year. Rural Credit Cooperatives will increase investment in farm businesses by \$2.2 billion. The total increase in investment is 68% over last year, Wang said. A high percentage of funds will go to purchasing grain, cotton, oil, and other products from farmers, with banks now trying to redeem the \$500-800 million in unpaid "IOUs" the government owes farmers for crops already delivered to government agencies. Last year, farmers were paid only 20-40% of what they were owed for delivered crops.

Meanwhile, it has been announced by the grain cartel giant Cargill that it is opening China's largest edible oil processing plant as a "joint venture" with Shandong province.

Trade

Reagan applies sanctions to Thailand

President Reagan, on his final day in office, withdrew import duty concessions from eight Thai products, in retaliation against Thailand's failure to satisfy American demands that U.S. computer software and pharmaceuticals exports be given "intellectual property" protection.

In a separate statement, then-Trade Representative Clayton Yeutter warned that unless Thailand changes its policy significantly in the next few months, the country would be a priority target for stronger action under the 1988 U.S. Trade Act. The eight products will now face import duties averaging 5-10%, but in some cases as high as 20%.

But Thai press have been praising Thai Premier Gen. Chatichai Choonhavan's

boldness in resisting the U.S. demands. The newspaper *Thai Rat* editorialized Jan. 21 that Thailand cannot allow itself to be an underling of the United States because the United States betrays every friend it has ever had.

"The first example is President Ngo Dinh Diem of Vietnam," said the editorial. "Next is Prime Minister Nguyen Cao Ky of Vietnam, who is now living as a second-class citizen selling hot dogs in the United States. The Shah of Iran, the king of kings and a loyal friend of the United States, again could hardly find a hospital to admit him when he was ill. Chiang Ching-kuo, the son of Chiang Kai-shek, remained loyal to the United States until he was abandoned because the latter shifted its stance from Taiwan to court mainland China. The most recent victim of another shameful U.S. act is President Ferdinand Marcos of the Philippines, who protected U.S. interests all of his life. Now an exile in the United States, he is being sent to court and will probably end up in a U.S. prison. I have to refer to what Mrs. Imelda Marcos, 'The Iron Butterfly,' said: 'The United States is killing my husband.'"

The United States is "going bankrupt," concludes the editorial. "Why should Thailand be dragged along?"

Science

First clear photo of DNA molecule

The first high-resolution image of the DNA molecule, magnified 1 million times, has just been published by a team of California scientists in *Science* magazine.

The team used a scanning tunneling microscope, which can record details as small as a single atom.

Rod Balhorn of the Lawrence Livermore National Laboratory team said, "This is the first high-resolution picture where you can see the detailed, twisting structure within a DNA molecule. . . . Ever since Watson and Crick proposed the structure of the DNA molecule, everything has depended on deduction without actually being able to see it."

● **2,000 SCHOOLCHILDREN** in Massachusetts are homeless, according to a state Department of Education study. Boston is said to have a total of 138 homeless children enrolled in school. However, the study excluded children who are outside the social care system and the education system.

● **YASUHIRO NAKASONE**, the former prime minister, is the latest target of the insider trading scandal around Japan's Recruit real estate firm. Japanese media report that he received \$800 a month from the firm from 1982 through 1988.

● **'POLAND needs money,'** was Polish Premier Mieczeslaw Rakowski's blunt message to the West German government. Rakowski spent four days in talks in Bonn, and warned that without new Western credits, Gorbachov will fail. "The fate of *perestroika*," he said, "will also be determined in Poland." Rakowski called foreign debt a "blood-drain for Poland," and said his country needs "several billion dollars urgently." Bonn officials promised credits and exports.

● **MOSCOW** gave prominent coverage to an interview with the head of South Korea's Hyundai Group, Chong Chu-yong, also chairman of the Federation of Korean Industrialists. The interview was featured in the Jan. 12 *Izvestia*. Chong discussed how South Korean businessmen want to build up Siberia and the Far East, in response to Gorbachov's plans.

● **A STUDY** commissioned by outgoing U.S. Trade Representative Clayton Yeutter (Secretary of Agriculture-designate), has designated South Korea for possible sanctions because Seoul restricts imports of American telecommunications products. The sanctions would most likely take the form of 100% duties.

Why Tokyo can not bail out George Bush

by Lyndon H. LaRouche, Jr.

Once upon a time, in a mythical nation, the population was being decimated by a cholera epidemic. Curiously, none of the few physicians in the country was permitted to interfere with the progress of this epidemic. The population and government had great faith in their witch-doctors; the physicians were told not to interfere with local customs. Today, that nation is to be found nowhere on the map.

During 1988, and recently, Japan has acted massively to delay a new U.S. financial crisis. This was done for the included purpose of ensuring that George Bush was elected in November 1988. In Tokyo's view, Bush represented the prospect of institutional stability of the United States. Tokyo has continued to bail out the United States since the November elections, and is inclined presently to continue doing so for months to come.

Were Tokyo to cease supplying absolutely massive financial bailout for the United States, U.S. financial markets would go quickly into a tailspin as deep as that of October 1987, and probably deeper. Any margin the new administration has for continuing the Reagan administration's post-October 1982 monetary stalling-tactics, depends on massive financial bailout sums from Tokyo.

The question is: How long can Tokyo continue to bail out the United States? Some around Washington think: perhaps another twelve months, probably at least six. Both Tokyo and Mr. Bush's Washington are overconfident. I agree, that it is possible for Tokyo to postpone the next major U.S. financial crash for as long as six months, even slightly longer; however, that possibility depends upon certain factors outside the control of either Tokyo or the Bush administration.

There are two problems. Presently, Mr. Bush's Washington, and Tokyo, are considering only one of these problems: How long can the next U.S. financial crash be postponed, even by aid of the most drastic, Japan-funded bailout measures? The second is, of course: How can the problem be solved, rather than merely delayed?

The administration begins with the same tactic which has been used by the Reagan administration since the outbreak of the Mexico crisis of 1982: stall, stall, stall, and stall some more. Apparently, Mr. Bush's circles include those who are aware this stalling-game can not be continued indefinitely. The indications we have concur with what we hear from relevant levels in Tokyo: The new administration is looking for a period of continued stalling of between six to twelve months, while it lines its financial-policy ducks up in a row.

The unfortunate facts are, first, that the new administration may not have six months' margin for stalling. Second, so far, what is being proposed as prospective solutions, around the incoming administration, is cures as bad as the disease: witch-doctor stuff.

Furthermore, the kind of stalling which the Reagan administration has done over six years, and which the Bush circles project for another six to twelve months, carries a penalty.

The method of stalling used, is to delay the inevitable day of reckoning by methods akin to proverbial Russians throwing babies out of the troika to the wolves: using up precious financial and economic resources, thus making the problem much worse, simply to buy delay. Reagan administration stalling has transformed the still-manageable international

financial crisis of 1982 into a crisis which has become today absolutely insoluble within the terms of the existing monetary and financial system.

All of the necessary measures for solving the international financial (debt) crisis of 1982, were detailed in my August 1982 *Operation Juárez* report. Had the same resources used up since 1982, in the ultimately futile stalling-tactics, been used instead as means for solving the problem, the world today would have the entirety of this financial crisis behind us.

Operation Juárez is still today implicitly the model for the needed general monetary, financial, and economic reforms. The difference is, back then the measures of reform required of the United States were chiefly limited to matters of foreign policy; today, the measures proposed to Central and South American nations, must be taken internally by a United States whose financial and economic crisis is analogous to that of Mexico in 1982. Today, under present international monetary structures, the United States could never meet its combined domestic and foreign, public, and private debt-obligations.

We shall report, next, on the reasons Tokyo might be unable to delay a major U.S. financial crash at any price. Then, we turn our attention to the witch-doctors, the so-called economists.

Popping the big bubble

The underlying problem is, that the international monetary system as a whole is the biggest John Law-style financial bubble since the great financial crash of fourteenth-century Europe. The other leading problem is, that certain European-based financier powers intend to pop the bubble, as a means for breaking the sovereignty of the United States, and for putting the United States itself under the same general kind of International Monetary Fund "conditionalities" now applied to debt-ridden Third World nations. The key additional problem is, that certain powerful elements of the U.S. establishment are prepared to serve as accomplices in this sort of operation.

This set of circumstances poses the question, whether the combined resources of a Bush administration and Tokyo were sufficient to resist a really determined effort by the relevant European financier forces? The plotters against the United States have the advantage of reversed financial leverage.

In brief, if the European financier-plotters behave themselves, Tokyo subsidies might enable the Bush administration to stumble through an additional six months or even slightly longer, without a catastrophic financial crash. However, if the European plotters proceed, with aid of critically placed accomplices inside key U.S. institutions, Tokyo lacks the resources to delay such a financial crash even during the short term.

The magnitude of the financial bubble is the key to this

analysis. Measure the relevant developments in the U.S. economy, since the fourth quarter 1967, as follows.

Begin with standard per-capita content of market-baskets for the average of the years 1967-1970. Limit the content measured to physical content of producers' and households' market-baskets, respectively. Include as categories of content net quality of depreciated improvements in physical investment in plant, machinery, and equipment, and net quality of depreciated improvements in basic economic infrastructure.

Using these standard market-baskets as measuring-rods, define the changes in per-capita net physical product of the U.S. economy over the period 1970-1988. Measure this both per capita and per hectare: net physical output, both per capita and per hectare.

Determine the current prices of those market-basket contents during each of the years during this interval.

Define the combined public and private debt of the United States per capita and per hectare. Define the combined public and private debt-service per capita and per hectare.

Compare the gross price-value of physical output as measured in terms of 1967-1970 market-baskets (without the hoax of quality adjustments used by the Department of Labor), with the percentage of this output (income) allocable to debt-service.

Adduce the trend-lines so defined, to show rates of change, and rates of rate of change.

That defines the financial bubble in the simplest possible competent terms of reference. That defines the U.S. domestic economy as presently operating way below the breakeven point, and falling rapidly.

This also shows that all official reports of U.S. economic growth since October 1979 have been false. In physical terms, no net economic growth has occurred during the past ten years. If we take fully into account the depletion of basic economic infrastructure, the economic contraction has been continuous since approximately 1970.

What has been reported as growth is increase of Gross National Product (GNP). GNP is a very misleading yardstick, since it measures only the net money-difference between purchases and sales: so-called Value Added. (This does not include households, which, if taxed in the way businesses are, would have usually no income-tax liability.)

The fallacy of GNP measurements is illustrated by the following hypothetical case:

Imagine the case, that General Motors shut down all of its manufacturing and related capacities, but reemployed all of its production employees in sales and administration at the same wages they had received as factory employees. Presuming General Motors sold its administrative services to earn the same margin of net operating profit it had gained while still producing, the Value Added of General Motors would be approximately the same as before the change.

This result might satisfy General Motors' stockholders,

but what would be the effect upon the U.S. economy as a whole?

Although the illustration is hypothetical, what it illustrates is not. This example illustrates the kinds of shifts in employment which have occurred within the U.S. economy as a whole since approximately 1970. The net result is that indicated by the outlined calculations, above.

From firm to firm, the GNP accounting causes the kind of result shown in the hypothetical General Motors case to be a contribution to GNP by that firm's nominal Value Added. The sum total of those individual results, for the economy as a whole, is, in reality, a disaster. Something is very wrong with the GNP method of national accounting.

Admittedly, each year, various relevant official and private agencies combine their efforts to refine the raw GNP estimates. Inflation-adjustments are most notable. The results of the outlined calculations, above, should be compared with the annual deflators used by official agencies. More than ten times \$5,000 is needed today, to supply the same real level of income after deducting debt-service charges that \$5,000 annual income of households represented in net purchasing power in 1950. By the same standard, the net rate of inflation has risen under the Reagan administration, and has never fallen.

To the degree that inflation has appeared to level off under Reagan, this has been accomplished in ways which conceal apparent inflation-rates at the store, by reduction of payments against the actually incurred costs of production. Cutting down on needed repairs and other maintenance of capacities actually used in production, is one way of concealing inflation in the short term, to have the effect of concealed inflation erupt in full, accumulated force, at a later time. We explain, after a few more needed remarks on GNP accounting as such.

These wide margins of error in official estimates for inflation, are caused partly by politically motivated faking of data. The more important factor is, as we have indicated, and for the reasons we have indicated, the intrinsic fallacy of measuring national growth in GNP.

Concentrate now on the ratio of the two functions we outlined above: increase of debt and debt-service rates, per capita and per hectare; change in physical output, measured in market-basket units, per capita and per hectare. Look more closely at the components of cost in the production of those market-baskets.

We have already indicated the immediate problem posed by the ratio of these two functions, to be the impact of debt-service margins on the money-value of actual market-basket content. How much can debt-service payments by farms, industries, and households be increased, without causing the physical economy to collapse?

During the recent 18 years, we have depleted basic economic infrastructure, by lack of repairs, so much so that today's repair-bill, for restoring quality of infrastructure, per capita and per hectare, to 1970 levels of functional quality,

would be approximately \$4 trillion. Farms and manufacturing have suffered a net contraction-collapse of a similar kind and degree. A very large part of what the U.S. economy has treated as annual income, over the past 18 years, has been spending used-up past capital investments for the current cost of living. We have been counting as current incomes the bills we have not been paying for repair and maintenance of those capital investments on which the continued operation of the economy depends.

This recalls the looting of the New Haven railroad, some decades back.

During and following World War II, interests including the Dumaine family had rebuilt the New Haven to financial and operating respectability. Then, came a group of corporate raiders, who baited the hook for New Haven stockholders with promises of larger dividends.

The procedure was simple. Maintenance is the big annual bill of any railway—or airline—which wishes to continue in sound operations. The corporate raiders, after taking over the New Haven, slashed maintenance. Rolling-stock which needed repairs, was simply abandoned on sidings; other "cost-cutting" measures were of a similar nature, done in a kindred spirit, and with a kindred ultimate effect.

The paid-out dividends increased; the price of New Haven stock rose accordingly. The raiders unloaded stock-holdings at fat profits, and then left a pile of wreckage behind them which has not been repaired since.

Such is, in net effect, the apparent growth of the U.S. economy as a whole during the past 18 years.

"Deregulation" is an example of the same thing done to the New Haven railroad. Declare a "free market." Force the prices of the industry down. Meet the resulting reduction of unit operating income, by looting depletion funds which should have been spent on maintenance and replacement of obsolete equipment. So, we have commercial aircraft operating beyond the extremes of their expected useful life, and more costly to maintain properly than the cost of acquisition of a new replacement.

The same was done to U.S. agriculture. Drive the price of agricultural product below the farmers' net cost of production, and keep this up until mass-foreclosures take over.

On paper, the zooming percentage of debt-service demands on income, per capita and per hectare, could be met by savage reductions in payments for costs other than debt-service. In reality, it is not so simple. The added debt-service margins must come from old-age pensions, wages and salaries, maintenance, and direct non-labor operating costs. When the ration of income after payments of taxes and debt-service falls below the level of real purchasing power needed to maintain operations, operations soon cease.

In a national economy, the economy as a whole can continue to function, on a reduced level of output, but only up to a point.

At a certain point, the closing down of firms goes beyond

tearing off flesh, and digs into bone. Key categories of industry simply disappear entirely. When those bottlenecks develop, the economy as a whole ceases to function. For example, imagine the effect of a widespread collapse of the transport industry, or, as is already looming, the production of power drops to levels below the minimum required for industry and other functions in entire regions of the nation. These are only examples of the numerous bottlenecks now threatened with collapse. When a few key such bottlenecks are collapsed, this sets off a chain-reaction collapse throughout the economy as a whole.

The U.S. economy is very near to the point such a chain reaction erupts in the physical economy as such.

We have reached the point, that the current rate of debt service can not be met without bringing the U.S. physical economy to, or perhaps even past the brink of chain-reaction collapse. That is the price of the stalling which the Reagan administration has done during the 1983-1988 interval.

When the point is reached, that the national economy depends upon increasing its per-capita debt-service as a precondition for monetary stability, and yet in which increases in debt-service ratios threaten to set off a chain-reaction collapse in the physical economy, the expansion of the financial bubble has reached a critical threshold. We are at, or very near to such a critical threshold now.

This brings us to the operations planned by certain wicked financier gentlemen in Europe. The short-term factors to be considered, include the price of the U.S. dollar, the prices of U.S. public and private bonds, and other financial assets which are among leading negotiables in world markets. Another short-term factor, is fluctuations in interest-rates.

The U.S. currently requires an annual inflow of over \$100 billion in foreign borrowing. A shaky U.S. dollar means that those inflows will tend to be denominated in foreign currencies, not U.S. dollars. We borrow from such sources as fiduciary accounts in Swiss banks, and incur liabilities denominated in Swiss francs, deutschmarks, yen, and so on. What, then, is the effect of a drop in the price of the U.S. dollar? What is the effect upon, not only the more than \$100 billion a year of new such borrowing needed, but the current and principal obligations of the carried forward debt of the same kind from preceding years?

What if the U.S. dollar takes a nosedive, at the same time that U.S. public and private bonds drop similarly, and some major troubles occur in the highly volatile sector of leveraged buyouts (LBOs)? A run against the U.S. financial markets, under those conditions, is something which would overwhelm the combined resources of the Bush administration and Tokyo. On that account, we are already looking down the barrel of a financier's gun.

The intent of the relevant European financiers, is not to go all the way with a run on the U.S. dollar. Rather, the moment that begins to occur, both the United States and the relevant European financier-sharks go into "crisis manage-

ment" negotiations. The foreign interests will agree to take the worst immediate pressures off the U.S. financial system, on conditions.

Those conditions signify putting the U.S. government under IMF "conditionalities," in the manner already experienced by nations such as Mexico. The federal, state, and local budgets will be set by foreigners. A foreign-dictated "incomes policy" will be imposed upon the U.S. private sector. And, so forth and so on. In short, the U.S. government will cease to be a sovereign government, and the United States will cease to be a sovereign nation. The U.S. government will be a partner in the international monetary system, but the power of the U.S. government will be transferred to that partnership.

Under those imposed "conditionalities," the rate of U.S. debt-service payments per capita will be greatly increased, even though this means a breakdown in the physical economy of the United States. That sort of dictated "recovery program" is an imitation of what Nazi Finance Minister Hjalmar Schacht did in pre-World War II Germany. This is the same Schachtian policy which caused Nazi Germany to adopt a murderous system of slave-labor concentration camps. Joseph Goebbels's diaries contain ample explicit recording of Adolf Hitler's remarks to precisely that effect.

That occurrence, is the beginning of the end of civilization on this planet.

The two schools of political-economy

If there is to be a cure for the terrible dangers now facing the U.S. and other economies, we must be assured that the shaping of economic policy is taken out of the hands of the relevant local witch-doctors, the so-called professional economists and kindred experts of similar habits and opinions. For this to occur, relevant government circles and others, must come to recognize that these putative experts are indeed no better than witch-doctors.

The simplest, most direct, and conclusive manner in which to demonstrate this fact, is a summary of the history of political-economy. The use of this sort of proof is made mandatory by the nature of the claims put forth by the putative economists themselves. For example, they claim that their opinions served as the basis for the successful periods of development of the U.S. economy, from the beginning. That is flatly not true. To similar effect, they claim, as Karl Marx did, that economic science begins with Adam Smith; that assertion is absolutely false, and known to be false to anyone who knows even the barest facts about the history of the subject.

The beginnings of a systematic notion of economy in Western Europe were the famous census of Charlemagne. Matters did not progress above that general level until the beginning of the fifteenth century, in and around Florence, Italy.

The first modern economist was a Greek celebrity at-

tached to the retinue of Florence's Cosimo the Great, George "Plethon" Gemisthos. Around the A.D. 1439 Council of Florence, a new quality of statecraft emerged, leading into the rise of a branch of study of statecraft called cameralism, during the seventeenth and eighteenth centuries, most notably. Cameralism is the generic name of the period for the successful practices which the Massachusetts Bay Colony built up during the decades preceding the governorship of Edmund Andros. The policies of the young U.S. republic respecting money and credit, for example, were reaffirmations of the principles of practice from the pre-Andros Massachusetts Bay Colony.

Meanwhile, during the last quarter of the seventeenth century, there was a revolutionary advance in political-economy, Leibniz's elaboration of a science of physical economy. The influence of this was embodied in U.S. Treasury Secretary Alexander Hamilton's December 1791 Report to the Congress, On the Subject of Manufactures. It was then that the name American System of political-economy was minted.

Adam Smith appeared very late in the history of political-economy. He had been an obscure Scottish professor of David Hume's empiricism, until he was picked up, in 1763, by the Second Earl of Shelburne, and assigned to travel to the circles of Hume's and Voltaire's Geneva and Physiocrat cronies, to pick up some rudiments of their brands of political-economy. Shelburne, perhaps the most evil man in England, second to his protégé Jeremy Bentham, during the late eighteenth century, was a chief political representative for the interests of the East India Company, who managed British politics by buying up the relevant figures, with funds channeled chiefly through Barings bank. The purpose of the project to which Shelburne assigned Adam Smith, was to elaborate a scheme for ruining the economies of both the North American British colonies and France.

The approved project was presented in 1776, as the East India Company propaganda-tract against the Americans, Adam Smith's *Wealth of Nations*. Thus, the chief proximate cause for the U.S. War of Independence was the set of East India Company policies for which Smith's *Wealth of Nations* was an apology.

The tack taken by Smith became the starting-point for the East India Company's training-center for its agents, the Haileybury school. Followers of Smith and Jeremy Bentham at this school included Thomas Malthus, David Ricardo, James Mill, and John Stuart Mill. In practice, it also includes the Karl Marx who hated the American System, and praised Smith et al. as "the only scientific" economists before himself.

By approximately 1825-1830, all of the contributions of leading French and German economists up to that time, had been formally consolidated under the single roof of American System of political-economy. The cameralists generally, Leibniz in particular, were incorporated in the combined contributions of Benjamin Franklin, Hamilton, the two Car-

eys, and Friedrich List.

Adam Smith was introduced to the United States during the late 1790s, by the circles of the leading Barings bank representative in the United States, Aaron Burr. These circles included the East India Company's partners in the China opium trade, the Perkins syndicate of Massachusetts, the Russell syndicate of Connecticut, and the Astors of New York. The leading advocate of Smith's dogma in these circles was the Albert Gallatin who became the power behind the throne in the Jefferson and Madison administrations. However, the economic disaster which Jefferson's and Madison's support for "free trade" left behind, prompted the United States to return to the American System under Monroe and Quincy Adams. The American System was the policy of Henry Clay's Whig Party, and of Abraham Lincoln.

The influence of the American System waned rapidly after the late 1870s implementation of the U.S. Specie Resumption Act, as monetary and financial control over U.S. internal affairs came increasing under the foreign domination of Anglo-Dutch and Swiss bankers, with the Anglo-Dutch predominating. The control of the political power represented by great fortunes fell into the hands of those closely tied to the East India Company's successors abroad.

Around the turn of the present century, the leading universities of the United States veered away from their earlier close ties to France and Germany, especially away from German ties, and modeled themselves as virtual extensions of Oxford and Cambridge.

Under these circumstances, the institutions of finance, the great concentrations of family wealth, and the principal banking centers, represented the Haileybury tradition in dogmas of economic practice. This transformation was felt also in the Washington governmental bureaucracy. As new forms of U.S. central banking emerged, consolidated as the Federal Reserve under President Wilson, U.S. financial and monetary policy was thoroughly dominated by the tradition of Haileybury.

In addition to these influences on cultivated economic thought in universities, government, finance, and so on, the 1890s saw the beginning of a powerful direct influence of British Fabian socialism, including such influential figures as John Dewey, Charles A. Beard, and Walter Lippmann. For these socialists, the defaming of the U.S. Founding Fathers was a favorite sport.

Although the heritage of the American System was progressively undermined during the past hundred years, its traditions did not begin to die out within U.S. agriculture and industry until the beginning of the great radical "cultural paradigm-shift" of 1963-70. The popularity of President Kennedy's space-program and investment tax-credit measures represents, to the present date, the last gasp of the American System tradition of commitment to capital-intensive modes of scientific and technological progress. As the barbarian hordes from institutions such as Harvard Business School replaced engineering-minded industrial management

in major manufacturing firms, and as the influence of both "post-industrial" utopianism and the radical counterculture moved in, then, and only then, was the last significant vestige of the American System removed as a factor in national policy-shaping.

Exemplary of the conflict between the economists and the industrialists, was the justifiably contemptuous rejection which the new-fangled art of Operations Research found so quickly among its industrialist clientele. The conflict between "Wall Street" and American industrial management,

The popularity of President Kennedy's space program and investment tax-credit measures represents, to the present date, the last gasp of the American System tradition of commitment to capital-intensive modes of scientific and technological progress.

put most U.S. patriots on the side of the industrial managers. As an industrialist, one "had to learn to get along with Wall Street," but the arrival of the bankers' team, and the presence of the bankers' special, designated personality on the roster of leading corporate officers, brought the underlying policy conflicts to the surface often enough. To the industrialists, the professional economists were as visitors from an alien world; the Operations Research funny types were what the industrialists distrusted in the professional economists, expressed in a concentrated way.

The successful engineering-minded industrial manager of the 1940s, 1950s, and 1960s had an innate professional grasp of the ABCs of economic science, of which the professional economists of then and today are incapable. In those days, despite the rule of Wall Street over corporate finance, the day-to-day job of producing a salable product was a matter of applying the principle which Henry C. Carey elaborated as "economy of labor": the use of fostering of scientific and technological progress, to produce a product of equal or better quality at a lower real cost.

They understood that increasing the capital-intensity of investments in productive capacity, and employing labor with greater cultural potential for assimilating rapid technological advances efficiently, were the essence of successful production in general.

In real terms, increased capital-intensity signifies, on the scale of the economy as a whole, increasing the percentage

of the labor-force employed in producing producers' goods, relative to employment in production of households' goods. Since producers' goods, the machine-tool sector most emphatically, is the transmission-belt by which technological progress is introduced to the productive process generally, the manufacturer's cost of possession of a usable improved, higher-priced machine tool means, in general, a net saving on combined costs of capital and labor for a unit of physical output.

That example illustrates what ought to be recognized as the manner in which the American System's tradition was maintained in the practice of good industrial management even during the two decades following World War II. It was not until the Johnson and Nixon administrations, that the professional economists began to take over the shaping of national economic policy in depth. The result of their increased influence has been cumulatively a national catastrophe.

In summary of this point, an economist typifies those who study how to make money, without the least interest in discovering how to earn it.

Thus, in modern history, there are two mutually exclusive currents of thought on the subject of political-economy. The current which expresses those views responsible for the rise of productivity during the past 600 years, is that associated with Leibniz and the conceptions incorporated within the American System of political-economy. The opposing view is rooted in the tradition of Chaldean usury, as reflected in the Haileybury tradition of Adam Smith, et al. The latter view, when influential, has invariably produced disasters.

What is economics?

The two views outlined, represent opposite starting-points for the very definition of "economics." The American System developed out of the kind of emphasis on physical productivity associated with Leibniz's science of physical economy. The views of Adam Smith and the utilitarians, start from the assumed preexistence of money.

Unfortunately, cultish money-theories are not the exclusive province of the professional economists. Whoever confesses himself a defender of the gold-reserve system of central banking, will soon find himself besieged by querulous packs of gold-exchange fanatics, bimetalists, and the like. To similar effect, the lunatic belief that money can earn wealth by virtue of some potency intrinsic to money as such, is widespread. The folly of belief in "magic of the marketplace," is very widespread, which is why disastrous policies premised upon that blind faith were so widely tolerated.

So, the myth of money must be addressed, head-on, if we are to free this nation of the ruinous pack of policies leading us to perdition.

Contrary to Karl Marx and his Haileybury predecessors, no form of currency, including coin of precious metals, ever functioned as money within an economy, except in the implicit mode of a negotiable bill of exchange. The difference

between coin and paper currency is their relative values when they cease to be used as money.

Our earliest detailed knowledge of the history of money dates from approximately the fourteenth century B.C. The evidence is heaps of baked-clay cuneiform tablets and their corresponding envelopes, unearthed from what were ostensibly the merchants' quarters of sites of old Hittite cities.

That was not the very beginning of what became modern financial systems; but, records dating from earlier times are either lost parchment documents of the Canaanites (Phoenicians), or are mislaid among unsorted heaps of tablets which poorly trained Biblical archeologists unearthed in Mesopotamia.

However, we know enough about the usurious practices in early Mesopotamian cultures, beginning with the Chaldeans, to assess the implications of the collection of cuneiform bills of exchange from the Hittite site.

The origin of paper money, is nothing more than as a form of negotiable bill of exchange. Coin is no exception to this rule; to the degree that coin functions within an economic process, it functions only in the form of a negotiable bill of exchange. The fact that coins made of precious or valuable metals might have an economic use other than as money, has something to do with the use of such coins as a form of negotiable bill of exchange, but that is the only bearing of the minting of coins from precious or valuable metals. The variants of the populist idea, that paper money ought to be limited in issue to a total denomination not exceeding the price of a hoard of coin or bullion, are nonsense.

A negotiable bill of exchange has no rational function within an economy, except to facilitate the purchase and sale of physical goods. Although services may be purchased, one purchases services by tendering the means by which the seller of services may secure physical goods. This latter observation might be contested by those unfamiliar with rudiments of economic science; the principle involved is an important one, seldom known, and of general relevance here.

Many contemporary textbooks attempt to define "first principles" of economics in terms of exchanges among two or more persons. As implicit in the outlined calculations earlier, and in several illustrations supplied, it has been illustrated that the study of economic processes must proceed from treatment of the whole of the economic process as primary, and the function of the individual person and transaction defined always in immediate reference to the whole economic process taken as a functionally indivisible whole.

For example, it has been calculated by one among the author's associates, that if we might assume that hypothetical "simple hunting and gathering societies" existed during some primeval Cenozoic period, the average amount of such Cenozoic wilderness's land-area required to sustain an average individual in a most marginal and precarious existence, would have been approximately ten square kilometers. That would put a ceiling upon the living human population, at approxi-

mately 10 million individuals.

The implications of that observation are summed up, by noting, that in terms of state-of-the-art technology available for general employment at the beginning of the 1970s, this planet could support a population of between 15 and 25 billion persons, at a standard of life comparable to that in the advanced industrialized nations of that time. Respecting more recent millennia, especially the last 1,000 years of Western Europe, parish records and kindred sources afford us an increasingly precise estimate of population-levels and their demographic characteristics.

