

# EIR

Executive Intelligence Review

February 24, 1989 • Vol. 16 No. 9

\$10.00

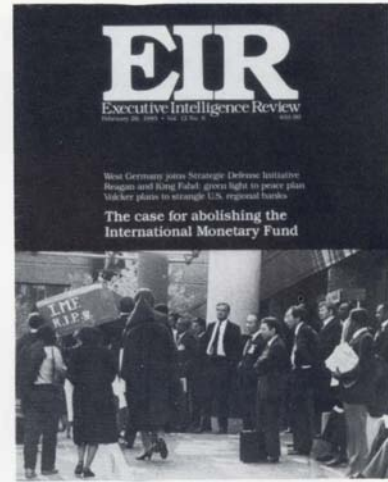
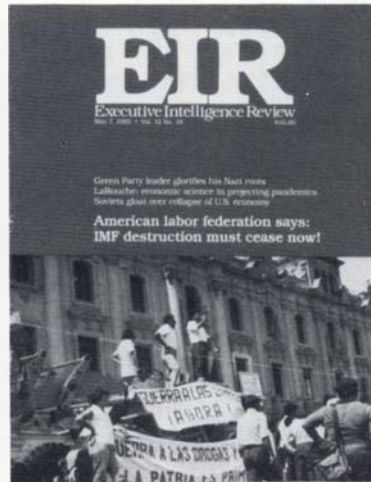
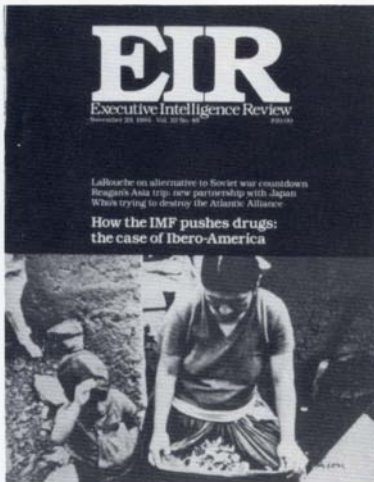
The truth about  
'Kissinger Associates'

Renata Tebaldi to run for European Parliament  
New Zealand heads from free enterprise to fascism  
Argentina scandalized by government-terror ties

**Will your child go  
hungry this year?**



# IMF Commits Crimes Worse Than Hitler's



What is the International Monetary Fund really? Who controls this supranational institution, whose power is greater than that of sovereign governments, and which imposes economic conditions on member states that lead to genocide worse than that for which Nazi war criminals were hanged at Nuremberg?

*Executive Intelligence Review (EIR)*, the weekly journal founded by U.S. economist and political figure Lyndon H. LaRouche, documents the murderous plans of this bankers' cartel, in the perpetrators' own words.

- **The IMF pushes drugs.** The Fund forces developing-sector countries to grow the most profitable cash crop of all: dope. In the words of an IMF specialist on Colombia: "From an economic viewpoint, marijuana is just a crop, like any other. It brings in foreign exchange, and provides income for the peasants."
- **The IMF demands "population control" as the prerequisite for credit.** As World Bank chief Robert McNamara put it, "devaluation is a population control policy." This is a *conscious* policy, aimed to reduce the non-white races.
- **The IMF promotes communist insurgency.** Said Fidel Castro, "The International Monetary Fund alone still inspires confidence in me. It is the IMF that will realize all my plans."

*EIR* provides the vital political and economic intelligence for patriots of all nations who seek to destroy the power of the IMF and kindred institutions. Under Mr. LaRouche's direction, it presents detailed recommendations on how to launch a global economic recovery, through Great Projects for high-technology-vectored development. It is the lifeline of a growing international political movement. You too can join!

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**EIR Nachrichtenagentur GmbH**, Postfach 2308, Dotzheimerstrasse 164, 62 Wiesbaden, Federal Republic of Germany

**For subscription rates, see inside back cover.**

Founder and Contributing Editor:

Lyndon H. LaRouche, Jr.

Editor: Nora Hamerman

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*EIR/Executive Intelligence Review (ISSN 0273-6314) is published weekly (50 issues) except for the second week of July and last week of December by New Solidarity International Press Service P.O. Box 65178, Washington, DC 20035 (202) 457-8840*

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

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

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

**Japan subscription sales:** O.T.O. Research Corporation, Takeuchi Bldg., 1-34-12 Takatanobaba, Shinjuku-Ku, Tokyo 160. Tel: (03) 208-7821.

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**Postmaster:** Send all address changes to EIR, P.O. Box 17390, Washington, D.C. 20041-0390.

# EIR

## From the Editor

Joyce Rubinstein Fredman, known to *EIR* readers as a writer of many clear and thoughtful articles on the state of the real economy, has just been subjected to the treatment Henry Kissinger's friends have in store for all associates of Lyndon LaRouche and for LaRouche himself. Joyce is one of six LaRouche associates unjustly convicted of fraud and conspiracy in the recent Alexandria court case, which the West German constitutional law expert von der Heydte cogently compares to the notorious "Dreyfus Affair" of 1894-1904 in France (see page 58).

During her transfer from the minimum-security Alexandria detention center to a minimum-security institution in another state, Joyce was subjected to a degrading and life-threatening ordeal. During the 36 hours of the "transfer," while out of contact with family and legal counsel, she was forced to walk through blood, vomit, urine, and to walk clad only in a towel before male prisoners who exhibited themselves to her (and prison guards laughed); and kept overnight with hardened women criminals who stole her dinner and beat her during the night. This was a *maximum security* institution in Washington, D.C., currently the *murder capital* as well as the political capital of the nation.

We do not accept that *any* prisoner should be subjected to such treatment, but we also know that Joyce was singled out for humiliation as an associate of LaRouche, and that if LaRouche were put through such a "transfer," he would undoubtedly be killed.

In the *National* report this week, we resume our "Kissinger Watch," because the name of the secret agenda of the Bush administration is Henry Kissinger; and we develop the compelling reasons why LaRouche and his co-defendants must be freed on bond pending appeal, as a growing number of U.S. civil libertarians—not our political allies—also believe. The Martin Luther King Tribunal convenes this weekend, Feb. 25-26, in the Washington area to bring that point home.

As von der Heydte stresses, LaRouche's only real "crime" was the fact that he is an independent political force. Therefore, the injustice in the "LaRouche Affair" will only be reversed through the exponential growth of his policies. An example of how his enemies are already paying for jailing LaRouche by multiplying his influence, is visible in Venezuela (see page 44).

Nora Hamerman

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**Correction:** It has just come to our attention that the folios in our Jan. 13, 1989 issue were all erroneously dated Jan. 6, 1989—the date of the previous issue. We regret the inconvenience to readers of this production error.

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## The second-quarter crisis is on its way

by Chris White

News released in the week of Feb. 13-17 that, for the first time since 1980, U.S. oil imports exceeded domestic production, underlines again that the economy and financial system seem to be heading rapidly toward a new crisis turning point, perhaps to emerge sometime during the second quarter of the year.

The drive toward the point of eruption of that crisis is defined by the combination of internal U.S. and foreign political developments, with the ongoing economic and financial slide into the worst depression of the century. The collapse of domestic oil production, to the lowest levels in the last 25 years, impinges directly on both the financial and economic sides of this.

Much hoopla was made on Feb. 17 about the continuing reduction in the U.S. trade deficit. The December figure, at a seasonally adjusted \$11.89 billion, permitted officials to crow about the almost 20% reduction in the deficit achieved over the year. For 1988 as a whole, U.S. imports exceeded exports by \$137.34 billion, well down from the record 1987 level of \$170.32 billion. The January oil import figures serve notice that this apparent improvement will not last. By the time the January trade deficit figures are released to the public, in one month's time, it will start to become clear that the more pessimistic financial pundits, who anticipate no continued further improvement in the deficit, are also off the mark; in fact, the deficit will get worse.

The increase in oil imports also coincides with an increase in the price of oil, from below \$15 per barrel to over \$18 per barrel. Since oil and oil products comprise some 30% of the trade deficit, the combined increase in volume of imports, and the price of those imports, already insure, no matter what the statistical masseurs in the Commerce Department later come up with, as the result of "seasonal adjustments," that the January trade deficit will be moving back up to the \$14 billion level, and higher. Within two months of the Bush

administration's taking office, the United States will be telling its foreign creditors that it will again be requiring more than \$150 billion of capital inflows for the year.

This message will not sit too well with the creditors, organized around the coordinating center of the Basel, Switzerland-based Bank for International Settlements (BIS). They have insisted, for more than a year now, that never again will they do for the United States what they did in 1987, when they coughed up about \$180 billion, if not more, to keep things afloat.

Coming on top of the announced assumptions and outline of the Bush budget, the foreseeable effects on U.S. financing requirements, of another uptick in the U.S. trade deficit, may well prove to be just too much. The Bush budget has been denounced as a fraud by such organs of world financial power as London's *Financial Times*, and the leading press of Switzerland. In some cases this has extended to denunciation of the fraudulent Gramm-Rudman-Hollings deficit reduction enforcement process, which, with fangs pulled, is increasingly viewed as a joke.

What has provoked the outrage about the budget is the ridiculous assumption that the budget deficit, estimated by some at more than \$170 billion, and in reality more than \$250 billion, will be reduced from about \$155 billion to \$90 billion, by the combination of selected freezes on expenditure, at fiscal 1988 levels, and an anticipated \$88 billion increase in federal revenues. The revenue increase is predicated on a less than 4% rate of inflation, and on a less than 7% base for the calculation of the effects on debt service of rates of interest.

To the creditors, expected to finance the foreign-held part of the United States' obligations, the budget message was read as a curt demand for two more years of the shenanigans associated with the Reagan crowd, since the now presented budget is in effect from Oct. 1 of this year to Sept. 30, 1990.

The budget tells creditors they will have to wait for their day of reckoning until 1991 at the earliest, and perhaps 1992. Hence the cries of "fraud!" from the centers of financial power.

### **Response from the BIS bankers**

The denunciations were accompanied by downward pressure on the dollar, corrected immediately by increases in interest rates within the United States. The interest rate increases further undermined the credibility of the Bush budget presentation. But over the weekend following the presentation, the BIS met in its regular monthly get-together and apparently decided on a reciprocal tight money policy, intended to limit the U.S. ability to maintain an exchange value for the dollar by sustaining an elevated differential between American and European interest rates. This will be implemented through the Group of 10 central banks, chaired by Bundesbank chief Karl-Otto Poehl. Like Federal Reserve chairman Alan Greenspan, Poehl announced that from here on in, the fight against inflation is the main priority.

With this, the world was put on notice that there will be a centrally directed tightening of credit within Europe, coordinated through the BIS, designed to reduce, if not eliminate, the differential. The announcement puts the United States on notice that the BIS crowd have decided to stem the inflow of foreign funds into the United States. The magnitude of that decision was reflected in major American newspapers Feb. 17, in terse reports with headlines like the one in the *New York Times*, "Bundesbank Does Not Raise Interest Rates."

### **Brazil can't pay**

Brazil's President José Sarney then added a further element of inevitability to the perspective of the crisis looming in the second quarter. He announced on Feb. 16 that Brazil does not have the available funds to meet its debt service payments coming due in the month of March. More than a month ago, with the announcement of his anti-inflationary "Summer Plan," Sarney had reserved the right to suspend debt service, should foreign exchange reserves reach "critical" levels. And now he has. Sarney complained bitterly that Brazil had regularized its situation with its international creditors, with its December catch-up of past due interest payments, but to no avail: Funds are still not forthcoming. He pointed out that during the four years of his presidency to date, Brazil has shelled out \$55 billion in interest payments, without reducing the principal outstanding by one iota.

Sarney has arranged to meet with Bush in Tokyo at the end of February, to discuss whether or not some solution cannot be developed. However, Sarney is also part of the coalition of Socialist International-associated Ibero-American heads of state who have rallied around the so-called debt initiative now associated with the name of Venezuela's Carlos Andrés Pérez. This is the same central bankers' blueprint

for world financial dictatorship already associated with the International Monetary Fund, the World Bank, former Japanese Finance Minister Kiichi Miyazawa, Henry Kissinger, and as of last Dec. 7, Mikhail Gorbachov.

The idea is to create a new agency, associated variously with the IMF or World Bank, to discount existing Third World debt against the issuance of new long-term bonds, financed in part by Japan, and collateralized against Third World foreign exchange reserves. This proposal was put on an early April timetable for adoption, at the recent "getting to know you" meeting of the Group of Seven finance ministers and central bank chiefs.

Thus, the debt crisis, and the crisis associated with the effects of the U.S. trade deficit and U.S. funding requirements, with their impact on the dollar and interest rates, have been primed to explode, perhaps in the weeks following April Fools' Day. Perhaps, too, we should decide to shift the dating of All Fools' Day to whichever day does ultimately turn out to have marked the beginning of the next round of turmoil in international markets, thus to commemorate both those who knew what the consequences of what they were doing would be, and refused to change their thinking, as well as those who didn't know, but didn't bother to inform themselves either.

No doubt, buried within the inner recesses of the elites represented by the BIS, there is a grouping, associated perhaps historically with the House of Morgan and its allies in London, Switzerland, and the United States, which imagines that the bubble of the dollar credit system can be deflated to crush opposition to the emergence of a new order associated with the strengthened power of the so-called multilateral institutions, like the IMF. Such interests might perhaps envisage the creation of a new version of the 19th-century gold exchange system, providing the enforcement arm for such an international dictatorial centralization of power. Such a revived gold system would in turn be based on strategic agreements between London financial centers, Gorbachov's Russia, South Africa, and other interests in the Anglo-Saxon world. In this scheme, the intended new institution to deal with Third World debt, would also be the agency by means of which what the markets call "discipline" is imposed on the United States, and savage retribution exacted for what the same crowd calls U.S. insistence on "living beyond its means."

Since no one can know what will happen if the more than \$15 trillion in debt associated with the dollar is thus brought down, such matters will probably remain within the domain of the speculative, and within the walls of those Freemasonic lodges where such things are being discussed. One thing is for sure: The power of those who now prepare to unleash the whirlwind will not long survive what they do so unleash. Whether any of the rest of us do, is an entirely different question. The current generation of would-be Caesars might do well to remember the old warning, "Beware the Ides of March."

## FSLIC chief warns of run on U.S. banks

by Kathy Wolfe

*Outgoing Federal Savings and Loan Insurance Corporation director Stuart Root, interviewed by EIR on Feb. 10, emphasized his fear that the takeover of the S&Ls' FSLIC insurance fund by the U.S. Treasury and the Federal Deposit Insurance Corporation could hurt "international investor confidence" in the entire U.S. banking system, not just in thrift institutions. The plan, he said, might easily bankrupt both the FSLIC and FDIC, which could lead international depositors to pull out of U.S. banks, beginning a run on all S&Ls and banks.*

**EIR:** You are leaving the FSLIC as of today. Why?

**Root:** I said when I came to Washington, that I would only stay for a year.

**EIR:** It has been reported that you disagree with the Brady program just announced for the Treasury and FDIC to take over the FHLBB and FSLIC.

**Root:** Oh, that all happened after I had decided to leave. . . .

**EIR:** Then, what *do* you think of the Brady plan?

**Root:** I'm not sure. I applaud bringing the Federal Home Loan Bank Board into the Treasury, in the sense that it brings the insurance [of the S&Ls] into an aligned function with their supervision. The FSLIC, you see, and the Bank Board had been stripped of supervisors and powers to supervise [the S&Ls].

**EIR:** Are you referring to what Don Regan and David Stockman did during Edwin Gray's tenure [as head of the FHLBB, 1982-87] to cut the Bank Board budget and fire the staff?

**Root:** This had been happening for some time, but the point is the Bank Board head [Mr. Root's position] until now had no staff to control actions by the S&Ls under deregulation, but was forced to take responsibility to insure them. In that sense, he was being held accountable for something with which in fact he had no staff or authority to deal.

The real question is, what will the FDIC do with the 50 billion some-odd dollars that the administration is proposing to raise on the bond markets? I do think highly of [FDIC chairman] Mr. Seidman, but I'm just not sure exactly what they can do with that money which will ameliorate the situation. . . .

**EIR:** That is, what can the FDIC do with the money that the FSLIC hasn't already tried and failed to do?

**Root:** You could put it that way. I just don't know what their plan is.

**EIR:** You told the *New York Times* that you were quitting to be able to go back to the private sector and defend the existence of the thrifts. Is that what you mean, that the FDIC will let the thrifts be wiped out?

**Root:** To the extent the [Brady] plan is neutral on this, I don't see a big problem, if the FHLBB, or the "Federal Home Loan Bank System" as it's about to be re-named, is able to continue its work as part of the Treasury.

**EIR:** But you do think we need a savings sector?

**Root:** I at least think we need to maintain thrifts, if not specifically for homebuilding, then at least to provide service to individual households, for individual depositors, to have a national savings policy. In my view, savings must be the emphasis, not where the savings then go.

The most important thing is that savings be protected and invested to do only one thing: to see to it that the investor is repaid. In that sense, housing ought not to be *the* function.

But what really worries me, is the idea of commingling the insurance funds [the FSLIC into the FDIC], which is really a tremendous dilution of the FDIC. This is not good policy, if that's what they're planning to do. The two insurance funds should be kept segregated. Commingling of the insurance funds dilutes the value of FDIC insurance. This makes me worried about depositor confidence. I would be particularly worried about international consequences.

**EIR:** Do you mean, worried about foreign depositors in U.S. S&Ls?

**Root:** Yes, the threat is that international deposits would be withdrawn, and from all sorts of institutions.

**EIR:** That is, not only from S&Ls, which were insured by the FSLIC, but also from all sorts of banks, small and large, insured by the FDIC?

**Root:** Yes, this is a great danger, particularly the larger accounts, with international investor confidence.

**EIR:** Are you pointing in particular to the danger of large "brokered funds" accounts in U.S. S&Ls? [These are large accounts at the \$100,000 FSLIC insurance limit, which are placed for wealthy investors by Wall Street brokers in distressed S&Ls, which are forced to pay speculatively high rates to attract funds—ed.]

**Root:** Not just in S&Ls. I think, regarding S&Ls, that 90-95% of the deposits are actually held by individuals. No higher than 5% are brokered funds.

**EIR:** I've heard estimates of up to 50% of S&L deposits being hot money brokered funds.



**Root:** No, perhaps 10%, but no more than 5-10%. That is clear from the fact that we [S&Ls] have about 100 million accounts, with a total of \$1 trillion in deposits.

**EIR:** You mean that \$1 trillion divided by 100 million accounts is an average of more like \$10,000 per account, rather than \$100,000 per account?

**Root:** Yes, these are largely domestic and smaller individual depositors. But the international depositors are what I'm worried about.

**EIR:** Yes. You mean that the 5-10% of larger accounts would be the ones to begin a deposit outflow?

**Root:** There could be an outflow from not only S&Ls, if they commingle the funds, but from all sorts of institutions. This is not good policy.

## Savings: today's economic Rosetta stone

by Stuart D. Root

*The article excerpted here was first published in the Federal Home Loan Bank Board Journal in 1987. Mr. Root was at the time a member of the law firm of Cadwalader, Wickersham, and Taft, New York and Washington, D.C., counsel to the Federal Home Loan Mortgage Corporation.*

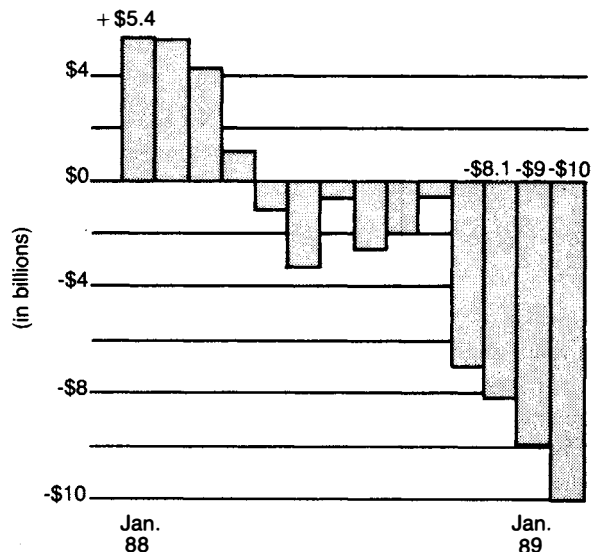
The time has come to retrain our sights on savings, and on the latent power of this resource to answer some pressing economic concerns.

Heading the list of concerns is a less than desirable rate of industrial production. It was one of the last indexes to move upward as the nation went into economic recovery, and it now has leveled at a rather unsatisfactory plateau at best or may even drop at worst. High interest rates have attracted foreign funds and strengthened the value of the dollar, leading to an upsurge of imports at the expense of domestic industries. Internationally, the United States has become a debtor nation, with no end to the debt in sight. There is extreme weakness in the farming and raw materials sectors of the economy. Calls for protection of ailing industries through raised tariffs, restrictive quotas, or other measures are becoming stronger every day. The high interest rates bedevil farmers, while state and local governments defer the maintenance or replacement of infrastructure in their intensely developed regions and cities.

Financial institutions wrestle with assets, booked during heady inflationary times, that have now turned sour, such as oil and gas loans, real estate loans and direct investments, and, for large commercial banks, loans to sovereign nations

## S&L money flow

Monthly net change in 1988-89



Source: Federal Home Loan Bank Board

and their companies. The strains in today's financial system—highlighted by the problems of very large institutions plus privately insured thrifts in Ohio and Maryland, and the collapse of some government securities dealers—are evident in numerous bank and thrift insolvencies. Too many savings institutions are still attempting to grow out of their problems through borrowings of "hot" money that are used to finance high-risk assets.

Monetary policy has been managed with some success. But even Zeus would be constrained in responding to the current array of U.S. economic vulnerabilities, any one of which could spark intense inflationary pressures.

## Return to saving

But today the United States imports savings, much to the dismay of her allies and the alarm of financial regulators. Economic analyses are presented to the public with nary a nod to the difference that savings could make. Saving is indeed the forgotten economic element—yet it could be, if rediscovered, the Rosetta stone of our economic puzzlements.

Meanwhile, our major trading partner, Japan, continues at home to emphasize and reemphasize personal saving. This allows Japan to have a very high per capita national debt while interest rates are about one-half U.S. rates, providing incentives for reindustrialization. The educational program instituted in Japan in 1952 to explain the importance of saving may be producing manifold dividends for its citizens, in terms of both individual wealth and national capacity. . . .

# Mexican speculators go to jail

*From prison, the oil workers leader "La Quina" launched a political counteroffensive which has produced its first results. By Hugo López Ochoa.*

Finally, the President of Mexico Carlos Salinas de Gortari gave the green light for judicial proceedings against the most visible defrauders of the Mexican Stock Exchange, who profited from the market's huge speculative bubble and the crash that began on "Black Monday," Oct. 19, 1987.

Nervously, with a husky voice and taking gulps of water between his words, on Feb. 13, Finance Secretary Pedro Aspe announced to the press, which was not permitted to ask questions, that he had asked the Attorney General to take legal action against Operadora de Bolsa, and Mexicana de Inversiones y Valores (Mexinval), two of the most powerful brokerage houses of Mexico.

Operadora de Bolsa is under indictment for having carried out operations with government bonds (CETES) after they had expired and for having intentionally disposed of funds and bonds for purposes contrary to contract. Mexinval is accused of having granted marginal credits not solicited by the clients, and with the funds thus obtained, buying stocks of other intermediaries and using them as collateral for operations. When these stocks turned out to be insufficient, it met expenses with securities from the same clients.

Aspe also said that "administrative" penalties will be imposed on another 152 officers and agents of the 25 brokerage houses operating in the country.

A short time later, the Attorney General Enrique Alvarez del Castillo, announced to the press the detention of Eduardo Legorreta Chauvet and Jaime Cevallos Cervantes, respectively chairman of the board and credit director of Operadora de Bolsa; and of Juan Carlos Fernández Cueto and José Francisco Rodríguez Dupont, officers of Mexinval.

## The Legorretas

Eduardo Legorreta is the brother of Agustín Legorreta, the current president of the Business Coordinating Council (CCE), which has won the universal hatred of small and medium-sized businessmen of the country who orient to the internal market, because of its authorship of, and outlandish support for, the depressive economic measures imposed by President Miguel de la Madrid starting in December 1987. Agustín Legorreta is also famous for his presumption that

"300 comfortable businessmen" can impose the economic policies of the government.

As former owners of the Banco Nacional de México (nationalized in 1982), the Legorretas have been historically associated with the J.P. Morgan interests; de Menil-Schlumberger-Mallet, French branch of the Swiss interests that financed the Nazis; and Assicurazioni Generali di Venezia e Trieste, the czars of the reinsurance companies. The ties of these interests to drug trafficking take up many pages in the book *Dope, Inc.* published by *EIR* in both Spanish and English editions. Agustín Legorreta belongs to the Inter-American Dialogue, which proposes the legalization of drugs.

## The sewer

But there is more. The owner of Mexinval is none other than Isidoro Rodríguez—uncle of the now jailed Rodríguez Dupont—who was exposed by the nationalist leader of the oil workers union, Joaquín Hernández Galicia, for his collusion with the former director of the state company Petróleos Mexicanos (Pemex), Mario Ramón Beteta, in certain dirty deals. Beteta illegally turned over to Isidoro Rodríguez the concession maritime oil transport (see *EIR*, Nov. 4, 1988, page 51).

President De la Madrid and his successor have protected, and continue to protect, Mario Ramón Beteta—now governor of the State of Mexico—not only out of personal friendship, but because his jailing would have meant opening up the sewer of dirty business carried out under the cover of the policy of *laissez-faire* for speculators on the stock market, which got imposed under the pretext of attracting capital that had fled the country since the banks were nationalized in 1982.

De la Madrid's finance secretary, Gustavo Petricioli—now ambassador to Washington—repeatedly denied that there had been "illegalities" in the events of October 1987. But he personally was one of the big beneficiaries of the affair, via his agents such as Manuel Somoza Alonso, president of the Mexican Stock Exchange at the time of the "crash" and now director of the Prime e Inverlatt brokerage firm, property of Agustín Legorreta. Another agent of Petricioli,

Hugo García Blake, who was his top adviser in the Finance Secretariat, is the brother of the current Mexinval director, Víctor García Blake.