Using modern language, the growth of actual populations is associated with the increase (and occasional calamitous decrease) of a magnitude best described as potential population-density. The overriding determinant of potential population-density, is scientific and technological progress. So, since the hypothetical early-Cenozoic condition of society, mankind's potential population-density had increased by more than three decimal orders of magnitude by 1970, with the prospect of a possible increase of more than an additional order of magnitude within the term of less than a hundred years following that.

It happens, that the generation of a single idea, by an individual, which idea has the character of a scientific discovery, implicitly increases the potential population-density of the entire society. For that and related reasons, economic science begins with the notion of the causal correlation between potential population-density and scientific and technological progress.

On this account, studies of animal populations are irrelevant to study of society, or of individual human behavior. It is the self-developing characteristics of society which are elementary to the definition of society itself. It is the relationship between the creative powers of the individual mind, and changes in potential population-density, which is the essential function within economic science.

We define an economy properly by regard for two possible definitions. As economy in general, as distinct from a national economy, an economy is an approximately self-contained process. Today, when the functional interdependency among national economies is so much developed, no national economy is large enough to be a self-contained economy. National economy is defined by the sovereign, or relatively sovereign authority of the state over all economic processes contained within it. The role of national currency, is exemplary. In practice, economic science takes both notions as interactive: the economy as defined by minimal extent of an approximately self-contained process; the economy as a national economy. In the typical case today, the bounds of national economy define a special domain, with distinctive characteristics of functioning, within a larger scale of economy defined as an approximately self-contained process.

For such reasons, the best rule-of-thumb way to examine notions of political-economy, is to treat a national economy

or a choice of economic process (larger than a national economy), as it were a consolidated agro-industrial enterprise. Since nearly all of the exchanges and other economic matters are contained within that "consolidated enterprise," approximating a closed economic process, matters such as the sale of services and other intangibles are canceled out of isolated exchanges. Instead, services, for example, appear in the accounts as the total amount of services employed by the society.

For example, referring to the outlined calculation above, the rate of inflation in a society is a function of total employment, its composition as a whole, and the productivity and ration of the operatives' component of the total labor-force.

There are two approaches to determining the effect of individual transactions upon the state of the economic process as a whole. One approach is that typified by the fallacious method of GNP accounting. This approach attempts to adduce the total as the sum of parts estimated individually. The approach of economic science is opposite; the significance of the particular is determined by its immediate connection to the functioning of the economic process as a whole.

For example, we do not add up employment of operatives; rather, we examine the effect of the increase or decrease of the operatives' component of the total labor-force on the economy as a whole. We examine this in more detail, in terms of the division of labor within the operatives' component: for example, the difference between adding an operative to employment in the machine-tool sector, as opposed to garment manufacturing.

By this approach, we are enabled to construct estimates of economic value which are independent of any information respecting price. The outlined calculations presented earlier here, imply such a calculation.

The term economic science is strictly equatable with what Leibniz defined as a science of physical economy. That science measures output in terms of the contents of a market-basket sufficient to sustain the household of the individual operative at a level of health, longevity, and culture, consistent with the level of technology being practiced. The cost of production of such unit-value market-baskets in quantities adequate to the needs of the whole population, and to the needs of production itself, is measured in terms of a percentage of the total labor of the operatives' component of the total labor-force.

We measure the costs of production in terms of average per-capita values of combined producers' and households' goods, and anticipate a gain in such goods, over these requirements, as output of the productive process.

In those terms of primary reference, we examine the effect of powered machinery upon productivity of operatives, both per capita and per hectare. The inclusion of per-hectare is required to correlate results with potential population-density. How does increase of the power supplied to machinery, per capita, affect the increase of productivity of operatives?

The definition of technology is introduced so. In the hypothetical case, two powered machines, with the same per-capita power-consumption-rates, employed for the same production, if used alternately by the same operative, might result in a higher rate of output using the one, than the other. The difference in internal organization of machinery, which accounts for that difference in performance, is the raw empirical definition of technology.

Inevitably, Leibniz correlated this notion of organization with the geometrical definition of physical least-action. That correct definition of technology, leads toward a better, more intelligible representation of measurable technology in terms of the constructive geometry of the Gauss-Riemann complex domain. It is sufficient to identify that fact here; further elaboration of the point is not relevant here.

These considerations define a primary economic function, which may be represented approximately in terms of constraints expressed in the form of a system of inequalities:

1. The per-capita market-basket of requirements must tend to increase, in correlation with technological progress.
2. The power-density, per capita and per hectare, must tend to increase in correlation with technological progress. This includes a secular tendency for increase of the power density per unit cross-sectional area of work.
3. There are changes in the composition of employment of the labor-force which correlate with combined advances in technology and increase of power-density. On condition that the percentage of the labor-force employed in occupations other than those of operatives is not allowed to become excessive, the following set of constraints applies:
 - a) The ratio of urban to rural employment increases toward an asymptotic limit.
 - b) The ratio of employment of operatives employed in production of producers' goods increases relative to the number employed in production of households' goods.
 - c) Within the ration of employment in production of producers' goods, the sub-ration employed within subsectors including or proximate to machine-tool production increases.
4. The level of technology increases secularly.

The function of monetary and related policies, is to shape the flows of money and credit in such a way as to promote the results implicit in such a set of physical-economic constraints. Instead of the misguided, but prevailing practice, of measuring the performance of physical economy in terms of money, the exact reverse must be the rule. The performance of monetary and related policies of taxation, banking, credit, and regulatory actions, must be measured in terms of the requirements which these constraints specify for fostering the development of both the individual standard of living and physical economy generally.

Rome Tribunal names criminals against humanity

On Jan. 19-20, the International Martin Luther King Tribunal on Crimes Against Humanity was founded in Rome, Italy. Some 200 political, military, scientific, and religious leaders vowed to wage a victorious war against the institutionalized powers of Satanism in the world today. Helga Zepp-LaRouche, the founder of the Schiller Institute, set the tone in her keynote speech, with a call for a worldwide campaign to “kill Satan!”

The conference took place on the initiative of those committed to stop the political frameup and judicial murder of Lyndon LaRouche, who was sentenced to a 15-year prison sentence one week after the Tribunal. LaRouche was jailed in Alexandria, Virginia on Jan. 27.

The conference proceedings documented that those Establishment figures who perpetrated this travesty of justice against LaRouche, are the same who are responsible for the ongoing genocide in the Third World and the “New Yalta” accommodation with Moscow. Expert testimony was presented by participants from Italy, Lithuania, the Ukraine, West Germany, Australia, Spain, Great Britain, Panama, Ethiopia, the United States, and Zaire (see accompanying articles).

The conference concluded by naming the names of those behind the conviction of LaRouche. Anno Hellenbroich of *EIR*'s Wiesbaden Bureau, a long-time associate of LaRouche, submitted the following list of criminals, some of whom have been active in “dirty tricks” against LaRouche for as long as 20 years:

- **McGeorge Bundy**, former White House national security specialist and onetime head of the Ford Foundation. Bundy, sometimes called “the chairman of the U.S. Eastern Establishment,” has pursued a vendetta against LaRouche since he broke up one of Bundy’s “New Left” projects in 1968.
- **Henry Kissinger**, who as secretary of state intervened in the mid-1970s to have LaRouche’s associates branded as a “violence-oriented group” by the FBI.
- The international bankers associated with the notorious **Bohemian Grove** Satanic rite, who mobilized against LaRouche’s Operation Juárez plan to resolve the Third World debt crisis in 1982.
- The pro-Soviet **Armand Hammer**, who funds Raisa Gorbachova’s “cultural activities”; whiskey baron **Edgar Bronfman**, brokering Israel’s deal with the Soviets; and West German Foreign Minister **Hans-Dietrich Genscher**.



Demonstrators in Washington, D.C. on Martin Luther King's Birthday, Jan. 16, draw international attention to the U.S. Justice Department's political persecution of LaRouche. Their demand for a pardon from President Reagan went unanswered.

● **Prince Johannes von Thurn und Taxis** and his wife Gloria, who personally threatened Lyndon LaRouche and Helga Zepp-LaRouche.

● **The government of the U.S.S.R.** Hellenbroich recalled the savage Soviet press attacks against LaRouche from 1983 to 1987. Meanwhile, in the West, the media salon associated with investment banker **John Train** has worked in tandem with "journalists" like **Pat Lynch** and **Dennis King** to manufacture filth against LaRouche. Using these press slanders, a corrupt criminal justice system, led by people like the Justice Department's **Mark Richard** and **Stephen Trott**, organized the frameup which resulted in LaRouche's Dec. 16 conviction on conspiracy and fraud.

"I accuse them not only of wasting millions of tax dollars, but also of treason, of misuse of the Department of Justice," Hellenbroich said. "If this frameup is not reversed, the United States will move into a fascist dictatorship."

Appeal to the forces of Good

On the basis of the information presented in the hearings, the Tribunal voted up several resolutions for international circulation. The first was addressed to Pope John Paul II: "Your Holiness: We address this message to you to invoke your aid in this tragic case. Mr. Lyndon LaRouche has been unjustly condemned by a court in Alexandria, U.S.A., because he dared to denounce by name the forces which are fighting against life and liberty, both in East and West. This man's life, if he is jailed, will be in very grave danger. We beg you to do all in your power to prevent such a thing from happening, and to prevent human rights from once again

being trampled upon."

A second resolution, addressing the chilling evidence presented on Soviet human rights violations, called on the Italian government 1) to repudiate the Ribbentrop-Molotov Pact of 1939 and its implications; 2) to fully rehabilitate all political prisoners from Eastern Europe; and 3) to prevent the proposed human rights conference from taking place in Moscow.

At the close of the proceedings, Helga Zepp-LaRouche summarized two days of deliberations with the following words: "Surely, every one of you is deeply moved. Sometimes you feel you do not have enough tears to cry for all the horrors in the world. . . . You have to decide whether you will run and hide or join this evil, or fight it and be victorious. Regardless of what sentence is issued against Lyn on the 27th, we will continue until victory. Other moments in history have been as dire: the end of the Roman Empire, when Christ was crucified, and the Gnostics tried to take over Christianity. But they were defeated.

"Today, we are in a better situation, because of the fact of our international organization, which is putting together the good forces in the world to fight evil. All I can tell you is, you should take the evil you have heard about these two days, and take it into your heart. Don't block it, be strengthened by it, and become universal persons in the sense that Lyn described Brunelleschi and others: universal persons accomplishing universal acts. If we can do this, we can reach the Age of Reason. You should leave this conference with a sense of shock and with new knowledge, but also with courage. Be courageous and happy."

A call for a worldwide campaign to kill Satan

by Helga Zepp-LaRouche

This keynote speech to the Rome conference was delivered on Jan. 19.

Dear friends of the Schiller Institute!

This tribunal is urgently necessary to begin a process of re-establishing truth and natural law to govern world affairs. We are holding this tribunal in the tradition and spirit of the civil rights movement and Dr. Martin Luther King, in order to show, over the course of two days, that it is not Lyndon LaRouche who is guilty, who has been convicted in an unprecedented political show-trial, but exactly those who have harassed him and his organization and who are the ones behind the legal attack.

You will see, that it is a combination of Bolsheviks, Communists, and liberal bankers in the West, and—which to some of you may come as a surprise, for others not—that actually Satanism as a political factor in world politics is part of the problem we are dealing with.

It is more than urgent to reverse what could be called the *Zeitgeist*, the spirit of our times, because it is this *Zeitgeist* that has thrown the world into an apocalyptic crisis, and the entirety of human civilization threatens to go under if these policies are not reversed. Man cannot continuously violate the order of creation. Behind this present misery in the world, is at best the indifference of the leading institutions, and more often the intent to cause this misery.

The deliberate destruction of nations

If you just look at the world in totality today, you find tremendous suffering, a tremendous amount of actual killing of human beings. The most blatant situation is without any question the condition of the developing sector, where not long ahead into the future, the life and very existence of 3 billion people is threatened. If you look at the African continent, it is more than you can take into your heart, more tears than you can possibly cry. This continent is dying before the eyes of the world public, and everybody—the governments, the parties, the politicians, and the average citizen—knows that the African continent is condemned to death and nobody does anything about it. For me, this is one of the yardsticks

of the moral senility and moral decay of our world. There are reports known to governments in Western Europe and the United States—which we also know, and we know that they know—that there is one country for sure in Africa, where 60% of all people are already infected with AIDS, and if you take the doubling rate of eight months, and if you take the increase in infection rate as the ratio increases, you can actually say, that this country is as good as dead right now!

Some people enjoy that. They look at it with great pleasure and say, finally these inferior people are dying out!

There are some areas, some regions in Africa, where civilization has collapsed up to the point that villages don't exist any longer, only gangs of men who, because they are physically still in a position to do so, have banded together and are looting whatever is left for food. The entire continent is dominated by vicious hunger, where babies only are born to die a couple of days or weeks later from a disease which finds ever new multitudes, and from a locust plague which was completely avoidable and known to the international financial institutions and world organizations and could have been stopped a long time ago.

It's even worse than that! These financial institutions have written off Africa! They have written off most of the developing countries. They deliberately use the food weapon; i.e., they have cut down world agricultural production in order to be able to control nations and peoples with this food weapon. They are fully aware that, when the bankers made the decision during the last year to cut off Africa entirely from credit, that this was as good as condemning 450 million people on this continent to death!

If you look at the IMF conditionalities, this is also a case in which people fully know what the implication would be; it would mean to reduce the number of people, and you look at countries which are the worst, like Bangladesh or certain parts of Brazil, and you see, as an immediate consequence of financial policies, starvation and death.

But this is only one area of the problem. Another one is the spread of the international drug traffic and the associated narco-terrorism, which is not only destroying the minds and souls of our children and many other people, but in countries

like Colombia or Peru, where the drug traffic and the terrorism is run both by the CIA and the KGB, the strength of the drug-traffickers and the guerrilla forces has already become so great that they are threatening the authority of the government and the Army. So, the condition that is prevailing is complete lawlessness and the terror of the fittest.

Communist system is collapsing

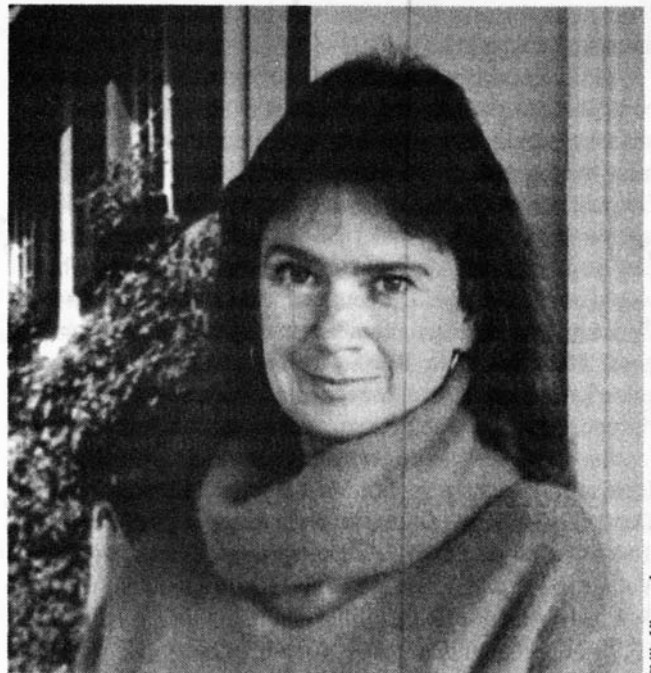
There is also tremendous suffering and hardship, hopelessness and oppression in the Communist dictatorships, where again most of these countries are hit by savage food shortages. Maybe the worst hit country in the Communist bloc is Romania, where the cruel fact is, that babies are dying at such a rate, that they are only registered as born eight weeks after their date of birth, because it is not worth the paperwork for the Communists to register them earlier.

The entire East bloc is at a point of social unrest because of food shortages. Yugoslavia is facing a civil war; people are hungry and this is fueling ethnic conflicts. In Armenia, contrary to the illusions of the fools in the West who jumped in a big hypocritical move to help the victims of the earthquake, the Red Army has shamelessly used this situation to conduct genocide against the Armenians, like a collapsing empire, which is trying to control their failing system. Look at the ongoing genocide in Afghanistan, where also the world is fully aware or could have been aware, and is looking at it silently, and doesn't care.

The Communist system is collapsing, not today or tomorrow, but it is an unraveling process in the entire East bloc which is not going to stop; a similar, although slightly different, process is occurring in mainland China. They are showing all the signs and the symptoms of a collapsing empire, very much like in the last phase of the Roman Empire, trying to play off the minorities against each other and using purges and other cruelties.

The irony is that the West is absolutely not prepared to use this. On the contrary: The Western elites are willing to give world hegemony to Moscow, at a point that nobody who really wants to see it, can overlook all the signs that Moscow is trying to implement the Ogarkov Plan and achieve military superiority very quickly. They are developing a crash program for their version of the SDI. They are developing new weapon systems based on modern physical principles, radio-frequency weapons, electromagnetic pulse weapons. They are training *spetsnaz* troops so that they either can use this military superiority directly, or use it as a blackmail threat, to squeeze out of the West whatever they like. So the West reacts to this by going for unilateral disarmament, and the media, which are largely Communist subverted, are using this, to spread a Gorbby mania, so that about 80% of the foolish people in the press like Gorbachov and think he is really peace-loving.

The reason why the Western elites are behaving toward this threat in this way, is because of a clear philosophical affinity between the establishments in the East and the West.



Philip Ulanowsky

Helga Zepp-LaRouche: "No matter what the enemy is planning, we will make sure that one way or another, the ideas and programs of Lyndon LaRouche will be realized."

Moral and economic crisis in the West

The world has come to this point because of a gigantic moral crisis of the West. It is especially since the last 20 years that this problem seems to have gotten totally out of control. Now, there is a new President in the United States. Tomorrow, there will be a new administration, and they think they have the power, that they are the keepers of the power, that they have the means to solve all of this, but they are sitting in front of the biggest financial crisis, and since they, up to the present, have refused any of the reform proposals we have proposed, this financial system is definitely finished. The U.S. banking system is bankrupt, and the dollar and the entire Western banking system have only been maintained through the brutal looting of the Third World countries and the support of Japan for the U.S. and the Federal Republic of Germany, and so forth. So it will be only a question of time, when the system comes down.

The Anglo-American establishment has made a deal with Moscow to rule the world as a condominium, to have a kind of supranational one world government, global crisis management, and they think they can keep control. But already now it is evident that what is at stake is a huge fight with continental Europe over the question of "Europe 1992," because the new American administration does not intend to share its power with a new independent force in Europe, and we will go into periods of trade war. The fight over agriculture and the campaign against Germany because of the Libyan [chemical weapons] affair which is now threatening the Kohl government, basically shows on what thin ice the West-

ern alliance is right now.

This will escalate. If the Kohl government falls—which could happen over the weekend, that is how bad it is—it is absolutely to be expected, that the Soviet Union would not miss the opportunity to offer a new Stalin Note [offering German reunification], and even with Kohl, under the domination of [Foreign Minister Hans-Dietrich] Genscher or a new government dominated by the Social Democrats, which would accept or could accept such a Stalin Note. And if Germany goes, this would mean that all of Western Europe goes. This is what the Bolshevik empire has aimed at ever since Lenin declared: Whoever controls Germany will have Europe, and that is the stepping-stone to world hegemony.

So we are very far down in history. It is not only Western Europe. Look at the situation in China and Southeast Asia. Deng Xiaoping has declared that he has a plan to regain Taiwan by no later than 1990, and basically part of this New Yalta deal between the superpowers is to give control over Southeast Asia to Peking.

So, if this would happen—and we are obviously working to prevent it from happening—Moscow would gain Western Europe and Peking China would gain Southeast Asia, so that basically the United States would be reduced to a relatively third-rate power and the Communists would have world hegemony, as I said, maybe two years or less away.

Would this help the Communist system? I don't think it would. I think the Communist system would continue to collapse, because it is the very nature of this system to destroy the values of Western civilization. It is their explicit aim to destroy the values of Christianity, and with that, the idea of individual creativity.

AIDS: the threat of a Dark Age

In no more than 10 years, the world for sure would look like a nightmare, because it is already now determined that the AIDS epidemic will explode, despite all the cover-ups of the governments today, which, as I said, know what is really at stake, and that this is a killer disease that could potentially wipe out mankind as a whole. This explosion will come very soon, and will have tremendous social consequences; people will be killed because they are suspected to be carriers of the disease, which is already happening here and there right now. We are also investigating hints, which I have to take very seriously, that there are some institutions of the West which are spreading AIDS deliberately in Africa, to further the process of depopulation in this continent.

This all means clearly that the world is on the verge of chaos and a Dark Age, which makes the 14th century look relatively mild by comparison.

How insane the present elites have become is illustrated, among other things, by an article in the *Economist* of this week, which seriously proposes to rehabilitate certain historical figures and periods, like the Dark Ages of the 14th century, and to glorify these periods as being stronger and more

beautiful than the Renaissance.

So, if the world comes to this point, that we will plunge into a Dark Age, either of the kind of one world dictatorship that some elites are aiming at, or a world under Communist hegemony, then you have to know one thing: All of this is the result of a deliberate policy. It is not a natural catastrophe; it is the result of concrete political acts. It is what the Pope has called the “structures of sin,” which exist equally in the East and in the West. That the world is in such a tremendous misery is the result of the acts of concrete individuals.

Our fight for a new world economic order

I want to tell you a couple of things about how it comes that our organization has developed relatively great knowledge about who is responsible. It is not some academic discovery, but it is the result of the fact that for 15 years, we have been fighting for a just new world economic order.

Lyndon LaRouche has developed concrete proposals for such economic reform, and when we, beginning relatively naively and innocently, started to organize for the implementation of these programs, we were hit with an enormous amount of counterattack, and we found out that there is an enormous amount of harassment against countries—countries are being threatened with extinction—against individuals threatened with death or torture, or other unfortunate developments. Because we did not give up in all of this fight, we learned a lot about the nature of the enemy. We found out, for example, something which may be a surprise to many people: that the genocide lobby exists in the form of concrete associations and people.

So when we, at the end of these two days, will put these people in front of the tribunal, this is not abstract or academic knowledge but it is the result of a 15-year political fight. For example, when Lyndon LaRouche developed for the first time in 1974 the proposal to develop Africa—infrastructure, industrialization of agriculture, industrialization together with a report that if these measures were not taken in a period of 10-15 years, the black African continent would reach a point of irreversible ecological holocaust. We found out that people already then said that Africa *should* die. We did not know, and Lyn did not know obviously, what would be the irreversible aspect, because we did not anticipate a specific form of AIDS. But it was a correct analysis up to that point.

Then the next major step in this development was that Lyndon LaRouche in 1975 developed a concrete proposal for international monetary reform, which he called at that time the International Development Bank, which became extremely influential in the discussions of the Non-Aligned Movement and was introduced by the then-Foreign Minister of Guyana, Fred Wills, in front of the General Assembly of the United Nations in September 1976.

We saw what happened to those leaders of the Third World who came out and fought for this. Pakistan's Bhutto was killed in 1979 because he demanded an international

debt reorganization; Mrs. Gandhi, who was fighting for the same thing, was killed in 1984; and many many other governments were destabilized, leaders were purged, harassed, put in prison. We know that the food weapon was used many, many times, because most of these countries have only food reserves for three days or one week, and we know the names of the individuals from the banks who went to these countries and said, if you do not quit the fight for the new world economic order, you will be destabilized and credits will be cut off. Riots will be the result in your country, and you will be toppled.

We have watched what the IMF conditionalities have done in these 15 years. Entire countries have been dismantled in front of the eyes of the world public. For example the beautiful nation of Mexico, which was economically struggling 10-15 years ago, was literally taken apart step by step, with absolute brutality. The nation of Uganda practically no longer exists. If you look at Lebanon, since 1975, this nation has been completely bombed out, destroyed. It does not exist any more.

The genocide lobby

We have found out, step by step, who is behind this. The Club of Rome, at a certain point in 1972, started to propagandize their zero economic growth policy of neo-malthusianism, that the world does not have enough food for the number of people. We came upon such institutions as the Worldwatch Institute, which is supervising a lot of this. We found individuals like the Satanist Robert McNamara, who has a long list of crimes. He was responsible in Vietnam for the body-count policy. He's a lunatic, quite literally, because he goes out when there is a full Moon, to bathe in the moonbeams. This is part of his belief-structure. But the other side is the genocide he committed when he was head of the World Bank. We have heard circles around Gen. Maxwell Taylor, also of Vietnam fame, who said quite openly that they want to increase the death rate by natural means, because birth control is not sufficient. We have found circles around George Ball, who have openly said that it is necessary to reduce the Mexican population to 30 million people, i.e., less than half. We heard the speech of Gore Vidal in São Paulo last year, who said that the AIDS pandemic is a good thing, because it will reduce the population to 1 billion people.

And we have seen, what was the long-term design of people like Dr. Alexander King, who was the one responsible in 1963 for introducing the so-called education reform in Europe, which had the deliberate aim of eliminating for pupils any knowledge of the high points of the 2,000 years of European culture and civilization. This same Dr. Alexander King was the leader of the Club of Rome, and is on record having said that population growth in the Third World has to stop, because the Anglo-Saxon white race is overrun by the black, brown, and yellow people.

We are on the track of the Inter-Action Council, which

wants to reduce the population to 2 billion, because otherwise the global crisis is not feasible.

In the course of this, we founded the Club of Life, against the evil activities of the Club of Rome, and as a result of our organizing for the sanctity and sacredness of life, we found out even more about these people. We discovered an incredible new euthanasia campaign, and propaganda that health care would not be cost-effective. So we found out about many more concrete persons, and also about the nature of the enemy. We found out how the financial institutions of this world are responsible, and how they are controlled by certain families, and that the reason for all of these problems is what you could call a plutocracy, a government of a financial power elite. This is an extreme Calvinist view, of those who think that God punishes those who are poor, and that those who are rich are already proven to be correct by the very fact of their wealth.

The Holy Alliance and the Yalta policy

Soon we found out that what motivates these people is, in part, the political system modeled on the Holy Alliance concluded at the Congress of Vienna of 1815, where the idea of having Russia as a special policeman of Europe was copied from. We found that the proponents of this system liked the idea of balance of power, crisis management, that they are against the sovereignty of the nation-state, and that they want to reintroduce a so-called *Ständestaat*, a class system, with lower and higher classes, where the lower ones have no rights—i.e., you go back before the Prussian reforms.

In the 20th century, there is a continuity of this in the form of the Yalta treason, which also has to be looked at as one of the great crimes of our time. In 1943, there was the division of Europe, without real need. There was no necessity to give half of Europe to the Russians, to the Communists. This, as you know, was already decided in 1943, and the process of Teheran, Yalta, and Potsdam just concluded this agreement. This Yalta treason was continued in 1943 by the freemason George Marshall, who gave China to Mao Zedong, at a point that the Kuomintang had 5 million people under arms. It was the joint action of Moscow and Washington to give mainland China to the Communists. In 1953, during the Korean War, Chiang Kai-shek had offered to send hundreds of thousands of troops to help MacArthur, and the Korean War would have ended quite differently. But this was not in the idea of the balance of power again, so that MacArthur afterward went to Taipei to apologize.

This Yalta policy was continued in 1971, when it was Kissinger who introduced the "China card" policy, and at the same time there was continuous treason against the security of the West, in the form of the Pugwash Conference, the ecology movement, all aimed to undermine the security of the West as an independent culture, a civilization. The peace movement was invented, which has turned out to be nothing but Moscow's fifth column, and if you look at it today, it is

run literally by witches, and is the harbor and the water in which terrorists can swim.

Satanism and Friedrich Nietzsche

In all of this, the role of Satanism is not marginal, but, as recent discoveries have shown, the ecology movement is a Satanic movement. The condition of the world, all the misery and all the incredible suffering, could not be explained otherwise, and the major threat to civilization today is nothing but Satanism, which is not called Satanism openly, even though this is becoming more and more public now, but it is generally called the New Age.

I think the key to understanding the threat to mankind today, in the form of Satanism and New Age, it is extremely important to understand both Nietzsche and Aleister Crowley. Nietzsche, who was working for the Devil in the last century definitely, represents a new phase in this, because since his writings, the open, perverted advertisement of Satanism has become a phase shift in history.

The most important points he made are the following. He declared that God is dead, and later he developed out of this, that he himself would be the Anti-Christ and he would be Satan. His aim was to wipe out Christianity and all values associated with it. He, because God is dead, declared that man is not the image of God, but man has to be an aesthetic beast. He continued to rewrite history in emphasizing, not the classical highpoints of history, the classical Greek or the Renaissance, but rather Dionysian ecstasy, Bacchanalian masses walking, marching drunken through the streets, doped up. He emphasized the flagellants in the Middle Ages, and in his ugly book *Ecce Homo*, he declared: Am I understood? It is Dionysos against the crucified.

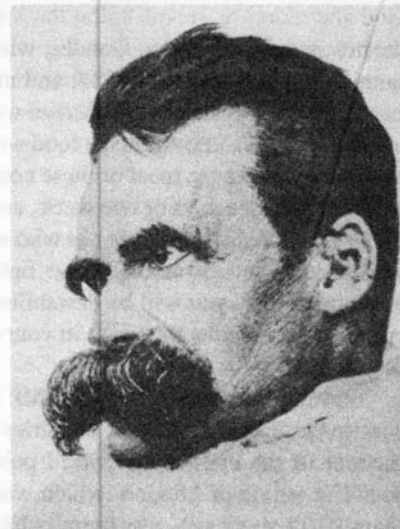
He devoted his entire life against Christianity and determined that he wanted to revalue all values into their opposite. This is indeed the essence of the Satanic method: to consciously change values into their opposite in such a way, that people don't realize it in the beginning, but in the end they are in the grip of Satan.

He did not accept the development of the universe to ever higher orders, but announced a cyclical repetition, the eternal return of the same, and therefore destruction for him—as well as for the Greenies today or for the Nazis, which is actually the same thing—destruction is desirable, because only out of the decay, the strong will come, in the opinion of these people, and the natural outgrowth of this is the idea of the master race. The will to power is the only value for these people.

Historically, Nietzsche refers to Dionysius—Bacchus—who was, at a point of Greek history, the cult figure for a cult which centered around wild music, rhythmic dancing and orgiastic ecstasy.

This is all very important, if you compare it with the New Age today.

The aim of this insane ecstasy is the unification with their god, to be possessed, literally. The essence of what is unify-



Friedrich Nietzsche, who believed in the superiority of the Devil.

ing them is their hatred against Christianity, because they see it as a total negation of all earthly pleasures and passions. And we found out that one of the reasons why they hated us so much, is because they always say, you want to take away our pleasures in this way, because you put up moral standards, and we don't like that.

So, both Nietzsche and the freemasons—which is actually one tradition—refer to Greece as a deliberate counterpole against Christianity, and it is also this Dionysian face of Greek history which gave them the arguments for the “master race.” For example, Theognis of Megara already had the idea that the aristocratic is good and the plebian is bad. If you read Plato's dialogues, you find with the *Meno*, that Thrasymachos and Callicles emphasize the exercise of power as the essence of all virtues. Thrasymachos says that powerful evil is more noble than weak goodness, and Callicles says the stronger ones have the right to dominate and also have property, and the weak ones have none. Dionysius said, what is the essence for him is rageful lust, which is at the same time the fury of destruction. Indeed you will find, that rage is the emotion of Satan, in the same way that *agapē*, *caritas*, or love is the emotion of Christianity.

The concept of the eternal return of the same, which is a pre-Christian cult notion, associated with the earth goddesses, mother goddesses, is also the ground for the idea of reincarnation, the concept used deliberately against the idea of immortality. The Nietzschean fascists, the New Age proponents, believe that immortality or the belief in immortality is the basic obstacle to real life. Nietzsche finally wrote *Thus Spake Zarathustra*, where he declared that all gods are dead, now lives the superman, *der Übermensch*. Superman is the meaning of the world—no god, rather master your own fate, rather be god yourself. So, the idea of Satanism is nothing but self-deification, and for these people, Christian ennoblement is only castration.

For Nietzsche, God is proven wrong, but not the Devil. In *Will to Power*, he writes, to be able to bear life without

God and morality, he must find the opposite, the ego which creates its own god, at whose feet all men lie. This god is nothing but the culmination of power, the liberation of all morality, the full depths of all contradictions of life lived out to the excess. God for him is the greatest immoralist, as will to power without goodness and wisdom. So, Nietzsche believed in superiority of the Devil; quite literally, he was a Satanist. He believed in the Olympus, i.e., the power of man totally dedicated to this Earth, but not in the Crucified. So, Dionysius, whom Nietzsche believed to be finally he himself, is the god of darkness, and Zarathustra admits that the good ones would call his superman the Devil.

So what we are really dealing with, is the Satanic religion, in their hatred for Christianity, for those reasons. All of this, the Nietzschean philosophy, was the ethic of the inner core of the SS and the Nazis, and it is exactly the problem today, that the elites think they want power only for power's sake, and it is their absolute right to keep that power, no matter what will happen to this poor world. It is no question that these people are under the influence of gigantic illusions, and it is also clear that they are either part of Satanist rituals and circles, or at least they tolerate it.

The Age of Aquarius

We have noticed, that for the past one or two years, the so-called New Age has been on an aggressive offensive worldwide, and if you look at the symptoms, you can actually see that it is an attempt to win over the world for good, and to wipe out Christianity once and for all. Normally people are not accustomed to look at it this way, but if you start to sharpen your eyes, you actually see symptoms of it at every point. For example, you all know that there are hardly any young people who are not victims of rock music, and all major rock bands are Satanist. Not only do they have Satanist texts, not only do they have subliminal messages and light-effects with pictures of Satan or symbols, but it is having a serious effect on the brains and the capability to think of these young people.

One can say that rock music is the first level of initiation, and that then drugs, pornography, and general disruption of any moral standard are the next steps. So, if you go through this and you don't watch it, what comes out are people without souls, and it is most horrifying to see that already in all of Western Europe, 80-85% of all young people have participated in occult exercises, which starts like a game, but then soon it is not a game any more. There are many Satanic churches, not only in Turin, where 5% of the people admit that they are Satanists. It is the famous Ordo Templi Orientis which is definitely one of the leading instruments. It is a lot of masonic rites, it is the spread of pedophilia, child-pornography rings, video cassettes of unimaginable perversion, and finally the more frequently occurring ritual murders.

While Nietzsche definitively is the philosopher for the power elites, Aleister Crowley is the one who gives the philosophy for the duped masses. Do what you want, this is the

only law: that was the philosophy of Aleister Crowley, and this is the poison in the hearts and minds of the people thinking they can take drugs, they can do anything just as they please.

One has to see that the Age of Aquarius, the New Age, as it was propagandized by Marilyn Ferguson, is actually the new form of this disease. The aim is to eliminate any principle, there is no longer any criterion for good and evil. And one has to understand that the New Age has a lot of different elements, like homosexuality, which is an organized cult. Nobody can tell me that 50% of the people in Manhattan all had domineering mothers who give them no other way than to join this. It is an organizing tool: Get people involved, and once they are involved, they can't get out so easily. It is witchcraft, the ecology movement, the idea that some mysterious earth goddess exists. It is drugs, it is astrology, it is pantheism; basically all of the components of the New Age represent an attack on rationality, on reason, on natural science, on the idea of the knowability of the laws of the universe.

So, we have found that one of the key coordinating centers of all of this is a thing called the Lucis Trust, formerly the Lucifer organization, which is a kind of umbrella sponsoring all of these different things. Associated with this are the United Nations, the World Council of Churches, the Club of Rome, the Trilateral Commission, the Rockefeller Foundation, the World Wildlife Fund, and many more.

If you look at this, the big question obviously is, how to reverse it? It is obviously a subject which is not an easy one, and many people say it is dangerous even to talk about it, but if we do not warn our young people, the next generation and the many moral people who are just indifferent, who don't care, we'll eventually be taken over.

So therefore, the first step is to make a huge campaign to expose what is really behind the New Age, and we will name the names of those who have put themselves in the service of Satan, and we will put on their forehead the Mark of the Beast, because it is our obligation to fight for the superiority of man in the image of God. We do this, because we have the confidence that mankind has the resources to overcome this crisis, as mankind came out of the 14th-century Dark Age and superseded it with the golden Renaissance. Today, by awakening people and making them conscious of this danger, we will also be able to make a new cultural and moral Renaissance, and we want to announce it optimistically, but also offensively at the same time, that no matter what the enemy is planning, we will make sure, that one way or the other, the ideas and programs of Lyndon LaRouche will be realized.

We want to announce this campaign, for which Lyn has correctly given the slogan some time ago: to do nothing less than to kill Satan.

I want to end my remarks by saying, so help us God through our arm, and I am confident that Christ will be victorious over Satan!

LaRouche: Rally to save the dome of Florence!

Here are excerpts from the speech delivered by Lyndon H. LaRouche, Jr. on Jan. 20 to the Rome Tribunal.

The art of warfare sometimes consists in that, as soon as you are engaged with the adversary in one battle, start another on another flank! What I wish to do today, briefly in connection with the subject of economics, and particularly the question of *morality* and economics, is to continue a battle already begun with the aid of our dear Professor Bartoli from Florence, is to make clear the moral importance for all humanity of the cupola of the dome of Florence.

This object, the dome of Florence, this cupola, is the object *most hated* in all the world by Moscow. The reason that Moscow hates this object, as do all Satanists, whether Communist or not, is that the cupola of the dome of Florence is coincident with the Council of Florence, on which all modern Western civilization is premised, immediately, and also because, in its construction, in the personalities who were responsible for the design and the accomplishment of its construction, it expresses the same principle which pervades the Council of Florence. Thus, this object embodies as a work of art, more than any other work of art, the entire Renaissance of Western civilization, after the terrible Dark Age of the 14th century.

Now, Moscow is Satanic, and like all Satanic bodies, it believes in symbolic philosophy, which is another name for Satanism, a polite, freemasonic term for Satanism. Everything is symbols, because nothing is real. Moscow believes that the destruction of the Vatican and the destruction of the cupola symbolically assures the eternal imperial world rule of Moscow over this planet.

There is something else about this cupola which is not accidentally to be found there. There is a quality in the way in which the construction, the most remarkable construction, of this cupola was effected, which is a quality of science not understood by over 95% of the leading professional physicists today. Not by the architects—most of the architects are idiots, like Galileo Galilei, who could not understand the principle of construction of the cupola when he was asked to comment on it.

Moreover, most physicists today would be incapable of understanding in principle what was clearly understood by Filippo Brunelleschi, and also understood by Leonardo da Vinci and others later. This principle of physics takes us to the very frontier of the possibility of physical sci-



tific discovery today. This was something that was understood in part in the last century by the great Beltrami, who called our attention to this aspect of the importance of the work of Brunelleschi and others on negative curvature.

With that in view, I would like to present to you, in the context of the morality of economics, a proposal that we all rally together with Professor Bartoli and *save, defend* the cupola of the dome of Florence, with these thoughts in view.

Morality and economics

First I shall summarize a few things which indicate what I mean by morality and economics. Most people who study economics today, at best learn some accounting; they learn nothing about economics. They learn about money. They learn nothing about economy—not as economy was understood in Italy, France, and Germany during the 17th and 18th centuries as *cameralism*, as physical economy, as the art of statecraft to promote the welfare and increase of the productive powers of labor. . . .

From the standpoint of physical economy, the capacity of mankind, through scientific and technical progress, to increase the potential population-density of our species, and higher standards of living, is the characteristic of human behavior, which from the standpoint of the economist—the real economist, not the accounting variety—is the fundamental, empirical distinction between man and beast. It is this quality, this performance, which distinguishes and sets man apart from and above all beasts—unless man becomes an ecologist, in which case he aspires to descend to the state of a beast, morally and otherwise. . . .

The problem is a very simple one. If we attempt to

represent the world as Francis Bacon, as Galileo, as Descartes, as Newton, as Kant and others did, it is impossible to represent human creativity; it is impossible to represent a process of universal creation; it is impossible to render an intelligible distinction between living and dead processes. You can only assert that it is living, in the case of living processes.

I have devoted most of my life to that question, first in refuting Kant, who said that creativity is unknowable, and who also said that morality, aesthetic and other morality, cannot be determined in an intelligible way. Out of Kant, and neo-Kantianism, and followers like Savigny, came the immorality and rise of Satanism in the 19th and 20th centuries, came the rise of modern liberalism, which is actually the portal, the gateway to Hell. . . .

Since the classical Greeks from Athens, mankind has understood that that which we call beauty of form, in art, is that which is comparable with the harmonic ordering of living processes, and human processes in particular. With Leonardo's work, and the work of others, we understand that this distinction between the harmonic orderings congruent with the Golden Section, and those not congruent with the Golden Section, is the difference between living and dead processes. To us, beauty is in first approximation, a matter of the forms of healthy living processes. Life is beautiful; death is ugly. Classical fine art, properly appreciated, is beauty. Rock is death. Modernism is death.

This coincidence with science on this question, is the key to understand both the human mind and the importance of the cupola of the cathedral of Florence. I will just identify this without going into detail. I shall be working on this to the limit of my abilities, as I already am, for as long as possible, until we solve it.

Beginning with the work of Cusa, but already implicit in work of Toscanelli and Brunelleschi, the development and understanding of the problem posed by Plato, in a number of his writings, including the *Timaeus*, that what we see with our senses, particularly our visual senses, is as but the shadows on the wall of a darkened cave, cast by firelight in that cave. In physics, what Plato has said translates as invariants of conformal stereographic projection. It is a very simple principle of 19th-century physics, known before. This aspect of Plato's work on science, was taken up by the Golden Renaissance, to such effect that the genius of the construction of the cupola of the dome of Florence is based on recognizing the implications of that point of Plato's. Brunelleschi among others, says that certain anomalies in the field of vision, are the keys to understanding the laws of physics. On that basis, Brunelleschi, like Leonardo after him, dealt with the problem which we call negative curvature. The way that Brunelleschi solved the problem of constructing the cupola, was

based on the use of the *catenary*, which is a form of negative curvature, which happens to be also what is called an isochronic form. . . .

Least action means that in the universe, primary action occurs upon what is called the least pathway, and occurs in the least time. . . . What has not been resolved systematically, is the relationship between the least pathway and least time, which involves isochronic curvature, of which the catenary is one form.

This is the work I am devoting my life to at present, in terms of scientific work: the work of Brunelleschi in designing the construction of the cupola of the dome of Florence, is an application of the solution of this problem, in principle, and therefore, as we step forward through mastery of this connection, this problem of intelligible representation of least action, as we march forward into that, into the mastery of the matter-antimatter reaction, which gives us three orders of magnitude greater energy than we have ever had for mankind before, we will actually be marching forward from a principle which is implicitly already embedded in the design of the cupola of the dome of Florence.

Therefore as affirming the principle of beauty, the equivalence of truth, beauty, love of God, and love of mankind, as the single principle of classical fine art, so the complement to that is to affirm the same principle in physical science, the same state of mind, the same attitude, and that work of art, that object, that symbol so hated by the Soviet government, the cupola of the dome of Florence, is the second flank.

Let us win the battle for the principle of the equivalence of truth, beauty, love of God and love of mankind, in art. Affirm the intelligibility of that principle, to bring beauty and its contribution to the development of the character of the individual, back to mankind, and to children above all. Let us at the same time, take the idea of science out of mysticism, bring it back to intelligibility, focus that question of intelligibility on the next breakthrough to be made in general in science for the benefit of mankind. Then let us take the two things together, the affirmation of the principle of aesthetics, and the affirmation of the principle of scientific progress, and let us use that, to teach mankind the principle of humanity, that it is not what we do as a thing which is important, it is what we contribute to all mankind. It is what we enable one another to do in contributing not simply a useful act, but to living a life which, from whatever its beginning to whatever its end, is a life equivalent to a universal act, a life in which the individual, mortal, fragile individual, becomes an efficient servant of the universal, and therefore can walk through life, and to death, with joy knowing that life is good—that is the fundamental principle.

Expose the Nuremberg criminals, demand justice for LaRouche!

In two days of testimony Jan. 19-20, an impressive array of political leaders, military generals, lawyers, musicologists, scientists, and churchmen gave expert testimony to denounce the crimes against humanity being perpetrated around the globe, and to mobilize others to combat this evil.

Crimes of Yalta and the New Yalta

Mrs. G. Bruckmann, representative in Rome of the Afghan freedom fighters, presented a report on the plight of the Afghanistan resistance. Polemicizing against the idea that Gorbachov means peace for Afghanistan, she said that the Soviets have been defeated in Afghanistan and are now trying to achieve with diplomatic means what they could not achieve militarily. Gorbachov's psychological warfare presents the situation falsely as a conflict between Afghanistan and Pakistan. The Geneva agreement signed by the Americans has recognized this lie, and gives the Soviets the role of guarantor of peace.

Rev. Iwan Dacko, chancellor of his Eminence Cardinal Lubachivski from the Ukrainian Catholic Church, outlined the history of the Ukrainian Church, from the 988 Baptism of the Kievan State, through the Eastern and Western Churches' formal separation in 1054, their re-unification at the 1439 Council of Florence—at which point Russian Orthodoxy broke with Constantinople—and the 1595-96 Union of Brest-Litovsk.

It was this last event that established the Ukrainian Catholic Church as we know it, he said, "a clear endeavor to try to reinstate Kievan Christianity as it was prior to the fatal year of 1054. . . . Or, as Pope John Paul II put it, 'Orthodox in faith and Catholic in love,' since Catholicism and Orthodoxy do not contradict, but rather complement each other."

In 1946, the Soviet government arrested, exiled, and deported hundreds of Ukrainian Catholics, both lay and clerics, and convened a rump "Synod of Lviv," which specified the Ukrainian Church's "voluntary dissolution and return to the womb of the Russian Orthodox Church." Nonetheless, Ukrainian Catholics retain their faith, albeit within the liturgical confines of the ROC, and "the most active communities of today's ROC are found in Western Ukraine," so much so

that according to Metropolitan Filaret of Kiev "the recognition of the Ukrainian Catholic Church . . . would shake the entire structure" of the ROC.

But, Father Dacko emphasized, recognition of the Ukrainian Catholic Church becomes a political issue, because it "has always been on the side of the people as a guarantor of national self-determination and independence."

He concluded with an appeal for "Christian solidarity," and endorsed the Pope's formulation, "a Europe united from the Atlantic to the Urals. . . . This vision is of a Europe comprised of different nations but joined in one Christian faith, with mutual respect for each people's freedom and rights. This respect is based on the human being, created in God's likeness and image."

Gen. F.W. Grunewald (ret.), Federal Republic of Germany, discussed the post-Yalta division of power in Europe, and the fact that "today, the initiative in the world power game belongs clearly to the Russians." Defending LaRouche as "the original architect of the SDI," General Grunewald also said, "Only 20% of my fellow citizens are still aware that more than 100 million Europeans, people of our culture have been robbed of their fundamental rights by the Soviet Union, their personal freedom maintained at a level beneath human dignity. No one realizes that the robber will be appointed sheriff if the 1992 human rights conference is held in Moscow."

Gen. Alberto Li Gobbi (ret.) of the Center for Defense Studies in Genoa, Italy, and a holder of the Gold Medal of the Italian Resistance Against Fascism, spoke on Soviet "deceptions against Western security." He stressed that the Soviet strategic threat has merely changed direction and has become more dangerous under Gorbachov's *perestroika*, adapting to the American SDI doctrine, "for which Lyndon LaRouche must be recognized for his great merit in having actively promoted it to Reagan."

Taha Nur, a representative of the Eritrean Liberation Front, denounced the 27-year bloody war conducted against the Eritrean people by the Ethiopian regime, with an explicit aim of extermination, aided by the U.S.S.R., Cuba, East Germany, and other countries, and the cover-up by the si-



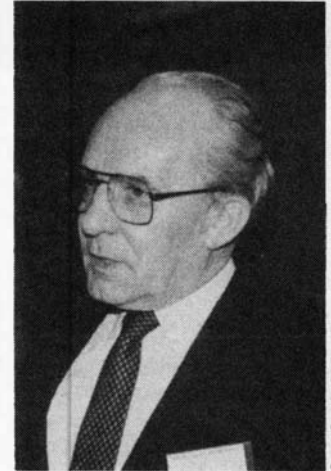
Prof. Bruno Barosi



Prof. Bruno Brandimarte



Father Dario Composta



Gen. F.W. Grunewald (ret.)

Stuart Lewis, Philip Ulanovsky

lence of the United Nations.

Paolo Raimondi of the Schiller Institute opened the conference panel on "Crimes Against Humanity of Communism and Fascism," with an overview of the crimes perpetrated by Nazism and Soviet Russia, and the post-Yalta connivance between Moscow and traitors in the West.

Lewis du Pont Smith, U.S.A., a supporter of La-Rouche's ideas who was stripped of his political and civil rights and his inheritance because of his beliefs, used his own case to show how Soviet methods are being used in the American legal system to silence political opponents.

Rev. Alfonsas Svarinskas, Lithuania, was recently released from 21 years as a political prisoner in the Soviet gulags. He revealed how prisoners being released are subjected to blackmail and forced to work with the KGB. Others, though released, are not allowed to return to their native lands, but are banished. Still others are denied the right to practice a profession. "Some Lithuanian partisans, after spending 25 years in a prison camp, cannot go back to Lithuania, but are sent to Siberia," he said. Opening the eyes of those blinded by the illusion of *glasnost*, the former prisoner attacked the West for having forgotten the 4 million Ukrainians butchered by Stalin.

This "shame for Western civilization is a tragedy for the Catholic Church," whose Franciscan brothers from Assisi travel to Moscow "with the doves of peace," he said. Recalling the situation in Afghanistan, Cambodia, Czechoslovakia, and Armenia, Father Svarinskas ridiculed the notion that a human rights conference could take place in Moscow, and called on the conference to block the meeting from taking place in the "empire of evil."

The fight against Satanism

Paolo Bafle, Italy, a high-level magistrate and expert fighter against pornography, documented the spread of Satanism, including how horrendous child sacrifices are being

filmed, and the videotapes circulated among the cultists, as a form of further perversion and evil: "Personally, I believe that when a faraway and unknown little girl from Thailand or some other country is raped and cut up in front of a TV camera to satisfy the sadistic or 'particular' tastes of certain 'viewers' and to allow other individuals to get rich on this kind of human misery, it is the *whole* of humanity that becomes *less* free, that loses a part of its dignity."

Father Dario Composta, theologian of the Urbaniana University in Rome, explored the epistemological and moral background to the horrors of Satanism, in an exhaustive treatment of the concept of nihilism. Tracing the historical development of this tendency, Father Dario focused on the split in Gnosticism in the 18th century into "hot" and "cold" gnosticism. "Hot" gnosticism, he said, "gives rise to Theosophy, occultism, Masonry. 'Cold' gnosticism gives rise to illuminism. Both movements are nihilist." The latter presents itself historically as the force which "frees" the mind from superstition, which establishes the rule of "reason." Yet this attitude of illuminism aimed simply at destroying religion and morality. John Stuart Mill's utilitarianism, like Darwin's social view of the struggle for survival, is nothing but nihilism applied to economics and social organization. Marxism and Communism, in turn, are nothing but the version of nihilistic thinking realized in the East bloc, whose society is also characterized by alcoholism, "suicides, abortions, crime, violence," all expressions of amorality.

Don Dario concluded that nihilism is a system based on two pillars: "the idea that there is no 'must' and the lack of any distinction between good and evil." These premises, which underlie "Satanism, occultism, esoteric cults, and freemasonry," are what have endangered our society. But, he stated the promise, "that they will not prevail."

Father Antonio Coccia, OFM presented a forceful argument based on the thought of Socrates, Plato, and St. Augustine, showing how the crisis of civilization can be



Elisabeth Hellenbroich



Gen. Alberto Li Gobbi (ret.)



Mario Parnther



Fernando Quijano

overcome through the recognition, within the human individual, of the existence and superiority of natural law. "The presence of universal and necessary values, such as those of justice and truth, which cannot derive from the human subject which is mutable and is not always just and truthful, pushes Augustine to transcend the mutable human being, the human person as the carrier but not the creator of the values of truth and justice and to recognize the Mind, the subsistent Being, independent of our minds, and principle of our being and of all things."

Diane Core, Great Britain, head of the Childwatch organization, detailed with chilling examples how the forces of evil have launched a "spiritual war" on all fronts, with the aim of winning over the entire world to the forces of "the Anti-Christ" by the end of this century. This spiritual war involves not only outright recruiting among youth, with the help of drugs and pornography, but also more subtle methods of introducing irrational beliefs into children, through classes in the occult, disguised as "history" classes.

Don Andrea Gemma, SDB, an eminent Church scholar and president of the Don Orione youth education centers in Italy, discussed the history of Satanism, and the message of the Christian faith in the power of good to overcome the forces of evil, in the form of the "prince of this world," Satan.

John Grover, Australia, a scientist and author, documented the destruction of literacy in schools—which he characterized as a form of "child abuse"—through the reforms of UNESCO director Julian Huxley. Huxley was part of the New Age grouping in England.

Elisabeth Hellenbroich, editor of the cultural magazine *Ibykus* in the Federal Republic of Germany, spoke on the spread of Satanism in the West. "Satanism and the cult of death are the result of a major cultural war waged against Western civilization, a war directed by the Russians in full complicity with certain Gnostic oligarchical networks of the

West," she said. These networks go back to the spiritual fathers of Satanism of the last century—Friedrich Nietzsche, Helena Blavatsky, Aleister Crowley, Carl Jung, and Arnold Toynbee—who established the cultural pessimism on which Satanism was to feed in this century.

The institutes of parapsychology in Moscow and Novosibirsk, she said, collaborate with their counterparts at California's Esalen Institute and the Stanford Research Institute, to churn out the paraphernalia of modern-day occult practices and groups: from rock music and the drug culture, to the hard-core witchcraft cults like the Ordo Templi Orientis (OTO), the Wicca cult, and Lucis Trust, the command center of of "New Age" movement. It is such institutions which have been responsible for the proliferation of Satanic practices and widespread belief in the occult: Over 100,000 in Italy practice magic, there are 3,000 astrologers in Paris alone, and thousands of children in England are sacrificed to Satanist rituals every year.

LaRouche's contributions—and his enemies

Prof. Bruno Barosi of the Cremona Violin Building Institute in Italy, and **Prof. Arturo Sacchetti, artistic director of Vatican Radio**, related the story of how Lyndon LaRouche had identified the question of musical tuning as a crucial intervention point in the fight to preserve classical music, and mobilized thousands of persons to launch an unprecedented campaign. Professor Barosi detailed the scientific reasons why such tuning is necessary for safeguarding the integrity and musical quality of sound of stringed instruments like Stradivarius violins. Professor Sacchetti motivated the need to lower tuning, from the standpoint of the human voice, an approach taken by great classical composers, in writing for the human voice.

Prof. Bruno Brandimarte, professor of laser applications in medicine and biology at the Urbino University in Italy, recalled his first meeting with Lyndon LaRouche



Paolo Raimondi



Amelia Robinson



Prof. Arturo Sacchetti



Rev. Alfonsas Svarinskas

two years ago in Rome at a conference on AIDS. "I heard about his scientific work, but what struck me was his global vision. Here I was—after waiting hundreds of years to finally find a scientist who was also a philosopher, and an economist, and a moral human being." Brandimarte denounced the witchhunt against LaRouche as an attack against the man, an attack against his ideas. "The greatest crimes against man are crimes against his ideas, like the attacks against science—which is being presented as something inhuman." Brandimarte concluded that the LaRouche case has filled him with grave concern: "I don't hide the fact that I am very worried. I see the greatest economic power in the West, the United States, moving against the independence of human thought, and that troubles me deeply."

Max Dean, an attorney who heads the Constitutional Defense Fund in the U.S.A., and a board member of the NAACP in Flint, Michigan, discussed the efforts of the CDF to thwart the strategy of those seeking to destroy the U.S. Constitution. "Our enemies' strategy," he said, "is not merely to taint juries, but to poison the minds of entire populations against the very ideas which inspire us."

Don Victor Girauta y Armada, an attorney from Barcelona, Spain and representative of the International Commission on Human Rights Violations, reported on the battle of the Commission to put a global spotlight on the LaRouche trials.

Anno Hellenbroich of EIR's bureau in the Federal Republic of Germany, presented an indictment of the elites of East and West who are complicit in the frameup of LaRouche (see article, page 30).

Mario Parnther, executive member of the Party of Democratic Revolution, the leading partner of the Panamanian governing coalition, pointed out with precise chronology how the attacks against LaRouche have coincided with attacks against Panama and its national integrity. This derives from the fact that LaRouche is the only American

politician who has consistently stood up for the right of Panama against foreign intrusions.

Fernando Quijano, executive director of the Schiller Institute for Ibero-America, documented LaRouche's role in the fight for economic independence. Quijano used the example of the military raid against the oil workers union in Mexico, to show that the methods used in Mexico and against LaRouche are the same. "Why does the Establishment want LaRouche out of the way? Because his programs, like *Operation Juárez*, can destroy the one-worldist plot to put Canada, the United States, and Mexico into one so-called Common Market. It was in 1982, during a meeting between LaRouche and President José López Portillo which I attended, discussing *Operation Juárez*, that the Establishment decided to get rid of LaRouche." Quijano reviewed the worsening debt situation of Mexico, which resulted from the fact that *Operation Juárez* was sabotaged.

Amelia Robinson, civil rights leader from the United States, related the story of how her confrontation with injustice in Selma, Alabama, led her to dedicate her life to fighting for civil and human rights. It was a case of injustice in which blacks were viciously discriminated against, while a white who had killed an old black woman was allowed to go free, which filled her with hatred for injustice. Only by converting this hate into pity was she able to launch into effective political activity, including her work with Martin Luther King, with the Southern Christian Leadership Conference, with the Student Non-Violent Coordinating Committee, and later with the Schiller Institute.

"Gandhi and Martin Luther King organized hunger strikes, demonstrations, and they were killed," she said. "LaRouche and his co-workers are equipped with the ammunition of love, and they carry the torch of victory, because they are offering solutions to the problem of hunger. . . . If Mr. LaRouche is saved and is successful in carrying out his program, the world will be saved."

The Establishment urges alliance with Dope, Inc.

by Mark Sonnenblick

Since 1986, the Inter-American Dialogue has advocated *surrender* in the War on Drugs. Now, this Establishment "consensus" advocates an *alliance* with the international narcotics cartel in the growing portion of the hemisphere it has overrun. The Dialogue, a composite of Trilateral Commission and Socialist International figures from all over the Americas, rushed publication of its "The Americas in 1989: Consensus for Action" report in order to define policy for the Bush administration. Bush's National Security Advisor Brent Scowcroft, fresh from Kissinger Associates, Inc., welcomed the report as "significant" and urged its "careful study."

Dialogue secretary Abe Lowenthal, another Kissinger protégé, was not far off the mark when he presented the report, Jan. 17, as the "bipartisan consensus which has emerged over the past decade." Its core, led by co-chairman Sol Linowitz, drew up the Carter administration's Latin American policy. Since 1976, the productive economies of Ibero-America have been ravaged by genocidal policies dictated by the International Monetary Fund (IMF). The continent has been turned into one big cocaine machine and the Trilateraloids welcomed Jesuit and Soviet involvement in their Central American insurgencies.

The Dialogue's executive committee also includes Robert S. McNamara. Satanist McNamara organized the Vietnam War to maximize "body counts" of dead Vietnamese, to sell out America's allies, and to disorient succeeding generations of American youth by making "patriotism" a dirty word. That demoralization can be thanked for the rock, drug, sex counterculture.

No war on drugs

Now that "U.S. citizens currently spend up to \$100 billion annually on illegal drugs, and a cocaine epidemic is devastating inner cities," the Dialogue's consensus is that

"no quick or easy solutions are currently available." It rejoices that, under George Bush's leadership, "the United States is finally shifting its attention to reducing demand," rather than fighting Dope, Inc. as an alien power at war with the republic. "Experience with anti-tobacco and marijuana campaigns provides some suggestions for reducing demand for cocaine. So do declines in the consumption of alcohol and saturated fats, and the increasing numbers of people engaged in physical exercise."

The ostensible motive for alliance with Dope, Inc. is to better fight communist insurgencies. The Dialogue raves against the well-documented fact of "narco-terrorism" and goes so far as to blame the War on Drugs for alliances between drug traffickers and terrorists.