### Counteroffensive

Hernández Galicia was arbitrarily jailed on Jan. 10 by the military forces of Presidential General Staff, on charges of "arms stockpiling." In the ensuing days, there was not one U.S. or European newspaper that did not cynically "analyze" the action as measures that had to be supported, even though the charges against the oil union leader were from every standpoint a mere pretext of the government to get rid of the principal obstacle to its "economic reforms," which include the partial privatization of Pemex—backed by Beteta—and the final rollback of every trade union conquest of the last 50 years, in order to make Mexico "competitive" in respect to foreign investment and exports to pay the foreign debt.

EIR has documented the charges of Hernández Galicia against "the 300," who, together with Beteta, according to repeated statements by the oil workers leader, squeezed President Salinas de Gortari to order his imprisonment.

From his jail cell, Hernández Galicia announced that he would defend himself politically. Other union leaders, faced with government threats, have pulled back in their political defense of Hernández Galicia. The top labor leader, Fidel Velázquez, 89, of the Confederation of Workers of Mexico (CTM), stopped giving out statements to the press and is under heavy pressure to retire. The threats reached the point that the lawyer of Hernández Galicia announced, at the end of January, that he did not agree with the "political defense" his defendant was adopted, and he quit the case.

However, Hernández Galicia turned the situation to his own advantage; his new defense lawyer, César Fentáñez, is also representing the investors who demanded the investigation against Legorreta et al.

### Nationalist flank

Salinas won a certain consensus among the nationalist faction of the "political system" in power by his moves against "La Quina" (the nickname by which Hernández Galicia is widely known), especially because the decision was taken with the President's closest cronies, and once it was done, fighting a *fait accompli* was like asking for the President's resignation.

But, contrary to what the government was expecting, popular nationalist opposition leader Cuauhtémoc Cárdenas, one of whose watchwords is the fight against "corruption" and for the "democratization" of the unions in the ruling PRI (Institutional Revolutionary Party), questioned the illegal methods used in the jailing of Hernández Galicia and charged that the real motive of his detention is not the "corruption" of the union, but the privatization of Pemex. "Let's not let ourselves get carried away by appearances nor by the noisy



*Mexican President Carlos Salinas de Gortari. His moves against stock market fraud are a "damage control" effort, forced upon him by his political opponents.*

official propaganda," reiterated Cárdenas on Feb. 4, speaking of the case. To neutralize Cárdenas, the journalists paid by Otto Granados, the presidential press secretary, put out the line that "La Quina" was stockpiling weapons to give them to peasants in the states of Guerrero and Michoacán—Cárdenas had been governor of the latter state until 1986—to overthrow the government of Salinas de Gortari and to bring Cárdenas to power!

But after the presidential elections of July 6, 1988, Cárdenas, who most Mexicans believe actually won the elections, is a key factor in defining national public opinion, on account of his open opposition to the government's economic program and its economic recovery proposals. People believe him, when he reiterates over and over that he will fight by peaceful means and within the strict framework of the law.

Cárdenas's stance on the "La Quina" affair opened up space for the nationalist factions of the government to open a political flank and pressure Finance Secretary Pedro Aspe to proceed with what his predecessor Petricioli had dragged his feet on doing. Reporters from various newspapers pressured the Attorney General on the charges. He said there was "no indictment from Finance." The Finance Secretariat, in turn, pleaded that it had not "concluded" the investigation of the National Stock Commission. Significantly, the government-linked columnist Arturo Blancas, of the *Diario de México*,

wrote that behind the whole uproar against the brokerage houses was "La Quina."

The circle was finally broken when various newspapers put out the word that the ex-Attorney General Sergio García Ramírez—under the Miguel de la Madrid administration—had left ready an extensive and detailed file on the speculators' fraud on the stock market.

Thirty-four days since Hernández Galicia was put in jail, the real purpose of the presidential actions against the oil union is so well known that the discredit of the regime threatens to reach into the more disciplined (i.e., terrorized) ranks of the PRI. On Feb. 11, two days before the actions against the speculators, an old and respected politician of the PRI, Rodolfo González Guevara, who heads the faction called "Critical Current," wrote an article "correcting" his initial backing for the measures against Hernández Galicia, and charged that in reality, a step had been taken toward a "plundering and authoritarian capitalism which could get very close to fascism."

### Salinas targets small tax evaders

The discredit of the government was total. "It is clear that things could not go on much longer," acknowledged the monetarist columnist Luis E. Mercado on Feb. 14. The situation got worse because the government, in the midst of urgent negotiations on the foreign debt with the creditors, from its need to get concessions to recover some vestige of economic growth, started to rapidly lose the support of the majority of the businessmen who are unhappy about a new 2% tax on business profits. They are demanding that the speculators pay.

At this writing, aside from those mentioned at the start, it has not been made known whether Isidoro Rodríguez, Beteta's accomplice, will also be arrested; probably Salinas de Gortari wants to "control the damage" to those mentioned.

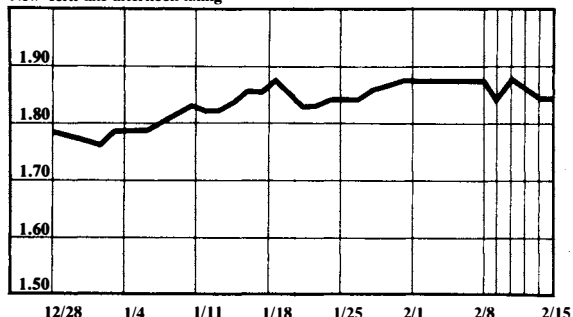
President Salinas is trying to use this "disciplinary" measure to reinforce his dictatorial policy of persecution of small tax evaders—"to fill the jails with tax evaders," as Pedro Aspe recently put it—and create "confidence" in order to attract capital into Mexico. On Feb. 14, Attorney General Alvarez del Castillo gave a press conference to "stress" that in the case of Legorreta et al., it is only a question of "individual conduct."

What is feared by the Salinas crowd is a nationalist escalation that could end up sending to jail Petricioli, along with the real architect of the economic strategy which paved the way for the stock market's *laissez-faire* degeneration: Banco de México Director Miguel Mancera Aguayo. Mancera has been in that post since 1982, to guarantee to the International Monetary Fund that Mexico would comply with the "structural reforms" the creditors wanted. Mancera was the real chief of Miguel de la Madrid's economic cabinet, as he is of the present one, which the nationalists have dubbed "The Iron Circle."

## Currency Rates

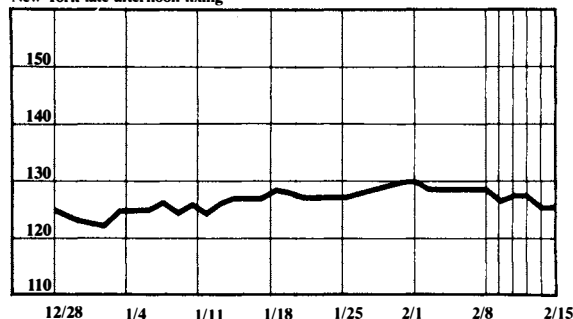
### The dollar in deutschemarks

New York late afternoon fixing



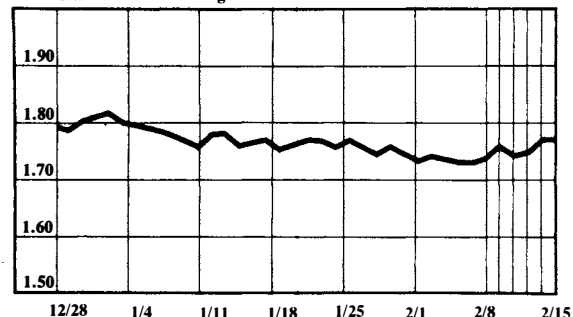
### The dollar in yen

New York late afternoon fixing



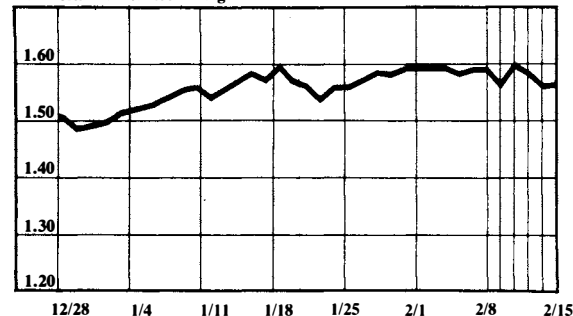
### The British pound in dollars

New York late afternoon fixing



### The dollar in Swiss francs

New York late afternoon fixing



# New Zealand heads from radical free enterprise to fascism

by Allen Douglas

New Zealand's Labour government has just completed four years of what Sir Evelyn Rothschild's London *Economist* magazine has lauded as "the most extreme form of economic liberalization in the world." To all but New Zealand's International Monetary Fund-trained Treasury economists, cocaine-sniffing share (stock) market analysts, and the reforms' chief author, the now-sacked finance minister, Roger Douglas, the result of these policies is obvious: utter disaster.

Unemployment in parts of the country has now reached the depths of the 1930s Great Depression: The highly productive farm sector, which not long ago accounted for 70% of New Zealand's export earnings, is collapsing at a rate also unprecedented in the country's history, amid growing wheat shortages and foreign purchase of prime New Zealand farm land. Racial tensions, fueled by economic collapse, are becoming ever more inflamed. And the foreign debt, which was NZ \$12.6 billion when Labour took power in 1984, is now well over NZ \$50 billion, according to sources in the financial world.

Bad as things are, the Labour government and its controllers in New Zealand's Business Roundtable have plans to make them a great deal worse. In a major speech he gave in Christchurch in December 1988, Prime Minister David Lange announced that "the first phase of reforms" had been completed, and now "the second phase will begin."

Lange tapped as deputy finance minister, to oversee this "second phase," Minister of External Relations and Trade Mike Moore. Moore has been a lifelong advocate of such "New Age" policies as "sustainable economy," "small is beautiful," and "one-world government." Number-three in the Labour government hierarchy, and a rumored successor to David Lange as Labour Party leader and head of the next Labour government, Moore was at one time an executive officer of the youth arm of the Socialist International. Although he is variously styled as a "socialist" or "social democrat," his plans for the "second phase" of reforms exactly mimic the precedents set by Italian dictator Benito Mussolini. They are, in the most rigorous historical and analytical sense, *fascist*. And, since New Zealand has been a "laboratory ex-

periment" for the Western financial oligarchy, the "second phase" of its reforms foreshadows that oligarchy's plans for other nations as well.

## A post-industrial rubble heap

It is hard to overstate the magnitude of destruction going on in New Zealand's rural sector, a process amplified by government policies in the face of the country's worst drought in decades. Headlines in the New Zealand press during the mid-summer month of January blared out the story: "Wheat output in New Zealand at risk," "Farming outlook gloomy," "Farmers 'not able to survive,'" "Sheepmeat industry 'could collapse,'" and "Foreign interest in buying farms high."

According to figures compiled by New Zealand's Meat and Wool Board Economic Service, the average New Zealand farmer will lose NZ \$35,000 this season. The sheepmeat industry, which has been the cornerstone of New Zealand's farm sector and with 70 million sheep in the country, a power on a world scale, is being crippled. In recent auctions in the South Island, farmers received less than \$14 for a lamb, while the production cost is \$20. Full-grown sheep went for as little as \$2, about what it cost to transport them to auction. (These and subsequently mentioned prices are in New Zealand dollars, which currently exchange for U.S. \$.61.) In the past four years, lamb production has dropped by more than 25%, from a high of 39 million lambs per year, to 27 million.

With no hope on the horizon for a change in prices, farmers are leaving sheepmeat farming in droves, which portends a collapse of the industry altogether. Rusty Firth, a farm management consultant from Manawatu, recently stated in a published interview, "It gives me no great joy to say that my 30 years of advising farmers to boost lamb production has been entirely misspent. . . . Unless the average lamb price reaches a minimum of \$27 by the end of March, half the 15,000 to 20,000 farmers still producing lambs will be bankrupt and New Zealand's \$2 billion meat industry will be history."

While the international food cartel controls markets and prices, the single most important cause of the destruction of

New Zealand farming has been the Labour government's jacking up interest rates, which stood at 8% or so before 1984, to 20%, 25%, or even 30% for overdraft.

That the destruction of the farm sector has been purposeful, is indicated by the government's response to the drought that ravaged the South Island for months. To avoid the destruction of entire flocks, breeding ewes needed to be shifted from the brown, bone-dry Canterbury Plain in the center of South Island, to greener pastures in either the west or the south of the island. Instead of paying for this, which would cost \$5-10,000 per farmer, the government instead offered the farmer \$45,000 to quit farming and leave the land. Thus, the production is lost, while the relative pittance of \$45,000 (from which is subtracted the proceeds of anything the farmer might sell), is nowhere near adequate to enable a farm family to make a fresh start in town.

It is, in fact, stated government policy to eliminate the independent family farm in New Zealand. Justice Minister Geoffrey Palmer has said more than once, "There is no room in New Zealand for the private ownership of land." He means private land owned by families, as opposed to the international grain cartel. While the drought has helped to accelerate the government's plan to move the farmers off the land, it has also opened the door to the foreign purchase of New Zealand farmland.

According to some reports, already as much as 10% of New Zealand's farmland has been bought by Elders Pastoral, an Australian junior member of the world grain cartel. Meanwhile, ads are appearing in New Zealand newspapers, such as the following from *The Press* of Christchurch, Jan. 14 issue: "Interested in selling your land and staying on as Manager? Overseas investors require economic units anywhere in Canterbury." In parts of the South Island, there has been an extraordinary influx of "Australian farmers" looking for New Zealand farmland on which to "retire." But what "Australian farmer" would want to buy a large farm (too large for a retiree), and come all the way to New Zealand to find it? The "Australian farmers" are front men for Elders Pastoral. This activity violates the 1952 Land Settlement Promotion and Acquisition Act, which laid down criteria about who may own rural land exceeding two hectares, precisely to prevent overseas speculation in New Zealand farmland. Although the Department of Lands is formally charged with enforcing this act, the government has done nothing about it.

Agriculture has been the sector worst ravaged by the Labour government's policies, but it is not the only one. In late 1988, the Manufacturers Federation released an in-depth study, which predicted that some 40,800 jobs in manufacturing, out of a total of 272,000, would be wiped out in the next five years. In January, the government revealed that unemployment had reached the level of 162,000. (The population of New Zealand is approximately 3.25 million.) Counting an additional 20,000 people in work training schemes, this marks the highest unemployment in New Zealand's history. Actual

unemployment, as opposed to the government figures, is almost certainly worse, and even the official figures will soon top 200,000, according to sources in Parliament.

### 'Second stage' of reform

This destruction of agriculture and manufacturing has resulted from deliberate measures implemented by New Zealand's Labour government over the past four years.

Lange's government officials trebled or quadrupled interest rates. They dismantled farm price supports. They pulled down tariffs for manufacturers. They floated the New Zealand dollar. And they initiated a program to sell off major government departments and state-owned enterprises, such as the Bank of New Zealand, Air New Zealand, the Electricity Corp. of New Zealand, the New Zealand Forestry Corp., the New Zealand Post (the postal system), the New Zealand Railways Corp., and others. All this was done in the name of "free market" economics, and the associated claim that New Zealand "can no longer afford" to run the kind of economy it used to have, which formerly provided one of the highest standards of living in the world.

"Free trade" fanaticism aside, the justification most frequently given for these changes is that New Zealand has to pay its foreign debt. This is the sole reason cited for the asset sales, in particular. But since the debt was \$12.6 billion in 1984, when Labour came in, and it is now over \$50 billion, *it is the Labour government itself that has created the debt*, which it is now ruining the country ostensibly to repay.

Now, another "solution" is advanced for another problem of Labour's making—the 183,000 unemployed. This new solution is what Prime Minister Lange refers to as the "second stage of reform." What is he talking about?

While the entire "first stage" was based on radical free enterprise, the second stage is to be based on a "negotiated compact" between the government, labor, and industry, not only to solve the unemployment problem, but to determine wages, prices, and many other things. This would seem to be antithetical to the first stage of the reform, overseen by that free market fanatic, ousted Finance Minister Roger Douglas. Not so, insists Mike Moore, sponsor of the "compact." In *The Press* of Jan. 21, 1989, Moore said, "Roger rewired this whole thing," that is, transformed the economy into its present state of rubble, which makes possible such a "compact," unthinkable in New Zealand just a few years ago.

That there is not the slightest contradiction between the two phases of reform is further evidenced in two ways: 1) Moore had been one of the most fervent supporters of Douglas, exclaiming in one of his books, "Roger Douglas, Labour's Finance spokesperson, is without peer in terms of his innovative economic thinking." 2) There has not been a peep out of Douglas against the compact, even though it would seem to be the antithesis of his "free market" program.

A Jan. 12 editorial in *The Press* (Christchurch) noted how sweeping the new program will be: "The effects of a compact

might be as revolutionary as anything that has occurred so far." And, even more critical, *The Press* remarked, "It is improbable that some of the main sections of the community will have a chance to grasp the pact's full implications," given that Moore has set a September 1989 deadline by which to ram the pact through.

For a major government policy, perhaps "as revolutionary" as the past four years' changes, the new compact has been shrouded in secrecy. Moore has excellent reason to be so chary of specifics, even though the little he has said, taken

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*It is stated government policy, to eliminate the independent family farm in New Zealand. Justice Minister Geoffrey Palmer has said more than once, that "there is no room in New Zealand for the private ownership of land." He means private land owned by families, as opposed to the international grain cartel.*

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in conjunction with his writings over the years, shows that he has very specific ideas in mind. The "full implications" of the compact, alluded to by *The Press*, emerge when we turn to the history books, and map Mike Moore's program against the experience of fascist Italy in the 1920s and 1930s.

### **The fascist corporativist state**

Moore provided some foreshadowing of his intentions, in his 1984 book, *The Added Value Economy*: "There are three types of economies. The command economy of the Soviet style, the jungle economy of the [Milton] Friedmans, and the negotiated economy of the Social Democratic mold." The latter is the basis for the compact Moore now proposes. Yet, he was not the first to come up with the idea of a "negotiated economy."

In 1925, Fascist dictator Benito Mussolini seized power in Rome. The first thing on his agenda was to reorganize the Italian economy. For each sector of the economy, Mussolini created what he called "corporations," that is, entities comprised of a tripartite board of labor, capital, and the government, which determined all wages, prices, job creation, etc., within that sector. At the top of the 22 sectors was a grand tripartite group: the Government, the Fascist labor union,

and the Fascist employers' group.

With the government in the lead, the three determined absolutely everything that happened in the economy, for the "greater harmony" of the state. Mussolini explained what he was doing: "Today we are burying economic liberalism. . . . Corporatism means a disciplined, and therefore a controlled economy, since there can be no discipline which is not controlled. Corporatism overcomes Socialism as well as it does liberalism: It creates a new synthesis."

This is just what Mike Moore echoes, with his thesis about the "negotiated economy" as a third way, a synthesis to resolve the alleged dilemma of "command" or "jungle."

The "negotiated economy" is supposed to function for the greater harmony of all concerned. Mussolini advertised the benefits of his creation in the same terms: "We have constituted a Corporative and Fascist State . . . a State which concentrates, controls, harmonizes, and tempers the interests of all social classes, which are thereby protected in equal measure. There is not one working Italian who does not . . . wish to be a living atom of that great, immense living organization which is the national Corporate State of Fascism."

Mussolini's ruling tripartite board, called the Central Corporate Committee, made decisions about every last thing in the economy. As described by Moore in *The Added-Value Economy*, the "negotiated economy" will likewise be run by unions, employers, and government. (Diagram, p. 16)

Wrote Moore, "If a New Zealand Labour Government sought such a consensus policy, many things would need to be included in negotiations: maintenance of living standards, low pay targets, investment policies and use of resources, industrial planning, wealth redistribution, consumer protection, use of subsidies, control of interest rates, industrial relations legislation, industrial democracy, annual holiday improvements, improved social services, house building programmes, and pre-Budget consultations."

Where Fascist Italy had its Central Corporate Committee, Moore gives the corresponding institution a different name: "A central feature of the negotiated economy would be a New Zealand Economic and Industrial Council, comprising Government, employer, and employee representation."

Moore describes subordinate institutions, virtually identical to Mussolini's corporations for each sector of the economy: "Industry Consultative Bodies would be set up under the Council to engage in industrial planning, and to consider all matters as they affect industries. . . . These sector bodies would determine what happened within each industry. Then, finally, Works Councils could provide a tripartite forum at the workplace. . . . Tripartite bargaining at industry and workplace level would be encouraged on all other matters—technological change, health and safety, redundancy and retraining, investment, superannuation, and other forms of worker participation."

It is appropriate to recall, that under the fascist system of Mussolini, especially as the worldwide depression took hold

in the 1930s, the constituencies of the third partner in corporatism, the labor unions, were the least privileged, and saw their living standards slashed.

### **An American bad example**

In January of this year, Moore held his first working meeting with labor, industry, and government representatives to begin hammering out the compact. The featured guest speaker, Sheldon Friedman, came all the way from the United States to argue for the sort of all-encompassing powers in such a compact that Moore had outlined in his book. Friedman is research director of the United Auto Workers (UAW), the premier U.S. union in the promotion of corporatist fascist restructuring schemes.

In early 1975, *Washington Post* columnist Nicholas von Hoffman blew the whistle on "a hidden agenda for American politics . . . a planned economy . . . state capitalism . . . fascism without lampshade factories," harbored by certain leading financial big-wigs in the U.S. Democratic Party. Hoffman identified the key figure in this project as Leonard Woodcock, then-president of the UAW.

In March 1975, *Challenge* magazine followed with an article entitled "The Coming Corporatism." It said, "Corporatism is a distinct form of economic structure. It was recognized as such in the 1930s by people of diverse political backgrounds, before Hitler extinguished the enthusiasm which greeted Mussolini's variant. The fact that our blinkered political vocabulary now sees the alternative pure forms of economy as simply 'capitalism' or 'socialism' is a consequence of the fact that the Axis powers lost the Second World War. This 'corporatism' is a comprehensive economic system under which the state intensively channels predominantly privately owned business toward [specified] goals. . . . Let us not mince words. Corporatism is fascism with a human face. What the parties are putting forward now is an acceptable face of fascism; indeed, a masked version of it, because so far the more repugnant political and social aspects of the German and Italian regimes are absent or only present in diluted forms."

That same year, UAW leader Woodcock formed the Initiative Committee for National Economic Planning (ICNEP), one of whose members stated at the time that it was to organize for "fascism with a human face."

Now, the UAW's Sheldon Friedman is advising Mike Moore.

### **Compact for austerity**

The purpose of corporatism is to impose, either with the mailed fist, as under Hitler and Mussolini, or with the "social democratic" forms of today, policies of brutal austerity. The corporatists or, in modern parlance, the "social democrats," are the tools used by financiers to achieve this end. The key to creating the corporatist economy is to line up the leadership of labor and of business, behind the plan. From all indica-

tions, important elements of both are on board with Mike Moore in New Zealand.

The leading force on the business side is the Business Roundtable, the country's dominant business grouping. Its chairman is Sir Ron Trotter, head of the largest New Zealand company, Fletcher Challenge. Trotter was a main mover of the "first phase" of Labour's reforms, and his company derived massive benefits from the sell-off at fire sale prices, of New Zealand's state assets.

On the union side, Moore is equally well situated. The president of the Council of Trade Unions (CTU) is Ken Douglas, leader of the Moscow-funded Socialist Unity Party (SUP) and a long-time communist, about whom Moore held forth in a newspaper interview: "Deep rich bastard that. Something special about that fellow. Really got something. Very honourable fellow. Hillary, Gandhi. . . . I don't want this reported because it will embarrass him. But there's something special about him. He glows. Line of integrity there that's very Christian."

Trotter is also reported to be a good friend of Ken Douglas. According to rumors in New Zealand, Trotter had land in the Wellington area, on which he let the SUP cut timber, to earn money to replenish the party coffers. The SUP experienced funding problems when the Soviet ambassador to New Zealand was kicked out of the country in 1980, after he was caught red-handed funding the SUP.

Some might insist, even forcefully, that there could be no real comparison between the authoritarian Mussolini and a modern New Zealander, Mike Moore. But the fascist dictator Mussolini, too, began life as a socialist and edited the Socialist Party newspaper. Like Mussolini, Moore is sponsored by powerful financial forces behind the scene. And like Mussolini, Moore is not averse to brutality, as when his goons badly beat up political opponents during a 1987 election campaign in Christchurch.

Lastly, and most essentially, Moore concurs with the austerity-enforcement purpose of a Mussolini-model corporatist co-management compact. In a press conference on Jan. 26, Moore tipped his hand: "The question is, how do we share the bad times. That 90% who aren't unemployed may be prepared to sign a petition, even change a government, but we want more than that from them."

Moore certainly does. In a collapsing economy, the only business people to benefit from such a pact will be the Business Roundtable giants such as Fletcher Challenge. For the average, honest trade unionist, to sign such a compact is to give permission to have his throat cut.

The basis for harmony between business and labor in the real interests of both would be an expanding productive economy, where the true "harmony of interests" defined by the American economist and collaborator of Abraham Lincoln, Henry Carey, can thrive. In the post-industrial rubble-heap created under Labour, that is far from what Mike Moore has in mind.



## Mike Moore: Mussolini without a uniform

Economic policies are not the only similarity between the Italian dictator Mussolini and New Zealand's Mike Moore. Mussolini was the product of a cultural movement in early 20th-century Italy known as Futurism, which heralded the "New Age" and which prophesized the death of Christianity in favor of a "reevaluation of all values." The chief political expressions of this New Age, Mussolini argued, were Fascism and Bolshevism, spiritual brothers in their enmity to Western Christian civilization and its institutions and values. The pro-Soviet socialist Moore, with his fascist corporatist schemes, is precisely such a prophet of the New Age, as the following excerpts from his thinking demonstrate:

**On the destruction of New Zealand/world food supplies:** Moore has been one of the world's leading proponents of collapsing food production in the name of "free trade." Ignoring even United Nations Food and Agriculture Organization statistics, Moore rants, "There is no shortage of food in the world, only a shortage of money to purchase it." And again, on New Zealand's 3YA Radio Morning Report, "The world is awash with an oversupply of red meat."

Moore is a close friend and supporter of grain cartel agent Clayton Yeutter, one-time U.S. Special Trade Negotiator, now U.S. Secretary of Agriculture, and the chief proponent of slashing world food production through the GATT (General Agreement on Tariffs and Trade) arrangements. Moore not only set up the GATT Council in New Zealand, but was instrumental in forcing agriculture onto the agenda of the recent Montreal round of GATT talks, which he called "my greatest moment in politics."

"The intellectual battle on agriculture is won. Nobody now talks of food security," brags Moore. "Food security" means the right of each sovereign nation to take the necessary steps to ensure the growth of its own food supply, which Moore and his GATT friends have polemicized against in favor of "free trade" arrangements where nations would have to go to the cartel which dominates world food trade, and purchase from them—at whatever price they dictate. Moore also advocates the establishment of a United Nations Food Bank, the better to control world food supplies.

**Post-industrial one-worldism:** Moore, like at least 40 other members of New Zealand's 98-member Parliament, is a member of the one-worldist Parliamentarians for Global Action, which calls for the establishment of the United Nations and similar regional supranationalist bodies as the seed-



crystal of a one-world government. Moore has pushed not only U.N. schemes, but also the Closer Economic Relations (CER), which before long will turn New Zealand from an independent nation into a state of Australia, and a Pacific Parliament plan which would gradually supersede the national parliaments of South Pacific nations. "National strategies are anachronistic in our present-day world," Moore quotes Socialist International bigwig and former West German Chancellor Helmut Schmidt approvingly. "It is outdated nonsense to even think of a purely national economic policy, a purely national foreign policy, or a purely national security policy."

Moore fanatically expounds his "brave new world" philosophy of the post-industrial New Age at every chance. "We are in the post-industrial economy. During the industrial age, chief inputs were steel, energy, paper, and sweat. In the post-industrial age—the information age—the chief inputs are ideas, knowledge, information, and intellectual property. This jars many New Zealanders, many of whom still think work is done only with your sleeves rolled up." He berates the optimistic outlook of his compatriots, which he calls "a primitive, pathetic attitude that the productive sector must be supported."

Not only is work outdated in Moore's dreams, but so are sovereign governments. "The new service and information industries are growing at many times the rate of traditional product-based industries. Governments are becoming less meaningful as a global economy develops. Instead of driving against the world economy and giving subsidies with taxpayer funds stolen from education, housing, or health, New Zealand enterprise has to be competent to manage as part of the new global reality." It is presumably this "new global reality" which has led the Labour government to call, in

January 1989, for the establishment of casinos in New Zealand, a move Moore strongly backs as part of developing tourism as “the premier industry of the 1990s.” In line with his New Age values, Moore strongly supported the sodomy-legalizing Homosexual Law Reform Act passed a couple of years ago.

**Pro-Soviet beliefs and activities:** Moore began his career in the youth section of the Soviet-controlled Socialist International which sponsored his travels all over the world, including to Moscow. Moore noted in his autobiography, “I made contact with left-wing politicians in every country I visited.” He finally became the Asian vice president of the International Union of Socialist Youth, the youth wing. He describes his interventions on behalf of Soviet causes, such as his work for Father Walter Lini, the pro-Soviet “independence leader” who became the first head of state of Vanuatu, the former New Hebrides: “I paid for, and smuggled up to him, the first Vanuatu flag, which was hoisted when independence was unilaterally declared.” Vanuatu under Lini has become known as the “Cuba of the South Pacific.” Moore

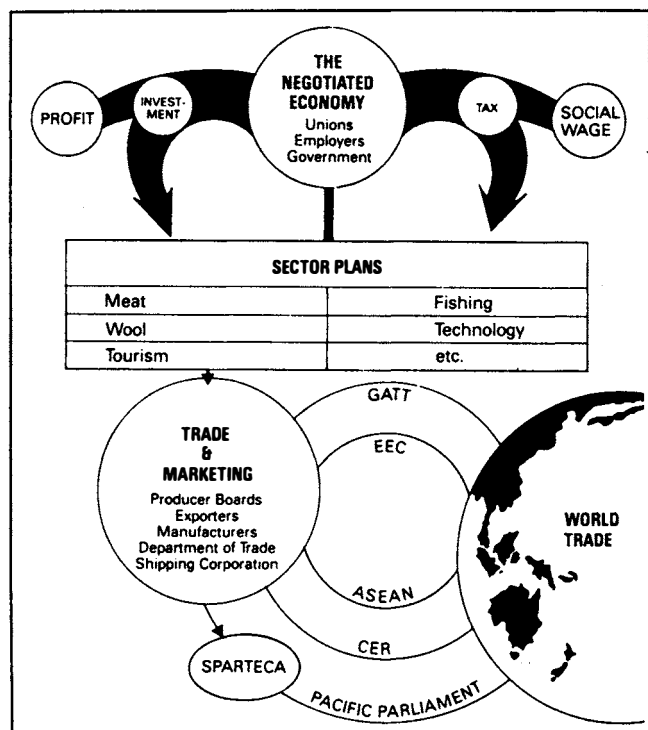
also intervened in Chile on behalf of the Soviets’ Andean spine strategy for communist takeover of Ecuador, Colombia, Peru, and Chile, a strategy being carried out in part through “human rights” fronts, such as Amnesty International: “I also had good briefings with Amnesty International and initiatives were worked out that can’t be disclosed publicly at present, but may be able to be talked about openly in the future.”

The very beginning of Moore’s career reflected the forces sponsoring him. On Oct. 25, 1975, the New Zealand newspaper *Truth* ran a two-page article entitled “Mike Moore and the Trotskyists,” which stated that “Mr. Moore won Eden [his parliamentary seat] in 1972 with the active support of the Trotskyist Communist Socialist Action League. Mr. Moore clearly defied the rules of the Labour Party when he gathered about him these communists in 1972.” This was not Mr. Moore’s only dealing with communists. In May 1986, Minister of Overseas Trade Moore announced a 24,000-ton sheepmeat deal to the Soviet Union worth \$16.7 million. The Soviets got an extremely good bargain from Moore, since they purchased both mutton and lamb at 69.6¢ a kilogram, whereas New Zealand mutton was then bringing \$1.54/kg and lamb \$4.75/kg in Britain. Moore was dumping this product in Russia at dirt cheap prices when New Zealand had not even met its quota at the time, at the higher prices, in Britain. Following the scandal which developed around that deal, all New Zealand meat deals with the Soviets have been shrouded in the deepest secrecy.

What makes Mike Moore tick? As he says in his autobiography, “Every action I’ve ever taken has been given the most sordid of motives, the darkest flavour of ambition and conspiracy, which sometimes, but only sometimes, was correct.” Typical of Moore’s duplicity was the press coverage which he *rigged against himself* during negotiations with the European Community over New Zealand’s agricultural products in late 1988. In secret discussions with the New Zealand Dairy Board and the Federated Farmers organization, Moore arranged for these two groups to attack him for “giving in” in the EC negotiations. He waved those clippings around in Europe to strengthen his hand in further dealings. Moore later bragged about it. “Yes. Had to send a message to the European farmers that we’re not over-happy.”

Regarding his latest venture, the Mussolini-style compact, Moore protests that he is not getting involved in anything underhanded: “I will not allow myself to be put in a position where I am seen to be used, because of the good will I have with various parts of New Zealand. I am not a shit. I will not be used to launder things that are unacceptable, I will not be the lipstick on the corpse.”

If that be so, then one of two possibilities presents itself: Either Mr. Moore is lying and does indeed intend to be the “lipstick on the corpse” of the New Zealand economy, or that he truly does believe in his corporatist fascist restructuring schemes.



This diagram, taken from Mike Moore’s 1984 book *The Added Value Economy*, illustrates Moore’s proposed tripartite “social compact” to run New Zealand’s economy. The tripartite council at the top and the subordinate “sector plans” are virtual carbon copies of the national authority and the industry-branch “corporations” of Mussolini’s Fascist Italy in the 1930s. Moore envisions this structure hooking into a system of one-worldist institutions: the General Agreement on Trade and Tariffs (GATT), European Economic Community (EEC), Closer Economic Relations [with Australia] (CER), and others.

# Pakistan in a straitjacket: Is India next?

by Ramtanu Maitra

In spite of repeated displays of bravado by Dr. Mahbubul Haq, Pakistan's former finance minister and a venerated economist of the subcontinent, it is evident that Pakistan is now under the diktat of the International Monetary Fund. As India's growing deficit in the balance of payments and rising deficit figures are tossed around, there is a growing awareness that the Indian government, unable to refurbish its Treasury through generation of resources internally, is borrowing more and more, and steadily sliding the country into a massive debt crisis.

At this point it is almost impossible to ascertain how much foreign debt India has accrued to date. There are many figures available, but each varies from the other significantly. On Nov. 18, 1988, Indian Minister of State for Finance Eduardo Faleiro, answering a question in the Parliament, said that outstanding foreign debt as of March 1988 was Rs. 54,817 crores—the equivalent of about \$40 billion. A study published recently in the *Economic and Political Weekly*, a leading economic magazine, estimated outstanding debt at close to Rs. 76,000 crores—about \$52 billion. In addition to these two non-tallying numbers there are still others.

Recently, the Washington-based International Institute of Finance (IIF) published a study in which India was identified as "the largest debtor nation in Asia." According to IIF, India has accrued about \$60 billion of unpaid loans. Besides, India has also to consider the debt accrued while purchasing military hardware and other commodities from the Soviet Union and East Europe. One estimate indicates that such debt amounts to a tidy sum of Rs. 20,000 crores (about \$14 billion), to be paid back through export of goods and commodities.

The confusion does not end with specifying the actual amount of foreign debt that India has accrued, but extends to pinpointing the amount that India pays as debt service annually. According to world debt figures, debt servicing accounts of 18% of India's foreign earnings. According to Dr. P.D. Ojha, Deputy Governor of the Reserve Bank of India, India's central bank, the debt servicing ratio has risen in recent years due to India's taking greater recourse to medium-term commercial borrowings and drawings from the IMF.

"The rising trend in this ratio from 13.6% at the end of the Sixth Plan (1980-84) to 24% in 1987-88 has exceeded the Seventh Plan (1985-89) projection of 17.6% for the plan period as a whole," Oja pointed out recently.

By another estimate, which appeared in September 1987 in *Business India*, a business fortnightly published from Bombay, "the debt service ratio—interest payments on India's medium- and long-term debt and on borrowings from the IMF, plus amortization on the account of these two items—which was only 12.5% during 1983-84, rose to 19.5% in 1985-86 and shot up to 25% during 1986-87." *Business India* also notes that the 25% debt service ratio does not take into account India's large liabilities in the form of short-term credit and substantial deposits received from non-resident Indians abroad.

## Debt rising, by any standard

Despite the cloud of confusion caused by inaccurate information, it is evident that India's debt is mounting fast. According to the government, India's foreign debt was Rs. 39,701 crores in March 1986—which indicates that, by the government's own account, within two years India has accumulated another Rs. 15,000 crores (about \$10 billion) of foreign debt. At this rate, if the balance of payments situation continues to deteriorate as it has for the past several years now, it will not be long before the IMF can be expected to call upon India to "restructure its economy."

Yet there is very little public discussion on the matter. According to one economic journalist, the absence of accurate information has led to a level of complacency. At the same time, the World Bank's fulsome praise of the way India is handling its finances is given a great deal of credence by one and all. The Bank's annual report, in which it stated that the World Bank "stands fully behind India's goal of eliminating absolute poverty by the year 2000," drew a lot of media attention. Others who push aside the fear of the debt trap by stating that so long as India's external debt is made up of the amounts authorized by the World Bank, IDA, and bilateral credits, there is scope for a great deal of mutual understanding and rescheduling of repayments.

However, India's external debt is not devoid of commercial borrowings and, in fact, available figures indicate that during the fiscal year 1987-88 alone the domestic financial institutions borrowed from foreign commercial banks to the tune of Rs. 800 crores (about \$550 million).

One wishes that India does not suffer from such illusions. On the other hand, the World Bank will continue to spin its web attracting the potential victim. "We are not worried about India's increasing debt ratio at this stage. India has managed its economy rather well," World Bank vice president for Asia, A. Karaosmanoglu told the press Jan. 31 in New Delhi after a two-week stay in the country for touring and talks with government officials. But the country has to step up exports, he emphasized.

## Case in point

Such assurances were also given recently to Pakistan. In a 1986 monograph titled "Pakistan and the World Bank—Partners in Progress," the World Bank lauded Pakistan for its "dynamic economy in which there is increasing international interest" and for the "progress" that had been made in restructuring the economy in the past two decades. Within two years of these paeans, strong reassurances from Dr. Mahbubul Haq notwithstanding, it has now been found that the *sarkari khazana* (government treasury) is empty and that Pakistani authorities have, according to the IMF, "recognized that the domestic and external financial trends of recent years were not sustainable."

Pakistan has now amassed \$14 billion of foreign debt, and each Pakistani, whose \$390 annual income was lauded by the World Bank and Pakistani authorities alike, now owes \$109 in foreign exchange. The irony is that this debacle occurred during the time when Pakistan's gross national product rose at a better rate than ever. Between 1980 and 1986—a period when, according to the World Bank's convenient hindsight, Pakistan was "living on borrowed time"—the Pakistani economy grew at a rate of 7% annually. In 1987 it fell to 5.5%.

A few voices have come out expressing fear of India's growing problems with foreign exchange. On a generalized note, Indian Finance Minister S.B. Chavan, inaugurating an international seminar in January on the new world economic order, warned of the disquieting trends in the world economy, in particular the growing debt of the developing nations and its negative impact. Others have pointed specifically to India's falling foreign reserves and growing balance of payments deficit.

The latest "Report on Currency and Finance," published by the Reserve Bank of India for 1987-88, indicates that at the end of calendar year 1988 India had foreign exchange reserves sufficient to meet three months' import bill. During the period April to December 1988, foreign exchange reserves declined by Rs. 1052 crores (about \$700 million) against a decline of Rs. 528 crores (about \$360 million) in the same period of 1987, in spite of the fact that exports rose by 22% during this period.

As the Reserve Bank of India (RBI) pointed out, the situation is going to get worse with the worsening debt repayment commitments and receding hopes of a substantial rise in foreign exchange earnings due to the stagnant state of the world economy. In fact, India's foreign exchange reserves have now fallen significantly below the foreign currency-denominated deposits placed with banks in India.

As in the case of Pakistan, India's foreign exchange problems have begun to show up, ominously, as the country looks forward to a significant growth in GNP. RBI predicts, for instance, that the growth of national income for 1988-89 may be as high as 9%.

The old monetary system is dead. Put it in the closet, and open the closet to horrify children on Halloween. The question is, how do we build the new monetary system?

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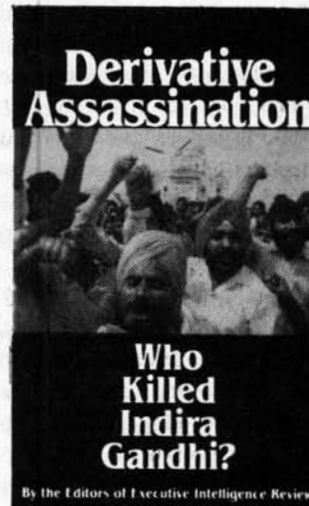
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# Brazil rejects foreign bid to grab Amazon

by Luis Barbosa

The burning each year of an area of the Amazon River basin equal to the size of Belgium is a real environmental problem, which requires real solutions. The problem, however, has provided the pretext for an assault on Brazilian sovereignty by supranational financial and environmentalist institutions.

In its Feb. 3 editorial, "Brazil's Debt Can Save the Amazon," the *New York Times* ranted against President José Sarney for "standing in the way of . . . a grand debt-for-nature swap that would ease Brazil's burden of foreign borrowing and preserve the Amazon." What Sarney rejected, the *Times* wrote, was a proposal that Brazil convert \$8 billion worth of foreign debt that it could never repay, into local currency to endow an international environmental institute to police its rain forests.

This debt-for-nature swindle was shoved into Brasilia during a mid-January visit by U.S. Senators Timothy Wirth (D-Colo., a former World Wildlife Fund director), Al Gore, Jr. (D-Tenn.), John Heinz (R-Pa.), and the *Washington Post's* Ben Bradlee and Peter "Jaws" Benchley. Sarney shot it down, retorting, "We don't want the Amazon to become a green Persian Gulf."

In an interview with the daily *Folha de São Paulo* published Feb. 10, Sarney insisted, "One thing we cannot accept—and no Brazilian would accept—is exchanging our sovereignty, a piece of our territory, for any kind of foreign aid or for foreign debt. That would be abdicating our sovereignty. . . . No, we will never allow the Amazon to be restricted or our sovereignty over the Amazon to be abdicated for any interests. All the money in the world could not buy a single meter of Brazilian Amazon soil."

The *Times* editorialized, "Mr. Sarney's notion of foreigners taking possession of the Amazon is a groundless fear concocted by his military advisers." The military veto was certainly evident in Army Minister Gen. Leônidas Pires Gonçalves's assertion, "There are undisclosed interests behind this boring hurdy-gurdy song" about internationalizing the Amazon.

Are military fears "groundless"? Imperial powers have been trying to grab pieces of the Amazon since at least the days to Theodore Roosevelt. Even the World Wildlife Fund (WWF) now admits that the pioneer debt-for-nature deal made with Bolivia in 1987 grants foreigners control in perpetuity over a big piece of Bolivian national territory. Debt-for-nature swaps are also openings for commercial debt-for-equity grabs and for world government bodies dictating all

sorts of policies, including population reduction.

The *Financial Times* reported Feb. 7 that UNICEF adviser Stephany Griffith-Jones of the University of Sussex "believes debt-for-development [!] swaps are likely to grow in popularity because they add an important element of conditionality to debt relief."

## Internal pressures

Debt-for-nature supporters inside Brazil have grown louder, in tandem with the international news media and politicians. Maria Tereza Pádua of the Brasilia-based Fundação Pronatura recently proposed that a \$3 billion parcel of Brazilian debt be translated into control over 30% of the Amazon. With her is São Paulo University President José Goldemberg, once Finance Minister Delfim Netto's liaison with Moscow and now a director of a new Soviet-based international environmentalist organization.

There is also social democrat Fábio Feldmann, potential Green Party vice presidential candidate, and Victor Civita, a World Wildlife Fund board member. Civita's 800,000-circulation *Veja* magazine campaigns for the debt-for-nature deals.

The clamor increased when rubber-tapper workers leader Chico Mendes was murdered on Dec. 22, 1988. The *Times* dubbed him "the martyr of the Amazonian holocaust" and urged the World Bank to reduce its loans to Brazil. Brazilian Ambassador to the United States Marcilio Marques Moreira and many congressmen attended a mass for him in Washington, D.C., at which the National Wildlife Federation's Jay Hare incredibly compared him to Martin Luther King!

Yet it was the "environmentalist" bankers behind the campaign who *caused much of today's jungle burning*. They did so by blocking Brazilian plans to settle 1 million people on efficient capital-intensive agro-industrial projects around the Carajás mines. In October 1982, a WWF director from Henry Kissinger's American Express corporation told a reporter, "Those big development projects in the Amazon and other places in Latin America are going to be cut. Now that might nicely save our forest. But that's not where it starts. It starts because we're just not going to lend them any more money." Also in 1982, Ana Marie Jul, who would soon become infamous as IMF representative—and potentate—in Brazil, said, "If the international banks decide not to finance the projects, then they will all just have to shut down. They will die a natural death."

Those who died "natural" deaths were among the hundreds of thousands of the colonists left to starve in the jungle by the funding cut for the Northwest Pole Project, and the millions of poor forced into the jungle by the International Monetary Fund-ordered shutdown of agro-industrial development. It is precisely the forest burning by these miserable migrants that the WWF is now using as a pretext for abrogating Brazilian sovereignty.

## Rio Tinto Zinc grabs uranium trade

*A power play by the world's largest mining multinational lies behind recent developments in southern Africa.*

One of the little-discussed aspects of the recent Moscow-Washington "decolonization" agreement for South West Africa, under which a likely pro-Moscow regime under Sam Nujoma's SWAPO will dominate Namibia, is the role of certain London-based mining giants who stand to reap enormous windfall benefits. The uranium assets of Rio Tinto Zinc (RTZ) in this region are what we will focus on.

RTZ is no small-time "pan-gold" operation. When they announced, several weeks ago, their friendly \$4.32 billion takeover of British Petroleum Minerals, they became the world's single largest mining multinational group, according to one London mining analyst. BP Minerals gives RTZ Western Australia's Olympic Dam mine, potentially one of the world's largest uranium finds.

RTZ is quintessentially British and is one of the important groups which is advised by the influential N.M. Rothschild investment bank. But it appears to be more than a moribund London mining group. Its director and immediate past chairman, Sir Anthony Tuke, is a long-standing member of the Trilateral Commission. Trilateral founder David Rockefeller led the 1984 destabilization of South Africa when his Chase bank abruptly pulled its credit lines. Analysts in South Africa say that the Chase pullout and the simultaneous financial crisis and "anti-apartheid" disinvestment campaign which followed, were essential to force South Africa to agree to Namibian independence and the withdrawal of support for the Angolan opposition UNITA.

With this in mind, now, let's look

closer at the RTZ group.

The world's largest open-pit uranium mine is located in Namibia. It is also one of the most modern and profitable. After the expected April 1989 withdrawal of South African personnel from the country, RTZ's Rossing mine will also be that country's largest industry, and the prop of its economy.

According to London sources close to the talks, RTZ has reached a secret understanding with Sam Nujoma's SWAPO, under which the company will be left untouched by any future SWAPO government, despite SWAPO's firebrand Marxist nationalization platform. The London *Financial Times* on Feb. 14 hinted as much, noting that RTZ stood to become "one of the main gainers from the end of 74 years of South African rule over this U.N. Trust territory."

The reason is that, once independent, Namibia will no longer be subject to the U.S. Comprehensive Anti-Apartheid Act, which bans sales of South African uranium to the United States. The United States is the world's largest uranium consumer by far. Despite a 10-year halt in U.S. nuclear plant orders, completion of previous power plants there has brought the operating total of nuclear plants to more than 109 units, generating almost 20% of all U.S. electric generation. RTZ has this market in its sights.

Further, the Japanese market will grow by fully 30% by the end of the next decade. Intense pressure from the U.S. government on Japan has succeeded in forcing Japanese electric utilities to cancel uranium supply contracts with South African mines, "in protest against South Africa's apartheid

policy and its occupation of Namibia," according to a MITI spokesman. RTZ stands to capture this market as well.

RTZ has been carefully conniving and preparing for these developments. World uranium prices have been depressed in recent years, forcing the bankruptcy of numerous mid-size independent U.S. uranium mines. World prices for uranium concentrate dropped from a 1978 high of almost \$45/pound, to a low near \$12/pound by the end of 1988. Yet, despite a 10-year depression in prices, RTZ has just bought the uranium properties of Kerr-McGee in Wyoming and New Mexico through its Rio-Algom subsidiary, with what RTZ calls, "a view to long-term uranium market opportunities."

Under the new U.S.A.-Canada Free Trade Agreement, RTZ is now positioned to reap further windfalls for shipping its considerable uranium from its Rio Algom Canada mines to U.S. nuclear reactors. The Free Trade Agreement voids provisions in the U.S. Atomic Energy Act which have restricted U.S. import of RTZ's Canadian uranium until now.

London is the center of a "club," accused of being a uranium producers cartel, the London Uranium Institute. RTZ is a member. In 1985, the institute predicted that the world would be in oversupply until the end of the 1980s, weakening prices and closing more U.S. mines.

The recent depression has plunged U.S. uranium mine levels from 362 mines in 1980 to only 15 mines by 1986. The United States will soon become hostage to foreign supplies; then, beginning sometime in the 1990s, according to Nuexco, a large California uranium trader, we will face a severe shortage of world uranium supply. Coincidentally, this is just when RTZ is moving to corner the world uranium market.

## New viruses resist antibiotics

*More and more strains we can't cope with are now arising in immunodepressed patients.*

As if the spread of HIV infection were not enough of a nightmare in itself, it appears to be contributing to another major problem. This is the emergence of antibiotic resistance on the part of other viruses which commonly infect immunocompromised individuals. These viruses, members of the herpesvirus family, were among the first viruses for which successful, and relatively non-toxic, antibiotics had been developed.

The Feb. 2, 1989 issue of the *New England Journal of Medicine* contains a series of articles reporting on the development of antibiotic-resistant strains of two common herpesviruses, cytomegalovirus (CMV) and herpes simplex virus type 2 (HSV-2). Of the 16 patients reported in the three articles, 15 had AIDS and one was an elderly female with lymphocytic leukemia.

Infection with cytomegalovirus is a major cause of disability and death among transplant recipients and AIDS patients. Over 90% of AIDS patients are infected with CMV and evidence of widespread infection is present in 93% of autopsies on AIDS patients. CMV can produce severe disease of the brain, eyes, lungs, liver, stomach, and other organs.

HSV-2 is the virus which causes genital herpes. It, too, is highly prevalent in AIDS patients, especially homosexuals, and causes recurrent infections, which may produce extensive and persistent ulcers of the genitals or the mouth.

The problem with developing antiviral drugs has always been finding a drug which specifically interferes

with virus reproduction while not affecting normal cells. This is much more of a problem with viruses, since they utilize the metabolic machinery of the cell itself to reproduce themselves, than with bacteria, which have their own independent metabolic machinery.

One of the first successful antiviral drugs which could be given by mouth or by injection is acyclovir, which is effective against herpes simplex viruses and Epstein-Barr virus. Systemic acyclovir is effective in treating disseminated HSV infections in immunosuppressed patients and has become the drug of choice for treating these infections.

It now appears that acyclovir-resistant strains of HSV are developing among AIDS patients. Researchers from Boston and San Francisco describe a 12 cases of severe ulcerations of the mouth, anus, and fingers in AIDS patients, which failed to respond to acyclovir and from which they were able to culture acyclovir-resistant HSV-2.

Acyclovir is structurally similar to another drug known as ganciclovir. Ganciclovir, which is presently not on the commercial market, is an experimental drug which is active against cytomegalovirus. It appears to be effective in treating CMV infections of the eye and stomach, which are a significant cause of disability in AIDS patients.