"The fight against cocaine can threaten democratic governments as seriously as the trafficking itself. Involving the national army in eradication risks both enmeshing it in corruption and diminishing civilian authority by stretching military responsibilities. For countries with guerrilla insurgencies, eradication poses an especially cruel dilemma: destroying drug crops can undercut support for anti-guerrilla operations, pitting the military against local peasants. In Peru, the Sendero Luminoso guerrillas have made deep inroads into the country's coca producing areas.

"Although governments of the Hemisphere have expressed concern about guerrillas and drug traffickers joining forces, such alliances seem to be the exception rather than the rule. Repeated assertions of such a link suggest an effort to find scapegoats to spare governments the harder task of grappling with the domestic roots of both anti-government insurgency and drug trafficking. . . . Unlike guerrillas, they do not seek to overturn social and economic structures. . . .

"Traffickers, in turn, hire their own armies to protect drug operations from the guerrillas. *if they are left alone, traffick-*

ers and growers will often support national police and armies in combating guerrillas [emphasis added].”

The report specifies that in 1984, cocaine dealers and local Peruvian army commanders helped each other in the Huallaga Valley. But the intensive military operations by the Alan García government, with U.S. Drug Enforcement Administration support, against coca plantations and cocaine labs spoiled that. The Dialogue says only extensive aerial spraying of herbicides such as “Spike” could sharply reduce cocaine output, but “such spraying could cause widespread environmental damage and would risk alienating whole areas of the country. In Peru, it would give Sendero Luminoso [Shining Path] the opportunity to expand its influence in coca-producing regions even further.”

The Establishment’s “free market” economics is reflected in the Dialogue’s demand for an end to the “costly” efforts to break up drug production and trafficking. “Neither eradication in Latin America nor interdiction at the border will do much to address the U.S. cocaine problem,” since “the drug business is so profitable that the traffickers can tolerate the seizure of half or more of their shipments.” Therefore, the report urges they be left in peace. “So long as there is demand for illicit drugs, supply will find the way to fill it,” profess the Satanist free marketeers. “To put faith in eradication or seizure to end the drug trade is to pursue a will-o’-the-wisp.”

The traffic is also profitable to the Wall Street banks which finance the Dialogue. These debt collectors comment, “The jobs and foreign exchange from drug trafficking are clearly important to these countries that are wracked by debt and depression.”

The Inter-American Dialogue first called for examining “the selective legalization” of narcotics in its 1986 report (See *EIR*, Vol. 13, No. 18, May 2, 1986, “Trilateral panel talks up legalizing the dope trade”). It acknowledged that legalization could lead to at least 60 million people using

Other key members of the Dialogue include: **Mc-George Bundy**: former National Security Adviser, Ford Foundation head; financed New York City narco-terrorist gangs; helped arrange Vietnam War. **Elliot L. Richardson**: former Secretary of Defense and Attorney General. **Bruce Babbitt**: governor, ex-presidential candidate (Democratic). **Cyrus R. Vance**: Trilateral Commission; ex-Secretary of State; president, New York Federal Reserve. **Theodore Hesburgh**: Trilateral Commission; ex-president, Notre Dame University. **Pedro-Pablo Kuczynski**: First Boston International, indicted in Peru in 1986 for illegal oil dealings. **Augustín Legorreta**: Mexican banker who claims to lead the “300 families” who “decide everything.” **Nicolás Ardito Barletta**: ex-President of Panama who created banking secrecy for money laundering.

cocaine in the United States, a tenfold increase. It now recognizes, “There is little support for legalizing cocaine and other illicit drugs in any country of the Hemisphere, but a few political leaders in both the United States and Latin America have begun advocating this approach.”

Behind the magic of ‘debt reduction’

Except for James Baker III, practically everyone in Washington now admits that the Ibero-American debt crisis is worse now than when it erupted in 1982. There is lots of talk there and by Ibero-American leaders such as Venezuelan President Carlos Andrés Pérez about “debt relief.” Would those schemes enable Ibero-America to resume development? No. Would they leave taxpayers with the bill for bailing out the big money-center banks? Yes.

In 1982, Lyndon LaRouche proposed in his *Operation Juárez* study that existing debt be “isolated” and a new international financial system be created to provide massive development credits so that the region could grow its way out of bankruptcy. He was then alone in warning that Baker’s crisis management approach would lead to disaster in Ibero-America and to the bankruptcy of the United States itself. Then, as now, the Establishment sought to silence LaRouche.

No one could dispute the situation report in the Inter-American Dialogue’s “The Americas in 1989: Consensus for Action.” It says, “Latin America has been mired in depression for six years; most Latin Americans are worse off today than they were a decade ago. Having trapped millions in extreme poverty, the depression has begun to feed on itself. Continuing capital flight, low investment, rampant inflation, and declining funding for education and health are destroying the foundations of future productivity, and may keep Latin American economies stagnant for years to come.”

The Dialogue, however, endorses the policies imposed on the region by the International Monetary Fund (IMF) which have led to this disaster. The changes it advocates are designed to complete such genocidal “reforms”: “Latin America cannot hope to recover without major structural reforms,” it postulates. “Latin American governments have made significant adjustments in their external sectors. Realistic exchange rates are now in place in most countries and trade deficits have been turned into surpluses—although largely by curtailing imports and real wages, not by improving productivity. More must now be done to liberalize trade policies by reducing tariffs and other import barriers. Few governments have progressed very far in their internal reform efforts. Fiscal deficits remain all too high. . . . These deficits cannot be controlled as long as scarce resources are used to subsidize uncompetitive industries and finance bloated bur-

caucracies. More generally, governments continue to play too large a role in Latin American economies: business and financial regulations need to be eased; markets allowed to determine most prices; and state enterprises shifted to private hands.”

Democracy is intolerable

The Establishment’s concern is that the regimes willing to abrogate sovereignty and triage their people to please bankers will not last long if they cannot give the *perception* of having gotten something in return:

Economic reform programs, moreover, always carry very high short-term costs. . . . Market-oriented reforms now provoke public distrust because they have come to be associated with declining incomes, unemployment, higher prices, and deteriorating public services. It is not enough that Latin America’s financial and economic authorities agree on the need to restructure and open their economies. *Democratic governments cannot establish economic policy by fiat.* After so many years of decline, they cannot simply preach austerity and ignore the deprivation and anger of the poorest. They must respond to demands of labor unions, business associations, and legislatures. Unpopular policies cannot be sustained for long.

Most Latin American governments . . . will face intense domestic opposition so long as such measures and the sacrifices they entail *are viewed* as largely benefiting external creditors rather than producing development at home. This political resistance can only be overcome if economic reforms are coupled with significant debt reduction and new capital flows, and *recognized* as part of a genuinely cooperative effort between debtors and creditors to promote growth [emphasis added].

The Establishment’s “debt relief” sleight-of-hand is designed to create such political “perceptions.” The hype for such changes is building. There has been a sudden eruption of “tough” postures by normally supine debtors.

● Brazilian Finance Minister Maílson da Nóbrega failed to make a \$500 million interest payment Jan. 18 on the pretext of a “computer glitch.” He had been making veiled threats of debt moratorium if the banks kept stalling on \$1.2 billion in new loans they promised; now, he is entering moratorium through the back door.

● Mexican President Carlos Salinas de Gortari recently recalled, “As someone once said, a dead client will never pay.” Salomon Brothers brokerage reports that Mexican debt negotiator Angel Gurria is asking bank creditors not to collect any principal and at least 80% of the interest due during the next six years. “The resourceful Mr. Gurria has prepared an exhaustive menu of choices with options calculated to appeal to the palates of the banks of various creditor coun-

tries,” the *Financial Times* reported Jan. 25. American banks would be rewarded for their “sacrifice” with U.S. Treasury guarantees on debts Mexico could never repay.

● Venezuela declared a moratorium on principal payments, effective Jan. 17. Socialist International leader Carlos Andrés Pérez, to be inaugurated President Feb. 2, has been whistle-stopping in Mexico, Brazil, and Europe for guarantees and tax giveaways for Wall Street. He confessed Jan. 3, “I would rather not be the lawyer for the banks, but the banks are handcuffed by the policies set by the U.S. Treasury and the Federal Reserve. . . . Therefore, it is necessary to demand a different posture from the government of the United States.”

Pérez—like his Socialist International fellow travelers from Brazil (Fernando Henrique Cardoso) and Costa Rica (Daniel Oduber) on the Dialogue executive committee—is more than willing to use the good faith and credit of the United States to bail out the big banks.

The Dialogue argues, “In exchange for reducing either the interest charges or principal on their current holdings, commercial banks want to obtain at least partial guarantees that remaining claims will be paid. They are prepared to take the losses involved if at the same time their level of risk on the debt that would still be outstanding is diminished. . . . Changes should be made in regulatory, accounting, and tax practices that would make debt reduction a more attractive option. The crucial inducement, however, will be protection against further losses. The industrial countries must provide some form of official guarantees on the interest or principal that remains after the debt reduction operation.”

Fear of nationalism

The Dialogue’s great fear is that governments committed to national sovereignty will displace the present crew of obedient debt payers: “New Presidents are scheduled to take power within the next 18 months in nearly a dozen Latin American countries. The region’s voters are already turning to more nationalistic leaders. . . . Many will take office with clear mandates to reverse the economic policies of their predecessors. Regardless of the advice of economic experts, some will be less willing to persist with market reforms, and more prepared to suspend or curtail debt payments unilaterally, thus increasing the risk of confrontation between Latin American debtors and their creditors.”

That is why the Establishment is fighting for “debt reduction” rewards on a “case-by-case basis” to those governments which play its game. These regimes are “democracies” in the Inter-American Dialogue lexicon. “Mexico’s continuing need for painful economic austerity could lead to a retightening of political control,” it writes, just as President Salinas began police-state measures against trade unions opposed to austerity and the denationalization of the state sector. On the other hand, those governments resisting bankers’ dictates will be hounded as “dictatorships,” as in the case of Panama.

Queen knights head of pro-drug 'Economist'

by Mark Burdman

It is almost impossible to pick up a newspaper anywhere in the world, and read the name Lyndon LaRouche, without the identification, "the man who says the Queen of England pushes drugs." Why the obsessive, cult-like fixation on this point by the media?

For a possible answer, recall the famous "play within the play" scene of Shakespeare's *Hamlet*: It is said there, of a conscience-stricken queen, that "the lady doth protest too much." Buckingham Palace being what it is, there is little chance that its inhabitants will discuss if, and why, their consciences may be stricken, on the issue of drugs or anything else. To get at the matter from a different direction, we ask the question: Why was Evelyn de Rothschild knighted around the turn of this year?

Sir Evelyn has been the chairman of the London *Economist* since 1972. During the period in and around the time of his knighthood, from December 1988 to January 1989, the *Economist* editorial board has waged an open war against the best values of Western civilization. This culminated in a Jan. 21 editorial calling for the *legalization of drugs*.

In ghoulish style, the weekly *Economist* chided those in the U.S. who support a war on drugs. The editorial, titled, "Hooked on just saying no" and subtitled, "Minimizing the evil of drugs means learning to live with them, legally," stated: "Men and (rather fewer) women have since the start of recorded time put enemies in their mouths to steal away their brains. . . . Wise rulers seek to limit the damage, not to ban them." The advice: legalize marijuana and hashish, cocaine, and heroin.

On the first two, it said: "By calling them illegal, the United States wastes millions vainly trying to suppress the trade, and foregoes billions in taxes upon a crop that may now be second in value only to wheat." A "sensible policy" for cocaine, it went on, "would tax it more stiffly, and restrict its sales outlets more tightly than its main competitors, just as spirits are controlled and taxed more than beer." As for heroin: "Heroin's victims need doctors, but the law puts them in the hands of gangsters; by calling them criminals it deters

them from seeking treatment, so spreads the evil it was meant to contain."

It concluded with advice to new U.S. anti-drug czar William Bennett: "Prohibition cruelly compounds the problems it was meant to solve. So end it. Legalize, control, discourage. . . ."

If the Queen objects to this, will she revoke Sir Evelyn's new title? After all, in the case of the spy Anthony Blunt, his designation as *Sir* Anthony Blunt was revoked, once his treason had been publicly revealed in the late 1970s (although the real story of his missions on behalf of the British monarchy has, to this day, not become known).

For patriots, the *Economist's* advocacy of drug legalization should also be seen as treason, and as a matter of vital national security. After all, the same edition of the *Economist* that called for drug legalization, ran a news feature on the drug plague hitting the U.K., reporting that in Britain, the "drug problem stems not from one drug—and certainly not from crack—but from many. All the available figures suggest that drug use is spreading. Amphetamines, cannabis, cocaine, heroin (also cheap in Britain), LSD, and tranquilizers are all more popular than ever, consumed in market towns as well as inner cities. The main increases in drug use so far have come in two waves: the first in the late 1960s and early 1970s, the second in the early 1980s. Consumption in the mid-1970s and mid-1980s seems to have been relatively stable. The latest seizure figures suggest that Britain is on the verge of a third surge. As customs barriers come down in 1992, such a surge may last well into the next decade."

"Customs barriers coming down" refers, of course, to the "Europe 1992" reforms for the corporatist restructuring of Western Europe. True to its drug-legalizer profile, the *Economist* is one of the more enthusiastic backers of "Europe 1992." The problem is, so is Buckingham Palace. Is the Palace aware of the drugs-surge danger referred to in the *Economist* article? If so, why does it support "Europe 1992"?

Up with Dark Ages, down with LaRouche

The case of the *Economist* and the knighting of its chairman, is all the more egregious, since in two recent editions prior to the drug-legalizer issue, the magazine had run editorials that qualify as crimes against humanity:

- In its Dec. 24 edition, it welcomed the potential extinction of the human race, under the heading, "On the destiny of species," subtitled, "In the long run we are all extinct. But humanity could go out in style."

- In its Jan. 14 edition, the magazine called for the "rehabilitation" of the "maligned Dark Ages," and attacked the Renaissance for having given the Dark Ages a bad name. It also called for the rehabilitation of Neville Chamberlain, fretting that he "gave appeasement a bad name" (but implicitly supporting appeasement as such); former British Prime Minister Edward Heath, for having brought about British entrance into the European Community (the stepping-stone

to "Europe 1992"); and Aaron Burr, who killed Alexander Hamilton in a duel. "Surely Alexander Hamilton deserved at least a punch on the nose?" the magazine commented.

The signals here should not be missed. In mid-January, the *Economist* refused to carry a paid political advertisement submitted by the Schiller Institute attacking the Alexandria, Virginia frameup of Lyndon LaRouche and associates. The magazine said the ad was too "anti-Soviet."

In relevant quarters of the British Establishment, LaRouche is despised precisely for opposing today's revival of the Chamberlain appeasement policies and for his opposition to "Europe 1992." More than that, LaRouche is widely known in the City of London and elsewhere, as the most impassioned proponent of "Hamiltonian economics" alive today. In an article in its "American Survey" section on the LaRouche conviction in Alexandria, the magazine had nervously noted the growing electoral support in the U.S. for LaRouche supporters, and reported: "His campaign against international bankers has won some support in the depressed Midwest."

The clan of Lord Vic Rothschild

The *Economist* speaks for some of the most important elements of the British banking and intelligence establishment. It is owned by the Pearson Group and the Lazard banking interests. The former is the financial repository of the trust funds of the Pearson family, whose chief representative is Lord Cowdray. The Cowdray-Pearson clan has been, historically, the chief interest in the powerful British Petroleum conglomerate. London's Lazard bank is linked to Lazard Frères in the U.S. (Felix Rohatyn, Katharine Graham of the *Washington Post*, etc.) and in France, and is a key "Europe 1992" bank.

Sir Evelyn de Rothschild is the chairman of the N.M. Rothschild's investment bank, which has taken a leading role in the "privatization" gambit of the past years. A director of this bank is Sir Evelyn's uncle, Lord Victor Rothschild, one of the more significant figures in the British Establishment over the past six decades. According to one senior British insider, Lord Rothschild spends most of his time these days working out of the bank.

In the 1930s, Victor Rothschild was a member of the select secretive Cambridge Apostles cult. He was an intimate of the Burgess-Blunt-Philby-Maclean Soviet spy nest. During the 1980s, he has deployed considerable energy to disprove that he was the "Fifth Man" in this nest. Some expert observers wonder if Victor Rothschild is, in fact, the "First Man," the controller and/or patron of the nest.

Victor Rothschild embodies the intersection point of the East-West "Trust"; the "Andropov-Ogarkov Kindergarten" which today runs the U.S.S.R.; the leading levels of Anglo-American banking; and high-level circles of British scientific intelligence. His sister, Miriam, is a top scientific adviser to Prince Charles, whose penchant for pseudo-scientific quackery is well known. Charles's gnostic and leftist proclivities

Extinction of the species

Brief excerpts from the London Economist's Dec. 24, 1988, editorial entitled, "On the destiny of species":

Extinction is an inescapable fact of life, and this is no bad thing. Conflict is necessary to an ecology, rather as competition is necessary to a market. So long as there is conflict, there will be natural selection. So long as there is natural selection, new species will evolve—and established ones will die off. Extinction is an integral part of the history of life: No species is going to last for ever.

There is no reason to think that the infant species *Homo sapiens* is any exception to this rule. . . . Admittedly, *Homo sapiens* has more control over its environment than its predecessors had. . . .

Controlling the environment to any great degree, though, is a new-found skill. There is not much to suggest that organized agriculture, the most successful way to pervert the course of nature, stretches back further than 10,000 years—a tenth or so of the time since *Homo sapiens* emerged as a species.

This is not to say that the rise of human civilization is insignificant. But there is no way of showing that it will be much help to the world in the long run. It is still too early to tell. . . .

were in significant part cultivated by his great-uncle, the late Lord Mountbatten. Mountbatten personally brought Soviet agent Armand Hammer into Buckingham Palace, where he is well entrenched to the present day, as one of Charles's best friends.

The Mountbatten-Rothschild connection comes in from a second direction. Mountbatten was a patron of the "peace movement," and sponsored the activities of the Stockholm International Peace Research Institute (SIPRI). The chief British representative on the Governing Board of SIPRI today, Emma Rothschild, is Victor's daughter, an important operative in the KGB-linked international "peace research" movement. Her father is reportedly exerting considerable energy to prevent further discussion of her mysterious role in the circumstances leading to the assassination of Swedish Prime Minister Olof Palme in 1986; during late 1986-early 1987, this was a hot subject of international controversy. In March of this year, a book is being released in Britain on the Palme assassination by an anonymous author, entitled, *Death of a Statesman*. A high-level British source reports that the actual author is none other than Emma Rothschild herself.

Will Bush grasp the opportunity for a new era in U.S.-Japan relations?

by Paul Goldstein

President George Bush is scheduled to meet Japanese Prime Minister Naburo Takeshita on Feb. 2, the first foreign leader to meet President Bush, although this event breaks the precedent of a ritualistic meeting with the British Prime Minister as the first head of a foreign government to meet a new President. Bush is going to face a whole new set of challenges, unprecedented in U.S.-Japan relations. The President will no longer meet a docile, complying partner. Rather, he will meet a Japan which is now in a position to demand more nearly equal partnership.

Foreshadowing the consensus thinking of the Japanese about U.S.-Japan relations, and what the Prime Minister is likely to have to say to Bush, was a statement issued by former Japanese Foreign Minister Saburo Okita. At a press conference in Toyko in mid-January, Okita stated in unequivocal terms that if the United States wants Japan and other allies to "burden share" in military expenditures, then the United States will have to "power-share" with Japan. He added that at this time, he does not think that the "American psychology" will permit itself to see the fundamental need to reshape its thinking about U.S.-Japan relations or about the global financial and economic situation.

Okita's forthrightness comes at a dramatic moment in Japanese history: the death of Emperor Hirohito and the beginning of new era, which the Japanese call *Heisei*.

One must properly situate the remarks of Okita, and look beneath the superficial reports concerning the death of the Emperor, its impact upon the Japanese elite, and its relationship with the new Bush administration. Let us turn to the internal factional situation in Japan and how the world strategic crisis is shaping its development.

Pro-American vs. anti-American factions

According to a top official within the corporate giant Mitsubishi, Japanese policy is dominated by a pro-American faction centered among the old Meiji combination of banking and trading companies. Led politically by Mitsubishi, along with the Sumitomo bank and the Daichi Kangyo, the world's largest bank, this combination will defend the remains of the U.S. economy over the next 18-24 months.

But Lyndon LaRouche, founding editor of the *Executive Intelligence Review*, has stated that the Japanese cannot bail out the U.S. economy, and whatever actions the Japanese

take can only defend the United States for the next six months, maybe slightly longer (see *Strategic Studies*).

With LaRouche's objections in mind, it can be expected that one of this group's first actions will be to keep Japanese interest rates relatively stable, which in turn may allow the U.S. to maintain interest rates at close to their present level. While defending the dollar, Japan will direct a flow of investment into the United States at a rate of \$5-8 billion on a monthly basis.

Part of this Japanese gameplan will be to increasingly shift their investments away from Treasury notes, government bonds, and real estate into direct investment in U.S. industry. According to a Japanese official at the Ministry of Industry, Trade, and Investment (MITI), the United States cannot improve its trade deficit without improving its productive capacities and productivity. The Japanese will try to convince a reluctant Bush administration to expand U.S. productive investment.

This policy does not affect the overall global debt crisis and the destruction of the Third World. The Japanese are simply attempting to maintain the United States as a military superpower, despite itself.

Japanese sources also point out that the Mitsubishi-Chrysler Corporation cooperation agreements are becoming a model for U.S.-Japan industrial ties, and military cooperation as well. Recently, a MITI delegation visited the United States and proposed sharing Japanese technology on the new Japanese fighter plane, the FSX, which is in some ways an advance over the U.S. F-16. The Japanese have offered the wing design and its ceramic composition, which makes the plane lighter and stronger, to the United States in exchange for more advanced forms of cooperation on the Strategic Defense Initiative (SDI).

These kinds of actions represent the predominant policy track in Japan at this time. However, there is a strong opposition to this policy view, which has been growing in recent years, and is centered on the Mitsui complex, which is aligned with the European oligarchy. Aligned with Mitsui is the Bank of Tokyo, and the organized crime networks of R. Sasagawa. This factional grouping is tied to the "Europe 1992" crowd of European Commission president Jacques Delors, and is extremely close to the British Royal Family.

Working with the London-Zurich banking circles, they

are looking to crush the U.S. economy, and place the United States under International Monetary Fund dictatorship. Part of their operational gameplan is to keep the dollar's value low, while keeping oil prices relatively high.

Mitsui controls, through its trading company affiliates, a significant portion of Japanese oil imports, and is working closely with London in securing a major foothold in Saudi Arabia against U.S. strategic interests in the Middle East.

The Anglo-Japanese Treaty

This latter grouping is attempting to fashion an updated version of the 1902 Anglo-Japanese Treaty, a treaty which broke the emerging alliance of Meiji Japan and the United States. Playing upon Japanese imperial interest in Asia, the British were able to capture the majority of the Japanese elite to a policy standpoint which made Japan an Asian power to contain Imperial Russia and divide China into British and Japanese spheres of influence. So, Japan defeated Russia in the 1904 Russo-Japanese War, and went on to colonize Korea and Taiwan. In this process, the anti-war, ostensibly pro-American faction within the Japanese elite was decimated through assassination and terror by the mid-1930s, leading Japan into the attack on the United States.

During this period, the Showa Emperor Hirohito became a captive of this faction, which essentially dictated most of the policy decisions endorsed by the Emperor.

It is ironic, but nonetheless instructive, that the same factional forces around Mitsui and the British Royal Household are now trying to capture the new Emperor Akihito. Despite much internal wrangling within the British establishment, a decision was reached to send both Prince Philip and Foreign Secretary Sir Geoffrey Howe to Emperor Hirohito's funeral, scheduled for Feb. 24. The British want to maneuver Prince Philip into becoming the Emperor's foreign confidant, a position Philip is well-situated to assume, since Akihito spent a great deal of time in Great Britain during his university days.

Part of the British intelligence design to psychologically soften up the new Emperor is the campaign against his father launched by a British Broadcasting Corporation documentary, which called Hirohito a "war criminal." Utilizing British and American sources, the BBC production portrays Hirohito as integral to Japan's war effort and the surprise attack on Pearl Harbor.

For the British to succeed in their efforts to secure Akihito's trust and shift the present internal situation in Japan, Bush and the "secret team" running U.S. policy must completely misread Japanese intentions and the meaning of the *Heisei* period of Emperor Akihito.

'Peace with Honor'

The proper meaning of *Heisei* is not the popular translation, "Achieving Peace or Consolidating Peace." Its actual meaning, according to a Japanese scholar, is "Peace with

Honor." What this *Heisei* period actually represents in the mind of the Japanese elite, is that World War II and U.S. domination are at an end. The United States can no longer dictate to the Japanese terms by which the Japanese simply fill in the gaps caused by U.S. policy failures, including financial and economic policies.

If Bush fails to understand the lessons of Gen. Douglas MacArthur's dealing with the Japanese in terms of his recognition of the importance of the Emperor in shaping the cultural tone and direction of the country, then a surprise attack worse than Pearl Harbor will occur. Japan will make its own deals with the Russians, the Chinese, and the rest of Asia.

Japan's pro-American policy, even under the present "Peace with Honor" orientation centered upon the Mitsubishi combination, is limited. The Japanese cannot fulfill a historic shift in global economic relations without supplanting the International Monetary Fund and its allies in the insurance and banking cartels. So as long as Japanese policy is keyed off U.S. policy concerning the IMF, Japan's room for initiative and action is limited. But so far, Japan has done nothing to challenge IMF policies, except to bypass the IMF in certain areas of Asia based upon bilateral relations.

The Bear, the Dragon, and the Emperor

As for Russian initiatives in the area, mainly reflected in President Mikhail Gorbachov's Vladivostok speech and his United Nations statement, the Japanese see no fundamental change in historic Russian imperial interests in Asia. Specifically, the Kurile Islands dispute assures the Japanese that the Russians have not and will not change. The occupation of the Kuriles by the Russians represents a direct military threat to Japan through the "Northern Route."

Russian dealings with the mainland Chinese in this regard are viewed by the Japanese in the context of Manchurian, Outer Mongolian, and Korean development. The Japanese want to contain Chinese influence in the region, while at the same time providing some means to aid in China's economic development—however, with great caution. There remains a tremendous potential for industrial development in this region, with the Japanese taking a leading role. But given the policy failures in Washington, which has no view to the economic development of Asia, the Japanese foresee the Russians filling the vacuum. Eventually, given this framework, the Japanese would have to cut a deal with the Russians.

Unless President Bush goes beyond the old arrangements with the Japanese, seeks to forge an alliance for the development of the Third World and break the cycle of "Jap-bashing," and signals the Japanese that the United States will not abandon its peace-keeping role in Asia, then the pro-American forces in Japan will lose face. The British-Mitsui alliance will again come to the fore, portending a greater calamity than Pearl Harbor.

Malaysia poll echoes independence struggle

by Sophie Tanapura

The following report was filed from Bangkok on Jan. 24.

On Jan. 28, the third off-season election will be held in Malaysia since the opposition launched its strategy to discredit Prime Minister Dr. Mahathir Mohamad by orchestrating the resignation of members of parliament, thereby forcing premature elections in the just vacated seat. In this most recent case, Dr. Lim Ann Koon of the Malaysian Chinese Association (MCA) was pressured to resign by dissidents of the ruling United Malay National Organization under the leadership of Tengku Razaleigh in order to field a candidate of their choice. Dr. Lim insisted that his resignation was for “personal reasons” only; however, the opposition’s arm-twisting was an open secret widely discussed in the Malaysian media. It is not difficult to interpret Lim’s unexpected move as serving only to discredit the MCA, especially in the eyes of its coalition partner UMNO.

The opposition strategy at this point is not so much to pack the parliament with their people, but rather to build a climate of animosity toward the prime minister and try to create a loss of faith in his authority, thus forcing him to step down or call early federal elections. The leadership of this effort consists primarily of former Prime Minister Tunjku Abdul Rahman; former Trade and Industry Minister Tengku Razaleigh; and Mahathir’s former Deputy Prime Minister Musa Hitam, all with deep personal grudges against Mahathir. Their drive to overthrow him has not been easy, since he still enjoys much popular support and is generally credited with Malaysia’s economic and political stability.

Therefore, in order to create the political and economic chaos necessary for massive unrest, opposition leaders have aligned themselves with both domestic and international groups committed to Malaysia’s destruction as a sovereign nation: environmentalists, pro-drug lobbyists, Amnesty International, the International Labor Organization (ILO), Islamic fundamentalists, and most crucial for their strategy, the international press “mafia,” who generally despise any nationalist leader exerting sovereignty over his country. The opposition’s hypocritical campaign slogan for this election, “We abhor despotism,” is clearly intended more for international consumption than to gain any credibility domestically.

Most egregious in the eyes of Malays has been the alliance these former UMNO officials have built with the Chinese communalist-based Democratic Action Party (DAP), who

are committed to destroying Malay political dominance in Malaysia, and whose disruptive tactics are strongly reminiscent of the Malayan Communist Party (MCP).

Malaysia has a unique electoral tradition among nations, and this election will be a unique test of it. The government is run by a coalition of political parties, however, totally unlike the parliamentary system of European nations, it is formed *before* an election and functions as a permanent institution without consideration as to what an individual party scores at the polls.

Thus, for the upcoming Jan. 28 election in Ampang Jaya, a district just outside the nation’s capital of Kuala Lumpur, there will be as of this writing, two major candidates competing. One, Mr. Ong Tee Keat of the MCA, the other, Datuk Haji Harun Idris, representing the united efforts of all opposition parties. Mr. Ong is the 32-year-old political secretary to the Minister of Labor Lee Kim Sai, himself a leader of the MCA. Ong, an engineer, is fluent in Malay, Chinese, and English, and is a “grass roots” organizer for the Labor Ministry. All the member parties of the Barisan coalition—UMNO, MCA, Malaysian Indian Congress, Gerakhan, and others—will campaign and support the election of Mr. Ong, who represents not the MCA, but the Barisan in this election.

The constituency of Ampang Jaya, with a total population of 69,000, is 68.3% Malay, 25.8% Chinese, and 4.6% Indian. The challenge for the predominantly Malay population will be to rise above any racial bias and vote for a Chinese politician who represents the very political system, the Barisan coalition, upon which the country successfully won independence. Historically, the Barisan, and its predecessor, the Alliance, have deliberately fielded non-Malay candidates in Malay districts and vice versa to foster racial harmony.