Ganciclovir is at the center of a controversy over a Food and Drug Administration decision to require further studies before approving the drug for general distribution. The drug

has been administered under a "compassionate plea" protocol which allows the use of unapproved drugs. Since it is apparently effective in preventing otherwise certain blindness caused by CMV infection of the eye, no controlled studies have been done.

When the FDA refused to approve commercial sales until a new clinical trial was completed, there was an outpouring of protest by doctors and advocates for AIDS patients. The FDA is now reconsidering its decision, but, ironically, it now appears that CMV is beating FDA to the punch and becoming resistant to the drug even before it is approved.

Researchers from Minneapolis, Minnesota, Portland, Oregon and the Burroughs Wellcome Co. in Research Triangle Park, North Carolina, reported three different patients in which CMV resistance to ganciclovir appears to have arisen by three different mechanisms. "One patient was infected with a resistant virus, another was infected with a susceptible virus that became resistant, and the third was infected first by a susceptible strain and later by a genetically distinct, resistant one."

Ironically, Foscarnet, a drug developed to treat HIV infection, seems to be effective in treating at least some cases of acyclovir resistant HSV.

As the HIV epidemic continues its spread, we can look forward to more and more antibiotic-resistant viruses arising in immunodepressed patients. Considering the mutability of HIV itself, it is only a matter of time before AZT-resistant forms of HIV emerge, if they haven't already. As long as we refuse to confront the reality of the biological holocaust which presently surrounds us, we are going to continue to find out that the microbes are one step, or more, ahead of our ability to cope with them.

# Business Briefs

## Insider Trading

### Two more arrested in Japanese scandal

Two former managing directors of Nippon Telegraph and Telephone (NTT), Japan's largest company, were arrested Feb. 13 on charges of taking bribes from the Recruit publishing group. The former Recruit chairman, Hiromasa Ezo, and Hiroshi Kobayashi, vice president of First Finance Co., a business affiliated with Recruit, were also arrested for alleged bribery.

The charges against Toshihiko Hasegawa and Ei Shikiba, former NTT managing directors, alleges the two went to extraordinary lengths to help Recruit enter and succeed in the telecommunications business, and that in return for their support, they were offered the opportunity to buy shares in Recruit Cosmos.

Prime Minister Noboru Takeshita is quoted by international news media, "I believe the prosecutor has been conducting a fair and stringent investigation." Takako Doi, the chairman of the largest opposition party, the Japanese Socialist Party is quoted, "We believe the arrests today are only the beginning of the investigation." Doi again called on Takeshita to step down or call new elections. The scandal has already led to the resignation of Takeshita's finance minister.

## Agriculture

### USDA opens 'touch and tell' video kiosks

The U.S. Department of Agriculture has opened a series of video kiosks in shopping malls, but they have little or nothing to do with the department's supposed concern, i.e., farming and the food supply. Rather, the kiosks are designed to bring "kook agriculture" issues to the masses, "like magic."

Devised by the USDA Extension Service and Soil Conservation Service, the phone booth-sized kiosks use "interactive video," called touch-and-tell.

Tom Tate, director of the Extension Service Interactive Video Network, says, "See, I touch the video screen and then this computer picture of a farmer's field materializes like magic."

A built-in computer stores dozens of images, on subjects such as "Alternative Agriculture Opportunities . . . Conservation and Management of Natural Resources . . . Water Quality"—everything but farming and food.

Tate calls this system "edutainment," meaning, "entertaining education via interactive video." Everything but farming and food.

## Government

### NYC to be hit hard by Bush budget

George Bush's budget will mean the loss of \$436 million in federal aid to New York City in fiscal 1989, with programs for the poor and elderly taking the deepest cuts.

This was the analysis given to the *New York Daily News* by House budget experts, and Rep. Charles Schumer (D-N.Y.), a member of the House Budget Committee. Schumer said that New York City could lose \$229 million in health and social services aid alone if the Bush budget is approved. But that doesn't account for expected cuts in Medicare and Medicaid.

He also warned that \$76 million will be cut from housing, \$73 million from mass transit, and \$57 million from job training.

## Europe 1992

### EC Commission hits U.S.-Japan trade

The European Community's European Commission in Brussels has made a major decision against importing products of Japanese companies that are made in the United States.

In a complex ruling which could have

significant implications for a variety of tri-lateral trade negotiations, the European Commission declared Feb. 10 that Japanese Ricoh copier machines should be subject to stiff EC anti-dumping taxes reserved for Japanese products, even though the copiers are assembled in California.

The EC also invoked a little-used rule whereby, if no decision is taken by the 12-nation Council of Ministers within 90 days, the Brussels diktat becomes law.

In another significant area, the EC is attempting to negotiate an agreement with Japan over pricing of computer memory chips. Fujitsu is reported ready to build a \$100 million chip plant in Northeast England to escape possible EC protectionist actions.

## Resources

### Severe restrictions on California water

The California Bureau of Reclamation Feb. 10 announced that water from the federal Central Valley Project will be cut by 50% beginning March 1. The announcement was unexpected, as federal officials had said in December that a 25% cut was possible if the drought continued.

Federal officials admit that the 50% cut could wither 10% of California's irrigated farmlands and cause more than \$1 billion in farm losses. The cut will affect more than three dozen major water contractors from the north of the state to Kern County, reducing water to farmers by 2.5 million acre-feet, the sharpest reduction since the drought of 1976-77.

John Harris of the huge Harris Ranch is quoted in the press saying that he will have to lay off 25% of his farm workers. Bill Dubois, the water expert for the Farm Bureau, said, "When you get a 50% cut in water supply, you're just about forced to plant half the ranch."

California water and farm experts foresee severe rationing for many Bay Area residents and huge tracts of farmland left fallow in the Central Valley as a result.

Santa Clara County's 1.4 million resi-



dents will be forced to reduce water use by up to 45%. The county is the largest metropolitan contractor of Federal Bureau of Reclamation water in the state. Last year the district got 21% of its water from the federal government. The Santa Clara County water district, at that time, asked for a voluntary 15% water use reduction; it got a 3% cut in use. Officials are worried that with the federal cuts, more strain will be placed on underground water. From the 1920s to the mid-1960s, San Jose sank 13 feet as a result of overdrafting of underground water.

## **AIDS**

### **South Bronx residents are 'high risk' group**

At least 23% of emergency room patients at a South Bronx hospital were found to be infected with AIDS in July 188, according to a Feb. 15 report in the *New York Times*. In a study of 143 patients entering the emergency room at Bronx-Lebanon Medical Center, 33 tested positive for AIDS. This did not include those who were already known to have AIDS. An earlier study of patients in alcohol-detoxification revealed that 27% had AIDS antibodies.

This is the first emergency-room patient test conducted anywhere in the country since a Johns Hopkins study in Baltimore in 1987, where only 5.2% were found positive.

While attempting to minimize the significance of these statistics vis-à-vis the general population, city officials and even the *New York Times* admits precisely what *EIR* has been saying: "The virus is concentrating geographically, targeting and focusing on the poor."

Officials make clear that nothing will be done about it. Because of the confidentiality rules, patients will not even be told of the findings. Instead, the importance of "prevention" campaigns are underlined—school presentations and an information van in the neighborhood!

Federal health officials are now organizing the testing of patients at 40 hospitals across the nation, as part of an effort to determine the extent of spread of the disease. After all, even the Nazis had special ac-

countants keeping track of the number of gas chamber victims at the concentration camps.

## **Banking**

### **Texas attorney general resists takeovers**

The Attorney General of Texas, Jim Mattox, on Feb. 14 requested a conference with Gov. Bill Clements and legislative leaders to discuss placing new restrictions on takeovers of Texas banks by out-of-state banks, according to the Feb. 16 *Dallas Morning News*.

Mattox wrote a letter to state officials saying that Texas must respond to the takeover of so many banks, both for economic reasons and because state constitutional requirements for a "local" banking system.

"Texas will not regain its economic vitality until we restore our local banking system," read the letter.

"Our constitution provides for a local banking system, and we need to determine whether or not our Constitution has been de facto abrogated by the conduct of the FDIC, FSLIC, and out-of-state holding companies."

He called the state's banking crisis "of such great importance that we need a joint effort to formulate a cohesive state policy."

He warned that the federal government "will usurp state authority in this area if we do not formulate a policy and move forward."

According to the newspaper account, the attorney general's office has been asked to take legal action to restrain federal banking regulators and out-of-state companies "from operating in Texas in violation of our state Constitution and statutes," in the words of the letter.

Reggie Bashur, the governor's press secretary, said that Clements shares concerns about the banking community in Texas. . . . "We have had several big out-of-state companies that have come in to operate Texas banks, and in the process they have shifted the assets of those banks out of state," she said.

## **Briefly**

● **UNION CARBIDE** has reached a settlement with the Indian government over the 1985 Bhopal disaster, in which toxic gases leaked from the chemical plant there killed thousands and injured thousands more. The company will pay \$470 million in damages.

● **IBERO-AMERICA** transferred \$29 billion to foreign creditors in 1988. The sum brings the total to \$180 billion transferred abroad in the seven years since the Ibero-American debt crisis exploded in 1982, according to a U.N. agency.

● **MEXICAN** companies will have their individual foreign debts refinanced to the tune of \$200 million from the International Finance Corporation, an affiliate of the World Bank, by the end of 1989.

● **U.S. OIL** imports in January 1989 surged to their highest since 1980 as domestic production fell and consumption rose, according to the American Petroleum Institute. U.S. crude oil output fell to 7.9 million barrels per day, a 3.4% drop over January 1988. Foreign supplies may soon control over 50% of U.S. oil supplies, said AIP.

● **MARTIN MARIETTA** will manufacture 72 additional nighttime navigation and targeting systems for the U.S. Army's Apache attack helicopter, under an \$87.9 million Army contract.

● **U.S. AUTO** sales fell 15% in early February compared to the same period a year ago. Analysts said the drop reflects rising interest rates and decline dealer incentives. Chrysler reported the biggest drop in sales, a 31% decline.

● **TELEPHONE** marketing fraud will be the target of a new group, the Alliance Against Fraud in Telemarketing. It will be made up of 50 trade associations, advocacy groups, corporations, and government agencies.

## Verdi 'A' resounds in Parma, political fight begins now

by Leonardo Servadio

The international Schiller Institute conference on the Verdi tuning fork which took place on Friday, Feb. 10 in Parma, Italy was simultaneously a celebration of beauty and a battle-cry. In times such as these, when our culture and our civilization are so suffocated, it could not be otherwise. The title of the conference was "In Defense of Western Culture—Giuseppe Verdi and the Scientific Tuning Fork (A = 432 Hz)."

The atmosphere of the meeting was strongly determined by two events: first, the fact that Lyndon LaRouche, who launched the campaign to return to the scientific A around the world, had been for two weeks incarcerated in the United States, convicted of "crimes" similar to those for which Socrates was condemned in the "oh-so democratic" city of Athens; second, the fact that the Public Education and Culture Committee of the Italian Senate had completely turned on its head the proposal which the Schiller Institute had launched one year ago in April to establish by law that the tuning at which classical musical works should be performed, should be the standard pitch of Italy's great composer Giuseppe Verdi, and not the stratospheric pitches which are in fashion today.

In the beautiful auditorium of the Parma Society of Letters and Conversation there were more than 200 persons:



*Renata Tebaldi*

instrumental musicians, teachers, students, mostly professionals of the music world and all unified around their sincere love of Verdi, who was born at Busseto, a village not far from Parma, and who made this north Italian city into a capital of the operatic theater.

Speakers at the conference were the celebrated soprano Renata Tebaldi, who despite not being able to attend personally sent a long recorded message; the founder of the Schiller Institutes, Helga Zepp-LaRouche; the president of the Schiller Institute in Italy, Fiorella Operto; Liliana Celani who chaired the conference; the 'cellist Susan Moses; and Prof. Bruno Barosi, director of the acoustical physical laboratory of the International Violin Building Institute of Cremona.

Other participants included the bass Michele Pertusi and the baritone Michele Purcelli, who sang various excerpts of Verdi operas in the two tunings—the one prevalent today (upwards of A = 440) and the A at 432 Hz, which permitted the audience to appreciate how much more beautiful and natural the voice sounds in the Verdi tuning.

Telegrams of encouragement and greetings were read from Alfredo Kraus, Carlo Bergonzi, and Luciano Pavarotti—three of the world's most famous operatic tenors—and renowned Verdi baritone Piero Cappuccilli, who all spoke in favor of the Verdi A at 432 Hz, as well as baritone Renato Bruson, who came in person to convey his greetings and best wishes.

Of course, one week after the approval in the Italian Senate of a law that sets the standard A at 440 Hz, all of these stances took on the character of a strong criticism toward the workings of the Senate Committee.

In her opening remarks, Liliana Celani announced that already several scores, of the hundreds of singers and musicians around the world who have spoken on behalf of the Verdi A of 432 Hz, have declared themselves completely contrary to the convenient "compromise" arrived at in the Senate, and ready to take up the battle to make the real Verdi A triumph.

The audience listened with rapt attention to the recorded presentation of Renata Tebaldi, the soprano who by the 1950s dominated the Italian 19th-century operatic repertoire at New York's Metropolitan Opera. "It will be necessary to come back often," she said, "to this subject; it seems now that everything has been twisted, we are going back to 440, which is *stupidissimo*, because this tuning fork already existed 40 years ago," but it was only respected for a brief period, and then, since recordings seemed to come out better with higher tunings, it was abandoned and the pitch started to climb. "To take the tuning back to 440 is a joke, and there won't be a single orchestra that will hold to 440. There need to be some drastic decisions to change things," she added.

Renata Tebaldi explained how singing with too high a tuning causes the throat to constrict, cutting back the sound and making it more strident; this ruins the voice and falsifies the composer's intentions.

### **A political battle is cultural**

Helga Zepp-LaRouche explained why the battle for the Verdi tuning is a fundamental one for our civilization and absolutely must be won. The founder of the Schiller Institutes attacked the tendency to make compromises on issues of principle, as occurred in the Italian Senate: "This is a kind of moral bankruptcy. The argument by which the Senate compromise was reached is that although the Schiller Institute had demonstrated the superiority of the Verdi A, its enactment would not be possible, because this would require redesigning all the fixed-tuning instruments, such as the wind instruments, and would imply an expenditure, an investment, and that is not possible because of lack of funds."

The society that does not know how to defend its own culture because of budget-cutting is a society which is moving toward decadence and self-destruction: It is really a question of the same principle by which governments do not invest sufficient funds for the AIDS fight or to give health care to the old. With this kind of policy a nation is put to death, for economic motives.

What has to be defended, instead, Helga Zepp-LaRouche underlined, is the will of the composer, and for this we have to perform the works as they were conceived by those who wrote them; not to act like those directors today who can't produce works of their own or understand those of other people, and so distort them with absurd interpretations.

Mrs. LaRouche spoke of how this rush to raise the tuning pitch not only ruins singers' voices, but makes many works today simply not performable, because the harmonic pas-

sages, the modulations, the musical development by which the composer conveys his creative idea, is aborted by the change in the basic key.

With the great classical pieces, Helga Zepp-LaRouche stated, the composers express not only a specific idea, but they communicate their own process of creative thought, which is the most beautiful and elevated one that exists, insofar as it is a reflection of a higher lawfulness. Thus, great classical art is based on the concept of natural law, understood as the expression of a higher form of harmony, in reflecting upon which the individual finds his own dignity. The function of art is precisely that of celebrating the principle of human development and creativity as a true, unwritten and unwritable, law of human life.

To introduce arbitrary variations in the representation of a great work of art means therefore to deny the very existence of "natural law" thus understood, and to deny the idea of human creativity as a legitimate and rigorous phenomenon.

Mrs. LaRouche recalled that the idea that there is no law or higher principle to which one can refer, is in fact that of Nietzschean philosophy, according to which all is permitted to him who has the force to impose his own will upon others, and how this Nietzschean philosophy is the root of various phenomena of degeneration in our civilization, from drugs right down the chain of irrationalism, to the culture of Satanism which is spreading more than ever today.

For these reasons, the defense of the Verdi A from the arbitrariness of the A = 440 standard pitch, which is a compromise totally without scientific basis and far from what had been the tuning of reference of the great classical composers, has a lot to do with the defense of our civilization against the assault of irrationalism and hedonism to which it is subjected today. "But the Senate decision," she concluded, "shows that politicians do not understand what is at stake in the cultural battle today. The way out, therefore, is that we have to take into our own hands the reins of decision in this matter. The minister in charge of safeguarding cultural property, and surely Italian opera is a great cultural property, must be someone who really understands our culture. Who better than Miss Renata Tebaldi could do this? For this reason, both Renata Tebaldi and Fedora Barbieri, as well as Prof. Bruno Barosi, have decided to become candidates with us, forming an independent list which will be called Patriots of Italy," Mrs. Zepp-LaRouche announced.

Speaking next, Fiorella Operto, president of the Schiller Institute in Italy, maintained that morality, artistic beauty, and scientific rigor are inseparable. Operto cited the well-known part of Verdi's opera *SimonBoccanegra*, when Simon stands up to placate the fratricidal scuffle in the Genoese council, and concludes with the words of the great poet Petrarch, "Io vo gridando pace, io vo gridando amor," ("I go crying peace, I go crying love,") as one of the loftiest examples of love of art and true patriotism, an example that must be followed today as well.

## Renata Tebaldi to run for European Parliament

World-famous Italian soprano Renata Tebaldi, the "angel's voice," who still today is a symbol for bel canto singing and classical culture around the world, will run as an independent candidate on the slate of the Patriots of Italy for the European Parliament next June. The announcement was made by Helga Zepp-LaRouche, initiator of the Patriots slates for the European Parliament, during the conference on "Giuseppe Verdi and the Scientific Tuning Fork" on Feb. 10 in Parma, Italy.

"The compromise reached in the Italian Senate on the legislation we proposed to return to Verdi's low tuning in order to save voices and classical interpretation," Mrs. LaRouche said in announcing the Patriots slate, "demonstrates the weakness and corruption of the political institutions which were not even able to respect and defend Verdi's will. It also shows how important it is for us to emerge in Europe as a new institution which is able to reject any compromises on scientific ideas and principles."

In her message to the conference, Tebaldi herself explained that "the politicians' decision to abandon Verdi's proposed tuning of A = 432 Hz, the scientific tuning, for a compromise on A = 440, demonstrates that the senators are not willing to change anything. Their decision is due to commercial considerations and has nothing to do with our culture and the need to safeguard our music heritage, which is the one that made us famous all over the world." Because of her determination "to prevent opera and classical music from dying because of the incompetence of present political and government institutions," Tebaldi agreed to run as an independent candidate for the European Parliament on the Patriots of Italy slate.

Together with her on the slate, running on the same classical culture agenda, are Fedora Barbieri and Prof. Bruno Barosi, director of the Acoustical Laboratory of the Violin Building School in Cremona, who has worked with the Schiller Institute in its efforts to revive Verdi's scientific tuning in order to save the precious old Cremona stringed instruments. Mezzosoprano Barbieri is famed for her singing of such Verdi roles as Azucena in *Il Trovatore*, which she recorded with Zinka Milanov and Jussi Bjorling in a legendary recording.

## Giuseppe Verdi: A = 432 only scientific tuning

by Marco Fanini

In the course of the debate over the rising tuning pitch, the Italian daily *La Stampa* recently wrote that the "limit of 432 Hz has been maintained by the Schiller Institute, whereas Verdi had supported a limit of 435." Considering the fact that some musicologists publicly support the same thesis, we believe that *La Stampa* did not stumble into a error, but deliberately published a thesis whose falsity we shall demonstrate once again in this article.

First let's hear from the man directly concerned, Giuseppe Verdi, who wrote to Arrigo Boito on Nov. 8, 1885: "Principal aim: unity of the tuning fork. To concede, if one cannot do otherwise; but not without stating openly, loudly, and publicly, the error, from the scientific standpoint, of A = 435. You are a clear and able speaker, and you will easily set the truth in evidence. One could very well, with the authority of our Conservatories, declare that we maintain the A = 432 tuning because it is the most correct; but this firmness could seem like obstinacy, childishness that could almost lend itself to the ridiculous, and would be immediately caught by our brothers beyond the Alps."

The background to this letter is that the poet and librettist Arrigo Boito represented Italy, together with Professor of Experimental Physics Pietro Blaserna, at the International Conference on the Tuning Fork, held in Vienna in 1885. That conference was the epilogue of a dispute on the subject that had gone on for several years. The French had adopted in 1859, a tuning fork of 435 vibrations and had asked the rest of Europe to unify the tuning on that metric. In 1881 a congress of scientists and musicians held in Milan came out in favor of an international standard pitch of A<sup>3</sup> (Concert A, or the A above Middle C) at 432 full vibrations per second. The Congress considered that since the tuning fork should be unified, they preferred, over the French tuning fork, called "normal," the 432 tuning fork, called "scientific," because of its relationship to a Middle C set at 256.

Initially Verdi supported the French pitch of 435, but then he became convinced by the scientists and he turned into a decisive advocate of the scientific A = 432 tuning fork, as

noted in the cited letter to Boito. In 1883 the Italian Ministry of War established as the only tuning pitch for the military bands of the Kingdom of Italy  $A = 432$ , also thanks to the opinion expressed by Verdi, as we read in his letter date Feb. 10, 1884, to the chairman of the commission that was deliberating the matter:

“Since the normal tuning fork was adopted in France, I advised that the example should also be followed by ourselves; and I formally asked the orchestras of several cities of Italy, among others that of La Scala, to lower their tuning fork to bring it into uniformity with the French normal one. If the Music Commission instituted by our Government believes, for mathematical reasons, that the 870 vibrations [ $A = 435$ ] of the French tuning fork should be reduced to 864 [ $A = 432$ ] the difference is so small, almost imperceptible to the ear, that I am most happy to associate myself with this. It would be a very, very serious error to adopt, as is proposed by Rome, a tuning fork of 900 [ $A = 450$ ]. . . .”

Thus Verdi, in 1884, admits the “mathematical exigencies” of the tuning fork, and in 1885 (given the letter to Boito) he is already more convinced of it, speaking of  $A = 432$  as “more correct” and of the “scientific error” of  $A = 435$ . Verdi had been convinced of the rightness of this tuning following the studies of Charles Meerens (*Mémoire sur le diapason*, Brussels, 1877) presented to the Institute in Geneva, which replicated analogous demonstrations by Ritter. Meerens perceived a “Pythagorean” relationship by which  $A = 432$  was in a precise relationship with  $C = 256$  (v. Adler in *Vierteljahrsschrift für Musikwissenschaft*, 1888, p.143).

### Verdi versus 440

Scientific rigor is obligatory when we speak of music, because the harmonic relations expressed by the well-tempered musical scale are not accidental but reflect the Golden Section proportions which are present throughout nature and the universe. Hence, the polemic between  $A = 432$  and  $A = 435$  is less academic than it may appear. In any case, it serves to demonstrate how far from all scientific criteria and arbitrary is the  $A = 440$  supported by ignorant Italian senators (apart from the general problem of ignorance among politicians) and also by ignorant and corrupt musicologists who really ought to know better. Meanwhile Verdi spins in his grave to hear what is “proposed by Rome.” If the viewpoint of the great Maestro could seem doubtful on this subject, let us cite yet another letter of his, addressed to Maestro De Giosa in 1871:

“To get back to the question we still do not. I wanted to propagate the normal tuning fork and make it as universal as possible. You proposed to me an accommodation which was a worse remedy than the disease. . . .”

In short, for Verdi, a unified tuning for the entire world was needed, and he first thought that this could be the French standard pitch ( $A = 435$ ), was then convinced of the scientific correctness of the Italian tuning fork of  $A = 432$ , and also

thought that any “accommodation” of a different sort should be rejected. Certainly Verdi would not have had his works sung at  $A = 440$  or  $A = 450$ , as occurs today. It is interesting to cite in this regard from an article that appeared in *Gazzetta Musicale*, Milan, Nov. 14, 1886: “We have just learned that Maestro Verdi, who prefers facts to all the interminable discussions, has established that *Otello* cannot be performed except in those theaters where the normal tuning is used, and he has made this the condition known to the publisher, who, in the contrary case, cannot give permission for performance.”

### Italy sold out

Unfortunately the Congress of Vienna of 1885 did not adopt the Italian  $A = 432$  due to an incredible series of compromises and political pressures, which saw Italy defeated, after it had already adopted the scientific tuning fork of 432 for a year, and Italy was forced to go back on its law and adapt to the Vienna decisions, i.e.,  $A = 435$ . The scientist and musician Archimede Montanelli described the Viennese compromises in a book entitled *Il diapason italiano e la Conferenza di Vienna* (also see by the same author, *La riforma del diapason in Italia*, 1884), where he speaks of compromises “in homage to the interests of the musical instrument manufacturers” and of the treason of Professor Pietro Blaserna, one of Italy’s representatives, who left as a supporter of the Italian  $A$  and returned the convinced assessor of the French  $A$ . With the necessary changes for the worse, it seems, we should read into that story what just happened in the Italian Senate, where Senator Carlo Boggio presented a bill to introduce the  $A$  at 432 and ended up modifying his own bill in favor of  $A = 440$ .

Finally, on the “Italian” or “Verdian”  $A$ , let us cite an article which appeared in *Gazzetta Musicale* of Milan on Nov. 8, 1885, signed Oscar Berggruen:

“The international Congress convened in Vienna . . . will be held in the second half of November. The Commission wants to make the proposal of the French  $A$  of 435 vibrations but there are many partisans of the Italian  $A$  of 432 vibrations. The difference is not major, but in my opinion, the Italian  $A$  is particularly to be recommended because it is divisible by octaves by the organ. The French  $A$  arrives, two octaves down, at a fraction, i.e., at 217.5 vibrations, corresponding to 216 vibrations of the Italian  $A$ . The Italian  $A$  also corresponds to the laws of science. . . .”

Senator Bompiani, chairman of the Education Committee in the Italian Senate, who blessed the rotten deal by which the  $A = 432$  law suddenly turned into an  $A = 440$  bill, seems to have told a journalist that laws are not scientific disputes, but that they have to be practical. Evidently for him and for our politicians the relationship between science, music, and morality, is not very practical. Too bad the singers, the musicians, the conductors don’t think that way—and neither did Giuseppe Verdi.

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## Book Review

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# When 'art' rhymes with Okhrana

by Katherine Kanter

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### Chaliapin

by Victor Borovsky

Hamish Hamilton, London 1988

£25, hardbound, 630 pp. with index

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Truth has an alarming way of emerging, sooner or later. The only question is, when, and will it be too late? One puts down the title above, wondering, why has that powerful faction in international politics that has run the last 70 years as the "Anglo-Soviet Agreement," decided to rip off the mask and "blow the network," or at least big chunks of it, just now? On Jan. 15, for example, the *Sunday Times* of London carried an interview with the "dissident" régisseur Yuri Lyubimov, in which he disingenuously reveals, that he owes his career to the patronage of KGB chief Yuri Andropov.

Why so shameless? The reason may be that the British "Gods of Olympus" and their Russian allies, feel sure that no one is left alive in the West, either in art or in politics, who will buck the deal over Europe with Gorbachov. By now, Western artistic traditions are so destroyed, that the Russians are welcomed with scraping and bowing in every theatre in Europe, so much so, that we can expect the same people to act the same way toward Russian tanks and heavy artillery in a couple of years. After reading what they have to offer, it is safe to assume that people like the "dissident" Mr. Borovsky (who still beats his path into Soviet art magazines, curiously) will have no trouble earning a fine living under any new regime.

In Mr. Borovsky's cleverly-written pages, he uses the prop of the singer Fyodor Chaliapin's life, to "attack" the present regime, and offers us, in a way we have seen before in "dissidents" of his ilk, a fake alternative: We are made to feel that we in the West are softies, that we must look up to the Russian people's craving to return to the harsh, but colorful, pagan times, where some supposed "uniqueness" of Russian racial characteristics will be again given full play. This he tells us in his first, self-congratulatory lines: "For Russians, the word *dusha* has far wider and deeper implica-

tions than the English word 'soul'. . . . it assumes dozens of subtle shades and can convey a state of mind or explain actions and their motives. It is at least as important as mental powers, if not more so. This concept is indispensable when talking of Chaliapin the quintessential Russian, and Chaliapin the true artistic prodigy." (p. 13)

How can Mr. Borovsky know whether *dusha*, has "far wider and deeper implications" than the word "soul"? What is "soul," what is *dusha*? He does not care to define either word, or even to give some fair paraphrase of the idea; no, it is "shades, states of mind." In plain English, we call that being moody, good mood, bad mood, murderous mood, sentimental mood. . . . When Mr. Borovsky tells us that "*dusha* is at least as important as mental powers," I would like to know, how the *dusha* is divided from mental powers? How does the *dusha* know itself, unless it is by those "mental powers"? Is *dusha* a vapor, a gas, a dust formation, something which exists as a discrete object in the universe outside man's power to think? Is *dusha* a secretion, perhaps from the heart, or even, the sex hormones? Could it possibly be a virus, traveling through the body, even reaching the brain and its besieged "mental powers"?

Borovsky himself must be suffering from a severe case of *dusha*, because after reading through 600 pages, we are no closer to knowing what poor Chaliapin thought about the truly important composers like Mozart, Verdi, or Beethoven, which for a musician, does tend to be rather basic, while the singer is quoted as saying, that for him, Modest Mussorgsky was the greatest composer of all time—an astounding belief, for which no reason can be found in art. The reason is to be found in political intelligence, and Mr. Borovsky's book is a gold mine in that respect, at least, for people who are willing to take off their "I love Gorby" buttons for an hour, and think.

Chaliapin was born in 1873, to a poor and desperate peasant family. His singing training seems to have been limited to six years in the choir of the Orthodox Church in Kazan, and his year's work with the famous tenor Dmitri Andreyevich Usatov at Tiflis, who put him on the road to fame. It was the Tiflis Music Society which gave Chaliapin his first subsidies, and the Tiflis Opera House, his first steady en-

gagement as a soloist. Tiflis, birthplace of Stalin, home of the Balanchine (Balanchivadze) family, seems to be a pagan cult-center of the utmost importance: on Mount Kazbek, Zeus tortured Prometheus for stealing fire, and the town of Kutaisi, where the Balanchivadze family stems from, has the Golden Fleece as its coat of arms.

Allow me to make a short but vital digression here: In a paper written some years back, "The Secrets Known Only to the Inner Elites," Lyndon LaRouche dealt with the battle between the "two elites," the republican and the oligarchical, since Homeric times. Prometheus and the Golden Fleece stand for the two warring factions: Prometheus, a mortal, refuses to be "initiated" into the circle of the Gods of Olympus and dares to steal the divine spark, not for himself, but for all of mankind, to whom he passes on the gift of "fire"—the power to think, the power to act on the universe—before he suffers martyrdom at the hands of Zeus; whereas, the Golden Fleece, taken from Zeus' sacred herd, stands for hermetic knowledge, secrets dispensed by Magi only to the "chosen ones," those who willingly walk down the 33 steps or degrees into Hell, step by step betraying their fellow men to win material advantage and power—an exact inversion of the process of self-development which Dante deals with in his *Commedia*. Benjamin Franklin, the brain behind the American Revolution, was in his time, like Mr. LaRouche today, called "the American Prometheus" while Scottish Rite Freemasonry epitomizes the modern circle of the Golden Fleece.

Now the relevance of all this to the Chaliapin story, is that his teacher Usatov at Tiflis, who moulded Chaliapin as a teenager, was part of that circle of "initiates" who were striving to "change all values into their opposite" by breaking the tide of popular feeling which was in favor of Westernizing Russia. This was the aristocratic group who were to overthrow the Romanov dynasty. In art, the values that had to be inverted, were the love of educated Russians for Western classical music, their striving, led by Pushkin, to do away with that invasive *dusha*, those awful infantile moods, which hold the Russian character back from becoming a self-conscious individual. In Borovsky's words:

Usatov introduced Chaliapin to the music of Mussorgsky. At the time, far from being particularly popular, Mussorgsky was not even well-known. The premiere of *Boris Godunov* in 1874 at the Mariinsky Theatre and . . . [then] in Moscow 14 years later was largely ignored by the Russian public and the critics. The works of one of the world's greatest composers were considered heavy, boring and even harmful to the voice. . . . To Chaliapin belongs the honor and the glory of a complete reversal of opinion in favor of Mussorgsky, first in his homeland, and then abroad.

The public, together with singers and critics, openly showed that they preferred works coming from

Western Europe, particularly Italy. Usatov's repeated attempts to instill some enthusiasm for the works of national composers into his pupils were all in vain. Classmates said to Chaliapin, "Don't listen. Mussorgsky with his Varlaams and his Mitiukhas is nothing else than deadly poison for the voice and for singing."

What actually happened was a phenomenon repeated in the West in 1909 with Serge de Diaghilev and the Ballet Russe: "For the sake of hearing Chaliapin's voice, opera-goers grudgingly forgave his obstinate determination to sing Mussorgsky," just as balletomanes in Paris, were to sit through Stravinsky or Rimski-Korsakov in order to see Pavlova and Vaclav Nijinsky.

Appropriately enough, Borovsky compares what Chaliapin's undoubted gifts did for the Slavophile Mussorgsky, with what Stanislavsky and the Moscow Art Theatre did for that existentialist bore, Chekhov. I almost fell off my chair laughing, reading a letter by Chekhov to his fellow Freemason, Nemirovich-Danchenko, reporting how the audience had spontaneously reacted to the first performance of his play, *The Seagull*: "The theatre exuded ill-will, the air was heavy with hatred, and I, obeying the laws of physics, flew out of Petersburg like a bomb." And Nemirovich: "The public was indignant. They were shouting 'Curtain!' " How one wishes the public had the guts to do that today!

While singing, oddly enough, the role of the High Priest in *Aida*, for the Tiflis Opera House, Chaliapin was observed and praised, by Fedor Komissarzhevsky (his son was later to marry the British actress, Dame Peggy Ashcroft) and the composer Dargomyzhsky, both Slavophiles and close to Mussorgsky. Chaliapin then went up to Petersburg, where, through his Tiflis networks including the conductor Truffi, he was engaged by the "Tovarichestvo" Company. There, too, the talented youth was presented to one messianic Slavophile after another, like the Russian folksong expert Vasili Andreyev who watched over him and taught him "how to behave in high society," but above all, the court official Terti Filipov and the crypto-Old Believer, Vladimir Stasov. This is what Chaliapin himself has to say about Filipov:

There was a big soirée at Filipov's on January 4th, 1895. All the big names sang there. Glinka's sister paid me the most flattering attention after my performance. This soirée played an important role in my destiny. Filipov's name carried great weight in the capital, and rumors of my successes reached the Imperial Theatre. The management called me for an audition.

In 1895 and 1896 seasons, Chaliapin sang at the Imperial Theatre. He must have been "coming along nicely" with the Slavophile circle, because, suddenly, Savva Mamontov, one of the money-bags of the Old Believer movement, offered

him employment with his Moscow Private Opera where the conductor Truffi, again, was also employed. Mamontov, who was financing his close relative Stanislavsky and the Moscow Art Theatre, which had opened in 1894, followed Chaliapin everywhere, and did not rest until he got the singer to move to Moscow.

The Old Believers, also called "Raskolniki," are a fanatical sect which still, unfortunately, exists and has power today, not only in Russia, but in the Western part of the United States and Canada. They uphold the hard core of the doctrine of the Eastern Orthodox Church, being opposed to any compromise with Rome ("the anti-Christ") on the issue of the *Filioque*, and this is the faction of Orthodoxy which emerged victorious from the 1917 Revolution. They believe that the Prince of Darkness rules this world (hence, Chaliapin's life-long obsession with the role of Mephistopheles), and that one should either flee it, or plunge into it and purify oneself by being as depraved as possible. Any means are justified to destroy the "anti-Christ."

These beliefs are ringed round with a whole series of rituals for daily life which remind one of nothing so much as the Hassidic sect and its Cabbala, or the Ecologist movement, due to their murderous rage against anything, like science and technology, which shows man's ability to act upon Nature. To promote such a sect was of evident use to the landed aristocracy and rentier finance, which fought like wild animals since Peter the Great, to keep the serf-system, and stop Russia being industrialized. To the Old Believers, Moscow is the Third Rome, the capital of the anti-Romanovs, and the 1890s was just the period, when a great deal of money was being pumped in to bring Old Believer families to Moscow from all over Russia, in order to build up a power base and "stack the cards" against the Westernizers there, something they could not easily achieve in Saint Petersburg.

Mamontov was a big wheel among those families; he was very similar to Diaghilev, both as a personality and as a network man, save that he was independently immensely wealthy, mainly due to the textile industry, which was almost entirely under the control of the Old Believers. Stanislavsky was always to refer to him as "my master of aesthetics . . . the universally accepted authority in matters of art."

In 1870, Mamontov bought the village of Abramtsevo, and turned it into what Borovsky describes as a "haven" for Russian painters, like Vrubel, Korovin, Serov and Levitan, a "center for the revival of traditional folk crafts . . . the cradle of a new Russian school of painting which would later play a key role in revolutionizing scenic design."

A milestone in Mamontov's work as an impresario, was his 1885 production of the Ostrovsky opera, *The Snow Maiden*. Borovsky reports: "Mamontov planned the event with utmost care, and even sent the painter Vasnetsov on a special expedition to Tula to search out examples of national dress and everyday artifacts. The results exceeded all expecta-

tions. It was as if a legendary ancient way of life had been resurrected." And the singer Shkafaer wrote: "What I saw and heard transported me with supernatural ecstasy . . . a deeply poetic view of an immemorial way of life, pagan and rustic, full of beliefs and superstitions."

Anyone who would study the Russian peasants, who were in fact nothing but serfs, in their "ancient pagan way of life," which included human sacrifice up to quite modern times, will find nothing poetic there at all. Mamontov was cooking up a public relations hoax, very like what the oligarchy has done with the Ecologist Movement in Europe today: presenting Dark Ages suffering and slavery, as intensely romantic because people look so picturesque when they wear simple, becoming clothing, eat as little as possible, and die young!

*The Snow Maiden* and the row of Slavophile operas Mamontov produced, were such a box-office failure, that Mamontov almost went bankrupt, and had to alternate Russian operas with Italian ones, and engage Italian singers. Mamontov knew, of course, that Mussorgsky, Rimski-Korsakov, and so forth, were very bad composers, and that neither the music nor the theological message would ever be choked down by a public raised on Mozart and Verdi, unless some trick could be found. First, he spent millions on costumes, on settings, on visual effects, then, he found Chaliapin.

This is what Mamontov's friend Stasov wrote in 1898, under the title: "Boundless Joy," on Chaliapin's performance in Rimski-Korsakov's Viking opera, *Sadko*: "I was sitting in Mamontov's theatre reflecting on the sad state of Russian opera, and of our music in general, when suddenly in front of me appeared an ancient Scandinavian bogatyr, singing his 'Viking Song' . . . immense, leaning against his enormous axe, a steel helmet on his head, his arms bare to the shoulders. . . . His gigantic voice, the prodigious eloquence of his singing, the herculean movements of his body and arms, the look under his thick frowning brow, so powerful, so deeply real. . . ." A bogatyr is a Russian superhuman hero.

Stasov's lines above could have been written by Wagner, by Nietzsche, or one of their epigones under the Hitler Reich. What an open hymn to "vitalism," to "animal spirits," to the Great White Race! After all, the "true" Russians claim to descend from the Swedish master Warrior Race. Need I add, that Chaliapin was tall, fair-haired, blue-eyed, and so forth? To be fair, though Chaliapin allowed himself to be used by these people, to whom he owed his success, he disliked Wagner, and does not appear, in his private life, to have adhered to any of his masters' anti-Western, racist beliefs. In fact, he later wrote: "When I look at Europeans I envy them—what freedom and ease in their movements, and in their speech," and, "abroad people lived a better life than we did, more cheerful, more enjoyable . . . they treat each other with more trust and more respect."



It was at this point in Chaliapin's life, that he developed, under Mamontov's direct guidance, his so-called "method," which Stanislavsky was to ape. In order to "sell" his turgid Slavophile authors, Mamontov would spend hours building up the "dramatic" sides of each role, rehearsing every single singer on every raised eyebrow, every grimace, every spot of makeup, so that each character became a Golem, which walked and talked and gesticulated in a special way, and even had "feeling states"; in fact, it had everything but a soul. Only a great author can give a character a human soul, rather than a poor, withered *dusha*. A play by Shakespeare, Beethoven's opera *Fidelio*, a ballet by Bournonville—those authors are so good, that they require no window-dressing. For the performer, just to get their ideas clearly across, is already difficult enough. The "role" of Hamlet, as an actor's virtuoso plaything, is nothing, beside the real issue of statecraft in the play *Hamlet*.

It is the very partisans of the "collective soul," the Russian *dusha*, who build up the star system to a paroxysm, because the collective outlook can only be sold to an understandably suspicious public, by a confidence trick: a singer like Chaliapin, or a dancer like Irek Mukhamedov, presented as irreplaceable, unique, staggering. "Forget the gray monotony of life under the iron fist! Wallow in egocentrism, vicariously!" A beautiful work of art is ruined by the star system, but our subject here is not, of course, art.

To me, the most telling pages in Mr. Borovsky's work, are those on how Mussorgsky's opera *Khovanshchina* was staged, and the Chaliapin business with Maxim Gorky. In 1897, Savva Mamontov and his crony, Stasov, "inspired" by two incidents of mass suicide by Old Believers (1896 and 1897), decided to mount *Khovanshchina* at their private theatre, to get round the Imperial censorship. The scene painter, Korovin, was an Old Believer himself. His friend Vasnetsov, took Mamontov's singers to visit the Old Believers' community and temple.

The singer Shkafer was deeply impressed: "These people really exist, religious fanatics. An old man, in a voice trembling with age, started to talk of the old faith, of the way they were being tormented and hounded. It made a powerful impression on us; and we were deeply disturbed by it, mentally and emotionally. We returned to the theatre to tell everybody all we had seen and heard." Or, in Borovsky's frank words: "The Mamontov theatre was unreservedly on the side of the dissenters. It was common knowledge that Old Believers were deprived of civic rights. At the end of the 19th century, performers and public regarded Dosifei, Marfa and their confederates not so much as enemies of Peter the Great's reforms, as people protesting against the repression of spiritual freedom and the violent persecution of their faith."

Unfortunately, facts run quite contrary to what Mr. Borovsky implies there: Repression against the Old Believers was run by the Okhrana, the Secret Police, a force *in league*

with the Old Believers, and commanded by the very aristocratic families who, only 20 years later, were to overthrow the Romanovs. The repression was staged to whip up a homicidal fury against Nicholas II. As for the public's reaction, well, most educated Russians felt about the "Raskolniki," the way I hope you feel about Khomeini today.

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*Anyone who would study the Russian peasants, who were in fact nothing but serfs, in their "ancient pagan way of life," which included human sacrifice up to quite modern times, will find nothing poetic there at all. Mamontov was cooking up a public relations hoax, very like what the oligarchy has done with the Ecologist Movement in Europe today.*

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*Khovanshchina's* mitigated success, was due entirely to the spectacle Chaliapin provided as Dosifei, a boyar who lays down his princely crown to become a Monk leading his Raskolniki against Peter the Great. The opera ends in a wonderful scene of all the Raskolniki burning themselves to death.

An intimate friend of Chaliapin, Maxim Gorky, who was writing the singer's biography, had this to say about *Khovanshchina*: "If you see Chaliapin, tell him that I am terribly glad of *Khovanshchina's* success. *He is finally getting down to his proper business* [emphasis added]. I can imagine how he will stage *Die Meistersinger*, and how he will sing Sachs!" Gorky was, of course, one of the key ideologues of the Bolsheviks; in the early years of the century, he spent many months on the isle of Capri, in and around Tiberius's villa, working out ideological affinities with the "vital, vigorous" young men who were to become the leadership of the Nazi Party—so the reference here to Wagner cannot be casual. Wagner's use of Satanist symbology, his explicitly pagan, racialist world outlook, was an essential part of the Superman cult which shaped the individuals behind the two most brutal regimes of this century. Chaliapin, may I add, never accepted Gorky's invitations to Capri, which is probably why the singer, a coarse man, but honest and direct, kept his sanity, and also why he was held outside the circles of the "inner elite."

## Will your child go hungry this year?

by Marcia Merry

On Feb. 9 and 10, both the U.S. Department of Agriculture and the Rome-based U.N. Food and Agriculture Organization released their latest estimates of world harvests, crop projections, and food stocks, which show rates of decline in world cereals output, and drawdown of stocks way past the danger point. It is time to worry whether your child will go hungry this year.

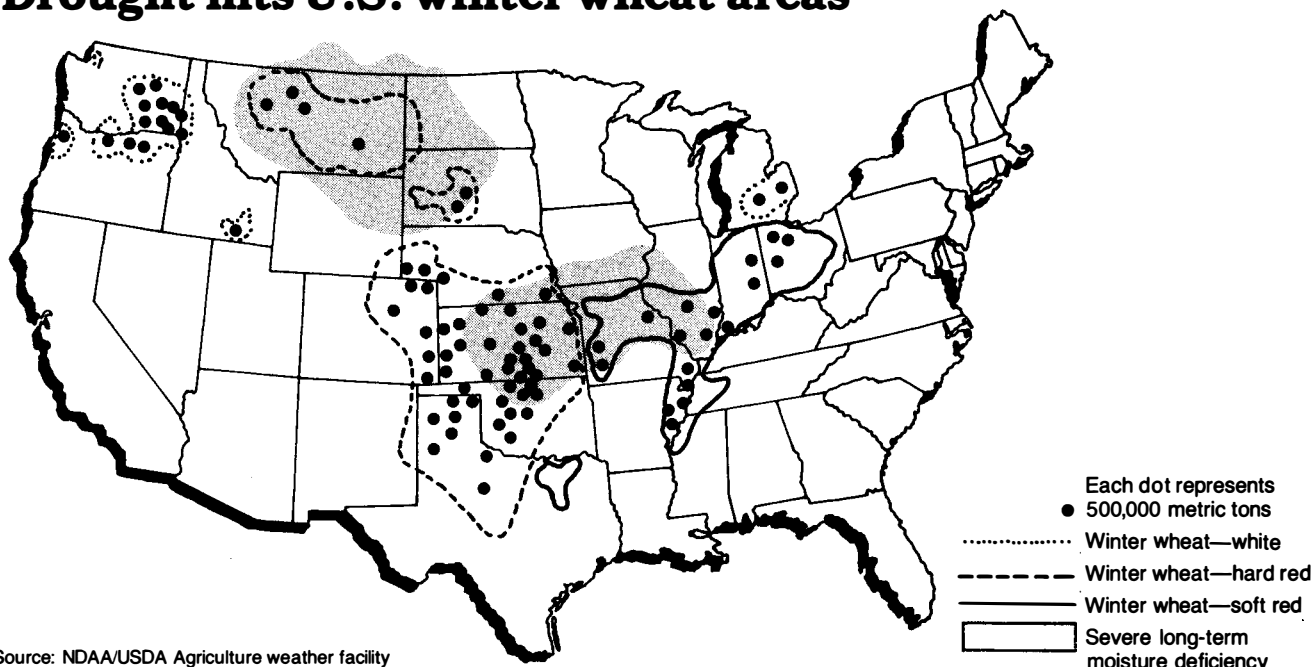
The Feb. 10 U.N. report, "Food Outlook," forecasts that the level of production required to raise stocks from already low levels will not be accomplished. In November last year, the U.N. Global Warning Service had called for an expansion of world cereals output by about 230 million metric tons during the upcoming 1989-90 crop year, in order to begin to meet daily needs, and also to replenish depleted stocks. This represents an increase of about 13% over total cereals output in recent years. To produce such an increase would have taken a war mobilization-style effort among nations, to expand land in cultivation and guarantee needed inputs per acre.

No such effort has been made. At the same time, key parts of the world food basket farm zones have been hit by killing weather conditions. The U.N. report cited the lack of moisture, inadequate snow cover, and extremely low temperatures affecting the winter wheat crop in the United States. On average, the U.S. accounts for 37% of all the annual world wheat traded each year. Poor weather for the U.S. wheat season is automatically a shortfall of wheat for the world. Adverse weather is also affecting the grain crops in southern Europe, northern Africa, and China.

After the killer drought last summer in North America, which brought down corn output by close to 40%, and similarly reduced other food export crops such as edible beans, a worldwide food crisis came about. Bountiful harvests in the Southern Hemisphere could have begun to reverse the decline in cereals output. But this has not happened. The Australian and Argentine wheat harvests were both reduced by drought. Recent rains may help the corn and soybeans now growing in Brazil and Argentina, but still the grain deficit remains.

The FAO estimates that overall cereals stocks for the world have now sunk below the safeguard level for world food security, which the U.N. sets at 18% of

## Drought hits U.S. winter wheat areas



Source: NDA/USDA Agriculture weather facility

consumption. Military and logistics experts advise nations to maintain over 12 months of food supplies as adequate security.

The Feb. 9 USDA "World Agricultural Supply and Demand Estimates," reports that total world grain output in the last three years has been dropping from 1.685 billion metric tons in 1986-87, down to 1.605 billion metric tons in 1987-88, to 1.55 billion tons in 1988-89. (The crop year ends after the Southern Hemisphere harvests.) In USDA record keeping, world cereals stocks are at the lowest level since 1977-78, which means that the per capita cereals supply has fallen drastically.

A rational response to this situation would be to "plant like crazy," and to take all the other necessary stopgap measures, such as reviewing the condition and type of food stocks, and allocating for domestic and export use based on keeping everyone alive, while provision is made to restore food output to needed levels.

Just the opposite has happened. Government officials, from Soviet leader Gorbachov to Secretary of State James Baker, have stressed "ecology" and "saving the Earth" as priorities. The new U.S. cabinet includes such radical environmentalists as William Reilly, former head of the Conservation Foundation and the World Wildlife Fund, which oppose expanding food, or, for that matter, the human race. A new policy document released by the Agriculture Department in January, "A National Program for Soil and Water Conservation," states that the USDA places top priority on restricting agriculture, to preserve soils and water.

On both sides of the Atlantic, land set-aside policies are

being enforced, in the name of "conservation of the environment," and "stabilizing prices and prevent surpluses." This February, the USDA began a drive to lock up more of their land in the government's Conservation Reserve Program, which has already claimed 28.1 million acres. The CRP is aiming to get over 45 million crop acres out of production—over 10% of the acreage base in the United States. In Western Europe, the EC is enforcing its first-ever land set-aside program on 11 of the 12 EC member-nations, even tiny Luxembourg. At least 500,000 hectares, or 1.24 million crop acres will be idled. In the Third World, the International Monetary Fund is enforcing the same process by refusing to permit land improvement or high-technology inputs.

The abrogation of power by an international commodities and financial cartel, operating above nations, and—to the doom of us all—above the laws of nature, is the fundamental thing here. It is in the perceived self-interest of this circle that both food, which they intend to control, and people, become scarce. Prominent are such as Armand Hammer, owner of IBP, the largest beef processor in the United States, Dwayne Andreas, head of Archer-Daniels-Midland/Toepfer, the largest soybean processor in the world, Henry Kissinger, on the board of Continental, one of the top five international grain brokers (along with Cargil, Bunge, Louis Dreyfus.)

The following review of world climate patterns, current weather reports from crop zones, and an analysis of wheat lands taken out of production show that set-aside is genocide. We either restore cultivation and bounty to the Earth, or the result will be deterioration of the climate itself, famine, and death.

# Has the world weather system been destabilized?

by Carol White and Rogelio A. Maduro

World weather is showing a pattern of dangerous variability, from extremes of drought to torrential downpour, from unseasonably hot to bitterly cold. This is being used as a pretext by the environmentalist movement to pretend that it is industrialization which has brought us to this pass: that mankind is destroying the biosphere.

The reality is opposite. The currently depressed conditions in Western industry and agriculture, and the rapidly decaying infrastructure in the United States, in particular, mean that the margins which might allow us to survive this aberrant weather with minimal damage, are being removed. If the present trends continue, then even modest oscillations in the weather will have extremely dangerous economic fallout. The conditions in Bangladesh, where hundreds of thousands of people were not only rendered homeless by the floods in 1988, but were forced to camp out in flooded areas without protection from the weather, are a case in point. The floods were caused by the combination of heavy rains and the failure to dredge the Ganges/Brahmaputra waterways and maintain flood control measures.