For their part, the opposition is playing a particularly evil role by fielding an ethnic Malay candidate, a long-time political activist, well known to the electorate, who also wants only to unseat Mahathir. The Malays have therefore been placed in a clear crisis of identity as to where their loyalties are—to a higher principle of racial harmony and national well-being, or narrow racial self-interest. It is worth noting that as soon as Dr. Lim Ann Koon resigned his seat, UMNO leaders announced that the MCA would have the right to choose a new candidate, since this seat, by Barisan agreement, was assigned to the MCA, despite the fact that it had predominantly a Malay constituency. The principle of Barisan unity would thus be maintained.

The historical precedent

In 1952, five years before winning independence from the British, the Malaysian people were confronted with a similar test. Up to that point, both the Malays and Chinese were separately represented by their own organizations, UMNO and the MCA. The Alliance was the brainchild of Col. H.S. Lee, the head of the Selangor MCA, and Datuk Abdul Razak, his counterpart in UMNO and the man later to

be known as "The Father of Development," Malaysia's second prime minister. Rather than fielding candidates against each other in the first elections the British permitted under their rule, the two leaders decided to collaborate and field a common slate in Kuala Lumpur under the Alliance banner. Though the British claimed that without racial harmony, they would not grant independence, they opposed the Alliance, and instead backed the former UMNO leader Tun Hussein Onn, who had since been forced out of the party!

Onn advocated opening UMNO to non-Malays (which he later reversed). This was vehemently opposed by the rest of the party on the grounds that in the midst of a full-scale war against a predominantly Chinese communist guerrilla force, they could not safely permit Chinese into the party. The Malays were also clearly committed to reasserting their dominance in their native country after being relegated to a mostly *Kampung* (village)-centered existence, playing virtually no role in the business community, which was dominated by the Chinese. Though a corrupt Malay sultanate had accepted the niche-like existence of the various races, the leaders of the independence movement were challenging the status quo. The creation of the Alliance provided the best possible solution under the circumstances to ally the Chinese and the Malays, and soon after include those of Indian heritage in the MIC.

The Alliance won 11 out of 12 seats, Onn's party taking only 1. The British, needless to say, were caught totally by surprise, and a new era was born. The Alliance was then elevated to a national level and proved equally successful in the next major elections in 1955, when they won 51 out of 52 seats in the Federal Legislative Council.

If member parties of the Barisan coalition take advantage of the historic opportunity offered in this election and fight to rally especially the Malays around the higher purpose of the Barisan, election victory will be probable. The full commitment of all Barisan parties to back Mr. Ong has been announced, and is the first step in the right direction. Remarks made at the first national joint convention of the MCA and UMNO following the victorious 1952 elections can surely provide the appropriate spirit to meet the current challenge. The MCA President Datuk Tan Cheng Lock told the Convention:

"Emancipation from oppressive conditions, whether they be political, social, or economic, can only be won at the price of personal endeavor. National progress must be attained by definitely organized and carefully concerted endeavor. Success needs to be achieved; it cannot be granted or conferred.

"There is no magic formula for the attainment of Malayan freedom and independence. It is a matter of hard work and sweat by each and every one of us who loves and is devoted to Malaya as his homeland or permanent home.

"We must exert our earnest and utmost efforts to achieve the positive task of bringing about and advancing the cause of unity, especially between Malays and Chinese, which is

Benazir Bhutto visit removes Saudi doubts

by Ramtanu Maitra

Pakistan Prime Minister Benazir Bhutto Zardari's Jan. 10-12 visit to Saudi Arabia was a resounding personal success for the new prime minister. The two-hour meeting she had with King Fahd bin Abdul Aziz in the presence of top aides and leading members of the Saudi royal family was "remarkably warm" and friendly. King Fahd, it was announced, accepted an invitation to visit Pakistan, and as Pakistani Foreign Minister Yaqub Khan pointed out upon return to Islamabad: "There was no indication that the Saudi government and leadership regarded her as anyone else but the chief executive of Pakistan."

The significance of Bhutto's choice of Saudi Arabia for her first trip abroad since assuming office cannot be overstressed. The Saudi kingdom has remained a trusted friend of Pakistan throughout the upheavals the country has faced over the last two decades. Saudi Arabia provides financial support in the form of crude oil at concessional rates, and has also contributed generously to lighten Pakistan's burden in maintaining 3 million Afghan refugees who came to Pakistan after the 1979 Soviet invasion of Afghanistan. Continuing Saudi financial support for Pakistan could be crucial for Bhutto, who has pledged to eradicate poverty and make Pakistan "another Japan."

Washing away misgivings

There had been audible rumblings in the Arab capitals after Bhutto's election victory and accession to power last December. Arab leaders were uneasy about a woman heading an Islamic state, and reportedly there were misgivings within Saudi Arabia about the Bhutto family's ties to Iran. Bhutto's mother, Begum Nusrat Bhutto, who chairs the Pakistan People's Party, is from Iran.

With her trip to Saudi Arabia, Prime Minister Bhutto

the prerequisite of freedom and independence.

"The merger of the UMNO and MCA which recently swept the board at the Municipal and Town Council elections, the formation of Sino-Malay Liaison Committees in the various parts of the Federation, and the organization of

acted quickly to quell such fears. She sent Khan Bahadur Khan, Minister for Religious and Minorities Affairs, with a message to the Saudi leaders pledging Pakistan's continuing commitment to Saudi security. Minister Khan met with Crown Prince Abdullah and Prince Naif, interior minister and a full brother of the king. While still in Saudi Arabia, Minister Khan announced that Mrs. Bhutto would be visiting Saudi Arabia in January.

Officially, Bhutto's visit was to perform *Umrah* (pilgrimage to Holy Mecca in the non-*Haj* period) at Makkah Mukarrama. During the pilgrimage, her entourage, which consisted of 60 people who had suffered at the hands of the previous regime for their fight for democracy, was afforded the rare opportunity of entering the Khana-e-Kaba, the House of Allah. Reports say that when Bhutto, supported by her husband Asif Zardari, emerged from the Holy Kaaba, tears were streaming down her cheeks. It can be assumed that the Harvard and Oxford-educated prime minister had also established her credentials as a faithful follower of Islam.

Relations among Saudi Arabia, Pakistan, and Iran were a key point of the agenda, as indicated when Foreign Minister Yaqub Khan, not originally included in the prime minister's entourage, was summoned to Dharan, Saudi Arabia, where they were meeting. According to the Islamabad daily *The Muslim*, Yaqub Khan's presence could have been related to Pakistan's role in bringing about better relations between Saudi Arabia and Iran.

In the long-drawn-out war between Iran and Iraq, Saudi Arabia has backed Iraq's war effort, while Pakistan has remained neutral, a posture which has sometimes been construed in Riyadh as a pro-Iran tendency in Pakistan. In November 1987, for instance, Iran and Pakistan signed a trade agreement which ensured a \$400 million two-way trade. In addition, Iran agreed to supply 20,000 barrels of crude oil a day to Pakistan (Pakistan rejected the offer to supply its entire requirement). The agreement also provided for the use of Karachi and the neighboring part of Muhammadbin Qassim for the import of Iranian goods. The agreement was made a day before the U.S. declared an economic boycott of Iran, and at a time when Saudi Arabia was attempting to organize a collective Arab mandatory boycott against Iran.

Later, in February 1988, when an international conference in Islamabad sponsored by the London-based Is-

lamic Council and attended by more than 1,000 delegations from the Muslim world, passed a resolution branding Iraq as the aggressor in the Gulf War, Saudi Arabia, and other Arab states sent a communiqué to Islamabad protesting the resolution and Pakistan's involvement in producing it.

There are other outstanding matters. In 1985, Saudi Arabia had asked the late President Zia ul-Haq for a partial withdrawal of Pakistani soldiers from the kingdom. At least 10,000 Pakistani soldiers, approximately 20% Shiite Muslims, were stationed in Saudi Arabia, holding key positions in the technical branches of the armored corps, air force, and navy.

A problem arose when reports came that some Pakistani soldiers had refused to engage in police action in the eastern region of Saudi Arabia against the local population, a large number of whom were Shiites. It was also reported that a number of Pakistani soldiers had deserted Saudi Arabia and sought political asylum in the neighboring Yemen Arab Republic following a minor border incident between Saudi Arabia and Iran.

Although reports of a mass exodus of Pakistani forces from Saudi Arabia were exaggerated, many high-level visits by Pakistani leaders, including then Prime Minister Mohammad Khan Junejo in December 1987, were undertaken to sort out the delicate matter.

Another issue on the agenda for Bhutto and King Fahd was the fast-breaking situation in Afghanistan. Saudi Arabia has consistently backed Pakistan's policy toward the Afghan mujahideen. It was at King Fahd's behest that the recent meeting between the Peshawar-based IUAM and Soviet Deputy Foreign Minister Yuli Vorontsov took place at Taif. King Fahd also met privately with Vorontsov.

Pakistan and Saudi Arabia both agree that the Soviet troops must withdraw by Feb. 15, as stipulated in the Geneva Accord, and the Afghans must be left alone to decide what form of government they want. There are, however, differences, due largely to the circumstances and constraints in which Pakistan has to function. For example, while the Saudis appear to be open to the Soviet insistence that the ruling People's Democratic Party of Afghanistan (PDPA) must be included in the broad-based coalition government in Kabul following the Soviet troops' withdrawal, this concept is flatly rejected by the Peshawar-based mujahideen.

today's National Convention under the joint auspices and leadership of UMNO and MCA to work for the attainment of Malayan independence furnish concrete proof of the signal success of the Alliance, which is essentially non-communal in spirit, aim and nature."

And from a convention address by Datuk Abdul Razak:
"Let the unity so far established be the foundation on which to mold a bigger and more lasting unity which will grow into a national solidarity on which the future of this country will be molded and consolidated."

Narco-terrorism rears head in Argentina

by Cynthia Rush

Argentina's profound political and economic crisis worsened in the early morning of Jan. 23 when a group of left-wing terrorists took over the Third Infantry Regiment at La Tablada on the outskirts of Buenos Aires, leading to a 29-hour shootout with armed forces units. When the shooting ended, 36 were dead, most of them subversives, and 63 wounded.

The nation is paralyzed by an unprecedented energy crisis and deepening economic recession due to the International Monetary Fund's economic policies. The violent incident, reminiscent of terrorist attacks of the 1970s which most Argentines recall with horror, is a further blow to the country's precarious stability.

One source has told *EIR* that Argentina has become a "powder keg" as a result of this incident, and suspects the involvement of foreign intelligence services. Former CIA director William Colby, and his immediate circle, are suspect. It is also feared that the incident augurs the beginning of a major offensive by Soviet-backed narco-terrorists, to ensure the destruction of any sovereign institutions still intact.

The 50-person squad which took over the La Tablada base was made up of members of assorted leftist groupings, primarily the Trotskyist People's Revolutionary Army (ERP) which was active during the 1970s, and is now grouped into the "Movement of Everyone for the Fatherland" (MTPP). Also included, according to reports, were members of Argentina's Communist Party who have traveled to Nicaragua in the past to "help" with that country's coffee harvest. However, in the attack on La Tablada, these individuals attempted to pass themselves off as right-wingers, supporters of the nationalist Army Col. Mohamed Ali Seineldín.

Seineldín, a hero of the 1982 Malvinas War, has taken a stand against the pro-Soviet Project Democracy apparatus which seeks the dismantling of Ibero-America's armed forces. For that, he has been dubbed a "coup-monger" by U.S. and Argentine social democrats.

Upon entering the base, the leftists distributed pamphlets identifying themselves as members of the "New Argentine Army," allegedly formed to "combat Marxist subversion within the government" and the ruling Radical Party's "campaign to destroy the Army." The pamphlet praised both Seineldín and Col. Aldo Rico, the leader of earlier military rebellions.

On cue, early press reports in Argentina and internationally insisted that the incident was another military uprising, probably involving Seineldín's supporters. Although by midday on Jan. 23, several government officials and congressmen admitted that Colonel Seineldín had nothing to do with the action, President Alfonsín made no official statement until the evening of Jan. 24.

The group's plan apparently was to quickly enter the base, steal weapons from the sizable arsenal located there, distribute their literature and leave. The terrorists were highly trained, and fought ferociously with Soviet and Chinese-made weapons, not commonly found in Argentina. Government sources described the group's action as "demonstrating a high degree of knowledge of operations of this kind." One observer likened the ERP to Peru's Shining Path, because of the brutality of its methods.

The plan was foiled when neighbors alerted police to the terrorists' presence, and when soldiers inside the regiment offered unexpected resistance. This gave Army artillery units time to get to the base and oppose the terrorists with tanks and mortar fire. Many of the young soldiers who left the base made clear that the long-haired attackers "were leftists," who had nothing to do with the armed forces.

'Something big is up'

Sources evaluating the events of the past few days suggest that a serious investigation must consider possible involvement of the Alfonsín government. There are numerous officials inside the government who openly sympathize with the goals of the MTPP and the left.

It is significant that the subversive action was initially intended to implicate Colonel Seineldín, "proving" recent accusations by the MTPP and the government that the colonel was plotting to overthrow Alfonsín with Peronist presidential candidate Carlos Menem. One week prior to the Jan. 23 attack, the MTPP filed suit with a federal judge, alleging that Seineldín and Menem had met secretly, and planned an "institutional coup" against Alfonsín, by which Congress would be dissolved and current Vice President Victor Martínez installed as President.

In a Jan. 20 press conference, Alfonsín echoed the MTPP line very precisely when he charged that Seineldín "philosophically conspires against democracy," and attacked Menem for having characterized the military hero as a "valiant man." He added, "There are many people close to Dr. Menem who visit Colonel Seineldín."

After the fighting ceased at La Tablada, officials found leaflets issued by the attackers which claimed that they took the action to halt an "imminent military coup." Among the dead was a leader of the MTPP from the Zarate section of Buenos Aires. It was the MTPP, Communist Party, and other assorted leftists who, following Colonel Seineldín's early December military action, called for arming the citizens and waging "people's war" against the armed forces.

Fighting drugs and satanism in Argentina: the PROLATIN story

Dr. Jorge Quadro, president of the Argentine Catholic League for a Latin American Campaign for Aid to the Drug Dependent (PROLATIN), was interviewed by EIR's Cynthia Rush on Dec. 31, 1988.

Formed within the past year, PROLATIN has adopted an aggressive policy of combating Argentina's growing drug trade, and "getting things done" in imaginative ways, even without a large budget or resources, because it is morally necessary to do so. Guided by Pope John Paul II's thinking that the drug plague is a new form of slavery, PROLATIN is distinguished from organizations focusing solely on "rehabilitation." It is willing to expose the role of powerful political factions and institutions such as the International Monetary Fund in promoting the expansion of the drug trade. For this, it has earned the enmity of both the left as well as liberal banking circles, although it enjoys the firm backing and gratitude of the community and parents whose children are victimized by the drug mafia.

EIR: Doctor Quadro, can you tell me a little about when the League was formed, for what specific purpose, and what work it is currently carrying out in Argentina?

Quadro: Our organization became active this year, although it had been in the process of formation earlier, based on the work and information of Mr. Lyndon LaRouche's group, with which we agreed. We made our appearance this year, and rapidly got a response from the Argentine Interior Ministry. . . .

Our organization stands as the first of its kind, since it addresses the broad spectrum of how the drug phenomenon is produced, its causes and effects, its impact on the international order, its economic power, the interests that operate in its orbit of influence and which give it presence in the international arena, the vehicles it uses, the influences it develops down to the level of the individual consumer, and the growing spread of drugs in the neighborhoods, schools, etc. And, if possible, how to stop it.

EIR: Since its founding this year, what has been the League's

most important or effective work until now?

Quadro: We have been working in the preventive, legal, and informational areas, to which we give much importance. We have tried to attack the causes, such that the Argentine government at mid-year, or slightly earlier, incorporated into the statements it has endorsed a denunciation not only of the drug trade, but of the drug-banks. . . . We are also fighting for legislation that has been sitting in the Congress for two years.

As the Catholic League, and although I depart a bit from your question, it is appropriate to clarify that our actions are not on orders of the Church hierarchy, but rather, that we take up the line framed by Vatican Council II, in the Opening Pastoral Letter of the Catholic Church to the Laity, which clearly urges us to personally and actively carry out the Gospel. In this sense, our organization is made up of Catholics committed by the Baptism to the Holy Mother Apostolic and Roman Catholic Church.

Through this [work] we can thus emphasize the role that John Paul II has been carrying out as leader of the Church. There are few world statesmen who clearly concern themselves with this problem, among whom is Lyndon LaRouche.

EIR: Regarding your mention of legislation, are there currently in Argentina strong laws that prohibit consumption? What is the situation with government or police budgets to fight the drug trade?

Quadro: Current law in Argentina is bad, since the interpretation of the law offered by the judges permits consumption in a somewhat elliptical form, and the legislation has evolved to include individuals who have several grams [of marijuana] in their possession, with the consideration that those grams are for their "personal" consumption and not for trafficking. For example, from three grams, it has passed to 14, 15, 17, 25 grams, split up in envelopes!

Two years ago, an excellent bill was being discussed in the Congress but has since suffered several changes in committee. Nonetheless, the direction of that bill, should it ever be applied, is quite good—not only because it punishes the

consumer with sentences that would force him to be rehabilitated in prison, but also because it carries severe penalties for the drug trafficker. One very good thing is the seizure of real estate in areas where drugs are consumed.

Regarding the budget, a Division of Dangerous Drugs of the Federal Police was created in 1987, raising the budget. We believe, considering the merits of the material we possess and the nearly weekly meetings with the Interior Ministry, that while we may not have achieved a change in policy or budget increase, we have created a genuine interest in fighting this plague. To achieve this, we have taken certain courses of action.

We proposed that members of the police with solid Catholic upbringing could guarantee the incorruptibility of police procedures. This led us to carry out some operations in the provinces, authorized by the corresponding ministry. . . .

The operations carried out by PROLATIN, at some of which I was present in my capacity as president, as was the League's spiritual adviser and chaplain, Luis Jardín, began to take place in mid-October.

The first operation took place in San Martín, against a trafficker whose father was a renowned Peronist politician in the zone. The second operation was carried out by asking mothers to call in and give us information so that, we could . . . rapidly resolve some problems of controlling drug trafficking. . . . Among the places about which we received the most complaints were two coffee shops with the same owners, called Stilo and Olipse, in Boulougne, San Isidro. . . . We carried out that operation in mid-November.

Thus we took some five individuals prisoner, one of them being René Ernesto Tolava, and his brother Hugo Humberto Tolava. One of the Tolava brothers had an extensive police blotter because of his operations in the Montonero organization [a 1970s terrorist split-off from the Peronist movement]. He was placed under arrest during the *Proceso* [the period of the 1976-83 military junta] because of his Marxist terrorist actions. It is interesting to note that the electricity for the coffee shop was supplied by the offices of the MAS, a Marxist political party which operated nearby. More than 20-30 minors, including some under 13 years of age, were arrested in a joint operation that PROLATIN carried out with the federal police and Buenos Aires provincial police.

EIR: I presume that this kind of operation has the backing of the community. You were talking about parents, but what has been the broader reaction of people?

Quadro: The reaction of the neighbors was always good, because a disgrace was removed from their neighborhood. The students in their school uniforms would go in the afternoons. . . . One of those coffee shops operated at night on weekends. Apparently this business was so productive that it was extended to the other days of the week through a 24-hour coffee shop. . . .

In the afternoon hours it was common to see students buy

drugs and drug themselves within just a few meters of the Boulougne police station. This police inactivity began to change after the operation we carried out. That is to say, the efforts of PROLATIN and of this small group of Catholic federal police officers who form part of our League, enable us to strike surprise blows anywhere in the country, and primarily in places where they would seem to enjoy a suspicious impunity.

This is what we want to create . . . even as Argentina finds itself subjected to the tyranny or to the dictatorship of the International Monetary Fund, which as we know is the main agent of narco-terrorism on the continent. Given the few resources we have, we believe that our use of a surprise strike force has made criminals feel less sure of themselves.

EIR: In our publications, we have documented the involvement of the Soviet Union and its various satellites in the drug trade. For example, in Latin America, we see the case of the Cubans. While at this moment in Argentina, there is no narco-terrorist apparatus like that which exists in Colombia or in Peru, what you have told me regarding groups like the MAS or former Montoneros suggests that a similar phenomena could be forming. What do you think?

Quadro: We are absolutely convinced that an economy which is not ordered on ethical and moral principles, that is, a new economic order which respects man, will necessarily lead to slavery. This slavery can come, as I said earlier, through indebtedness to the narco-banks, or through the unscrupulous activities of philosophically materialist individuals, like the Marxists, who are not going to hesitate to use methods for gathering funds which violate any moral or ethical principle.

It wouldn't surprise us if those parties which are now supposedly function within the democratic framework raise their funds by means of the consumption and sale of drugs and drug trafficking, creating young addicts who will potentially vote for them.

Argentina's statistics are relatively poor and contradictory. Statistical studies done by PROLATIN of youths from 13 to 24 years of age reveal that 50% of these youth have either tried or are regularly using drugs. These are truly alarming figures. We believe in this context that the campaign of Marxism in our country, Marxism modeled on the philosophy of [Italian Communist ideologue] Antonio Gramsci—that is, the Gramscian cultural revolution which seeks to attack, pervert, or subvert culture—would pull Argentina away from Catholicism to drive it into a materialist culture and into consumption of all of these things.

EIR: You know that here in the United States and in the countries of Europe, a drug-trafficking support apparatus has been developed. I refer to rock music, to pornography, to all cultural degradation to which youth are especially subject. Is a similar apparatus forming in Argentina?

Quadro: The perversion of culture can today be seen clearly. This began several years ago, and of course, it is expressed, among other things, in music. There exist here various rock bands which praise drugs. The youth, faced with an uncertain future, sees a future—or rather, an escape—in this music and in this culture.

What is certain is that these groups are not limited merely to spreading drugs, but promoting a true Satan worship. There have been bands here which have carried out simulated rapes of the Virgin Mary, of our Holy Mother, on stage, and others who perform Satanic rituals, sacrificing chickens on stage. Among these bands it is worth mentioning *Los Violadores* (The Rapists). We arrested this band in San Miguel, in an operation carried out Nov. 16 against a coffee shop called Latex. We arrested . . . nearly 400 people, including the entire band.

Describing this cultural phenomenon of our youth from 13 to 30 years of age . . . demonstrates the urgency of showing Argentine parents and families how their children entertain themselves, by means of a culture which offers, not diversion but degradation and slavery, and how they grow increasingly distant from the essential values, not of country but of Man. That is, they are being bestialized. . . .

Aside from the Marxist groups, one must stress the economic reality of current finance capital, controlled as we have charged, by the International Monetary Fund in complicity with the narco-banks. We believe that as long as banking secrecy exists, there is going to be narco-terrorism, because drug banking will continue to exist and, of course, the rock culture, the worship of Satan, will continue to exist, because these things are impossible to separate from one another.

EIR: I understand that Father Jardín has been a target of attacks by these leftist groups, who have accused him of being a “destabilizer of democracy.” What is behind these attacks?

Quadro: Father Jardín carried out a noteworthy mission of peace and reconciliation among Argentines, around the recent military events [of Dec. 4-5, 1988] in which Col. Mohamed Alf Seineldín attempted to rescue the Argentine army from the dissolution into which certain international factions appear to be driving the Latin American armies. . . .

Father Jardín approached and helped the dialogue and the rapprochement of Argentines in a very difficult situation. This has not only provoked attacks from the extreme left, but also from publications and magazines which identify him as a man involved in fighting the drug trade. He has also been attacked from the so-called liberal sectors, that is, from sectors linked to Argentine finance capital. . . .

There are two important facts. On the one side, while Colonel Seineldín—as the officer above suspicion that he is and as the Malvinas hero that he is—limited his actions to the restoration of San Martín’s army, some leftist politicians called on the population to arm itself and to go to the barracks.

It is suspicious that congressman Oscar Allende [of the Intransigent Party] was there, and at his side, in an act of overt interference into Argentina’s internal problems, was the United States ambassador.

Oscar Allende specifically—and there are videocassettes showing this, exhorted people to mobilize. Of course, no one listened to him; but Marxist and leftist activists did go to provoke incidents at the gates of Villa Martelli, where Colonel Seineldín was located.

These are the ultra-leftists who, through their publications, have been waging a rather intense campaign against padre Jardín. Some magazines have dedicated two or three consecutive issues to attacks on him. They have targeted him because what Marxism can’t tolerate is that we Catholics have avoided civil war among Argentines. So Marxism has really exposed itself.

EIR: Could you briefly comment on the possibility of closer collaboration between countries like the United States and the Latin American countries in the fight against the drug trade? For example, as a non-governmental body, do you have contact with other groups outside of Argentina?

Quadro: Yes. We have contact with you, with the people of Lyndon LaRouche in the United States. We are in contact with the Lincoln Foundation, which is in the Embassy of the United States here. We are opening up contact with other organizations, and at the Latin American level, with different Catholic groups. This is at the level of contact and some exchange of information. We hope, over the next year to present a proposal, upon which I am currently working, to a seminar of the Strategic Schools of the Brazilian and Argentine joint chiefs of staff, through which I propose joint military action, without presenting the budget as an excuse.

In this fight, if we had the means, the end would come more rapidly. But as Catholics, not having the resources cannot mean avoiding the commitment to fight. We have, in this, the example given by the Argentine Armed Forces in the Malvinas conflict where, with the resources at their disposal, they faced the British Empire, which as we know, is one of the major centers of the drug trade.

EIR: Is there anything else you would like to comment on that would be of interest to our readers?

Quadro: Yes. . . . We believe that the center of the campaign should be the prevention of this terrible scourge. And prevention includes the economic standpoint, where the speculative economy must be replaced by a productive one; the cultural standpoint, where a Marxist and Gramscian—and frequently Satanic—materialist culture is replaced by a culture oriented toward God. If these aspects of the fight are not consolidated, then the future of humanity is truly endangered, because economy and culture are going to be in the hands of evil. And this is nothing less than a fight of good against evil.

LaRouches welcomed in Rome

After a VIP tour of the Capitoline, LaRouche spoke at the meeting of Confintesa, an economic policy confederation.

While in Rome recently, Lyndon LaRouche, accompanied by his wife Helga, was honored by the City with an official tour of the sort reserved to visiting heads of friendly states. On Jan. 18, Prof. Paolo Possenti, on behalf of the Mayor of Rome, Pietro Giubilo, received the LaRouches on the steps of the Capitoline and led them on a tour of official Rome's most important places.

On Friday evening, Jan. 20, Mr. LaRouche was guest speaker at a meeting on conflicts between U.S. and European Community farm policies, held at the Italo-German Friendship Association. The meeting had been organized by Professor Possenti, as general secretary of Confintesa, the confederation of associations of various economic sectors, such as medium-sized farmers, artisans, and small industries.

In the audience were local and national politicians from the Christian Democracy, journalists, photographers, spokesmen of small food-processing industries, the head of the Italian branch of the Hans Seidel Foundation, and farmers from the United States, Germany, and France.

Possenti situated the meeting in the context of this year's European Parliament elections and the agricultural issues at stake. He greeted Mr. LaRouche as "a man held in great consideration here in Europe. . . . He represents those who want to improve the relations between Europe and U.S. . . . I fully share LaRouche's economic ideas." We hope, Possenti continued, that President Bush accepts the criticisms we Europeans have against the designated Agriculture

Secretary Yeutter, "whom we do not like," because after having impoverished American farmers, he wants to blame the EC.

"LaRouche has always stressed in his writings the values of Christian civilization," continued Possenti, describing how Wall Street's methods have destroyed American farming. He concluded by saying that indiscriminate measures such as Yeutter's are a Sword of Damocles hanging over U.S.-European relations.

The guest speaker at the meeting was Hon. Gerardo Gaibisso, elected to the European Parliament on the Christian Democracy's slate for the Third Electoral District of Italy and member of the EC's Agricultural Commission. Gaibisso thanked Confintesa and the Italy-Germany Friendship Association for giving him the chance to meet Lyndon H. LaRouche, of whom "I read the publications which I regularly receive." Gaibisso congratulated LaRouche for the "limited, but very important" electoral results of his political movement in the United States. He then said that he disagrees with LaRouche on the "Europe 1992" Single Market, but considers what LaRouche is doing as crucial.

Mr. Gaibisso briefed the audience on how the GATT negotiations in Montreal had collapsed: The Europeans, led by Commissioner Andriessen, had taken drastic measures, like the set-aside of 1 million hectares of land or setting milk quotas, hoping to find an open attitude from the Americans. But Yeutter's behavior demoralized the Europeans: "How many citizens in Europe know that reserves of milk and milk powder have col-

lapsed? . . . We killed 1.5 million milk cows." "To be friends does *not* mean to be subjects, but means to work on the same level."

Finally Lyndon LaRouche spoke. He said that the present drought is man-made; and Italy's ban on nuclear energy has provoked a situation where the drought might have worse results, as we have ruined the forests. In the past 20 years, we have been destroying agriculture, and agriculture improves nature; eliminating cultivated lands, we modify the weather, as in Sudan or Bangladesh. LaRouche said that he had discussed the problem at length with professors in Japan.

Then he named who controls the U.S. Department of Agriculture—Cargill, Armand Hammer, André—all friends of the Russians and determined to create a food shortage. First they prevent food production; second, they lie, saying that we have to stop subsidies. The truth is, there are no subsidies: We need parity prices, by which the price of an agricultural product has to cover the cost of producing it. "From my standpoint," he said, "each nation has the duty to keep parity prices for reasons of national security. . . . The EEC at the beginning worked in that direction."

"For us, food is an instrument of policy, a weapon in the positive sense towards the development of nations," continued LaRouche. After stating that Italy is still where the best pasta is produced, he explained that "our differences are our strength," because we work according to the European cultural tradition, and there is virtually no problem we cannot solve if dealt with together; therefore, trade war is idiocy.

The meeting ended with a discussion about promoting an informal movement to lay the basis for new U.S.-European relations in trade and agricultural policy.

Report from Bonn by Rainer Apel

The 'Lip' is back

German ex-Chancellor Schmidt and assorted retired central bankers, like deck stewards on the Titanic, try to bail out Bush.