Meteorology has become one of the battlegrounds between those ecologists who are pushing a hidden malthusian agenda which includes the imposition of further regulation on industry, and pro-development forces. The United States is a major arena in which this fight is occurring. Many scientists have joined the fray—either because they recognize the broader political implications, or merely because they resent the abuse of science in such frauds as that exemplified by the hysterical admonitions that extreme measures must be taken to avert a claimed greenhouse effect.

## Battle over the greenhouse effect

A growing number of U.S. meteorologists are publicly opposing the rush to adopt public policy on the basis of the supposed greenhouse effect. The effect supposedly occurs as a result of the present rate of burning petrochemicals, the increase of carbon dioxide, and other gaseous emissions, coupled with particle emissions, all of which supposedly will remain trapped in the atmosphere, where they in turn will trap infrared radiation from the Earth, causing a global warm-

ing of the Earth's temperature and accompanying large-scale climate shifts over the next 50-year period.

In January of this year, a team of scientists from the National Oceanic and Atmospheric Administration (NOAA), released a study which shows that there is no evidence that the weather over the United States had become warmer, wetter, or dryer over the past 100 years.

This study directly contradicts the studies of James Hansen, the guru of the greenhouse effect, who put out what has become the standard temperature chart showing a 0.7°C increase in the global temperature. One of the fundamental differences between the two studies is quality control. As several scientists have pointed out in interviews already published by *EIR*, Hansen has been severely criticized for doing a very poor job of cleaning up his data base from errors, such as the errors that occur when the location of a weather station is changed, which has a great effect on the temperature readings.

The NOAA team, on the other hand, performed very careful quality control on their data, and utilized a much more extensive grid, using climate reports from National Weather Service offices and from cooperative observing stations, which in 1985 totaled almost 6,000 locations.

The NOAA study, conducted by Kirby Hanson of the Air Resources Laboratory, George A. Maul of the Atlantic Oceanographic and Meteorological Laboratory, and Thomas R. Karl of the National Climatic Data Center, found no statistically significant change in either the nation's average annual temperature or precipitation from 1895 to 1987, a 93-year period. Reporting in the January issue of *Geophysical Research Letters*, the study also found no significant change in these climate conditions for the Northern Plains. The work of some modelers has suggested that increased atmospheric concentrations of carbon dioxide and other greenhouse gases may cause dryer summers and wetter winters there.

There is now a Southern Hemispheric drought and heat wave (their summer growing season) currently in progress, and the weather in North America this winter has been characterized by abnormal cold, along with continued drought in the areas which produce most of the U.S. hard red winter

wheat. States such as Kansas, southern Nebraska, Texas, and eastern Colorado are in trouble; only Oklahoma appears to be receiving enough rain. While there is a good snow cover in the Northern Plains states, the unusually cold weather before the first snow has created the unusual condition of a freeze before the snow fell. This means that much of the snow may be lost in runoff.

Coupled to the drought has been the cold—and even snow in Los Angeles—which has not only threatened the winter wheat crop, but also California citrus, and even in some areas, cattle. The fact that so many farmers are now in marginal economic situations has also meant that where there are set-aside programs, the land has simply been plowed over to keep down weeds, rather than planted with ground cover.

The tenaciousness of proponents of the greenhouse effect is shown by NASA's James Hansen, one of the major ideologues, who last June predicted to the U.S. Senate that "1988 would be the warmest year on record unless there is a remarkable, improbable cooling in the remainder of the year." Yet, as early as last summer, meteorologists had observed the formation of an unusual mass of cold air at the polar vortex which indicated the probability of a cold winter in North America. Despite the fact that this prediction has been borne out, proving Hansen to be wrong, he is nevertheless holding fast to the contention that the drought has been caused by a greenhouse effect already active and that a warming trend is in progress.

### **Dirty crystal balls**

Stephen H. Schneider, a NOAA meteorologist, has characterized predictive weather models as "dirty crystal balls." Three major models used to estimate the presumed effect on the United States of doubling the amount of greenhouse gases in the Earth's atmosphere in a period of 50 or so years, disagree completely about how the climate would be affected.

Two of these show an increase in rainfall in the Southeast, while one shows a decrease. Correspondingly, two show a decrease in Plains States rainfall, while the third shows the opposite. The same disagreement occurs over what will happen in California, with two opting for more rainfall. Estimates by advocates of the greenhouse effect expect an average increase in the Earth's temperature of 2° to 9°F, but other scientists contest that it would be so high. (This is approximately the increase in the Earth's temperature since the last ice age!)

Donna Fitzpatrick, undersecretary of energy, spoke to a meeting of the American Public Power Association (APPA) on Feb. 6, attacking the reliability of all of these models. "The general climate models cannot predict regional effect," she said. "In fact, these models are not very much different from what, in fact, they were developed for—weather forecasting—and they're not very much different from the computer models that are used by the Weather Service to make

three- and five-day weather forecasts. Now, do you plan your life around the five-day weather forecast? In fact, those forecasts are only about 50% accurate. If you want to know whether it's going to be sunny or rainy, you might as well flip a coin. . . .

She continued her gloves-off attack: "The general circulation models are also not very successful in accounting, or they don't pretend to account, for the effect of clouds or even nighttime or for ocean currents. They also can't account for past temperature changes or give us very much information about transitional conditions, rates of change, the severity and frequency of storms and other extremes. We also don't understand, and therefore can't put into accurate or useful models, various loops and feedback mechanisms that we know exist. And yet, we don't know what their net effects might be, whether they might be positive or negative.

"What are some of these feedback mechanisms? Clouds. Do clouds cool the Earth overall, or do they tend to heat it up by trapping still more heat underneath them? This was an open question until a couple of weeks ago. A study was published concluding that clouds have a net cooling effect.

"Let me mention a couple of other things that we don't know about: ice ages. We know that ice ages have recurred in fairly recent history, roughly on a period of 100,000 years. We're not sure exactly why they happen. It apparently has something to do with periodic alterations in the orbit of the Earth. Apparently it also has something to do with the absorption of CO<sub>2</sub> and other elements by the oceans and other things that may be happening. We're not really quite sure. But that raises a question. We know that there are large fluctuations in atmospheric composition, and in temperature. We really don't know everything that causes them. Obviously, they've been going on for much longer than man has been burning fossil fuels. Carbon dioxide went up, it went down, it went up again. Man had nothing to do with that. The temperature went up, went down, went up again, many times. Man had nothing to do with that.

"We need to understand those natural, underlying processes, much better than we do, in order to know whether we, in fact, are beginning to be the drivers in those processes, or whether we're just the flea, riding around on the elephant's back. . . . [Perhaps] we can't change it. We may be in for a surprise. We may not be in control of this thing at all. And, if that's the case, we should learn to adapt and put our energies into doing that, instead of maybe going into some misguided effort that will really have no effect, and instead cost a lot of people a lot of trouble. And that can possibly cost economic growth and lower standards of earning—of living."

Finally, she referred to the fact that up until this decade many scientists were worrying that the Earth was facing a new ice age. "You may recall . . . that there was a long slide from about 1949 to the mid '60s, a long slide where the temperature was going down, before it began to climb again.

That slide induced many people, serious scientists and even our serious Congress, to conclude that we were in danger of slipping into another ice age before we'd planned for it. And actually, in the 1970s, the National Climate Program Office was established by Congress for the purpose of studying this cooling event that was occurring, and to try to understand it better.

"So by taking a short-term view, you can get what is possibly a very misguided impression of what is happening. Is the long-term trend up or down? I'm not sure, but we have to take very seriously the fact that the causes that we know cause warming in general are increasing. And therefore, probably if you had to make a bet, you should go with—that the trend is probably upward. But in order to do that, we need to take the proper perspective."

In *Science* magazine of Jan. 6, 1989, a study of the effect of the Earth's cloud cover was published. B. Ramathanthan of Chicago University reports that the clouds in today's skies are responsible for cooling the climate below what it would otherwise be. Clouds cover about one-half of the Earth's surface. The proportion of sunlight which is reflected back into space is about 30%, double the 15% previously thought to be the case.

These clouds not only reflect shortwave radiation, but also the longer wave infrared (greenhouse) radiations which are directed from the Earth to the clouds. Thus, there is a countervailing greenhouse warming which is theoretically possible with an increased cloud cover. Nevertheless, experimental evidence indicates that on net balance, it is the cooling trend which predominates.

The greenhouse models generally predict an increase in the cloud cover associated with increases in precipitation. In a Feb. 6 press release, NASA confirmed this estimate according to measurements made by their Earth radiation budget Experiment satellite.

### **Another explanation for the anomalies**

The U.S. Climate Analysis Center is predicting that the winter 1988-89 arctic air invasion of North America may shift global air-flow patterns, which can be held responsible for the recent drought period. According to Tony Barnston of the Center, despite the fact that long-range forecasts for February 1989 expected that precipitation would still be lighter than normal on the Eastern seaboard, nevertheless, they predict, with a 60% to 65% probability, that a break in the drought will occur in the Midwest and on into southeastern Texas.

The model underlying these predictions, unlike greenhouse models, couples atmospheric and oceanic circulation. Models such as these have been used to chart the existence of what are called alternating El Niño and anti-El Niño cycles in the global weather system. We have been in an anti-El Niño (sometimes known as La Niña) cycle this past year, a

circumstance believed to be indirectly responsible for the North American (and now the South American) drought. The name El Niño is derived from the fact that the cycle is an extreme case of the annual warming of the Pacific Ocean off the coast of Peru during the December Christmas season.

The El Niño and the anti-El Niño alternate with each other, but not according to a regular cyclical pattern. In fact, there has been a series of extreme El Niño cycles during the 1980s, which a school of meteorologists led by William Gray from the University of Colorado and Kevin Trenberth from the National Center for Atmospheric Research in Denver, believe to have been responsible for the apparent global warming trend recently observed. They note, however, that the reversal now taking place has come earlier than might be expected were we only seeing the end of the anti-El Niño phase. It was expected to occur in March-April. Trenberth, therefore, feels that there are additional factors at play.

Last summer's drought over the United States was the culmination of a series of regional droughts, in which several different causal factors were involved. The fact that the prolonged drought—on the West Coast it began in 1986 and lasted through 1987, to be followed by the dry spell for the rest of the country in 1988—occurred at a time of economic crisis for farmers has created a situation in which normal buffers such as world food reserves have been exhausted. An added complication has been a secular trend to shortchange much-needed water projects, so that there has been a general trend of attrition in ground water reserves. Some farmers now fear that we may be on the verge of a new dust bowl, even if the drought breaks, because of the extent of soil erosion.

One of the most obvious of the phenomena in the 1988 drought was the displacement of the jet stream over the United States, to the north. Normally, the fluctuations in the jet stream allow the mixing of warm and cold fronts, creating the conditions for precipitation. The displacement meant that rain-producing weather systems over the United States last summer tended to be weak and far between. The idea that the drought was directly connected to a greenhouse effect is belied by its severity, since the effect would produce, by all accounts, a gradual, not a sudden warming.

### **How weather works**

The world weather system is organized according to vortical circulation patterns, both horizontally and vertically. These are generally explained in terms of the pressure and temperature gradients over the globe—most broadly between the equator and the poles—and the diurnal rotation of the Earth, which creates a coriolis force. There are three major convective areas of rising motions, clouds, and rain—in Southeast Asia, over the Amazon, and in the African Congo region. These are all related to tropical rainforest, which (especially over Indonesia) have been called stratospheric fountains be-

cause of their unique role in pumping world weather circulation.

On average at these points, moisture-laden air will be pumped up to a height of 12 kilometers, to the upper troposphere, from which it will descend to high-pressure zones over the oceans that are also known descriptively as dry ocean deserts. Air flows into the Equator from the Northern and Southern Hemispheres, where it converges, and an oscillating region known as the intertropical convergence zone (ITCZ) is formed. The ITCZ will move northward in June through August, and southward in the corresponding Southern Hemisphere summer months.

The role of vegetation in the cycle of precipitation has been extensively studied. The rainforests are unique in the

amount of moisture which they cycle, but J. Shukla and Y. Mintz estimate that over the globe as a whole, only one-third of moisture which falls through precipitation drains off in streams. The rest is recycled by a process known as evapotranspiration.

## ENSO

El Niño events, sometimes called the El Niño/Southern Oscillation (ENSO), occur from two to seven years apart, on average, and they are characterized by the buildup of warm water in the Western Pacific. This transformation in the ocean waters has been correlated with a similar transformation in the monsoon rainfall patterns in India. The connection between such seemingly disparate events is the rotation of the world weather system, moving the ITCZ in a southerly direction. There is also a weakening of east-west flow of ocean waves, which then shift to the opposite direction, with a weakening (and in some instances even a reversal) of the easterly trade winds.

During an El Niño, the jet streams will be pushed in a southerly direction, which in the case of India has the same result in abating rainfall as the reverse, northward motion had last year over the United States. Normally, an El Niño occurs over a one- to two-year period, and then "normal" weather patterns recur.

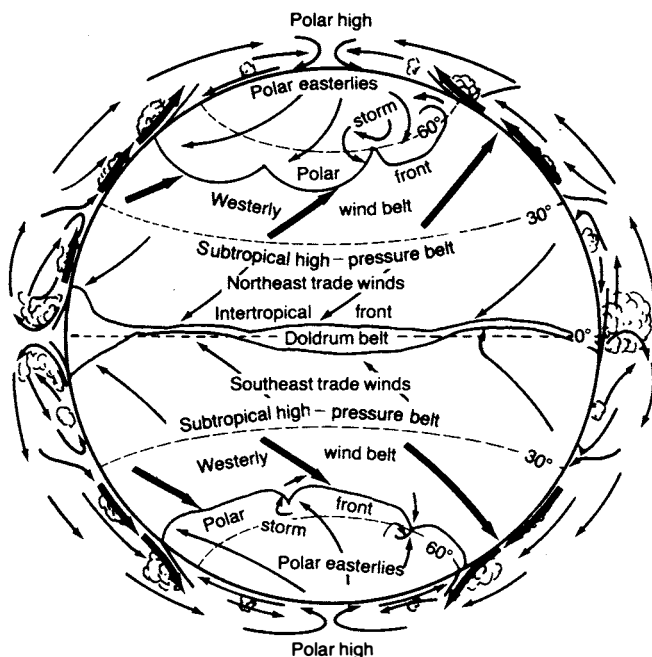
La Niñas occur with less frequency (the last one occurred in 1974). In 1982-83, the ENSO event was unusually severe. It was accompanied by floods, gales, and a reversal of the trade winds. There was a below-average Indian monsoon and severe drought in the African Sahel, equatorial East Africa, and Australia. On the other hand, there were torrential rains in Ecuador and northwestern Peru and heavy rainfall in Colombia, Paraguay, and the border area between Argentina and Brazil.

In 1986-87, the ENSO event resulted in a cessation of the Indian monsoon. It has been followed this year by an anti-El Niño shift which has created extremely high rainfall on the Indian Subcontinent with accompanying floods in Bangladesh. Another unusual occurrence last winter was a high pressure zone which sat over the northwestern states, including Montana and North Dakota. William Gray, believes that this can be correlated with the existence of unusually high temperatures at the northern latitude of 15 degrees, longitude 150, in the Northern Pacific, due to the northerly shift in the ITCZ.

By January of 1988, the Eastern Pacific surface water temperature had chilled to normal, but it was continuing to get colder (a sign of the emergence of an anti-El Niño). Aside from this, however, there were also certain anomalies in the weather picture showing higher than normal convective activity in the Western Pacific south of Japan.

In the Dec. 23, 1988 edition of *Science* magazine, Kevin Trenberth published his group's confirmation that the 1986-

FIGURE 1



*Major planetary circulation patterns: If only the rotation of the Earth were considered, the wind belts would look like this. The low-pressure belt of calm at the Equator is called the doldrums. The northeast and southeast trade winds begin around 25° north and south latitude. High-pressure belts between 20° and 30° north and south are called the horse latitudes and are characterized by calms or variable winds and clear skies. The northeasterly and southeasterly winds proceed from the polar highs to the subpolar lows. The air attracted from the subtropical highs to the subpolar lows creates the westerly winds that prevail in temperate regions.*

Source: *21st Century Science & Technology*, January-February 1989.

87 ENSO had been replaced by an anti-El Niño weather conformation. He describes the winter season over the Northern Hemisphere as typical for an El Niño event, except for the relative weakness of the southern fork of the jet stream, which often brings wet weather to Southern California. The northern branch of the stream was displaced to the north. This also trapped northern air and prevented it from moving into the Northern Plains States and the Western States.

By July 23, 43% of the area of the contiguous United States was in the severe or extreme drought category. The only comparable years in recent U.S. history occurred in 1934, 1936, 1954, and 1956. The U.S. drought is considered to have been a combination of two or more regional droughts. Although these dry conditions existed, just as to a greater degree with the Indian monsoons, the Pacific southwestern monsoon was moist.

### **Some theoretical considerations**

The causes of the El Niño and anti-El Niño weather cycles are not really well understood as yet, although they are competently described. Of special significance with regard to the proponents of a greenhouse effect, is the fact that the El Niños and anti-El Niños include ocean/atmospheric interaction. Obviously, knowing the circulation patterns of particle emissions and greenhouse gases is critical in making accurate predictions about changes in climate, that is, on the basis of their buildup.

One basis for the apparently more severe swings in weather over the past period is likely to be the rapid pace of deforestation, particularly in the Brazilian Amazon and in the Indonesian rainforest area. It is from these areas that tropical storms, hurricanes, and associated tornadoes are generated, and these in turn are major conveyers of energy on a biospheric basis.

The biosphere as a whole has a certain ability for self-regulation through a feedback process. Thus, for example, additions of carbon dioxide to the atmosphere can foster a higher rate of photosynthesis in plants and trees, if we have not caused their destruction. The danger today is that this normal feedback process may be in process of destabilization. Climate as a whole is subject to various oscillating patterns; however, in normal times, these oscillations are bounded.

### **The policy issues**

The large-scale of the deforestation now occurring has been used as a pretext by environmentalists working on behalf of the World Bank and the International Monetary Fund, working through agencies like Worldwatch and the World Wildlife fund, to attack the national sovereignty of nations such as Brazil. They are demanding that the forest regions be turned over to environmentalist groups who would control them. In return, Brazilian debt would be reorganized. These proposals overlook the fact that it was precisely the World

Bank and the International Monetary Fund who forced Brazil to strip the rainforest, because of the brutality of their "conditionalities" policies toward that nation.

The environmentalists would turn the world back to the Stone Age. Indeed, their policies of restricting needed steps forward in technology can even, in the end, have the effect of destroying the ecological basis for the continued existence of mankind as such. Over one dozen bills dealing with "global warming" are right now being introduced in the Congress, sponsored by a large number of senators and congressmen.

The genocidal policies directed against the less developed countries are clearly enunciated in the Global Warming Prevention Act of 1989, just introduced into the Congress by Rep. Claudine Schneider (R-R.I.), the great champion of all environmentalist causes. This bill typifies the policy direction pushed by the same ideologues who—dishonestly or merely incompetently, as the case may be—are trying to create hysteria around the weather as a pretext for pushing environmentalist controls on industry in the West and on development in the Third World.

Schneider's 210-page bill calls for the U.S. government to take extensive tracts of land out of food production and cultivate sugar cane for ethanol production as a petroleum substitute. It also states, "No assistance may be furnished under this act for large-scale production of energy," and, "The Secretary of the Treasury shall instruct the United States Executive Director to each multilateral development bank to oppose loans and other financial or technical assistance to any country for which a least-cost energy plan is not in place." Thus, as defined in Schneider's bill, any underdeveloped country which dares to build a hydroelectric dam, fossil fuel power plant, or nuclear plant, will have all of its international loans cut off.

The bill insists that loans and aid for the development of modern motorized transportation in the less developed countries be eliminated, and instead: "Priority shall be given to programs that enhance access of the poor to low-cost vehicles and efficient carrying devices, including access to credit for the purchase of bicycles, carts, pack animals, and similarly affordable, nonmotorized vehicles . . . [and to] encourage countries to develop local bicycle assembly and cart production capabilities for domestic use. . . ."

If the coming year's weather continues to mirror the extreme instabilities of the past several years, considering the policies already in existence, or being proposed, we can look forward with horror to a period of global famine.

The answer to stopping the deforestation of the developing sector is to provide financial and technical assistance to rapidly develop high-technology alternatives to burning biomass for fuel and slash-and-burn agriculture—in other words, the direct opposite of the Schneider bill. The first step for the United States, in this direction, would be to get its own nuclear and fusion program back on track. Bills such as Schneider's are criminally genocidal in their intent.



# Poor weather continues to cause damage in key world crop zones

by Marcia Merry

As of February of this year, the wheat was gathered in in the Southern Hemisphere, and in the Northern Hemisphere, the fall-planted wheat was in the ground, and plans were in the making for spring-planted crops. But persistent bad weather is causing serious damage in key crop zones around the world.

Local news headlines play up the weatherman's chosen "event of the day"—the mass of frigid air that blasted North America from the Yukon south to Kansas at the end of January, or the freak six inches of snow in Los Angeles, or the winter sunbathers in Germany. But the overall picture of weather worldwide, in terms of what it means for immediate world food needs, is not being made clear to the general public or policymakers. The following is a summary picture of the current damage to major parts of the world's food production regions.

## North America: winter wheat

The leading question of world crop forecasting for 1989-90 is how much the North American winter wheat crop has already been damaged by poor weather to date. Since it was planted in the fall—or after Christmas in Georgia and other southerly climes—damage has been confirmed in wide areas. The only question is how extensively yields will be reduced, and what can be done. First, however, consider the relatively low wheat acreage planted.

The U.S. Department of Agriculture doomed the winter wheat harvest to lower-than-potential in advance, regardless of the weather patterns this crop cycle, by insisting on a 10% acreage set-aside sign-up for 1989 (the period for registering is not yet over), and by refusing to aid financially pressed farmers to secure needed per acre inputs.

After the killer drought of 1988 hit crops last summer, the USDA announced it would lower the requirement for annual set-aside for wheat, corn, and other crops, down from 27.5% of base acreage for that crop last summer, to 10% for this year's crop. The USDA officials argued that the 10% set-aside was necessary, because, since wheat would be widely known to be in tight supply, and prices would edge up, farmers would plant more. The government presumed that many farmers would opt not to join the government's annual

income support programs, for which farmers must abide by the set-aside orders, because farmers would expect to get higher prices this year in the general market. Then in January—after the fall winter wheat planting was finished—USDA officials expressed "surprise" that this did not happen. No large-scale planting increase took place. Less than 12% more wheat acreage may have been planted in fall 1989 than in fall 1988. (See table, page 41).

Even the cynical commodities trade wizards could see this coming. Bill Gary of the Houston-based Commodity Information Systems said, "Farmers don't want to gamble anymore. They don't tend to believe the government anymore." Gary's survey showed plantings were down, and bank loans to buy more seed and fertilizer have been "hard to come by." Gary advised speculators that there would be a major bull market unfolding between now and July. There is not enough in the ground, and what is there is in trouble.

The USDA additionally has undercut the wheat output potential of the nation by refusing to reopen some of the 28.1 million acres of lands locked, since 1986, into the Conservation Reserve Program for wheat or other small grain production. Although some of the cropland with a fragile soil surface in eastern Colorado and other selected regions should remain out of row crops, many lands should again be cultivated to avert famine and restore the rates of evapotranspiration that crops can give to a regional ecosystem. Instead, the USDA is conducting a new sign-up period this February for more farmland to be entered into the Conservation Reserve Program. Under this program, farmers must pledge not to farm the land for 10 years. The USDA wants to lock up at least 45 million crop acres in this program, out of a total recent crop acreage base of 400 million.

Going from north to south, there are poor soil moisture conditions that have retarded some of the northernmost winter wheat in the Dakotas and Montana. Then came frigid winds, frequently causing winterkill of the weakened wheat plants, wherever cover was inadequate.

This same combination has afflicted the crop further south. In parts of western Kansas and Oklahoma, aridity last fall caused the wheat root systems to be retarded, making them

vulnerable to stress. There was wind damage. Then, until the February cold spell, the warm temperatures favored greenbug damage, especially in Oklahoma. South through the Texas wheat belt, the winter wheat was mostly retarded from lack of soil moisture.

The official USDA ratings of the winter wheat crop in Kansas are that 78% of it is poor to fair, 9% is poor, and only 13% is good to excellent. Fully 86% of the state subsoil is deficient in moisture, as is 66% of the topsoil. Kansas is the leading wheat-producing region in the world, accounting for 18% of U.S. production.

The prospects for the spring-planted durum wheat, centered in North Dakota, are also grim. The state's soil moisture is way below normal. North Dakota alone accounts for 81% of the durum wheat in the United States, and 42% of other spring-planted wheats. These are the wheats blended with other types to produce high-quality pasta.

### Northern latitudes

As of late January, the continued mild weather in the western Soviet Union was causing winter grains to lose their hardiness, becoming more vulnerable to winterkill should a cold snap set in. In addition, there are the lingering effects in the Russian breadbasket of the 1986 Chernobyl nuclear disaster. Besides contamination to farmlands in the Ukraine, it is now estimated that one-fifth of Belorussia is contaminated, according to a Feb. 11 *Pravda* report. On Feb. 2, Soviet television reported that authorities had ordered the evacuation of 20 villages in Belorussia because of high contamination levels from fall-out. A reported 107 settlements had been evacuated in the state immediately after the disaster.

In Europe, abnormally dry weather has prevailed through early February, causing adverse conditions for winter grains. Although precipitation was favorable in most of Western Europe in 1988, the Danube Valley was dry last year, and lack of rainfall in 1989 will pose problems. The dry European conditions extend through the Italian peninsula and into the littoral small grains belt of the southern Mediterranean.

Mostly dry weather has covered the grain areas of Morocco, Algeria, and Tunisia. Cumulative precipitation since November has been well below normal—less than 50%. As of early February, soil moisture reserves were at critically low levels. Last year, grains in Tunisia were seriously stressed by drought, and then hit hard by locusts. There is no margin for a repeat of disasters. Widespread soaking rains are now needed as the crops come into their growing season.

December and January rainfall patterns in China assisted many areas to begin recovering from the 1988 sequence of drought, then torrential rains and floods. Severe food shortages are now affecting over 100 million people due to last year's harvest disasters. Moderate rains have recently benefited soil moisture and reservoir levels in the North China Plain, but December rains were inadequate in the lower Yangtze and Yellow River valleys.

### Southern latitudes

Drought reduced the wheat harvests in both Australia and Argentina this January. The Australian crop had favorable weather up through August, and then the dryness set in. The crop output fell from an expected 14 million tons to less than 13 million. Argentina's crop was similarly reduced from a hoped-for 8 million tons to 7.5 million. Since the wheat harvest, rains have set in to assist the corn and soybean crops now growing in Argentina. In Australia, the rate of soil depletion has reached a crisis phase, regardless of rainfall.

Rainfall has been adequate in most of the Botswana and southern Africa crop belts. The exception is a dry pocket covering large areas of the eastern "Maize Triangle" and a large part of the northern Transvaal.

### Secondary food regions hit

There are secondary areas of food production which are being hit by drought or other adverse weather conditions.

In the eastern United States, a belt of moisture deficiency extends from New England, running east of the Blue Mountain/Blue Ridge chain of the Appalachians, all the way into central Georgia. For example, in the south-central, Danville, Virginia area, which averages close to 40 inches of precipitation a year, there was a 15-inch shortfall last year. Groundwater levels have dropped. Some tributaries of the Shenandoah River, for example, have fallen by 70%. Reservoir levels are low in the Hudson and Delaware River valleys, and in the Atlanta, Georgia water supply basin. The soil moisture deficiencies threaten the regional winter wheat, the variety used for crackers, and the condition of other crops and pastures important to the regional food supply.

California is entering its third year of drought. The winter rainy season is half over and most state reservoirs are only half full. Cities and local water districts are devising the most restrictive water use plans ever. Plans are in the works to drastically cut water to agriculture, the biggest user of water in the state. Fully 54% of the fresh and processed vegetable supply of the United States is produced in California. Meteorologists project that rainfall will have to be 130% of normal through March for water reserves to recover.

For Western Europe, one of its main supply areas for fruits and vegetables, Israel and Jordan, has been hit by a series of knock-out freezes. Israeli Agriculture Ministry spokesman Naftali Yaniv called the cold weather episodes the severest in Israel's history. The Israeli Natural Disasters Fund has been deluged with requests from farmers. Without massive help, many could go under. Hardest hit produce include tomatoes, mangos, strawberries, citrus, and avocados. Shipments have plummeted. Instead of exporting 7,000 metric tons of tomatoes this season, the state agriculture marketing board will market about 3,000 tons. Vegetable exports from Jordan to nine European nations have dwindled to 1 to 2 tons a day, from a projected 40-42 tons a day. More than 50% of the crops in the Jordan Valley were ruined.

# Set-aside is genocide

by Marcia Merry

Both the U.S. Department of Agriculture and the European Community bureaucrats are ordering set-asides of cropland—either for nominal “conservation” and “environmental” use, or supposedly, for farm income “stabilization.”

The table here shows harvest-area calculations of the number of lives to be lost simply from the decline in wheat cropland now taking place in the eight top wheat-consuming and exporting nations. A simple per person factor was used: 0.1064 tons of wheat, or 3.3 bushels of wheat, necessary for a person to get about 675 calories a day from eating various forms of wheat bread product—only part of the total daily diet requirement of 50% of calories from carbohydrates. The presumption was that the person needs about 2,400 calories a day (an average adult male), from all food groups.

For the new year 1989-90, we are facing a drop in wheat acres harvested, compared to a “high” planting year earlier this decade for these eight major wheat nations, of 36.617 million hectares, or 90.45 million acres. That is close to one-quarter of the entire cropland base of the United States. This will take the bread off the tables of 327 million people.

Set-aside is genocide. The following are country-by-country details.

**United States:** There has been a marked decline of wheat acres harvested since 1981, down to 21.54 million hectares (53.2 million acres) last summer. Even if the weather became favorable again, and we returned to 28.3 million wheat hec-

tares harvested this summer, 100 million people would still not have their daily wheat ration because of the 4.31 million hectares of wheat land that is to be idled.

**Canada:** In 1986, Canada harvested 14.217 million hectares of wheat. Last summer, fewer than 13 million were harvested, due to the drought and smaller plantings.

**France:** Harvested wheat land has fallen from 5.1 million hectares in 1984, to an estimated 4.892 million hectares last year. Parts of central France are being depopulated as farmers abandon their fields. The land not planted to wheat last year would have given 10.8 million people their “daily bread.”

**China:** Annual wheat cropland harvested is reported by the USDA to vary between the 29.7 million hectares of 1986 and the 28.923 million hectares of 1987, and perhaps up to 29 million again last summer. But, the *average yield* fell because of severe drought and floods. Hunger and starvation are affecting 100 million Chinese these winter.

**India:** There has been about a 2 million acre decline in estimated total acreage for wheat in India since 1984, although yields in many areas have improved, and other crops have been planted on some wheat acreage.

**Soviet Union:** Although figures are unreliable, declines in harvested acreage and low yields represent a loss of daily wheat for 35-48 million people.

**Argentina:** Wheat acreage has dropped sharply from 7.3 million hectares in the early 1980s, to about 4.5 million hectares in the last few years. This represents the loss of a daily wheat ration for 50 million people.

**Australia:** In 1984-85, there were 12.078 million hectares of wheat harvested. The soil is being rapidly depleted through lack of fertilizer application, and drought damaged the crop just harvested.

## Wheat cropland out of use in major producing regions

Wheat exporting nations	Area harvested (mn hectares)		Unused land <sup>1</sup> (mn hectares)		Food lost <sup>2</sup> (mn metric tons)		People starved <sup>3</sup> (millions)	
	Recent largest	1988-89	1988-89	1989-90	1988-90	1989-90	1988-90	1989-90
U.S.A.	32.65	21.54	10.93	4.3	25.11	10.73	236	100
Canada	14.217	13.0	1.217	2.2	1.68	3.77	15.79	35.43
France	5.1	4.892	0.208	0.4	1.148	2.21	10.79	20.75
Argentina	7.3	4.5	2.8	2.8	5.26	5.6	49.436	52.632
Australia	12.078	9.5	2.578	2.578	3.66	3.66	34.399	34.399
India	24.672	22.2	2.472	2.472	5.018	4.94	47.16	46.429
China	29.696	29.5	0.196	1.696	0.58	0.509	5.451	4.784
U.S.S.R.	51.061	48.0	2.061	3.061	3.813	5.2	35.837	48.872
Totals	176.774	153.132	22.462	19.517	46.269	36.619	434.86	343.296

1) Land that is potentially tillable for wheat, but out of production due to factors including the Conservation Reserve Program and annual set-aside (U.S.A.), similar environmental and set-aside plans in Europe and Canada, impoverishment and dispossession of farmers, which degrades soils and infrastructure breakdown in the U.S.S.R.

2) A recent average yield-per-hectare was used to compute these totals.

3) A factor of 0.1064 metric tons of wheat per person per year was used, based on 3.5 bushels of wheat a year needed to give a person 670 calories a day of some wheat-based food.

## Moscow tries dual tactic to smother ethnic crisis

by Konstantin George

Moscow is implementing a “divide and conquer” tactic to deal with the rapidly escalating national unrest in the Soviet bloc. The components are:

1) A total crackdown within the U.S.S.R. against nationalist forces. This includes the Baltic, the Ukraine, Moldavia, and the Transcaucasus.

2) In Poland and Hungary, a reversion to the original post-Yalta 1945-48 formula of “multi-party” systems, in which a coopted opposition will provide a political buffer to the ruling Communist party, enabling the authorities to continue for a time to impose savage austerity.

In Poland, Moscow’s experiment of reverting to the 1945-48 rules of the game for the part of its empire located in Central and Eastern Europe, began with the ongoing “Round Table” talks between the regime and the Solidarity opposition. In Hungary, the same Moscow-dictated operation took the form of an emergency Central Committee plenum Feb. 10-11, which resolved to draft a new constitution, in which the framework for a “multi-party system” will be created, to take effect before Aug. 1. Regarding Poland and Hungary, as in the 1945-48 period, “everything” is negotiable—except control of the police, military, and the main levers of the economy, which stay in the hands of Moscow’s puppets. Of course, membership in the Warsaw Pact is non-negotiable.

Moscow’s reasons for adopting the present tactic are not hard to fathom, and have nothing to do with any “liberalization,” as the Western press would like one to believe. Elementary strategic and crisis-management considerations dictate no other course. As a result of the cumulative effects of savage cuts in living standards over the last two years, both Poland and Hungary are very close to exploding. In the first two weeks of February, not a day has passed without a strike being called in one or more Polish factories or mines. Hungary has been, as the party leadership has openly admitted,

moving rapidly toward a new outbreak along the lines of 1956. The requirements of the Soviet war buildup, with its included looting of Eastern Europe, permit no economic concessions, no raising of living standards. Living standards will continue to worsen in Poland and Hungary, and austerity will be stepped up. All that Moscow can offer are apparent political concessions, and they only amount to recruiting the opposition to co-managing more austerity.

Moscow cannot allow near-term explosions in Poland and Hungary for two primary reasons: 1) Any new “1956” would disrupt the very advanced global superpower condominium being worked out between the Anglo-American Liberal Establishment and Moscow; 2) Moscow dare not risk eruptions in Poland and Hungary *before* it has at least brought a semblance of order to the seething Captive Nations inside the Soviet Union. Hence, the current dual tactic: Use the time being bought by the Round Table talks in Poland and the “multi-party system” in Hungary to crack down against the burgeoning national unrest at home.

### The Kissinger plan

How far advanced the global condominium is, was proven when the Feb. 12 *Washington Post* disclosed a plan by Henry Kissinger for a “U.S.-Soviet Compact” to neutralize Germany and destroy the Atlantic Alliance. The plan is being “seriously studied” by the Bush administration, after a Jan. 28 White House meeting between Kissinger—freshly returned from Trilateral Commission visits in Moscow with Gorbachov—President Bush, and Secretary of State Baker.

In early February, no less clear “New Yalta” signals in accordance with the Kissinger plan emanated from Moscow. On Feb. 8, hosting a dinner for all European ambassadors from Economic Community countries, Soviet Foreign Minister Eduard Shevardnadze called for “an All-European

Reykjavik"; a summit of all European heads of state, along with President Bush and Gorbachov, to be held in 1989, to "strengthen trust, security, and cooperation in Europe," and, to accomplish "in the realm of conventional arms reductions," what Reykjavik had done in launching the INF treaty. Shevardnadze said that in the forefront of such a summit must be the question: "How to break the present vicious circle and secure the transition from words to deeds in conventional disarmament."

The "All-European Reykjavik" proposal was first made July 7, 1988 by Gorbachov in a speech to the Polish Parliament. Then, it all but vanished from the Soviet media, until the Jan. 28 White House meeting of Kissinger, Bush, and Baker.

European observers were struck by the fact that Moscow's decoupling offensive directed at Europe came 24 hours after a "New Yalta" announcement by President Bush on Feb. 7. He said that the United States has "vital interests" in the Western Hemisphere, whereas Moscow "has no substantial interests there," and that on this basis, an accommodation could be reached governing Ibero-America. Bush had proposed what amounts to a spheres-of-influence deal along the lines defined by the late Soviet leader, Yuri Andropov, in a 1983 interview with *Der Spiegel* magazine. Moscow would recognize U.S. "vital interests" in the Western Hemisphere, and Washington would grant Eurasia to Moscow—the goal of the "All-European Reykjavik."

Soon after Shevardnadze's speech came a Soviet psychological warfare stroke, designed to make more palatable the idea of "neutralizing" Germany. Timed with the Feb. 10 opening of the Hungarian Central Committee plenum and the launching of the "multi-party system," the Hungarian press carried a commentary by Oleg Bogomolov, the director of the Moscow Research Institute for the Socialist World System. Bogomolov stated that "a neutral Hungary" would not be deemed "a security risk for the Soviet Union," and that he could not exclude Hungary moving toward "a bourgeois-democratic system of a Western type similar to Austria or Sweden."

There's a catch to every such "sensational" Soviet move. Bogomolov was quick to add that such a development "would not prevent Hungary from remaining a member of the Warsaw Pact." That should be read to mean, in the context of the "All-European Reykjavik," that membership in the Warsaw Pact and the Soviet sphere of influence is open to neutral countries like Austria or Sweden, and to countries Moscow trusts will be "neutrals" in the near future—starting with West Germany.

### The crackdown

In typical Soviet fashion, the crackdown on national unrest in the Soviet Union was announced Feb. 10, the same day that the Hungarian Central Committee convened to approve a "multi-party system," and the same day that Polish

Prime Minister Mieczyslaw Rakowski was interviewed by the French daily *Le Monde*, and announced a "multi-party system," in which the Communist Party is to "give up its monopoly of power." That's the day when a *Pravda* editorial denounced "attacks on our system" by "more than 60,000 independent associations" now operating in the U.S.S.R. *Pravda* singled out "nationalist" groups, with whom "no compromise can be struck," as they are trying "to lead Soviet citizens onto the path of lawlessness, anarchy, and destabilization."

The editorial was backed up by a TASS interview with the chief state prosecutor for Latvia, Dsenitis, who attacked nationalist organizations in Estonia and Latvia for raising "illegal demands," which would lead to "anarchy." His targets included the National Independence Party of Estonia, the Movement for an Independent Latvia, and, notably, the Popular Front, which until now has enjoyed official support. For good measure, Dsenitis added that his views enjoy the full support of the KGB and Interior Ministry in Latvia.

A few days earlier, the Estonian Communist Party paper, *Sovetskaya Estonia*, which had been handling the nationalist ferment with kid gloves, came out in a scathing attack on Estonian nationalism. The commentary, datelined Moscow, was authored by Pashayev, a Russian, who denounced "appearances of extremism," "adventurism," and a "lack of political culture in Estonia."

Notably, the first Soviet calls for a crackdown in the Baltic had appeared during January in articles in the Defense Ministry daily, *Krasnaya Zvezda*, denouncing the "Popular Front" and hailing the Russian chauvinist "International Front," the mass organization for Latvia's Russian majority and Estonia's large Russian minority.

Thus, between Feb. 10 and 12, the Soviet leadership as a whole had decided that the time was ripe to implement what the military had been demanding. That decision was reflected in the *Pravda* editorial and a speech of Feb. 12 by KFB chief Viktor Chebrikov, violently denouncing "nationalist extremists," above all in Moldavia, who pretend to be "supporting perestroika."

Up to the present turn, the label of "extremists" had been applied to Armenian nationalists, and it was under the "anti-extremist" propaganda against the Armenian Karabakh Committee that committee members were arrested and brought to prisons in Moscow. And, over the months of 1988, the Transcaucasian republics of Armenia and Azerbaijan, a strategic region bordering on Turkey and Iran, were placed under military rule, and a vast military buildup there has occurred.

The same program is now being planned for Moldavia. On the pretext of dealing with "extremists" and national unrest, Moscow will pour troops into Moldavia, bordering on Romania, and the adjacent Odessa and Carpathian regions of the Ukraine, and thus be prepared to exercise military options in the face of a Balkan crisis and the coming dissolution of Yugoslavia.

# LaRouche's insignificance is growing in Venezuela

by Gretchen Small

Some one, or some group, must be exceedingly worried over the influence which they believe former U.S. presidential candidate Lyndon H. LaRouche enjoys in Venezuela. No other conclusion could be drawn, when, on Sunday, Feb. 12, Venezuela's two leading newspapers, *El Universal* and *El Nacional*, each carried full-page, paid, *anonymous* advertisements attacking LaRouche.

Under the bold headline, "Jail is the New Home of Lyndon LaRouche," the ads called LaRouche everything from a "disinformation mercenary" to a "prophet of catastrophe," while noting that LaRouche "admits" to having Venezuelan friends, including some among them leaders of the Venezuelan Labor Party (PLV). After six columns, of some 92 lines each, of slander, the ads concluded by commenting: Rest assured, the 15-year sentence imposed by Judge Albert Bryan against LaRouche on Jan. 27 "closes a chapter" on LaRouche's activities, and has delivered "a rude blow to his theories and ambitions."

The next day, the Caracas English-language newspaper, the *Daily Journal*, carried a similar full-page ad. Although it had the same headline, the text varied from its Spanish version. Most notable here was the inclusion of a lengthy list of institutions and individuals which, the ad complains, LaRouche has attacked—top among them being the International Monetary Fund and nine banks and financial investment houses.

Nonetheless, this ad concluded even more hopefully: "In spite of outrageous claims, of the noise made by LaRouche, his cult has not spread extensively, and now that he is in jail, perhaps they will quiet a little bit. . . . LaRouche will keep barking, but now that he is behind bars his words have even less credibility."

By itself, the fact that the three full-page ads were anonymous caused political shockwaves in Venezuela. Venezuelan law requires that all advertisements carry the name, and identification or registration number of some person or institution who are responsible for its contents. Only a very powerful group, or person, indeed, could have forced the newspapers to publish the three ads without revealing their identity.

Fine. But then, on Feb. 16, *El Nacional* told Venezuelans that "[General] Camejo and Monseñor Nelson Arellano Are Agents of the PLV and LaRouche"—the incredible headline the paper gave to yet another full-page news spread on La-

Rouche, the PLV, and the war of a Gnostic cult against the Venezuelan Armed Forces.

To charge that Camejo and Arellano are "agents" of LaRouche, shows real desperation: Gen. Humberto Camejo Arias heads the special anti-drug and anti-terrorist force deployed on the Venezuelan-Colombian border, known as the CEJAP; Monsignor Arellano is military chaplain to the Venezuelan Army's II Infantry Brigade, and serves with the rank of Colonel!

This time, the individual seeing LaRouche agents everywhere, was Congressman Walter Márquez, a "bishop" of the Universal Christian Gnostic Church who is desperately trying to get the Venezuelan government or military to silence the PLV. Márquez began to be hysterical against the PLV in 1988, when PLV Secretary General Alejandro Peña, the party's presidential candidate in the 1988 elections, took out a series of advertisements exposing Márquez and his gnostic cult as protectors of terrorists and drug-runners.

The PLV's exposure of Márquez' international narcoterrorist ties blew apart an operation which Márquez had been spearheading, to force the government to dismantle the CEJAP special anti-terror force which has been mopping up narcoterrorist activities along the border. On Feb. 14, Peña took out a new advertisement, reiterating that he stands behind his charges against Márquez (see **Documentation**).

By Feb. 16, Márquez was left to bitterly complain to *El Nacional*, that while he had expected the CEJAP to be dismantled once Carlos Andrés Pérez was sworn in as President on Feb. 4, the activities of the PLV and LaRouche have now limited "the possible actions which President Pérez could undertake."

*El Nacional* also reported that the U.S. Embassy in Caracas has also been busy attempting to counter LaRouche's influence in Venezuela. Embassy officials are handing out a Feb. 6 *Time* magazine article on LaRouche's sentencing, and telling reporters that LaRouche's charge that Washington and Moscow have conspired to assassinate him does not merit an answer, the paper reported.

## Operation Furies in action

LaRouche's jailing in the United States on Jan. 27 provoked angry reactions from many in Ibero-America. *El Comercio*, one of Peru's leading newspapers, reflected the view of many, when it wrote on Feb. 5 that "a genuine scandal was

caused by the trial and imprisonment of Lyndon H. LaRouche, Jr. We are certain that the accusation against Mr. LaRouche, that he didn't pay taxes, is an absurd pretext to reduce him to silence."

Likewise, journalists and radio announcers in Argentina, Panama, Peru, Colombia, Guatemala, and Mexico have been eager to interview Mr. LaRouche and Dennis Small (*EIR*'s Ibero-American editor, convicted with LaRouche in the Alexandria frame-up) from their Alexandria prison.

The reaction in Venezuela, however, beats all others. Since Jan. 27, complete pages in several newspapers have been dedicated to debating the relative importance and influence of Lyndon LaRouche on four different days, not counting the "anonymous" slander ads. LaRouche himself has given five radio interviews in Venezuela from his jail cell, while Dennis Small has given another two.

What set this off? Perhaps an answer can be found in a Feb. 8 interview which LaRouche gave to *El Nacional* from his Alexandria jail.

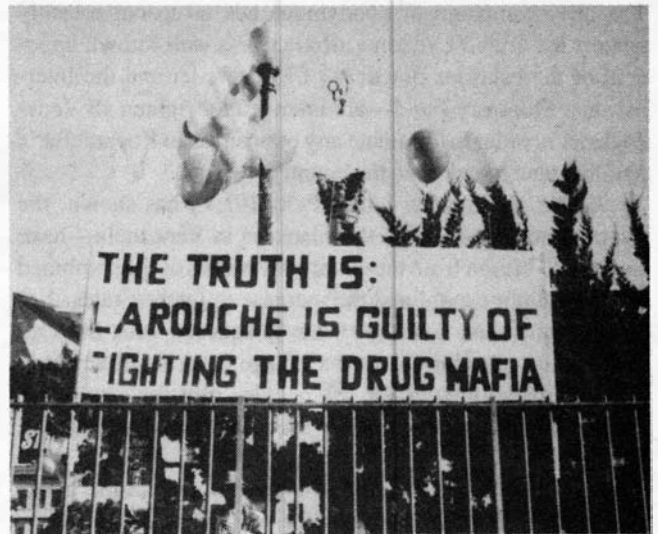
"If I were free right now, and not in jail, I would be talking with the President of Venezuela [Carlos Andrés Pérez] or his government, with whom I have had some disagreements in the past but with whom we currently have convergences. For example, regarding the foreign debt, we have different perspectives, but agreement that it must be politically resolved between the creditors and debtors," LaRouche told the paper.

*El Nacional* described LaRouche as "a polemical philosopher," and "a controversial economist who has dedicated his life and goods to a crusade against U.S. and Soviet imperialism, which, he says, threatens to destroy humanity through drugs." But the paper couldn't resist asking LaRouche about his famous "fight" with the powerful Cisneros family in Venezuela back in 1985.

In February 1985, LaRouche made front-page news in Venezuela for weeks on end, and was "denounced" as the man who had commissioned the book *Dope, Inc.*, an exposé of the drug trade which attacks (among other people) money-laundering bankers. Less than one week after publication of the Spanish-language edition of the book, the Cisneros family (one of Venezuela's richest nouveaux riches), went to the courts to demand *Dope, Inc.* be banned in Venezuela, because the book "offended the honor" of the family by mentioning them.

Three years later, *El Nacional* wanted to know what LaRouche had to say about that "fight." LaRouche downplayed the role of the Cisneros, charging that the fuss over *Dope, Inc.* had been instigated by the U.S. embassy, on behalf of drug-money laundering Boston bankers and Soviet interests.

*El Nacional* featured this exchange as the center of their coverage, running a large picture of LaRouche (captioned, "I Accuse"), accompanied by a picture of Gustavo Cisneros walking with his business partner, David Rockefeller, and



A rally on Martin Luther King's birthday, Jan. 16, 1989, in San Francisco.

one of the U.S. ambassadors to Venezuela in 1985, George Landau—who left that post to serve as president of Rockefeller's Americas Society.

*El Nacional*'s choice of coverage was timely. On Feb. 15, David Rockefeller and George Landau arrived in Caracas, along with many foreign luminaries, for a big publicity meeting of the Americas Society. The visitors were greeted by a well-placed, half-page advertisement placed by the PLV in *El Nacional*, warning that Rockefeller and his hired employee Henry Kissinger were heading up a plot by bankers and bolsheviks to destroy Venezuela's sovereignty and steal its resources (see *Documentation*).

*El Nacional*'s feature on the "LaRouche agents" and the U.S. embassy's "dismissal" of LaRouche hit the next day—illustrated with a huge picture of a July 1984 issue of the PLV's newspaper, *Solidaridad Internacional*, which carried the bold headline: "Bankers to the Zoo! LaRouche, in Argentina, Recommends Solutions to President Alfonsín." Could Rockefeller and his friends fear that Carlos Andrés just might follow the example of his political ally, Argentine President Raúl Alfonsín, and consult with LaRouche—in jail or out—on a solution to the world debt crisis?

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## Documentation

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Venezuelan Labor Party Secretary General Alejandro Peña published the following half-page ad in *El Nacional* on Feb. 15, under the headline: "President Carlos Andres Perez: Rockefeller Wants to Trick Venezuela."

The dirty campaign of anonymous ads taken out recently against my friend Lyndon LaRouche—a well-known opponent of the usurious practices of Rockefeller and the International Monetary Fund—are intended to frighten all Venezuelans, in order to eliminate any opposition to Rockefeller's fiendish plan to colonize the country.

As the Venezuelan Labor Party (PLV) has shown, the international banks—and their lackeys in Venezuela—have looted \$67 billion from the country by means of the combined effect of flight capital and the increase in interest rates. Not content with this, now they want to squeeze what little remains to us, pushing forward a savage program of austerity that will mean hunger for the people, ruin for productive businesses, and a bonanza for speculators and drug-dollar launderers.

As if this weren't enough, at the same time the banks are pushing to exchange debt for our national patrimony: gold, aluminum, petroleum, PDVSA (the national oil company), territory, etc. Finally, they want to make us produce drugs to pay the foreign debt, as they have already succeeded in doing with other brother countries. It is no accident that the Inter-American Dialogue, a creation of the Trilateral Commission that Rockefeller presides over, has proposed drug legalization in its 1986 and 1988 reports. Nor is it an accident that they have also proposed the weakening of the Armed Forces of Ibero-America, to clear the way for their dastardly plan.

As is known, LaRouche has opposed these colonization policies, just as he has opposed a new Yalta-style partition of the world between the bankers and Moscow; unlike Kissinger—a well-known Rockefeller employee—who has just proposed that Europe be made a part of Russia's zone of influence, as made clear in his statements to the Feb. 12 *Washington Post*.

Lastly, LaRouche is the author of *Operation Juárez*, a famous proposal for reorganizing the international financial system, based on a moratorium on the foreign debt and carrying out Great Projects in the Third World. His program fully agrees with the concepts outlined by His Holiness John Paul II in his latest encyclical, *Sollicitudo Rei Socialis*.