What is Helmut Schmidt, the former Bonn chancellor, up to these days? This politician, in the background since his overthrow in October 1982, has suddenly taken on a high public profile. Some say that he may be reading a comeback to active politics, maybe even the chancellor's post itself, at the peak of the next global monetary crash. Others say he is opting for something bigger yet: a role of influence in world affairs "free from the straitjacket of daily problems in Bonn."

Still others are pushing the Schmidt option against the background of the escalating tensions between Bonn and Washington on the Libyan chemical-weapons issue. They recall the resistance Schmidt showed against Jimmy Carter during the Brazilian A-bomb controversy in 1977-78. If current Chancellor Helmut Kohl "had but an ounce of the gumption Schmidt had then, he would not bear what the U.S. does to him now," is a comment often heard here these days. (Such gossips "forget" that Schmidt himself, nicknamed "The Lip," gave in to Carter in the end.)

On the occasion of Schmidt's 70th birthday last Dec. 23, the Swiss-German author Rolf Hochhuth praised the "qualities" of the former chancellor and mooted his return to Bonn on the historical model of Charles de Gaulle, who took power in France at the peak of a combined domestic-international crisis in the summer of 1958.

Apparently, there is manifold interest across the Atlantic too, in a Schmidt option for the coming monetary turbulences. Policymakers around

Henry Kissinger and in the Bush team relate to Schmidt as "one whom one deals with much better than with Kohl." After all, self-proclaimed "world-class economist" Schmidt is used to talking on the level of the Tri-lateral Commission; Kohl is, by comparison, a provincial mind in the chancellor's seat, with no knowledge of the real political implications of his post. Kohl is not made of the stuff real crisis managers are made of. Will Schmidt, the man Kohl toppled in 1982, end up replacing Kohl?

In any case, Schmidt will operate on the level of world politics, with an emphasis on monetary affairs, for example, the U.S. foreign debt, which he views as a "number-one challenge to President George Bush." Appearing on German TV for an evening roundtable debate Jan. 19, he advised Bush to cut the budget deficit by "\$40 billion per year, but not more, otherwise it would lead to a recession." He said a cut by even \$80 billion, as many have called for, would have devastating effects on the world economy.

The U.S. policy of borrowing from Japan, Germany, and other allies to bail out the U.S. deficits, would have to continue under Bush, Schmidt said, because the low domestic savings rate of 3% (as compared to Japan's 16%, and Germany's 12%) in the United States would not allow the administration to draw on domestic savings. Bush should find a way to balance the deficit cuts with foreign borrowings, Schmidt declared, mentioning subsidies to the U.S. farm sector as something that should be cut.

Supporting the U.S. dollar under

President Bush, Schmidt said, is a top priority for the Europeans and the Japanese; it would be at the expense of the Third World, though, as it has been during the past years. In any case, the bailout requirements of the U.S. were such under Reagan, that Europe and Japan hadn't been able to transfer sufficient financial resources to the developing sector, Schmidt said.

What he said on this TV program is more or less what the Inter-Action Council of retired heads of states and members of governments Schmidt has presided over since 1983, has been peddling all along.

But Schmidt is aware that the problems of 1989 are about to slip out of control. This is why he helped to set up a new commission of has-beens in early December 1988 which is dedicating a special effort to the "flow of financial resources to the Third World." The commission is manned by several retired governors of Western central banks, whose names reveal the austerity-oriented agenda.

There is the retired governor of the Bank for International Settlements (BIS), Fritz Leutwiler, and other prominent former central bankers like Al-Kuraishi (Saudi Arabia), Bernard Claphier (France), Robert S. McNamara (World Bank), Janos Fekete (Hungary), and Paul A. Volcker (United States). Furthermore, on the commission are seated Lord Eric Roll of Ipsden (Warburg Bank, Kissinger Associates), Jesús Silva Herzog (Mexico), and Manuel Ulloa (Peru).

These "impressive" names have an impressive record of failure and mismanagement over the monetary crises of the past 10-15 years. They look like a select group of head deck stewards, whose job it is to keep the service for the guests intact while the shaken Titanic, the old world monetary system, is sinking.

Congress (I) loses big in Tamil Nadu

It is a bitter pill to swallow for those who do not want reformation of the party.

The ruling Congress (I) party in New Delhi received a rude shock on Jan. 21 when the electorate of Tamil Nadu, India's southernmost state, tersely rejected it and elected the local DMK party at the hustings. Congress (I), however, did win a slender majority in both the northeastern states, Mizoram and Nagaland, which went to the polls the same day. While defections and resignations of legislators had collapsed the duly-elected governments in Mizoram and Nagaland last year, in Tamil Nadu the death of a popular chief minister in December 1987 led to the total disintegration of the ruling AIADMK party. All three states were under Governor's rule, controlled directly from Delhi.

Of the three, the Tamil Nadu election drew the most attention. The death of Chief Minister M.G. Ramachandran, the undisputed leader of the AIADMK who had kept the party in power in Tamil Nadu for 10 years, and the ensuing collapse of the ruling AIADMK, provided a chance for contending political parties to seize power. Congress (I), which had been out of power in the state since 1967 and had kept its political presence only in alliance with the AIADMK, campaigned hard to win the elections on its own steam, but fell flat on its face, coming in a poor third with only 26 out of 208 seats contested.

DMK, the regional party which has promoted the Dravidian interests to attract its backers, had long been well-established in the state. The DMK leader and new chief minister, M. Karunanidhi, had been Tamil Nadu's

chief minister earlier. Still, the margin of the DMK victory—151 seats out of 202 contested in the 232-member Assembly, and thus an absolute majority—shocked many. The magnitude of the DMK victory reflects more the utter fragmentation of the AIADMK and the hapless state of the Congress (I) than its own strength.

The elections in Mizoram and Nagaland produced more expected results. The contest in both states was between the Congress (I) and tribal parties promoting local interests. In both states, the Congress (I) secured slender, yet absolute majorities, in Mizoram with 40 Assembly seats, and Nagaland with 60 Assembly seats. Both states are located in the northeast where instability has been a national security concern. In both states, long periods of armed insurgency against the central government by tribal groups seeking independence had been complicated by the involvement of Chinese and Burmese insurgents. The Congress (I) victory suggests that tribal belligerence is on the wane, and a political process has begun to take root.

With the victory of the DMK, a member-party of the newly formed National Front against the Congress (I), all the states in southern India now have non-Congress (I) governments. In Andhra Pradesh and Tamil Nadu, the ruling parties cater to state interests only. In the other two southern states, Karnataka and Kerala, the ruling parties belong to the Janata Dal and a left coalition led by the Communist Party of India-Marxist, CPI(M), respectively.

The DMK has always been a critic of India's policy toward the Sri Lanka Tamils and had denounced the stationing of the Indian Peace Keeping Force in Sri Lanka. The Sri Lankan situation has shown a marked improvement and the issue did not seem to figure in the elections. Still, DMK's moves on this issue will be closely watched.

Since these are the last three electoral contests before the scheduled parliamentary elections next December, political pundits have written thousands of lines of copy predicting and analyzing the outcome. Since Prime Minister Rajiv Gandhi had put in many long hours of campaigning in Tamil Nadu, the results there have given rise to the general forecast that the Congress (I) and Prime Minister Gandhi are going to face a hostile electorate in the coming parliamentary elections.

However tempting it may be to generalize on the basis of a major state election, it is in fact neither rigorous nor valid. In the midst of all the noise and din, all that can be truly said is that the defeat of the Congress (I) in Tamil Nadu is not going to improve its prospects in the parliamentary elections. Those prospects are as yet to be determined, where they always have been, in the northern "Hindi belt."

What the Tamil Nadu election does show is that wherever the Congress (I) is organizationally weak—as it has been in Tamil Nadu for decades—the party cannot latch on to the prime minister's coattails and expect to ride to power. The problem that the party faces is the same one that Prime Minister Gandhi eloquently pointed out at the party centenary celebrations in Bombay in 1985. He said that the party had been taken away from the people by power brokers with vested interests, who have turned it into their private fiefdom.

Mexican gestapo tactics escalate

The case against the oil union leader has more holes than Swiss cheese, but that hasn't stopped the government.

It is an injustice" and based on a "pack of lies," said leader of the oil workers union Joaquín Hernández Galicia, upon reading the formal writ for his jailing submitted to him by eighth district criminal judge José Luis García Vasco. Hernández, who was arrested Jan. 10 in a spectacular police raid by elements of the presidential (military) Chief of Staff, refused to sign the writ, a document amounting to a confession, reported Hernández's defense lawyer Ricardo Franco Guzmán in a Jan. 19 press conference.

Hernández Galicia is formally accused of stockpiling, possession, and clandestine introduction of arms into the country, as well as first-degree murder and resisting arrest. Despite its control of the media, the Salinas de Gortari government has been unable to silence a growing number of witnesses who are revealing the scandalous human rights violations in the Hernández Galicia arrest.

On Jan. 17, lawyer Franco Guzmán announced that he would present documentary proof to refute the official version of "first-degree murder," according to which the union leader shot and killed federal agent Antonio Zamora Arrijoja. Franco Guzmán noted that neither of the first two dispatches from the official news agency Notimex—issued at 9:19 and 9:32 a.m.—made any reference to the death of Zamora. Further, the first dispatch only spoke of a "military detail" arresting Hernández Galicia, which was later "corrected" to include the partic-

ipation of federal police agents, of which the alleged murder victim Zamora Arrijoja was one.

Also, numerous witnesses have testified that only military personnel arrested Hernández, and that not one person ever saw the body of Zamora Arrijoja. A fair question to ask, in view of the proclivity for yellow journalism surrounding the case, is, why has not one national or international press organ published a photo of the much-celebrated cadaver?

Indeed, why was the alleged corpse hurriedly cremated (an uncommon practice in Mexico), preventing the defense lawyers from seeking its exhumation in an attempt to prove what they assert to be the truth—namely, that federal agent Zamora Arrijoja did not die at the oil union leader's home. There is at least one written claim (*Proceso* magazine of Jan. 23), that Zamora died days earlier, during the arrest of drug trafficker Gilberto Ontiveros, in the state of Chihuahua.

Various columnists have also been quick to note that Zamora Arrijoja possessed valuable information stemming from a fraud probe at Mexico's stock exchange houses, especially on the involvement of Eduardo Legorreta, president of *Operadora de Bolsa*, and there has been widespread clamor for his imprisonment. This would tend to give the coloring of a classic Scottish Freemasonic ritual to the whole Hernández Galicia affair.

In his press conference, defense lawyer Franco Guzmán revealed the

testimony of a local notary from Hernández Galicia's home town who attempted to present evidence proving that the charge of "weapons stockpiling" in the Hernández Galicia case is also false. The lawyer mentioned that notary #182, one José Guadalupe González Galván living in Ciudad Madero, declared in notary certificate 5734 that at 9:20 a.m. (20 minutes after the Hernández Galicia arrest), he arrived at Hernández Galicia's domicile at the request of a neighbor and took note "of the contents of 20 closed boxes . . . in each of the boxes there were 10 machine-guns with 45 cartridge clips; there were also several boxes of ammunition. . . . Various persons whom I interrogated insisted that these boxes that I am mentioning were unloaded from one of the vehicles in which the soldiers arrived, among those witnesses Francisco Vargas Malagón, Lazaro Mata López and Gaspar Rodríguez."

On Jan. 18, the government of Tamaulipas state canceled the notary license of José Guadalupe González Galván. The date of the cancellation was retroactive to Jan. 9, one day before the Hernández Galicia arrest!

The shameless lack of credibility of the government's official version of the Hernández Galicia case has even garnered coverage in the international press. The *Baltimore Sun* of Jan. 23 noted that "transfer [of the agent's body] was accomplished illegally, without any of the necessary paperwork. . . . A week after the arrests, the federal attorney general's office has refused to give reporters access to autopsy and ballistics reports, or the registration numbers of the Uzis."

Its weak case notwithstanding, on Jan. 25 the Mexican government added another charge to Hernández's indictment, that of "intellectual authorship" of the 1983 assassination of oil union leader Oscar Torres Pancardo.

IMF demands Peru sacrifice

Hara kiri is being demanded of García's government as an example to the Third World.

Peruvian Finance Minister Carlos Rivas Dávila has returned from a trip to Washington, D.C., where he was reportedly engaged in a "testing of the waters" with the international financial community regarding a possible return of his country to the fold of the International Monetary Fund. On Jan. 22, Minister Rivas gave a surprise 10-minute televised presentation to the nation in which he warned that the IMF was demanding a murderous shock program as payment for Peru's rebelliousness. In an interview with a Peruvian magazine the same day, President Alan García insisted that "shock" austerity was an unacceptable trauma to Peru's poor majorities.

Rivas reported that the IMF's conditionalities for Peru's re-acceptance by the world financial community included: 1) unification of the official exchange rate with the parallel dollar rate, which at present is approximately triple the highest official rate; 2) an end to all subsidies, which would cause a doubling or tripling of current exorbitant food prices; 3) an end to indexation of wages; 4) real positive interest rates; and 5) an elimination of the fiscal deficit, currently 15% of the 1988 gross domestic product.

The last, stressed Rivas, would mean massive layoffs, suspension of any school and hospital construction, the suspension of any central bank credit to the public sector throughout 1989, and the gutting of workers' purchasing power. The IMF is also demanding a symbolic \$30 million payment as a "token of good will." Peru has accumulated \$6 billion in arrears on its foreign debt payments.

While not reporting Peru's formal answer to the IMF, if any, Rivas did tell Peruvians, "We have explained that the serious crisis Peru is facing is not only economic, but social; that we live in a climate of violence and poverty, and that therefore, the application of any economic policy in the fight against inflation requires special handling, as we have been doing."

Rivas also stressed that before any IMF program could be negotiated, Peru would first need a bridge loan to cover its \$1.1 billion arrears to the Fund and the World Bank. Even should that bridge loan come through—which could take a minimum of six to eight months, said the finance minister—it would be another year before fresh funds for anything else were to come through.

The newly elected secretary general of Peru's ruling APRA party, Luis Alva Castro, declared in a televised commentary on Rivas's revelations, "Making a symbolic payment [to the IMF] is useless, without a global economic program which presupposes a national accord with which we can all agree." Alva Castro, who is a former finance minister, reminded Peruvians that in August 1986, a symbolic payment to the IMF was made, "not with certainty but with the hope of not being declared ineligible for access to IMF resources." Despite the payment, Peru was declared ineligible.

President García told an interviewer from the magazine *Panorama* Jan. 22 that while it was necessary to clean up the Peruvian economy, it had to be done "by applying correctives, and not by applying a shock program

that would be a traumatic blow to the great majorities. . . . I prefer having the deficit to the poor not eating." He did reveal, however, that an IMF mission would be visiting Peru imminently "to study the economy and propose a much tougher program than the so-called economic packages we have been implementing."

Reactions from the APRA party to the IMF's shock proposal have generally been strong. President of the Peruvian Chamber of Deputies Hector Vargas Haya declared, "What the IMF really seeks is to help its own deteriorated economy at the cost of our countries. . . . What is undeniable is that the Latin American debt, and concretely the Peruvian debt, is unpayable."

Peruvian Prime Minister Armando Villanueva also rejected a shock approach, saying, "We are not going to pay a debt with immense interest rates at the cost of the lives of our people, because in order to pay one must live . . . to be able to produce." He acknowledged that Peru has been living under wartime conditions "ever since the policy of independence regarding the demands of the International Monetary Fund was adopted."

The most outrageous defender of the IMF was senator and drug legalization advocate Javier Silva Ruete, who declared that Minister Rivas' trip to Washington was merely a "smokescreen" to "entertain" the population, since he brought with him no program as the basis for negotiating a deal. He also insisted that Rivas's report to the nation had been scripted by President García, "since officials of the international credit organizations don't use that language and don't speak of shock programs." Silva refused to respond to accusations by congressional President Vargas Haya that he was an "anti-patriot."

A 'Theolib' revolution for Brazil?

São Paulo Archbishop Evaristo Arns is in the vanguard of anti-papal ranks in Ibero-America.

For the first time in Ibero-American Church history, a Cardinal has publicly and fervently supported the Communist-Gnostic regime of Fidel Castro in Cuba. In a letter to Castro on the 30th anniversary of the Cuban revolution and published in the Cuban daily *Granma*, São Paulo Archbishop Evaristo Cardinal Arns wrote, "Cuba can feel proud of itself for being, on a continent so impoverished by the foreign debt, an example of social justice." He added, "Christian faith discovers in the conquests of the revolution the mark of the reign of God."

Commenting on the Brazilian municipal elections of November 1988, and above all blessing the electoral victories of the communist and pro-terrorist Workers Party, the Cardinal asserted, "On the one hand, the popular victory achieved in the last elections renews the political framework. . . . On the other hand, we know that victory does not yet mean our freedom, and we are forced to confront every kind of pressure and difficulty created by the owners of great capital in our own country."

Thus, Cardinal Arns is increasingly taking up the role previously occupied by Mexico's "Red Bishop" Sergio Méndez Arceo, in favor of the Soviet Union's subversive operations in Ibero-America. It is noteworthy that the courier who brought Arns's letter to Castro was the Dominican Fray Betto, admirer and companion of terrorist Carlos Marighela who, during the late 1960s, perfected the methods of urban guerrilla warfare under the guidance of both Cuban and Soviet

intelligence services.

The Brazilian Cardinal hasn't limited himself to letter-writing. Together with such theologians of liberation as Leonardo Boff—censured by the Vatican—and Fray Betto, the self-proclaimed ambassador of the Theology of Liberation to the socialist countries, he is preparing for a protagonist's role in a new "Sandinista" revolution imported from Nicaragua. Betto, an intimate friend of Castro's and of the Nicaraguan government, is an influential adviser to Luiz Ignacio da Silva (a.k.a. "Lula"), the head of the Workers Party (PT) and a presidential candidate. At the same time, Arns's own support for the PT in the last elections was so overt that the PT's victories in the country's major cities was entirely due to the mobilizations carried out by the Theology of Liberation's so-called grass-roots communities (*comunidades de base*).

Cardinal Arns is apparently a long-standing correspondent of Fidel Castro's. For example, in 1985, he sent him a letter backing the Cuban leader's plan to restructure the continent's foreign debt. The "Castro Plan," was first launched through an interview with Fray Betto, and later presented to a Ibero-American labor conference on the foreign debt organized in Havana that same year. From that point onward, the PT and Arns have become the main propagandists for the Castro Plan, which differs from Henry Kissinger's own debt proposals only in name. Arns is also an intimate of Venezuelan social democrat, President Carlos Andrés Pérez.

Arns's expressed political viewpoints represent, in terms of the internal life of the Catholic Church, a counterattack on the reforms that John Paul II and Joseph Cardinal Ratzinger have been promoting in Brazil to halt the perverse influence of the Theology of Liberation. Among other things, the Pope had hoped to divide in thirds the gigantic archdiocese of São Paulo, which has heretofore been the stronghold of Cardinal Arns.

The counter-challenge to the Pope was made public in a Jan. 23 statement by Clodovis Boff, brother of Leonardo, when he stated, "The people and the *comunidades de base* will continue, with Ratzinger or without Ratzinger."

Everything suggests that the closeness to Cuba promoted by Cardinal Arns and Fray Betto is intended to inaugurate in Ibero-America the *Ostpolitik* now being cooked up for Eastern Europe in certain corridors of the Roman Curia. According to *O Estado de São Paulo*, the Marxist-Christian Dialogue grouping is acting under the protection—or at least with the complacency—of Agostino Cardinal Casaroli, Vatican secretary of state. "Boff and Fray Betto's initiative in favor of dialogue with the communist countries is nothing new in the Church and, if it isn't finding open support at the Vatican, it has an illustrious example guiding its steps. That model is the charisma and untiring action of the secretary of state," commented *O Estado* on Jan. 20.

Fray Betto himself confirmed this when, in an interview with *O Estado*, he admitted that the results of his trips to the socialist countries are well known to the Vatican secretary of state and that, "In some countries like the Soviet Union, I have met Vatican representatives and held very fraternal talks with them."

International Intelligence

Pentagon: Soviets pose hemispheric threat

The Pentagon believes that the Soviet Union now "poses a serious threat to American security" in the Western Hemisphere.

"The Soviets and their allies are now in a position to threaten the Panama Canal, and to interdict our Caribbean Gulf ports and South Atlantic sea lines of communications," stated Secretary of Defense Frank Carlucci in his final annual report to Congress Jan. 21. "In the event of war, this would seriously impair our ability to obtain vital natural resources."

This evaluation of Ibero-America departs dramatically from the previous year's report, which not only failed to mention a "Soviet threat" to the Panama Canal, but made no mention of Panama. However, the Pentagon report seems also to confuse the sovereign government of Panama, with the Soviet threat.

Aside from that "first threat," the report presents four others: 1) "the illicit cultivation, production, and trafficking of narcotics . . . pose a serious threat to several countries . . ."; 2) "the re-emergence of major leftist insurgent groups in Colombia, Peru, and Chile, and the continuing insurgencies in El Salvador and Guatemala. The possible linkage of the Colombian and Peruvian insurgent groups with the drug trade makes them doubly threatening"; 3) "the political crisis in Panama, currently in the midst of the Noriega/Solis regime's anti-U.S. campaign"; and 4) "economic problems threaten the stability of a number of states and may eventually give rise to military takeovers. Drug money has become a serious corrupting factor and may come to be seen in some countries as an acceptable source of government revenue."

Trading scandal targets President Mitterrand

France's "Pechiney Affair" seems to be aimed at toppling President François Mitterrand himself. There is clearly some such

larger purpose in the scandal, in which high-level government functionaries have been charged with profiting handsomely from an advance tip that France's aluminum giant, Pechiney, would buy out the American Can subdivision of Triangle Industries.

According to informed Paris stock brokerage insiders, the "friends of Raymond Barre," a Trilateral Commission member and former presidential candidate, "are actively stirring the pot" of the Pechiney Affair, which has already caused the resignation of one senior Mitterrand official, Alain Boubil.

The Paris daily *Le Monde* reported Jan. 24 that it had confirmed earlier allegations that Mitterrand received a confidential report detailing the role of his long-time friend, Patrice Pelat, in the December Pechiney-Triangle takeover via secret Swiss accounts, despite a public denial by the presidency. The authors of the latest *Le Monde* accusations were the same two journalists who launched the Trilateral Commission's "Greenpeace" attack on the French security services in 1985.

Meanwhile, the lead editorial in the Jan. 20 *Wall Street Journal-Europe*, "La loi américaine," begins, "When George Bush is sworn in as President today, his new administration may have an early opportunity to topple the Socialist government in France. Not with the CIA, of course, but with the U.S. Securities and Exchange Commission. An SEC investigation into trading in the shares of Triangle Industries, Inc. shortly before the big U.S. packaging manufacturer was acquired by the French state, has already entangled two close cronies of President Mitterrand and this has escalated rapidly into a major Gallic affair."

Wall Street Journal fears LaRouche in Mexico

David Aswan, editorial writer for the *Wall Street Journal*, blamed Lyndon LaRouche-linked publications for making it impossible for U.S. circles to work with and for the Party of National Action (PAN). Thanks to the exposé *The PAN: Moscow's Terrorists in Mexico*, Aswan complained, trying to "help" the PAN only gives it "the kiss of

death." The book was put out by Franklin House in English, and the Mexican Labor Party in Spanish.

"There is still an alliance between the left wing of [Mexico's ruling party] the PRI and the LaRouchites," Asman said Jan. 25 at a Heritage Foundation conference in Washington, D.C.

Commonwealth head calls for ecological fascism

Sir Shridath "Sonny" Ramphal, secretary-general of the British Commonwealth, called for a new world order based on environmentalism, and the replacement of national sovereignty by "global governance," in a speech Jan. 23 at Britain's Cambridge University. An abridged version of the speech was published a day later in the *Times* of London, under the title, "A Global Green Agenda."

Ramphal is a member of the Brundtland Commission on Environment and Development, headed by the Socialist prime minister of Norway, Gro Harlem Brundtland. His speech inaugurated a series of lectures at Cambridge on the subject of the Brundtland Commission's 1987 "Our Common Future."

In his speech, Ramphal coined a new malthusian jargon, attacking the perspective of "no growth," and asserting, "The Brundtland Commission made a significant break with earlier analysis—such as the report of the Club of Rome in the early 1970s." Rather than "limits to growth," the Brundtland Commission supports "a new era of growth," but based on "qualitatively different" parameters than past eras of growth. "It must be growth that contributes to sustainable development. . . . To achieve sustainable development globally will require a long-term perspective."

According to Sir Sonny: "Underlying the Brundtland Commission's message of a 'common future' was the premise that we must think of our planet not only as a world of many states, but also as the state of our one world; that we must be ready to nurture tomorrow's concepts of global governance, not have them stifled at birth by yesterday's

Briefly

notions of national sovereignty; that human survival may not be secured save by the reach of enforceable law across environmentally invisible frontiers."

Ramphal blames rapid population growth rates for contributing to "many of the world's acute environmental problems." But, "environmental issues are today firmly on national and international agendas. Politicians from Mikhail Gorbachov to Mrs. Thatcher, and financiers from the presidents of the World Bank to environmentally 'clean' unit trust managers, advertise their 'green' credentials."

Diplomatic maneuvering around Kampuchea

A flurry of diplomatic activity is now under way to achieve a settlement to the conflict in Kampuchea. Prince Norodom Sihanouk arrived in Beijing Jan. 24 to meet with Chinese leaders, and may also meet with Soviet Foreign Minister Eduard Shevardnadze when he arrives in the Chinese capital Feb. 2. Thai Foreign Minister Siddhi Sawetasila will arrive in Beijing Feb. 9.

Vietnamese Deputy Foreign Minister Dinh Nho Liem made a side-trip to Bangkok before returning home from his talks with the Chinese. China and Vietnam agreed to refrain from attacking one another across the border. The two sides also agreed to pull troops back from the border area. According to Liem, the Sino-Vietnamese negotiations focused on normalization of the two countries bilateral relations and on ending their on-again off-again war.

Liem arrived in Thailand from China Jan. 20, on the same flight as Chinese Defense Minister Qin Jiwei, who has also held talks with Thai armed forces chief Chaowalit Yongchaiyuth on Kampuchea.

In talks between Liem and Thai Foreign Minister Siddhi, the Thai leader is quoted as saying that the Vietnamese-controlled Kampuchean leader, Hun Sen, must now soften his position to persuade Kampuchean resistance leaders to attend the second round of the Jakarta Informal Meeting. Hun Sen has now been invited to Thailand by Prime Minister Chatichai Choonhavan.

Meanwhile, Thai Supreme Command spokesman Lt. Gen. Naruadol Dejpradiyuth Jan. 24 questioned Vietnam's claim that it withdrew 50,000 troops from Kampuchea in 1988. He said that the Thai military believe that only 15,000 to 18,000 were pulled out during the year. Thailand, does believe, however, that the number of Vietnamese forces in neighboring Laos has decreased significantly, from about 20,000 to 1,500-1,800.

But, Naruadol noted, the Vietnamese are stepping up their campaign to recapture territory from the resistance guerrillas. He denied a report that Vietnam agreed to pull back its troops 30 km from the Thai-Kampuchean border. "The Vietnamese troops are now deployed along the entire border," he said.

'Marxists, millionaires' sell out Hong Kong

A "cosy alliance of Marxists and millionaires" sold Hong Kong "down the river" when Chinese Communist Party officials met Hong Kong Chinese tycoons and professionals in Canton in mid-January, the *Sunday Telegraph* reported on Jan. 22.

The proposals for the Hong Kong Basic Law to take effect after 1997, when sovereignty reverts from Great Britain to China, approved by the meeting, will only allow a referendum after 2011, and even then, only to decide whether a chief executive and legislature in Hong Kong should be directly elected.

Moreover, conditions demanded by the Chinese are so complicated that it is unlikely any referendum will ever take place, the *Telegraph* wrote. Of the 23 members of the committee from Hong Kong, most already have other passports, which will enable them to leave Hong Kong by 1997. Seven, including billionaire Sir Y.K. Pao, have British passports. But some 5.5 million others, including many people of Indian and other national origin, have only Hong Kong identity cards, and cannot leave without Beijing's approval. Some 25,000 Vietnamese refugees are also now in Hong Kong.

● **GEN. JOHN GALVIN**, Supreme Commander of NATO, told the Jan. 22 *Bild am Sonntag* that fewer American soldiers will be required in the future than the 40,000 that are currently deployed to Germany each year for NATO exercises. Senior officers at his headquarters in Brussels are working on a scheme that would make do with fewer troops.

● **YASUHIRO NAKASONE**, the former Japanese prime minister, in Moscow Jan. 19, said that the Soviets' promised troop reductions in East Asia were limited to the withdrawal of 200,000 troops from Mongolia. Citing Gorbachov as his source, Nakasone warned that Moscow has no immediate intention of reducing forces in the Far East and its coastal areas.

● **VENEZUELAN** President-elect Carlos Andrés Pérez has invited both Fidel Castro and Daniel Ortega to his inauguration, and may appoint a leftist and suspected East bloc agent, José Vicente Rangel, to be his attorney general.

● **HONDURAN GENERAL** Gustavo Alvarez Martínez was assassinated at his home Jan. 26. He headed the Honduran Army until 1984, and was deeply involved in U.S. Contra operations in Nicaragua.

● **AIDS** may have infected up to 50,000 heroin addicts in Bangkok, specialists say. Tests among intravenous drug users in the Thai capital in September 1988 revealed more than 40% to be carriers of HIV. A World Health Organization official said he was "astonished" by the figures.

● **TAJKISTAN**, a Central Asian Republic of the U.S.S.R., was hit by an earthquake Jan. 23. Initial Radio Moscow reports put the death toll at 1,415, then lowered estimates to about 1,000, without explanation.

LaRouche sentenced: 'I become a martyr'

On Jan. 27, in Alexandria, Virginia, Federal District Judge Albert V. Bryan condemned 66-year-old international political figure Lyndon Hermyle LaRouche, Jr. to 15 years in federal prison, despite a pending appeal based in part on indications of massive jury-tampering by the U.S. government in securing the verdict in this case.

LaRouche was charged solely on 13 counts of conspiracy, in a trial in which the defense was prohibited from presenting any defense arguments on two of the crucial issues of the case. All of the allegations of conspiracy were based on the indictment's characterization of LaRouche as being an "authoritarian personality" in the sense of the dogma of the Frankfurt School's Teodor Adorno; the defense was prohibited from presenting any defense on this feature of the indictment.

LaRouche and six other defendants were accused of conspiring to secure loans with the intent not to repay them; the defense was prohibited from submitting proof that financial warfare conducted chiefly by agencies of the U.S. government had been the chief cause of late payments of many of these loans. The judge also forbade the defense from disclosing to the jury the fact that it was the prosecution's action alone, which had shut down the indebted firms, and so prevented any possibility of further repayment of the loans.

The government had packed the jury-panel with government agents, and had allowed the defense no right to challenge these candidate jurors for cause, or to conduct a voir dire of those jurors. The foreman of the jury, one Buster Horton, was a leading intelligence operative of the U.S. government under the terms of Executive Order 12333, and was part of a black operation which had been targeting LaRouche during several preceding years. Several other members of the jury were also government agents, and others were linked to intelligence-community circles hostile to LaRouche and his associates.

Although this victimization of LaRouche was demanded repeatedly and energetically by the highest levels of the Soviet government, the prosecution was directed by the highest levels of the Anglo-American Liberal Establishment. According to high-level British sources, one of whom LaRouche named in court on Jan. 27 as Kenneth DeCourcy, the object of the rush to prosecute LaRouche during the period of the Reagan-Bush transition, was to ensure that LaRouche was out of the way while several crucial policy-actions were launched.

According to these sources, the policy-issues were: the intent of the Anglo-American Liberal Establishment to continue appeasement of Moscow until such time as a new Middle East War brought the superpowers to a showdown over the defense of Israel; and, to have LaRouche out of the way while savage austerity and destabilization operations were being run against both Central and South America and the U.S.A. itself. The European elements of the Liberal Establishment also foresee a collapse of the U.S. financial system by approximately this summer, and feared that this would cause LaRouche's credibility and influence to soar.

The word from these circles in Britain is, that LaRouche is being sent to oblivion, and an entire international political movement associated with him, torn apart, piece by piece.

The statement below was released on Jan. 27, 1989 by Lyndon H. LaRouche, Jr.:

'I become a martyr'

The actions taken against me are but the first of a series of actions by an Anglo-American Liberal Establishment determined to eliminate all independent political forces in the Americas and Western Europe. Next on the U.S. target-list are political circles associated with the U.S. military and defense industries, evangelical churches, and others. Moscow has demanded that the U.S. eliminate all potentially

influential anti-Soviet currents, and so far, the Anglo-American Liberal Establishment is complying with Moscow's demand.

The trial in Alexandria Federal Court, can be fairly described only as a "Third Trial of Socrates." In all essential features, the conspiracy-charges against me, in particular, were identical with those directed against Socrates. The same Syrian Magi who orchestrated the trial and judicial murder of Socrates, later directed the trial and crucifixion of Jesus Christ. Those Liberal Establishment potencies which organized this trial and conviction are the self-esteemed spiritual heirs of those Magi priests of the Emperor Tiberius's Cult of Mithra.

The prosecution's use of that form of "conspiracy trial" was not accidental. In method, and other respects the issues of the quarrel which the Soviet government and the Liberals have with me are identical with those which prompted the Magi to deploy the corrupt Democratic Party of Athens to effect the murder of Socrates. On those points where Socrates and Plato had failed, Jesus Christ supplied the means for mankind's salvation from the evil of that time and today. So, the Magi used against Christ the same methods of trial for conspiracy they had employed against Socrates.

I have walked to my trial, conviction, and sentencing with the image of Christ in Gethsemane before my eyes, as have all Christian martyrs. I face the prospect of my murder under present circumstances with that same view. The essential thing is, that if I am to be martyred so, I must do nothing to spoil the benefit of my martyrdom for those who survive me.

These are evil times, the recent 20-odd years especially so. The Communist power and the Liberals are perpetrating genocide against black Africa and other regions. The sanctity of human life is no longer a consideration, when the perceived interests of arbitrary power and foully murderous usury deem the death of even entire nations a matter of pragmatic expediency.

This planet now sustains an estimated 5 billion persons. Had we employed fully the existing technology of 1970, this planet today could sustain between 15 and 20 billion persons at an average standard of living comparable to that in Europe a score of years ago. Yet, because of foully murderous zeal for world-federalist, malthusian utopias, during the recent decade or so, the potential population-density of this planet has been dropping at an accelerating rate, such that, under present economic conditions of underdevelopment and usurious looting, the potential population-level is now significantly below 5 billion persons, and is dropping most rapidly.

These evil economic and world-federalist policies are unleashing the greatest holocaust of death upon this planet. It is foreseeable, that within approximately a generation, the potential population will fall below 1 billion persons, with entire nations and peoples removed biologically from the political map. Never in the history of mankind was there such

evil as is represented by the architects and accomplices of such policies.

It happens that this mass-murder is not confined to the populous, non-Communist developing sector. There is an accelerating collapse of the economies of Western Europe and North America, where, at the present rate, Third World conditions will soon prevail. At the same time, the economies of the Soviet empire and mainland China are in a spiral of collapse toward the point of physical breakdown of their economies. Under present Soviet and Beijing policies, nothing can stop the onrush of mass-death and chaos soon to erupt. This planet is thus careening toward a New Dark Age.

In this circumstance, this global crisis, what we see in leadership of government is not statesmen, but "political technicians." The characteristic, tragic folly of these regimes and political parties is their delusion that failed policies can be made to work if only the world is administered with a sufficiently ruthless degree of monolithic force. This is the principle of governmental bureaucracy carried to its maddest extreme.

The New Dark Age could be averted still, even at this late date. If the United States would but return to those principles which U.S. Treasury Secretary Alexander Hamilton was first to name "The American System of Political-Economy," as the U.S. Constitution provides for this, the U.S. economy could be rescued, and lead the world in a general recovery. With aid of such a recovery, all other pressing problems become increasingly manageable.

So far, these governments will not even consider such an option. They are determined to save "the present system" of central banking at all costs, at a time that the mere continuation of those policies ensures the probable collapse of the U.S. financial system within this year, and all the Hell such a collapse portends for the world at large.

What these power-infatuated buro-technocrats propose, is to sustain the financial system chiefly by aid of looting the essential conditions of production and subsistence of entire continents, including their own. By such means, they collapse production, and so destroy the fragile basis upon which the stability of financial systems depends. That is sheer madness!

If that course is followed, the early effects of that, combined with the rapid spread of overtly Satanic cults, ensures the plunge of this planet into a New Dark Age before the end of the present century, perhaps even earlier. When the catastrophe comes, it will come upon us all like a horde of tornadoes, not gradually, but like a tidal wave of crushing collapse of institutions, and degradation of the internal life of nations and continents to brutishly primal conditions of man eats man.

If my martyrdom is to be brought soon to the threatened final conclusion, I can propose but two prospects for the mankind I leave behind me.

It were still possible, if responsible people use the corpus

of relevant ideas I leave behind for them, to save the U.S. economy, and thus lead the recovery of this planet.

That were the outcome I desire. The institutions we have, such as the U.S. Constitution and its tradition, may be rotted to the core by abuses, but that Constitution represents a gift supplied by the blood of martyrs over preceding centuries. Could those institutions be rescued, humanity would avoid a terrible price to be paid over two or more generations to come.

If that happier turn does not soon occur, then this planet is plunged into a New Dark Age. In that case, two or more hellish generations of awesome misery were required, before new martyrs brought forth a renaissance.

My purpose, under my present conditions, is that if my life were taken as was Socrates' before me, my life as a martyr were spent efficiently to foster the global movement which might, hopefully, aid in rescuing civilization's imperiled institutions, or failing that, continue the struggle through a coming Dark Age, to bring forth a later renaissance.

If I am martyred, I will be but one of many, many new

martyrs to follow me. To them I say, place the image of Christ resisting the comfortable temptations of Satan in Gethsemane before your eyes. See thus, that the important thing in mortal life is not the moment-to-moment satisfactions of the "here and now," but what the totality of your life means, when viewed as if a generation after your demise. Understand, that it is not remaining years of safe mortal life taken away from you that count, but rather the totality of what your abbreviated life has been. Make the sum-total of your life, in its final moments, a gift to all humanity, in whatever way your talent and circumstances permit. With that in view, face your end with a smile of joyful contentment, for the fact of a life well spent.

For the others, I say: "You wretched fools. Christ died for you, that you might receive His gift and be saved from such evil as you permit to be brought upon you now." Perhaps this is the verge of Apocalypse, out of which mankind might be rescued only through an awful and prolonged struggle, to produce a renaissance in which the precious gift of Christ will be cherished, to prevail for ever more.

Gov't drops Boston case against LaRouche, others

After over four years and tens of millions of dollars of government time and money, the Justice Department is dismissing the Boston case against Lyndon LaRouche and 13 other defendants. Observers believe that the government dares not risk another embarrassment in Boston such as it suffered during the last trial, which ended in a mistrial on May 4, 1988.

In a memorandum filed with the court in Boston by U.S. Attorney Frank McNamara and Assistant U.S. Attorney John Markham, the government states that in light of the recent convictions of LaRouche and co-defendants Edward Spannaus and Michael Billington in Alexandria, it cannot justify "the extraordinary costs of proceeding" with the Boston case. Displaying a flagrant attitude of "it doesn't matter how we get them, as long as we get them," the McNamara-Markham memorandum notes that:

1) the "architect" of the Boston conspiracy, former CIA cut-out Roy Frankhauser, has been convicted in Boston in a separate trial;

2) the "principal remaining individual defendants," LaRouche, Spannaus, and Billington have been convicted in Alexandria;

3) four organizations have been fined \$21 million and are now defunct; and

4) the October 1986 Leesburg raid led to felony indictments against 24 additional "LaRouche followers or LaRouche-controlled entities" in other federal and state courts.

The mistrial in Boston was called a "stinging defeat" for the government by the *National Law Journal*; and other major news media termed it an "embarrassment" for the government and a "triumph" for LaRouche. After the mistrial was declared, an informal poll taken by the jury showed that they would have unanimously acquitted all defendants on all charges. "We would have acquitted everybody at this point, and that's based on prosecution evidence," one juror told the *Boston Herald*. "There was too much question of government misconduct in what was happening to the LaRouche campaign."

After the embarrassment of the Boston mistrial, the Justice Department team which had designed the Boston case shifted tactics, and rammed through a new indictment against LaRouche and six associates in Alexandria, Virginia, during the period between the end of the first trial in Boston and the scheduled beginning of the re-trial. The government picked the federal court in Alexandria for its new frameup, because of its known record of rushing defendants to trial without allowing pre-trial discovery of evidence or adequate time to prepare a case, and its heavy concentration of pro-government jurors. LaRouche and his co-defendants were railroaded to trial five weeks after the indictment, and a jury was picked in less than two hours. With a rigged jury and court-ordered exclusion of defense evidence, a conviction was virtually inevitable.

Virginia judge keeps biased jurors on panel

In Leesburg, Virginia, Judge Carleton Penn continued to seat biased jurors on the panel in the case of *Commonwealth v. Rochelle Ascher*, through Wednesday, Jan. 25. At that point, the two jury pools that had been called were exhausted, with only 15 prospective jurors selected.

Sixty jurors have been interviewed already for the first of the Commonwealth's "LaRouche" cases, in which 16 fundraisers and corporate officers, and 5 organizations, are accused of "securities" fraud and conspiracy to defraud. Twenty-nine have been excused because they admitted their bias, and 16 for hardship.

The jury selection process supports entirely the contention of Ascher's lawyer, John P. Flannery, that it is impossible to get an impartial jury in a case against an associate of LaRouche in Loudoun County. Flannery's motion for a change of venue has been denied by Judge Penn numerous times.

When the jury pools were exhausted, the proceedings were suspended until Monday, Jan. 30.

Of the 15 jurors already seated, many have already declared that they have a negative opinion of LaRouche, as well as having read negative press coverage. Assistant attorneys general John Russell and George Chabalewski have argued that this is not unfair to the defense, because the individuals have also been induced to say that they could be impartial despite their negative views. Seated over defense objections were:

- One juror who called LaRouche "an anti-Semite and a racist." He said

that if LaRouche got power, it would be a "threat to the country."

- Another, who said he had told his wife, "the American people that have been snowballed or taken [by LaRouche], it's not right. You wonder how people can do illegal solicitations for years and years." He even said that, if Ascher supported the matters that he was referring to, he would "probably be unfavorable to her."

- Another juror seated is a Mason and active local Episcopalian, who worked before retirement for the Federal Reserve Board. He said that "in the circles I travel," people are not favorable to LaRouche.

- Another said, "LaRouche is all doom and gloom; he called anyone who disagrees with him a Communist."

After the seating of the first eight jurors, attorney Flannery made an emergency motion Jan. 24 to discharge two of them for cause. Flannery cut through the prosecution and court's assertion that such prejudice was not relevant because "LaRouche isn't on trial here," with the following argument:

"How serious an error it is to seat these jurors will be manifest when, in the government's opening [statement], the government refers to 'the LaRouche organization' again, in contrast to how it underplays the matter now, and then proceeds at trial to adduce testimony from individuals, the 'LaRouche insiders,' who had little or nothing to do with Mrs. Ascher, but who will say they had a lot to do with 'the corrupt LaRouche organization.' Then will Mrs. Ascher suffer these jurors' prejudice."

States drop charges against LaRouche aides

On Jan. 25, well over three years after California Attorney General John Van

de Kamp began his witchhunt investigation of the AIDS referendum, Proposition 64, with a raid on the initiative's offices, and a year to the day after Andrea Diano-Smith surrendered after being charged, Los Angeles District Attorney Ira Reiner dismissed charges against her. She, along with Bruce Kilber, also an organizer with the Prevent AIDS Now Initiative Committee (PANIC), was accused of the absurd charge of "causing themselves to illegally register to vote."

Both were activists who organized in support of the initiative which had called for having the State Public Health Dept. treat AIDS as it does any other communicable disease. Prop. 64 set off a storm of opposition from both the AIDS lobby and enemies of Lyndon LaRouche. Van de Kamp's office publicly announced that they would move to crush it through a criminal investigation.

Also Jan. 25, New York Assistant Attorney General Dawn Cardi announced that she was dismissing a two-count indictment against LaRouche associate Joyce Rubinstein, on grounds that the prosecution was barred by the New York State double jeopardy statute. After reading motion papers filed by Mrs. Rubinstein's attorney, Cardi agreed that the New York case was identical to the federal prosecution brought in Alexandria.

Mrs. Rubinstein was convicted of conspiracy and mail fraud in December along with Lyndon LaRouche and six other LaRouche associates by a lynch-mob jury in Alexandria. The lawyer for another Alexandria defendant, Edward Spannaus, has requested that his client also be dismissed from the New York case for the same reason.

Justice Stephen Crane, who originally calendared the trial to begin on Jan. 23, has refused to set a new trial date.

Using 'False Claims Act,' Carter crowd targets U.S. defense for ruin

by Our Special Correspondent

Dossier material made available to *EIR* continues to substantiate our contention that the ongoing "Ill Wind" investigation and prosecutions aimed at the defense procurement process, are the front end of a campaign, now far advanced, to restructure the U.S. defense industry. Coordination and operational planning are run through a powerful cabal of private law firms, foundations, and "public interest" organizations which could be described as the "Carter administration in exile." They are the same crowd that led the nation into the disaster known as "the Carter Malaise," and they are moving into positions of great power within the Bush administration.

The battering-ram these networks use is the Civil War-era anti-profiteering legislation known as the "False Claims Act." The law, revitalized in 1937 by Congress, allows the Treasury to recover triple damages from any contractor who can be shown to have perpetrated a "fraud" upon the government. In addition, a private citizen who initiates the investigation and legal action which leads to such a recovery is eligible for a reward equal to 15-30% of the amount recovered. A blizzard of such lawsuits has already been filed, and insiders predict that this technique will break open secret research and "black box" programs heretofore protected from congressional meddling.

By law, these investigations are conducted by the Civil Fraud unit of the Department of Justice, with the participation of the Criminal Division. Thus, the personnel appointments made by Attorney General Richard Thornburgh will play a role in the scheduled attack on the defense industry, but will not be central. Documents released by the staff of Sen. Charles Grassley (R-Ia.) show that the experience gained by the anti-defense camp in the campaign that led to Ed Meese's resignation, has produced a private apparatus which can use lawsuits to intervene on policy matters free of any "obstructionist" tendencies that might crop up in the Executive Branch.

Richard Sauber, former head of the Defense Fraud and Procurement Unit, along with John R. Bolton and other Meese appointees, have been identified as "obstructionists" who have been or will soon be eliminated by the Thornburgh team. The vicious attack on Meese released by the Justice Department in January is an indication that the knives are still out at the DoJ, and insiders report the Meese's troubles may not be over. No one expects anything but enthusiastic cooperation in this venture from the Thornburgh Justice Department.

'Private attorneys general'

It would be no exaggeration to say, that the most sophisticated expression of Soviet strategy for containing the industrial and scientific power of the United States, is not found in the byzantine maneuverings of the arms negotiators, but was spelled out in Mikhail Gorbachov's "environmental" address to the U.N. General Assembly last December. Gorbachov, and his co-thinkers in our government, equate "peace" with the surrender of national sovereignty to supranational institutions, such as the U.N.-based International Monetary Fund.

The type of tyrannical intrusion routinely conducted into national affairs by the IMF, is paralleled on a more discreet level by the activity of various private and quasi-governmental agencies which shape the enforcement of environmental law. Gorbachov's speech was an implicit call for the coordination, on major policy matters, of the activities of these institutions.

In the United States, the organizations which are at the top of the environmental-enforcement pyramid are: the **National Resources Defense Council (NRDC)**, the **Environmental Defense Fund (EDF)**, the **Environmental Law Institute (ELI)**, the **Conservation Foundation**, and the **Council on Environmental Quality (CEQ)**. These institutions are funded by private foundations, and boast boards of directors which include representation from top industrial and financial institutions and the law firms which interlink them. Federal agencies such as the Environmental Protection Agency (EPA), and the Justice Department itself, are considerably lower on the ladder than these *private* institutions, and rely on a flow of lawyers from these institutions to staff top policy positions.

The case of the Environmental Law Institute is illustrative. It dates from the earliest days of the ecology movement and includes as sponsors, the **Andrew W. Mellon Foundation**, the **Richard King Mellon Foundation**, the **Charles Stewart Mott Foundation**, the **David and Lucile Packard Foundation**, and Washington area notables including **Mrs. Russell Arundel**. Staffed liberally with veterans of the Carter-era Justice Department, the ELI acts as the central training facility for bureaucrats and lawyers involved in environmental "enforcement," whether on the level of a municipal government, or the United Nations.

One such training program offered by ELI, is called "Private Attorneys General: Citizen Enforcement of Federal Environmental Law," and teaches the use of various environmental statutes which allow private special interests to shape public policy through court intervention. The False Claims Act of 1987 opens the door for the use of this technique, perfected by the environmentalists, in the area of defense policy.

The bridge between environmentalism and defense bashing is being built by the **Project on Military Procurement**, and the Los Angeles-based **Center for Law in the Public Interest** (CLPI or "clippy" as it is known in these circles)—a spinoff of the law firm of O'Melveny and Meyers, which firm holds a seat on the board of the ELI. A partner in this firm is Warren Christopher, who was Undersecretary of State in the Carter administration.

According to a legal specialist with CLPI, the False Claims Act "created the basis for the development of private attorneys general in the defense area . . . and the motivating factor is the monetary reward. It is the monetary reward which makes everything work." CLPI reports that it has overseen, encouraged, or otherwise assisted the filing of over 125 lawsuits since the law was passed. He points out that a fraud claim can be brought against a company by a former employee anytime within 10 years of the alleged occurrence, thus making targets of the 1981-83 defense budgets and the spending associated with them. Advocates of this scheme hasten to add that any government spending program can be hit in this manner, and many undoubtedly will be. CLPI claims that in at least one case it is assured of winning recovery in the range of \$100 million, and many suits allege fraud in the millions.

The cost of defending against such suits is enormous, and when added to the cost of sustaining near-continuous federal auditing of ongoing programs, will overwhelm all but the biggest conglomerates. Meanwhile, the Justice Department has received an \$8 million special appropriation, courtesy of Senator Grassley and friends, earmarked for hiring extra attorneys in the regional U.S. Attorneys' offices to prosecute False Claims Act cases.

Insiders in the environmental law circles point out that the targets of the CLPI suits are selected based on the work of Dina Rasor and the Project on Military Procurement. Spokesmen from that outfit are reporting that they intend to move on from the budget-related "fraud" stories (such as the mythical "\$600 toilet seat" and other hoaxes concocted for the media), and begin going after the management practices of defense contractors. The focus would be on charges of time-card fraud, cross-charging (billing one program for work done on another), and other practices—which usually result from management attempts to juggle program funds which stop and go at the whim of Congress—in order to force into the open material which is considered "proprietary" by the managers and auditors of specific defense programs. They

see this as the first step toward creating scandals around the sensitive and secret "black box" funding of high-technology research programs. Once such programs are the subject of media calumny, the "fraud" claims will come rolling in.

Glasnost: from Carter to Gorbachov

The demand to halt research in advanced weapons systems is a constant refrain from Russian propaganda outlets, and it is no surprise to find "Gremlins from the Kremlin" climbing the environmentalist ladders which have been thrown up against the defense ramparts.

The key role of former officials of the Carter administration in this process is illustrated by the curriculum vitae of Nicholas C. Yost, the founder of the now-defunct Washington office of CLPI, and a board member of the ELI. Coming from a long background in administrative and environmental law in the California state government before moving into the Carter administration, Yost served as General Counsel, Council on Environmental Quality, Executive Office of the President, from 1977 until 1981, and simultaneously served as U.S. co-chairman of the U.S.-U.S.S.R. Environmental Law and Administration Project. He was also the director of the President's Task Force on Global Resources and Environment in 1980.

The continuation of this extensive exchange with the Russians is conducted through the auspices of institutions such as the ELI, which in its annual report explains that it hosted the December 1986 visit of Dr. Oleg Kolbasov, head of the Department of Legal Problems of Environmental Protection at the Institute of State and Law at the Academy of Sciences of the U.S.S.R., and Mikhail Galiatin, research associate at the Institute of State and Law, "funded from the Institute's general support base." The report goes on to brag, "Their series of seminars on Soviet environmental law, the first such series offered in the United States, was well received." But, "This visit almost did not happen. The diplomatic clearance between the two governments came so late that the appropriate federal environmental agencies did not have any funds in their budgets to cover visit costs. It was at this point that ELI stepped in and took responsibility for their living expenses and provided an apartment as well as office space and research assistance. Private sector groups such as ELI can cut through red tape."

Other seminars sponsored by ELI sport such intriguing titles as: "The Changing Face of Soviet Environmental Law," "Environmental Law and Policy in the U.S.S.R. with an American Commentary," and "Soviet Environmental Law with a United Nations Response."

In the coming campaign to put the defense industry under the gun, Henry Hudson, the U.S. Attorney handling the "Pentagate" cases, and his minions will appear in their proper place, as simple stooges for our own Nomenklatura—that army of aristocrats and lawyers so anxious to "share power" with their Russian soul-mates.

Brent Scowcroft: architect of George Bush's 'Détente II'?

by Kathleen Klenetsky

The news media on both sides of the Atlantic have been featuring stories on how the Bush era signals "the return of the Establishment," or, more specifically, "the return of the Kissingerites," to positions of power in Washington. Typical is syndicated columnist Garry Will's recent comment that "looming behind the Bush cabinet is the . . . inescapable figure of Henry A. Kissinger."

This unfortunate truth is perhaps best underscored by George Bush's selection of retired Air Force Gen. Brent Scowcroft, a former adviser to President Jimmy Carter, as his national security adviser.

Scowcroft has long been identified with Kissinger, dating back to at least 1972, when Kissinger, then serving as Richard Nixon's national security adviser, chose Scowcroft, the president's military adviser, as his deputy, and subsequently saw to it that his protégé succeeded him as national security adviser in 1975.

Although Kissinger garnered the lion's share of the publicity for "Détente I," Scowcroft played a crucial behind-the-scenes role in nudging President Nixon down this disastrous road, whose chief milestones, the ABM and SALT I treaties, have guaranteed Soviet military superiority.

Since 1982, Scowcroft, who over the course of his military career, obtained advanced degrees in international relations from Columbia University, and taught Russian history for four years at West Point, has been earning a lucrative living as vice-chairman of Kissinger Associates, the international consulting firm established by the former Secretary of State.

The Kissinger-Scowcroft association is much more a meeting of the minds than a marriage of political or economic convenience. The two men think alike on almost every crucial issue, and, while Scowcroft frequently protests that he is not a Kissinger "clone," there is every reason to believe that he will represent Kissinger's policy orientation in the Bush administration's strategic councils.

Balance of power

This has extremely serious implications for the Bush administration. President Bush has already charged Scowcroft with the responsibility for carrying out a sweeping re-

view of current U.S. strategic policy, which the national security adviser has already indicated will be based on the assumption that a minimum of \$300 billion will have to be cut from the defense budget over the next five years, and whose consequences could include the death of the Strategic Defense Initiative and a partial U.S. troop withdrawal from Western Europe.

Despite his hawkish reputation, it is more than likely that Scowcroft, along with Secretary of State James Baker, and Baker's deputy, Kissinger Associates alumnus Lawrence Eagleburger, will convince Bush, as the Scowcroft-Kissinger combination convinced Nixon, that extending Reagan's suicidal "Détente II" is in the best interests of the country.

Scowcroft shares Kissinger's cynical, Metternichean worldview, which holds that maintaining the balance-of-power, rather than working for the triumph of a just international order based on the principles of natural law, should be the ultimate goal of governments. In terms of East-West relations, the faction that Kissinger and Scowcroft represent believes that the two superpowers should continue to strive for a global power-sharing arrangement, in which neither would hold the upper hand. In this view, the United States and NATO should scrupulously avoid anything that might upset this balance, in particular moving beyond deterrence as the cornerstone of its military policy, to one based on the deployment of a comprehensive defensive shield for the United States and its allies.

Aside from its craven immorality, this realpolitik is plain stupid: To assume that Moscow is perfectly content to *share* control of the world, flies in the face of all the evidence—historic, cultural, military—that Moscow has intensified its commitment to becoming the supreme ruler of a world-spanning empire.

That has not prevented Scowcroft from repeatedly making it clear that he wholeheartedly ascribes to this outlook. For example, an Atlantic Council Working Group on Strategic Stability and Arms Control, which he chaired, issued a report last year which maintained, "Theoretically speaking, each side would probably prefer a condition in which it was in a clearly dominant position. . . . Realistically, however . . . such advantage is not attainable." The report insisted

that, to ensure strategic stability, the United States, “while defending peace and freedom . . . must recognize that certain types of pressure on the Soviet Union could elicit Soviet reactions highly dangerous to peace, democratic values, and Western security,” among which would be a full-scale commitment to the SDI program as defined by President Reagan in his historic March 23, 1983 address.

Don't deploy SDI

Although Scowcroft, like Kissinger, has gone on record frequently in recent months warning that the West should not take Mikhail Gorbachov's *glasnost* and *perestroika* at face value, and must maintain its military alertness, like Kissinger, he has shown himself more than willing to promote military-strategic policies which can only undermine the West's ability to defend itself against a possible Soviet onslaught. Although he initially opposed the INF agreement, arguing that it would be destabilizing to withdraw all U.S. medium-range nuclear weapons from Western Europe, he ultimately testified in favor of Senate ratification. And while he opposes the Reykjavik formula of eliminating all nuclear weapons by the year 2000, he is totally committed to pursuing arms-control agreements with the Soviets.

The real measure of what's wrong with Scowcroft's policy orientation is his extremely unsympathetic attitude toward the SDI. Since Reagan first unveiled his defense initiative in 1983, Scowcroft has campaigned vigorously and publicly against it.

Scowcroft has characterized as “impossible” Reagan's vision of the SDI as a means to defend the populations of the United States and its allies, and has called early SDI deployment a “gamble” which the United States should avoid at all costs. Shortly before the U.S. presidential elections, Scowcroft, who was then serving on the Bush campaign's strategic policy advisory committee, told the *Washington Post* that Bush is “clearly aware” that the SDI cannot continue to take an increasingly large share of a tight defense budget. “There is just absolutely no doubt that SDI cannot continue along the lines that Ronald Reagan wanted it to. It's impossible.”

Scowcroft also supports the “narrow reading” of the 1972 ABM Treaty—as does Moscow—which has put killing restrictions on the progress of SDI. Testifying to the House Democratic Caucus on SDI in spring 1987, Scowcroft contended that “ten years' U.S. adherence to the ‘narrow’ or traditional interpretation of the ABM Treaty would not hamper very seriously what we need to do in SDI. . . .”

More recently, Scowcroft helped prepare a special report on “Presidential Leadership Choices,” issued this fall by the Center for Strategic and International Studies (CSIS) in Washington, D.C., which stated flatly that the SDI program should be conducted only within “the restrictive interpretation of the ABM Treaty,” and which asserted, “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 same CSIS report demanded more allied “burden-sharing,” and called on the new U.S. administration to undertake a “comprehensive reexamination of U.S. military doctrines, national security interests, and overseas commitments,” with a view toward withdrawing at least some U.S. troops from both Western Europe and South Korea.

Together with James Woolsey, Scowcroft wrote the defense and foreign policy chapter of the American Agenda report, which former Presidents Carter and Ford presented to President-elect Bush shortly after the elections. In that chapter, they contend that mammoth cuts in the defense budget are unavoidable, and, “The only ways to make substantial early savings in the defense budget are to cancel major programs and to reduce the size of the armed forces.” (Woolsey, a retired admiral who currently operates out of CSIS, has also served as a top policy adviser to Tennessee Democrat Sen. Albert Gore, who was Armand Hammer's choice for the Democratic presidential nomination.)

In this same report, Scowcroft strongly implied that the best way to deal with the issue of SDI is to turn it into a plan for the limited defense of elements of the U.S. deterrent—an idea akin to the ALPS (Accidental Launch Protection System) proposed by Sen. Sam Nunn (D-Ga.) in January 1987, an idea provided to Nunn by Kissinger.

On the issue of strategic modernization, Scowcroft has already made it clear that he strongly favors development of the mobile, single-warhead Midgetman missile, as opposed to the much more powerful, multiple-warhead MX. Indeed, in 1983, as chairman of the Presidential Commission on Strategic Forces, Scowcroft engineered the “compromise” with Congress on the MX, which supposedly saved the multiple-warhead missile, but which actually led to a drastic scaling back of the program.

Scowcroft is associated with a number of prominent thinktanks and policy-shaping institutions. Among the most important is the Washington-based CSIS, stomping ground to such influentials as Henry Kissinger and Zbigniew Brzezinski. Through CSIS, Scowcroft collaborates closely with a group of like-minded Democrats, led by Senate Armed Services Committee chairman Sam Nunn, and his House counterpart, Les Aspin (D-Wisc.). This longstanding alliance is almost certain to result in a devastating transformation of the SDI. As ALPS-author Nunn chucklingly responded during an interview on ABC-TV Jan. 22, when asked if Scowcroft agrees with his view on the SDI, “Brent Scowcroft and I think alike on a lot of things.”

In addition, Scowcroft is affiliated with the Atlantic Institute and the Aspen Institute. Together with Harvard professor Joseph Nye, who was Dukakis's chief foreign policy adviser during the campaign, Scowcroft chairs the Aspen Strategy Group, which has been a major source of propaganda for U.S. desertion of Europe (“decoupling”) and attacks against the SDI.

James Forrestal and racial integration

by Anton Chaitkin

The Schiller Institute's Martin Luther King Day march in Washington on Jan. 16 brought together civil rights activists, anti-Communist freedom fighters and farmers opposing the international grain cartel. To the Eastern Establishment, this growing freedom movement is "unfair" . . . "illogical" and . . . dangerous. It is dangerous to the false assumptions that were supposed to be fixed in the public mind, that those who oppose Russian imperialism are "racists," and those who want racial justice are "pro-communist."

But the American republican tradition, going back to the "conservative" Alexander Hamilton, who fought against slavery, cannot be understood within the cheap anti-human framework of Establishment logic.

We present here, as one example of this tradition, preliminary findings of a story still under investigation, that of U.S. Defense Secretary James V. Forrestal, the controversial anti-Communist who personally orchestrated the racial integration of the American armed forces in the 1940s. His aggressive leadership against prejudice and discrimination is unheralded 40 years after his death, perhaps because his life is embarrassing and inconvenient to the rigged game of Left versus Right.

Forrestal was born in 1892, the son of an Irish immigrant building contractor and postmaster of Matteawan, New York. He worked his way through Princeton University, then went to work as a bond salesman for what became Dillon, Read & Co. After a World War I stint in the Navy, Forrestal returned to Wall Street and drove himself up the Dillon, Read ladder, becoming president of the ultra-Establishment investment banking house by 1938.

Franklin D. Roosevelt appointed Forrestal undersecretary of the Navy in August 1940. Centralizing procurement and construction authority, and putting all naval bureaus on a seven-day-a-week basis, Forrestal mobilized every possible element of American industry for the building of a new fleet. Navy Secretary Frank Knox died on April 28, 1944, and Forrestal took the job early in May, having already organized the vast armada which would support the invasion of Europe in June. During the final year of the war, he worked to

coordinate the Navy's deployments in the Pacific with Gen. Douglas MacArthur. As Navy Secretary he was with the task force during the American invasion of the Marshall Islands.

Integrating the Navy

By late in the war, Black servicemen showed growing resentment against insulting segregation policies in the services, and Jim Crow policies blocking virtually all advancement for Blacks; anti-Negro rioting was breaking out in some naval units. Ten days after taking over the Navy, two weeks before D-Day, Secretary Forrestal sent a memo to President Roosevelt: "From a morale standpoint, the Negroes resent the fact that they are not assigned to general service billets at sea, and white personnel resent the fact that Negroes have been given less hazardous assignments." He proposed racial integration as the definitive answer to the problem. Forrestal immediately put through a plan for the racial integration of 25 auxiliary ships of the fleet.

On July 28, 1944, Forrestal recommended to President Roosevelt that Black women be trained in the WAVES organization on an integrated basis and assigned "wherever needed within the continental limits of the United States, preferably to stations where there are already Negro men." The recruitment of Blacks to the WAVES had hitherto been barred by Secretary Knox; FDR ordered the change. When Navy Capt. Mildred H. McAfee complained to Forrestal that separate Black companies were being maintained, he broke the stalling and integrated the WAVES.

Forrestal had to overcome time-encrusted politics. For example, Army brass blocked the publication of the Army's own poll: It showed that in some small units that had been integrated as an experiment, Whites had come to favor having Blacks in their companies. The Negro platoons were detached from these units at the war's end, and were disbanded or re-segregated.

James Forrestal named his friend Lester Granger, Executive Director of the National Urban League, as his special assistant on Black affairs. In this capacity during the last six months of the war, Granger traveled 50,000 miles and went to 67 naval bases around the world. With Granger's "authority," and with the unenthusiastic but loyal help of Adm. Ernest King, Forrestal pushed and propagandized against racial injustices within the Navy; this drive continued after the war.

Non-discriminatory assignments and training became Navy policy. Secretary Forrestal issued the following order to all Navy commands on Feb. 27, 1947: "Effective immediately, all restrictions governing the types of assignments for which Negro Naval personnel are eligible are hereby lifted. Henceforth, they shall be eligible for all types of assignments in all ratings in all activities and all ships of the Naval Service. . . . In the utilization of housing, messing, and other facilities, no special or unusual provisions will be made for the accommodation of Negroes." Putting this policy

fully into practice, however, would require more political power than was then available.

As Defense chief

Forrestal resisted postwar plans, formulated at the highest levels of the Anglo-American Establishment, for the consolidation of the traditionally separate armed services into a new Department of Defense. But though he and his military allies lost this fight, James Forrestal was appointed by President Harry Truman as the first Secretary of Defense in 1947. The new arrangement weakened the nationalist element in the services, without giving any important constructive power to the new Defense chief.

American Blacks more confidently sought racial justice in the postwar era. A. Philip Randolph and others threatened a boycott of the proposed military draft law, if the services were to retain segregation.

The Army was the major roadblock to racial integration, with Army Secretary Kenneth C. Royall taking a hard-line segregationist stand against Forrestal's initiatives; two decades later Royall would be a key backer of the Lyndon Johnson-Hubert Humphrey ticket.

In the middle of the tumult, on April 26, 1948, fifteen Black leaders met in the Pentagon at the Defense Secretary's invitation, and were given representatives of all the armed services to confront and question. The Blacks held a press conference, and then Forrestal published their report, in which they declined to serve as advisers to the military as long as segregation was in force. There now existed a politically explosive stalemate for the upcoming 1948 elections. With the Communist-line Henry Wallace third party campaign, with Republican Thomas Dewey out-liberaling Truman, the President issued a vaguely worded military anti-discrimination Executive Order No. 9981. The seven-member President's Committee on Equality of Treatment and Opportunity in the Armed Services, put together with Forrestal's advice and including Lester Granger, first met in January 1949.

Truman had admitted to Forrestal that "he had not himself wanted to go as far as the Democratic platform went on the civil rights issue." But racial integration of the military was now pushed through, beginning under the new Defense Secretary. It was the first great breakthrough toward racial justice in 20th century America, and was an important first step in the public crusade which was to reach its climax with Dr. Martin Luther King.

Harry Truman, inaugurated President in 1949, promptly fired Forrestal; "terminated" would be more precise. The Defense Secretary had passionately opposed the pro-Soviet lurch in American policy at the end of World War II. He had tried to stop the State Department faction's betrayal of the Chinese Nationalists to the Communists. Forrestal had organized military backup to Greece and Turkey when they were threatened with Communist takeovers, and when Truman came out in support of the Secretary's efforts, it had

become known as the "Truman Doctrine."

One country after another was slipping under the Iron Curtain. The 1948 Russian takeover of Czechoslovakia typically involved the "suicide" of their opponent, Jan Masaryk, and later the trials and executions of all opponents.

In the Italian elections of 1948, Forrestal determined to go around the back of the State Department, which had arranged tacit U.S. support to a Communist victory. Secretary Forrestal personally collected an unauthorized million-dollar electoral support fund for the Christian Democrats, not matching but somewhat countering the Comintern's multimillion-dollar efforts. He secretly sent his priest, Msgr. Maurice S. Sheahy, to work on the campaign in connection with the Vatican. One of the leading organizers of squads to protect voters against Communist goons was a Father Bichierai, who had fought in the underground against Mussolini.

Forrestal, on the eve of the elections, directed that ships from the fleet bound for Greece and Turkey should stop "for refueling" in Naples, where he ordered U.S. sailors to drive tanks in parades behind Italian troops. Voters got the false impression, momentarily useful, that the U.S.A. was supplying military aid to the Italian government, to help prevent a Communist coup in case the Christian Democrats should win the election. In fact, a huge voter turnout assured a Communist defeat.

Suspicious death

The pro-Russian faction sought and won Truman's firing of James Forrestal in March 1949. He was rushed out of his office on March 28. Flying to Florida, he was unable to take with him his voluminous personal diaries, which contained scathing attacks on the administration's policies. The diaries were confiscated by the President, and made available to Forrestal's opponents.

An Army psychiatrist was immediately dispatched to Florida, and Forrestal was flown back to Washington and placed in Walter Reed Army Hospital. The "patient" was diagnosed as suffering from mental exhaustion and was given insulin shock treatments. Forrestal demanded the right to see his priest, Sheahy, but he was denied all visitors except his somewhat estranged wife and children. The presence of his family may not have been very consoling: His son Michael V. Forrestal, had been an assistant naval attaché in Moscow in 1946-47, and an aide to Forrestal's arch-enemy, W. Averell Harriman. From 1978 through 1980, Michael Forrestal would serve as president of the U.S.-U.S.S.R. Trade and Economic Council.

On May 22, 1949, James Forrestal's body was found, his bathrobe cord tied tightly around his neck, after he had been flung out a 16th story window of the hospital. The chief psychiatrist called the death a suicide before any investigation was started. The results of the Army's inquest were kept secret. Forrestal's diaries were "published," 80% deleted, after a year of direct government censorship and rewriting.

'LaRouche entitled to protection,' says Specter

On Jan. 26, Sen. Arlen Specter was visited in his office by a delegation from the National Democratic Policy Committee, led by former Democratic candidate for Congress in the 5th Congressional District of Pennsylvania, Donald Hadley.

Present with the delegation as a civil rights observer was Mr. O.G. Christian, the former president of the West Philadelphia branch of the NAACP. The Senator's scheduling staff insisted that no personal meeting with the Senator was possible for months in the future. The delegation sat down and began singing, "We Shall Not Be Moved."

After about three minutes, as the delegation was drawing up protest signs and preparing for a long sit-in, Senator Specter appeared in person to greet the visitors, looking as if he had been impatiently waiting to see them all the time. Mr. Christian advised the senator of the threat to Mr. LaRouche's life should he be jailed at his sentencing on Friday, Jan. 27—which he was—and asked him to use his position to prevent any foul play.

Specter was then presented with material related to the LaRouche case, including letters between Henry Kissinger and then-FBI Director William Webster in 1983-84, showing that Kissinger and members of the President's Foreign Intelligence Advisory Board demanded action against LaRouche "under the guidelines or otherwise."

"Lyndon LaRouche is entitled to protection," said Specter, "if there's a threat against his life if he is placed in prison." On the question of an investigation of the years-long political persecution against Mr. LaRouche by

government agencies, the senator assured the delegation that his staff will review the documents and report to him within two weeks concerning the request for investigation by the Judiciary Committee.

Gonzalez: 'Money markets a loose cannon'

In comments made to a Democratic Women in Housing and Finance luncheon, Sen. Henry Gonzalez (D-Tex.) warned of a potential blowout of the money markets, characterizing them as a "loose cannon." "I am concerned," said Gonzalez, "with preserving the viability of the financial system. . . The potential is, in my mind, very great."

He described the spate of leveraged buy-outs (LBOs) as a major problem. "The continuation of feverish trading of equity for debt I consider very insidious."

Gonzalez also dealt with the problem of the S&Ls, which had been a prime subject of Banking Committee hearings during the course of the present congressional session.

The major problem, explained the congressman, was the fact that the chartering function and the insuring function were both in the hands of the same institution, the Federal Home Loan Bank Board. Congress must infuse the FSLIC with the resources to "close down and pay out" the failed S&Ls.

At the present moment, the congressman complained, the S&Ls are still allowed to go out and offer sky-high rates to finance their activity.

Gonzalez also pointed to the danger of the tremendous dependence of the U.S. economy on the influx of for-

ign capital. "We are so indebted that if instability sets in, there is a real danger of a 'free fall' of the dollar. . . . The dollar has been supplanted as a reserve currency."

If foreign investors want to do something about the dollar, "not even the Federal Reserve could do anything," stressed Gonzalez.

Energy committee hears EIR testimony

EIR's Washington correspondent, Nicholas F. Benton, testified before the Senate Energy and Natural Resources Committee in hearings on the nomination of Rep. Manuel Lujan to be Secretary of the Interior.

Benton reviewed the crying need to start the North American Water and Power Alliance (NAWAPA) water projects now, when the nation is being threatened with another drought year.

The NAWAPA project would bring water down from Canada to the Western Plains regions, presently suffering for several years of lack of precipitation. Benton stressed that Lujan should be armed with a mandate to "aggressively pursue this plan."

At the hearings were Sen. J. Bennett Johnston (D-La.), Sen. James McClure (R-Id.), and Sen. Pete Domenici (R-N.M.).

Others confirmed, but Tower's still pending

Democrats joined with Republicans in a continued show of bipartisanship with President Bush in unanimously confirming James Baker III as Secretary of State, Richard Darman as di-

rector of the Office of Management and Budget (OMB), and Elizabeth Hanford Dole as Secretary of Labor.

The lack of opposition to the nominees seemed to indicate that both parties wanted to avoid conflicts for as long as possible.

Senate Majority Leader George Mitchell (D-Me.) promised to "do my utmost to foster pure bipartisanship," and he called on Bush to make Congress a "full partner in policy formulation." But the nomination of John Tower as Secretary of Defense will not pass without opposition.

Tower was very amiable when questioned by the Congress on Jan. 25. The former Texas senator basically told the Senate Armed Services Committee what they wanted to hear on subjects ranging from cooperation with Congress to reform of Pentagon operations and weapons-buying procedures. Committee members implied that Tower would be confirmed despite some members' misgivings over his earlier support for big defense spending increases.

Tower was clearly on the defensive, stating that he was "not such a mindless hawk" that he would seek large increases that Congress was sure to oppose. Tower also pledged support for implementation of Pentagon management and procurement reforms, about which there has been so much agitation lately.

Tower also vowed to bring better management to the Pentagon, saying that the Pentagon can no longer remain "at war with itself." He also promised to curtail pet projects of lawmakers and the military services that cannot be justified in terms of overall strategy.

With regard to the Soviets, Tower said, "We must not luxuriate in wishful thinking" about Soviet intentions.

He said that he does not consider the Cold War over. "There is a thawing of the relationship, but the fact is the threat still exists. You risk your own safety if you fail to gauge Soviet intentions by Soviet capabilities. We should do nothing unilaterally."

How many Satanists in the Congress?

On Thursday, Jan. 26, the *Washington Times* published a rather interesting item concerning some of the congressional representatives who were into "psychic" phenomena.

One of the prime believers in the power of the "psyche" is Rhode Island patrician Claiborne Pell (D-R.I.). Pell has urged the National Science Foundation, the Defense Department, and other government agencies to increase "psychic research" funding. He has a full-time staff member, C.B. Scott Jones, whose exclusive job is to monitor reports of psychic activities.

House Speaker Jim Wright (D-Tex.) attends lectures by Washington psychic Anne Gehman. According to the *Washington Times*, Mrs. Gehman says she has discussed psychic phenomena with Mr. Wright and his wife, Betty, and has a friendly relationship with them.

Mrs. Gehman, a board member of the National Spiritualist Association of Churches, says she has many people from Capitol Hill among her clients and claims that she can communicate with "those who have gone through the process of death."

North Carolina Democrat Charlie Rose is the founder of the Congressional Clearing House on the Future, which has met with psychics. Rose

has urged the CIA to initiate a "psychic Manhattan Project" to develop its abilities to monitor Soviet military projects.

Humphrey mobilizes foes of pay raise

Those in the Congress who want to bloc the much-touted pay raise for lawmakers and others have been on the warpath lately, in a move which has a lot of grassroots support back home, where the congressional pay raise has been met with shock and anger.

Opponents in the House admit, however, that they don't have the votes to force a roll call before the statutory deadline for blocking the raise on Feb. 7.

Senate Majority Leader George Mitchell has promised that there will be a Senate vote. Sen. Howell Heflin (D-Ala.) said that accepting a huge raise at a time of deficits "sends a message of callousness to the American people."

Sen. John McCain (R-Ariz.) called the House "the House of Lords" for its willingness to let the raise become law. Sen. Jesse Helms (R-N.C.) in a telephone conversation Jan. 23 with Vice President Dan Quayle asked him to urge President Bush to "withdraw this monstrosity."

Republican Senators Larry Pressler (R-S.D.) and Charles Grassley (R-Iowa), along with 21 other senators, co-sponsored a bill which would roll back all pay raises for all three branches of government.

The Grassley-Pressler bill would mandate that all future raises require a roll call vote.

National News

AIDS transmission routes increase

The number of identified ways that the AIDS virus can be transmitted is rapidly increasing. According to letters by medical experts published in the *New England Journal of Medicine*, acupuncture and oral sex have now been identified as routes of AIDS transmission.

A letter in the *Journal* published during the week of Jan. 24 from doctors at two hospitals in France, documents the case of a 17-year-old boy who tested positive to the HIV virus after undergoing acupuncture for tendonitis.

The doctors write, "The patient had never had sexual intercourse. He did not have hemophilia and had never had a transfusion. He was not an intravenous drug user, had no tattoo and had not been in jail."

Another report by two Boston area physicians, which will appear in an upcoming issue of the *Journal*, says that a 60-year-old man who is diabetic and impotent contracted AIDS from a prostitute via oral sex. Doctors at the Lahey Clinic did not approach the prostitute because of Massachusetts state laws protecting confidentiality.

The article concludes with a revised warning on practicing "safer sex." It "cautions against exchange of bodily fluids during other sexual practices, such as oral sex."

A 17% increase in AIDS in New York City during 1988 has now made it the third leading cause of death overall, and the leading cause of death in men ages 30 to 44, and women ages 25 to 39. Health Commissioner Stephen Joseph reported on Jan. 24, "To date, almost 19,000 people have been diagnosed with AIDS in New York City."

'Openness' vanishes in new Congress

The opportunity for constituents to provide testimony or public comment to the new Senate has been dramatically curtailed, if

the Senate confirmation hearings on the Bush administration nominees are any indication.

Democrats who controlled the Senate during the Carter administration, and Republicans who controlled the Senate during the Reagan administration, generally provided ample opportunity for attacks on, or backing for, a cabinet nominee to be openly aired. Constituents were generally welcomed before committee confirmation hearings to comment on needed policy changes, or simply to suggest questions for the nominees.

Whether, because of the establishment nature of the Bush administration, or the nature of the Democrats who now control the Senate, or both, the current round of confirmation hearings has ended such openness.

Only the Senate Energy and Natural Resources Committee chaired by Sen. Bennett Johnston (D-La.), which considers the Secretaries of Energy and Interior, has welcomed all testimony. The Committee on Veterans Affairs chaired by Sen. Alan Cranston (D-Calif.) has invited some, but not all, who requested the opportunity.

The Senate Foreign Relations, Banking, Labor and Human Resources, Governmental Affairs, Agriculture, and Environment and Public Works Committees did invite written statements to be submitted for the record.

But the Senate Finance Committee chaired by Sen. Lloyd Bensten (D-Tex.), the Senate Armed Services Committee chaired by Sen. Sam Nunn (D-Ga.), and the Senate Commerce, Science and Transportation Committee chaired by Sen. Ernest Hollings (D-S.C.), have apparently not even responded to requests to give testimony.

Thornburgh's war on drugs: cut consumption

Evidence continues to mount that the Bush administration is shifting the focus of the War on Drugs away from law enforcement to other means of cutting domestic consumption of drugs.

U.S. Attorney General Richard Thorn-

burgh confirmed this shift, stating, "To lose the war on drugs, leave it to law enforcement," on the TV news show "Meet the Press" on Jan. 22.

Thornburgh said to cut demand would require "education, rehabilitation, and treatment," and a "change in values" within the population. He said that he expects the new drug czar, William Bennett, to concentrate on the reduction of demand.

The libertarian Cato Institute added its voice for drug legalization in its recently released recommendations to the Bush administration in a report titled, "An American Vision: Policies for the '90s." It calls for "allowing the sale of drugs such as cocaine, heroin, and marijuana" in the same "fashion as sale of alcoholic beverages," because it is the "public disorder and criminality that make the drug-related problem worse rather than better."

According to Cato founder Edward H. Crane, some of the prominent people associated with the institute include Federal Express chairman Frederick Smith, former Delaware Gov. Pierre du Pont, Nobel economist Friedrich von Hayek, and Georgetown University Prof. Earl C. Ravenal.

Texas Democrats move to oust Jones

Texas state Democratic Party officials are moving to oust Claude Jones as chairman of the Harris County (Houston) Democratic Party alleging that he failed to support the party nominee, Michael Dukakis, in the presidential election. The move is the culmination of efforts by the party elite to ignore the voter mandate and to strip Jones, a "LaRouche Democrat," of all powers, and seeks to oust him before the 1990 primary gets under way.

Even though Jones has so far only been informed of the allegations and is still chairman, state party chairman Bob Slagle is already holding meetings on the effect the battle over who will replace Jones will have on the next gubernatorial race. Slagle and state party executive director Ed Martin came to Houston to hold an "informal" meeting with

about 70 top local Democrats in an attempt to avoid a split which could not be repaired before the 1990 race for governor, according to Jan. 24 press reports.

Jones on Jan. 19 denounced those "extremist, liberal elitists who have been more concerned with personal power and personal gain than with the true interests of the party . . . [who] have become completely estranged from their own electorate." Their response to his electoral victory "should have been to accept defeat, profit in knowledge gained from the loss, and go at it again in the next election." Instead of attempting to defeat him at the polls, these elites are resorting "to an overt attempt to unseat" him.

WSJ attacks Justice Dept. lawlessness

The *Wall Street Journal* leveled an attack on the Department of Justice and U.S. Attorneys for setting themselves up as a power above the law of the land, including the President, in a scathing lead editorial entitled "The Kinder, Gentler Hog Butcher," on Jan. 26. The FBI raids on the Chicago commodity trading pits under the direction of U.S. Attorney Anton Valukas, and the Department of Justice's use of the RICO (Racketeer Influenced and Corrupt Organizations) law in that probe, provoked the *Journal's* attack.

The use of RICO must be approved in Washington "according to a set of detailed guidelines," the *Journal* notes, which "prohibit the use of RICO to coerce a plea bargain" or "to seek testimony against others. Yet, clearly this has become the standard of this law." The *Journal* demands that Attorney General Richard Thornburgh take responsibility for Valukas's actions.

"Since when does the public put up money so FBI agents can play at speculation?" the *Journal* asks. "Since when does a prosecutor turn the disciplinary proceedings of an exchange into criminal charges? Since when does a U.S. prosecutor's office strike a secret alliance with a politically connected private market competitor like Archer Daniels Midland?"

The tactics, plus the fact that many of the 93 U.S. Attorneys did not tender their resignations, as other appointees do with a new administration, led the *Journal* to conclude "that someone had a larger purpose in mind." "The most striking thing about the Valukas extravaganza, indeed, is its timing: literally on the eve of a presidential inauguration. It seems designed . . . to erode the administration's control over law enforcement procedures.

"The Constitution wisely provides that the duty to execute the laws faithfully rests with the President, not with some bank of attorneys beyond the reach of the electorate. At the moment, it looks to us as if no one's in charge, indeed, that a new President's authority is under attack."

Pentagon probes electronic warfare

The Pentagon has acknowledged for the first time that it has conducted investigations into the possibility that electronic warfare has been responsible for the downing of military planes. According to the Jan. 22 *Washington Post*, the Pentagon is conducting a probe into the crash of an F-111 jet during the 1986 strike on Libya, and believes that electronic interference was likely to have been responsible. So far, Pentagon officials are pointing publicly at their own systems, saying that the interference may have come from radio waves transmitted at high frequencies from U.S. ships in the area.

Some radio waves common above the battlefield "will actually affect the electrons within the aircraft's flight controls as well as its fuel controls," said Air Force Col. Charles Quisenberry, who is leading the probe. In the past, he said, the Pentagon too often ignored its safeguards designed to protect weapons from electromagnetic interference.

EIR has continually pointed to the emerging danger of a new generation of radio frequency or electromagnetic pulse weapons, and demanded an investigation of Soviet culpability in the extraordinarily high number of military plane crashes.

Briefly

● **ARMAND HAMMER** told *EIR* on Jan. 18 that "President Gorbachov has already announced a reduction of 500,000 conventional troops. There will be no further linkage" to the START talks seeking 50% cuts in strategic weapons. On the Strategic Defense Initiative, Hammer noted that President Reagan offered to give them the technology once developed, "but I don't think the Soviets will wait that long."

● **THE NEW YORK Times** admitted that the "greenhouse effect" is a fraud on Jan. 18. "While some [scientists] point to the vast uncertainties as reason to delay action in confronting the greenhouse effect, many experts argue that the possibility of accelerated damage warrants strong measures now to reduce the human impact on global systems that remain beyond scientists' understanding."

● **THE TAXPAYER Bill of Rights** became law on Jan. 1, which demands that an administrative procedure within IRS be pursued, and the taxpayer informed of all his rights, before the IRS pursues civil or criminal penalties. According to a senior Senate aide, this may be one reason that the tax charges in the trial of Lyndon LaRouche and others were rushed to trial before the Jan. 1 deadline.

● **RONALD REAGAN** had "excellent political sense" which enabled him "to hear voices in the country, and from them to filter out that which promised success, and to proceed on that basis. . . . Reagan was much more realistic than one could have judged from his speeches," the Soviet newspaper *Pravda* gushed in a Jan. 20 commentary.

● **THE SOVIETS** are responsible for the buildup of biological and bacteriological warfare capabilities in the Near East and Asia, according to a National Security Council briefing reported in the Jan. 19 *Washington Times*. U.S. intelligence has identified two definite and five probable sites where the Soviets are producing such material in violation of treaties.

Editorial

No compromise with evil

A certain ugly rumor has been floating around, that a lot of people who should know better, plan to give credibility to the existence of a greenhouse effect for the ulterior reason that this will create a favorable climate in which to push for nuclear energy.

Such short-sighted thinking afflicted some members of the fusion community a few years back. They reasoned that the anti-nuclear movement might rebound to their favor, by making the urgency of reaching a fusion-power breakthrough more obvious. This, they hoped, would lead to higher levels of funding.

In reality, the opposite proved to be the case. The anti-science climate created by the environmentalists rebounded against the fusion effort as well. Now the leading Princeton (TFTR) Tokamak program has been cut back, in order supposedly to spread the limited funds among smaller fusion experiments which raise important scientific questions.

The rationale given for the decision is that the billion-dollar cost for the next stage of a scaled-up TFTR, is a lot of money to spend, when we do not yet have an adequate scientific understanding of how a fusion plasma works. Years ago, this magazine violently objected to cuts in funding of the smaller programs, for the very reason that they were exploring the right questions about the essential non-linearity of fusion reactions.

We pointed out that the Princeton program was depending upon a brute force approach to gaining fusion. It was a Zeppelin, when the future would clearly be a jet age; however, we just as strongly oppose holding back the TFTR just when it holds promise of a major breakthrough in fusion. So now we are sorry that some worthy scientists, who have been starved of funds to pursue highly valuable fusion research, are seeing the diversion of limited funds away from Princeton and into their research, as a step forward.

Those who think that supporting the campaign to stop the greenhouse effect is a clever maneuver are wearing a similar set of blinders. They are proposing to support the evil ideology of radical environmentalists,

against rational scientific method, in the vain hope of limited gains.

Again, the truth is opposite. If those pushing for legislation to severely limit the use of fossil fuels—and also restrict agricultural production—are successful, we will face such a severe economic collapse, that the issue of nuclear energy will be moot.

There is an even more serious reason why these environmentalists must be stopped. The kind of lie they spread to foster their claims, whether it be the risks of radiation, or the warming of the Earth's atmosphere, is also intended to transform the culture.

Environmentalism is a pagan cult—Satanical in its vehement attack upon the existence of man as a species in favor of the claims of their false god, Mother Nature. It is by no means coincidental that major supporters of the environmentalist movement are also members of such overtly Satanic organizations as the Lucis (formerly Lucifer) Trust.

The London *Economist* recently editorialized that it might be a good thing for the biosphere, if mankind were exterminated as a species; and Britain's Prince Philip has said that were he to be reincarnated, he would hope to be a killer virus rather than a man.

These statements are provocative, but they are nonetheless remarkably honest about the motives which govern these Satanists, when they propose policies which would have as their effect the deaths of billions now living and yet more unborn. By counterposing industrial society, not to speak of the development of new technologies such as fusion power (or the adequate exploitation of nuclear energy) to a "living" biosphere, they are advocating a far more elaborate policy of genocide than did even Adolf Hitler.

If you disagree with the premises of these genocidalists, then don't compromise with their evil. No tactical gain for the moment can be worth the price of allowing them to achieve any more credibility with a citizenry already too prone to substitute irrational fantasy for a dispassionate recognition of necessity.

LaROUCHE

YOU MAY LOVE HIM

YOU MAY HATE HIM

BUT

YOU'D BETTER

KNOW WHAT

HE HAS TO SAY



The Power of Reason: 1988

an autobiography by Lyndon H. LaRouche, Jr.



The Power of Reason: 1988

An Autobiography by Lyndon H. LaRouche, Jr.

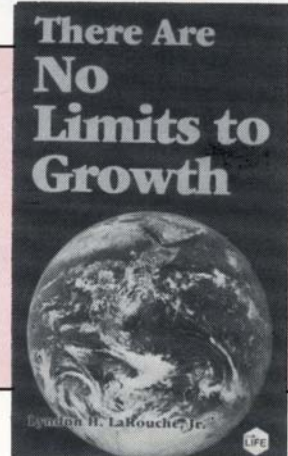
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