These are among the reasons the Bolsheviks and the bankers have sent LaRouche to jail, where they intend to kill him.

Why do Rockefeller's puppets carry out an exaggerated, slanderous, and anonymous campaign, against someone who is in jail and who has no influence in Venezuela? The answer is simple: They want to frighten anyone who might oppose the genocidal austerity that the IMF, Rockefeller, Kissinger, and company seek to impose.

## Peña versus Gnostics

On Feb. 14, one day before, Peña placed the following advertisement in *El Universal*, under the headline, "Peña Exclusa vs. the Satanic Gnostic Church: Mr. Walter Márquez, Stop Hiding."

*quez, Stop Hiding."*

**I reiterate** that Deputy Walter Márquez leads a Satanic sect, linked to the Colombian narco-terrorist M-19 group. I am speaking of the **Universal Christian Gnostic Church**, a dangerous, explicitly anti-Catholic heresy which promotes perverse sexual rites and brainwashing.

**I accuse** Deputy Walter Márquez of hiding behind national institutions and involving third parties, to evade debate . . . about the satanic Gnostic Church.

**I clarify:** I did not lead any campaign whatsoever against the Division of Military Intelligence, Congress, journalists . . . nor President Carlos Andrés Pérez. . . .

**I clarify:** I do not undertake anonymous campaigns by means of advertisements or other forms, unlike my detractors who anonymously publish slanderous ads against me and my friends, such as Lyndon H. LaRouche. . . .

**I admit:** I am carrying out a campaign against the **Universal Christian Gnostic Church** and other forms of Satanism existing in our country. This campaign is based on the following:

**Fact No. 1:** The Gnostic Church was founded in Venezuela by **Walter Márquez**, together with **Julio César Medina Vizcaino** and **José Vicente Márquez**, Colombian citizens accused in their country of being "rapists, swindlers, terrorists, and narcotics traffickers."

**Fact No. 2:** The Gnostic Church protects the M-19 terrorist group; that is publicly admitted by the guerrilla chiefs themselves, such as M-19 founder (the late) Jaime Bateman and current M-19 chief Carlos Pizarro. In fact, Gnosticism serves as the M-19's internal ideology and recruitment mechanism.

**Fact No. 3:** Gnosticism is connected to arms-for-drugs trading through the **Bulgarian Connection** and **Kintex** company, as found in the investigations carried out after the attempted assassination of His Holiness John Paul II.

**Fact No. 4:** The Gnostic Church promotes perverse sexual rites and brainwashing. Reading any book by that sect's demented patriarch, the late Colombian **Samael Aùn Weor**, is enough to prove that.

This is not religious persecution, since the **Universal Christian Gnostic Church** is neither Christian nor a church. This is an unmasking of those who hide behind a pseudo-religion to destabilize democracy and to conspire against our fundamental institutions, such as the National Armed Forces and the Catholic Church.

I say to Márquez: Don't keep running away from the debate. I suppose, Mr. Márquez, that I have been explicit enough for you not to go on telling the gullible who have supported you out of good faith, that this is an "anonymous campaign to discredit"; I am presenting my signature and my identity card, concrete facts, and a very clear invitation to debate publicly. Are you going to keep refusing? Do you have anything else to hide?



# Kissinger's friends targeting Bhutto

Lyndon LaRouche warned from his jail cell in Alexandria Va., Feb. 15 that Henry Kissinger and his Anglo-Soviet friends are targeting Pakistani Prime Minister Benazir Bhutto for possible assassination.

Don't forget, LaRouche told *EIR*, that it was Henry Kissinger—who has bounded back into a powerful political position in the new Bush administration—who ordered the 1977 overthrow and later judicial murder of Bhutto's father, Prime Minister Zulfikar Ali Bhutto.

The threat to Benazir Bhutto's security centers on the orchestrated chaos produced in Pakistan by the British publication of the book *The Satanic Verses* by Salman Rushdie. The book was published by the Penguin group of London, whose parent company, Pearsons, also owns the pro-Soviet London *Economist*. This is the Rothschild crowd, longtime friends of Moscow's late Kim Philby, that is forcing through Henry Kissinger's plans to sacrifice Western Europe to the Soviet Union. This is the same gang that is responsible for my jailing, LaRouche said.

Since London is also the unofficial capital of the fundamentalist Muslim Brotherhood, the British are running both sides of the operation to unleash chaos on the Subcontinent, as well as Islamic terrorism against the United States. Once again, with the assaults on the American cultural center in Islamabad Feb. 12, the "American cousin" has taken it on the chin for Britain's dirty work. If the United States does not call the British to account for this operation, then it will fast lose credibility internationally, LaRouche said.

The operation in Pakistan is also coordinated with the Soviet Union, which has been targeting Prime Minister Bhutto since her election in December 1988. The man who led the charge against the U.S. cultural center in protest against *The Satanic Verses* was Kausar Niazi, whom the *New York Times* reported Feb. 15 is "regarded here as being close to Moscow, where he has made several trips." Niazi was quoted attacking Mrs. Bhutto for "being out of touch" with Pakistanis' "religious feelings."

The operations against Bhutto and her government, said LaRouche, are coordinated with the escalating war in Afghanistan, which continues to threaten Pakistan. The game-plan is the Primakov-Brzezinski plan to force the disintegration of the nation-states of the Subcontinent in an "arc of crisis."

Don't forget, said LaRouche, that officials of the CIA have considered Henry Kissinger a Soviet agent. "I always

said he was a Soviet agent of influence. And everything I have ever said about Kissinger has been proven right," LaRouche said, "and plenty more."

## Chaos on the Subcontinent

Two days after LaRouche issued his warning, the furor over *The Satanic Verses* is continuing to destabilize the Subcontinent. In Pakistan, despite the fact that authorities have temporarily banned all "public meetings, processions, and demonstrations," on Feb. 17 demonstrations directed by Niazi and his friends erupted in nine cities. In Karachi, where U.S. flags and Rushdie's effigy were set on fire, Muslims demanded Rushdie's extradition for execution in Pakistan. Similar protests were held in Hyderabad, Sukkur, Faisalabad, Lahore, Rawalpindi, Peshawar, Bannu, and Quetta.

In northern India, police on Feb. 17 shot two protesters during day-long rioting by crowds demanding a worldwide ban on the Rushdie book. Police said they opened fire after tear gas and baton charges failed to disperse the protesters.

A state of alert was declared in Bombay after a caller said the "Iranian Guards" would attack British planes until Rushdie came out of hiding in London. The caller also said that four prominent Indians would be killed for criticizing the call by Iran's Ayatollah Khomeini for Rushdie's execution. "We are checking on all Iranians staying in Bombay and those coming into the city," said police commissioner Vasant Sharaf, who noted that "religious fanaticism can drive people mad."

In Pakistan, Niazi is continuing to incite fanaticism and anti-Bhutto ferment. "If I had the opportunity, I would murder him myself," Niazi said about Rushdie in an interview Feb. 16. About Prime Minister Bhutto, he continued, "She doesn't know the feelings of Pakistanis. She was brought up abroad. She can't know the feelings Pakistanis have for the Prophet and their religion."

Recognizing that the combustible nature of the protests is being used by her political foes in an effort to destabilize Pakistan, Mrs. Bhutto has moved quickly to try to limit the political fallout. At the same time that she has deployed riot police in full force, she has called on the U.S. deputy chief of mission in Islamabad, Elizabeth Jones, to deliver a message urging the United States to reconsider publishing the book.

There is no doubt that Bhutto, and secondarily the United States, is the target of the orchestrated chaos surrounding the book. The danger to Mrs. Bhutto is underscored by a Feb. 9 incident in which a man with a gun that looked like a walking stick was apprehended entering the National Assembly where she was attending hearings. The accused, Zafar Iqbal Ahsan, a resident of a heavy drug-producing area, was given a pass to attend the National Assembly that would have placed him in close proximity to Mrs. Bhutto. The gun he carried, a special type made in Israel, has been sent to army experts for investigation.

# Scandal in Argentina over government ties to terrorism

by Cynthia Rush

The terrorist assault on the Third Infantry Regiment at La Tablada, which occurred Jan. 23, has touched off a scandal in Argentina which could prove the undoing of social democratic President Raúl Alfonsín and his Unión Cívica Radical (UCR).

The President has yet to explain how an international narco-terrorist apparatus, unseen in Argentina since the mid-1970s, has come into being over the past two years with apparent impunity. Interior Minister Enrique Nosiglia asserts that there is no threat of a terrorist upsurge in the country, and characterized the La Tablada incident as just a "terrorist spasm."

Hardly. The commando group which attacked the army regiment, most of whose members were from the All for the Fatherland Movement (MTP), reportedly included Nicaraguans and Bolivians who admitted to being trained in Spain, Nicaragua, and Cuba. Although only 50 people staged the actual attack, another 300 were involved in logistical support and agitational operations outside the base. According to the group's attack plans, captured by military intelligence, this assault was to have been the first of a series of "popular uprisings," including attacks on several other military installations.

Chile's interior minister has not ruled out the possibility that members of the Manuel Rodríguez Patriotic Front, the armed wing of the Chilean Communist Party, may have also participated in the assault. Investigators are also looking into the role of Peru's Shining Path terrorists. The Uruguayan Tupamaros, terrorists of the 1970s who are now "legalized" in that country, offered their full support to the MTP.

Intelligence reports reveal that the MTP had been organizing in Argentina since at least 1986 to create an insurgent movement modeled on the Nicaraguan Sandinista Liberation Front. In 1987, the state intelligence service, SIDE, presented a report to the Alfonsín government, documenting the MTP's ties to Nicaragua and Cuba, and detailing the trips of MTP leaders back and forth to Nicaragua. It provided information on the scope of the organization and an accurate profile of its recruiting methods, in which high school-aged youth were prime targets (see **Documentation**).

The report also revealed that the MTP was in fact a front

for the Trotskyist People's Revolutionary Army (ERP), a guerrilla group active in the 1970s, many of whose members were jailed for terrorism. Most of the MTP's national executive committee was made up of trained ERP guerrillas, who were released from jail in 1984 under Alfonsín's "respect for human rights" campaign.

The fact that Enrique Gorriarán Merlo of the ERP, thought to be the mastermind of the La Tablada attack, worked with the Sandinista Southern Front under Eden Pastora establishes the MTP connection to the CIA's Central American and Caribbean drug trafficking apparatus, run through Costa Rica's Pepe Figueres and fugitive banker Robert Vesco. Cuba is also a major player in this drug trade. Roberto Sánchez, the MTP'er who commanded the four assault groups that attacked La Tablada, had also trained extensively in Nicaragua.

In May of 1987, a Peronist activist in the province of Jujuy, whose letter has been made available to *EIR*, reported to Alfonsín and the Interior Ministry that funds from the Argentine-Bolivian drug trade were financing MTP guerrilla training in that region. He documented how MTP lawyer Jorge Baños, killed at La Tablada, was organizing in the region and called on the President to "act decisively" against "Marxist subversion and drug trafficking, which have united" to create a terrorist upsurge in the region. The individuals working with Baños in this operation had been involved in armed subversion in the mid-1970s in Jujuy.

The MTP also included a number of "ex"-priests, followers of the Gnostic "theology of liberation" ideology which has been used so successfully to destroy the nations of Central America. Several priests associated with MTP were involved in building an anti-Catholic "people's Church" in Argentina, on the pagan Sandinista model, which identified the armed forces as its chief enemy. The last issue of the MTP paper, *Entre Todos*, had an attack on the religious devotion of nationalist army officers led by Col. Mohamed Ali Seineldín.

## Government on the hot seat

What has shaken up the political scene in Buenos Aires are the reports that members of Alfonsín's own cabinet, and other prominent Radical leaders, are directly linked to, or

have provided protection for, the MTP and the ERP.

The Buenos Aires daily *Clarín*, reported Feb. 7 that three weeks before the attack on La Tablada, Interior Minister Nosiglia, a leader of the Radical Party's left-wing *Junta Coordinadora* was seen at the Buenos Aires nightclub "Palladium" with friend and former bodyguard Francisco Provenzano, one of the MTP terrorists who participated in the assault. Provenzano was an ERP member in the 1970s, but his family has reportedly played a prominent role in the UCR for a number of years. According to intelligence sources, Provenzano and his wife took three trips to Managua between 1986 and 1988.

The Jan. 20 edition of the intelligence weekly *El Informador Público* charged that Nosiglia had asked MTP leaders to denounce the existence of a plot to overthrow the Alfonsín government, and to name Peronist presidential candidate Carlos Menem and Army Col. Mohamed Ali Seineldín as the conspirators. In an effort to discredit the peronist presidential campaign, MTP "human rights" activist Jorge Baños publicly accused Menem and Seineldín of plotting a coup and filed suit against them in federal court just a week before the commando raid. The same *Informador Público* article refers to Nosiglia's relationship with Francisco Provenzano.

Allegations have also been made about Carlos Becerra, secretary general to the Presidency, whose aide is reportedly an MTP leader in the province of Córdoba. Like Nosiglia, Becerra belongs to the UCR's *Coordinadora*, most of whose older members were part of Argentina's "New Left" in the 1960s and 1970s. During that period, a faction of the *Coordinadora* became part of the Trotskyist left which then provided cadre for the ERP.

Immediately following La Tablada, Carlos Menem charged that the "intellectual authorship" of the tragic events could be found among "politicians and journalists linked to the government." Dr. César Arias, Menem's legal representative, went further. In a 21-page document presented to the undersecretary of Justice, he presented evidence on the "operative connivance among a sector of the ruling party, some government officials, and that political force known as the MTP."

Government officials and Radical leaders responded to these allegations with loud protestations of innocence and denunciations of the Peronist candidate, charging him with slander, of acting irresponsibly, and of promoting a "witch-hunt" against legitimately constituted political organizations. But as several analysts have noted, perhaps the government "doth protest too much." Even with all the evidence in, sources close to Argentina's foreign ministry, run by notorious Socialist International asset Dante Caputo, are denying that Nicaragua provided any "organic support" to the MTP.

### **Cui bono?**

The background and character of the Jan. 23 attack, in which 40 people died after a 30-hour confrontation between

army troops and subversives, confirm that the international social democracy is working hand in hand with Soviet-backed insurgents to destroy the institutions of Western civilization.

Alfonsín's wing of the Radicals shares with the narco-terrorists a desire to destroy the institution of the armed forces and any other nationalist political institutions opposed to the International Monetary Fund's looting of the country. The MTP squad that took over La Tablada insisted it was acting to prevent an "imminent" military coup, stating that it was tired of the "arrogance" and the "crimes" of the armed forces.

The international oligarchy which backs these insurgent movements is disturbed that military leaders such as Colonel Seineldín are rallying nationalist forces against the U.S. and Soviet "New Yalta" accords which relegate Argentina and other developing sector nations to the trash heap. The oligarchy also fears that if Peronism takes the presidency in the May 14 elections, the combination of nationalist forces that could come into being will be beyond their control.

Alfonsín's strongest backers in the United States, found within the Project Democracy grouping, are straightforward in their demand that the armed forces must be stripped down, to wipe out nationalist resistance. One of Project Democracy's assets, the Democratic Party's National Democratic Institute for International Affairs, has just issued the proceedings of a conference it sponsored in Santo Domingo in 1988, which say that Argentina must impose a military doctrine based only on "territorial defense" rather than fighting domestic subversion or getting involved in internal politics. The report calls for a greater civilian role in intelligence gathering and control, and states that police rather than military forces should be used to combat drug trafficking.

This is the context in which the emergence of the MTP can be understood. Over the past two years, public and private intelligence sources have provided the Argentine government with hard facts on the narco-terrorist nature of the MTP. *At any time, the government could have acted on these reports. Instead, they were ignored.*

The irony is that while Alfonsín's government encouraged the growth of the MTP and its "human rights" fronts, because their activities enhanced the government's anti-military goals, it will now suffer the consequences. After the La Tablada incident, the armed forces have been strengthened. There is even discussion of possibly altering the anti-military National Defense Law passed under Alfonsín's regime, to permit the military to play a role in fighting domestic subversion.

The MTP survivors of La Tablada have taken refuge in Montevideo, and warn that they will escalate their terrorist activities against the government as well as the armed forces. Since the attack on La Tablada, there have been at least two other incidents reported. On Feb. 6, an unidentified group fired on an Air Force base in Mendoza on the Chilean border; and in the early morning of Feb. 13, unidentified individuals fired at the Third Army barracks in Rio Cuarto.

### The intelligence report Alfonsín ignored

*The following excerpts are taken from the 1987 report prepared by the Argentine State Intelligence Service, SIDE, on the subversive All for the Fatherland Movement (MTP). The report was delivered to the Alfonsín government. Portions of the report appeared in the Jan. 26 edition of the Buenos Aires daily Ambito Financiero.*

Currently, the MTP is largely made up of elements which belonged to the ranks of the subversive People's Revolutionary Army (ERP), and to a lesser degree, of others who belonged to or collaborated with the Montoneros organization. A large number of those elements were freed in 1984 . . . after having been jailed in different prison units, and sentenced for their guerrilla activities, while others had returned to the country from exile. . . .

In many cases, MTP members use phrases and codes, or names and nicknames, similar to those used by armed organizations some years ago. MTP bases its actions in various parts of the country, relying on the corresponding responsible parties and "zones" . . .

Of the aforementioned individuals, it is worth noting that Francisco Provenzano, Carlos José Samojedni, and Fernando Dondero were ERP guerrillas, as were almost all of the MTP's representatives in the interior, while Manuel Justo Gaggero, the Burgos couple, ex-priests Dri and Serra . . . were members of or supported that and other subversive organizations. . . .

Another organization linked to the MTP is "Christian Encounter." . . . Said organization is involved in the development of "theology of liberation" and in the creation of a "people's church." . . . Christian Encounter . . . frequently organizes short "courses," in which it often uses videocassettes. This system has been adopted by the MTP . . . groups of workers are shown videos produced in Cuba on the Latin American foreign debt, which contain Fidel Castro's speech, or ones on the labor conference held in Havana; in the poor neighborhoods and marginal areas of Buenos Aires, videos produced in Nicaragua, of which the MTP possesses a number, are shown. Some of their titles are "History of an Armed People," "Cultural Insurrection," etc.

. . . MTP's contacts are fundamentally with Nicaragua.

First, Manuel Justo Gaggero frequently visits the Nicaraguan ambassador, Fernando Guzmán. Gaggero maintains close relations with members of the Sandinista leadership, some of whom recently visited Buenos Aires, such as Carlos Nuñez and Bayardo Arce, ties probably initiated when Gaggero resided in Managua prior to returning to the country from exile, in 1984.

In mid-August of 1986, Burgos traveled to Havana and Managua, in the latter city establishing contact with Hernán Invernizzi, ex-ERP member freed in May of 1986 and currently resident there. There is certain financial support for the MTP from Nicaragua, channeled through the commercial section of its embassy in Buenos Aires. According to estimates from some MTP members, said support will increase given that the MTP will be taking on new political projects this year. From Managua, the movement also receives videotapes on different aspects of Nicaraguan life. . . .

In mid-November of 1986, three members of the MTP traveled to Nicaragua, [a trip] which coincided with the anniversary of the creation of the Sandinista National Liberation Front (FSLN). . . .

A Salvadoran citizen, Antonio Cabrera, also maintains close contacts with the MTP. He is the representative of the Farabundo Marti Liberation Front of El Salvador . . . Cabrera often exchanges experiences with the MTP regarding recruitment tasks, and often accompanies them in related activities, primarily in the southern region of Greater Buenos Aires, and participates in Christian Encounter meetings. He has about 15 videocassettes which he brought from his country, which are copied and distributed by MTP. Carlos Alberto Burgos and Marta F. Fernández also have ties to the Cuban embassy, particularly with one of its officers, Jesús Cruz. . . .

In terms of methodology . . . [the MTP] maintains a cellular structure and a code system which can be compared with those used by armed organizations. . . .

As for recruitment, it is important to note the importance given to the preservation of "historic memory," through which the guerrilla experience is justified. This activity is carried out at the level of secondary school youth, who . . . can be most susceptible to proposals of a combative nature.

Given these indications, the recruitment tasks which [the MTP] carries out, the levels to which they are directed, the material used, foreign support, and the predisposition demonstrated by a large portion of its membership—the MTP's inclination to participate more actively, in the coming year, in more frontal battles on behalf of [social, labor, freedom for "political prisoners"] demands, cannot be ruled out. . . .

For these indicated reasons, and added to this the degree of secrecy and clandestinity with which its members tend to carry out and/or develop some of their activities and meetings, it also cannot be ruled out that, if their interests so dictate, the MTP would consider an eventual return to armed struggle, having assimilated previous mistakes and past experiences.

# Soviet religious plan: Vilnius for Jerusalem

One of the most important tasks of General Secretary Mikhail S. Gorbachov, in his new office as President of the Soviet Union, is to use the Russian Orthodox Church as a main instrument in both his domestic and foreign policy, a leading intelligence officer in Washington, D.C., who insists on anonymity, informed *EIR*.

A major part of this plan, according to this informant, is the intention to have the Vatican modify its interest in the Middle East, particularly on the Jerusalem question, in return for Soviet concessions to the Papacy in the Soviet bloc, particularly Czechoslovakia, Hungary, and Poland, and in Lithuania.

Cryptically stated, the informant said, the Gorbachov policy may be described as "an exchange of Jerusalem for Vilnius."

## 'Human Rights'

Gorbachov is known to plan the eventual rehabilitation of Alexander Solzhenitsyn, the advocate of the revival of Russian power through the "reunion" of the Old Believers, the Moscow Patriarchate, and the Crown.

Because Solzhenitsyn's works include large sections describing the *gulag*, the infamous Stalin forced labor camps, there is considerable opposition to his return to Russia until most of these camps are abolished. Gorbachov anticipates that, in return for economic aid from the West, it will be necessary, in any case, to eliminate almost all of the remaining camps under the Helsinki agreements concerning human rights.

Gorbachov hopes to achieve this by the middle of 1990, in time for his accelerated initiative to influence developments in the European Economic Community and in the United States for closer economic and political ties following the further reduction of the U.S. military commitment to NATO.

In Gorbachov's plan, the head of the Soviet, that is, Russian state is to be regarded by the Orthodox Church as the Czars were revered before Peter the Great. The reemergence of the Moscow Patriarchate as co-equal with the Communist

Party in both domestic and foreign affairs is one of the cardinal principles of the Gorbachov reforms, the informant claimed.

In a secret agreement with the Russian Orthodox hierarchy, Gorbachov had asked the Russian Church to intensify its ties to the Vatican, holding out the prospect that improved Orthodox relations with Rome will result in larger freedom for the Catholic Church in Lithuania. Collaterally, with this development, the Catholic hierarchies in Czechoslovakia, Hungary, and Poland would be given greater freedoms.

Pressed by Gorbachov, in secret meetings in September and November with the Orthodox Patriarchate as part of his planned visit to the United Nations and his meeting with President Reagan and President-elect Bush, the Moscow Patriarchate undertook to launch its own program of meetings with Vatican officials.

## The Russian Orthodox Church and the Vatican

At the end of 1988, just before the Gorbachov trip to the United Nations, three delegations of Russian Orthodox leaders traveled to Rome to meet with Pope John Paul II. The most notable was the meeting, on Dec. 1, 1988, between His Holiness and Archbishop Pitirim of Volokolamsk, concerning the supply by the Vatican of Bibles to the Orthodox Church.

A week earlier, during a visit of Nov. 24 by Archbishop Alexander of Dimitrov, an agreement was made to collaborate in the changes being made by the Orthodox Church in its educational program, including books on theology, in Orthodox seminaries for priests, theologians, and bishops.

## The status of Jerusalem

Coincident with this activity of the Orthodox Church, the Soviet government has intensified its relations with both the Israeli government and the PLO regarding the status of Jerusalem.

In both instances, the Soviet Union has stressed that it does not consider binding that portion of U.N. Resolution 181 which called for an internationalized status for Jerusalem, making it similar in effect to the status of the United Nations in New York or the Vatican in Rome.

The Soviet Union has received an agreement from the U.S. delegation in Geneva that the United States would not insist on the internationalization of Jerusalem in return for the joint establishment by Washington and Moscow of embassies in Jerusalem.

Both the U.S. and Soviet governments have tentatively agreed that, as a consolation to the Vatican for its acquiescence in renouncing its position on Jerusalem, it would be important for the Soviets to make concessions to Rome in Lithuania, Czechoslovakia, Hungary, and Poland.

The slogan both in Moscow and in Washington is, "Vilnius for Jerusalem."

# Resounding defeat for Malaysian splitters

by Sophie Tanapura

The footsoldiers for “people’s war” against Malaysia suffered a smashing defeat in the Jan. 28 Ampang Jaya parliamentary by-election, when government-backed candidate Ong Tee Keat beat Datuk Harun Idris, a dissident in the dominant UMNO party, by 4,250 votes out of 43,848 cast. The race had been characterized as “David vs. Goliath,” since it pitted a young ethnic Chinese government official, Ong, against a well-known UMNO old-timer in a predominantly ethnic Malay district. Ong’s victory is not only a decisive show of support for the Barisan National, Malaysia’s multi-ethnic ruling coalition, but the campaign itself served to bring the Malays and Chinese closer together in a common effort to promote racial harmony.

The appeal by the Barisan to Malay voters to rise above communal interests was in sharp contrast to the unprincipled tactics used by the opposition, led by Tengku Razaleigh Hamzah and Tunku Abdul Rahman. As the campaign progressed, it became evident that the opposition was promoting racial strife as their ticket to power. From the start, they urged Malay voters to vote for one of their own, some even going so far as to say it was forbidden by Islam to vote for a non-Muslim. The PAS, Malaysia’s Islamic party and an opponent of the Barisan, was brought in to court the fundamentalist vote. The racialism turned even uglier as the opposition began agitating among the Malays that the MCA (Malay-Chinese Association) official and Labor Minister Lee Kim Sai was anti-Malay, and that a vote for Ong was a vote for Lee Kim Sai.

Thinking the Malay votes were sewn up, Razaleigh, Harun, and Co. struck a deal with the Democratic Action Party to woo the Chinese votes. The fact that the Chinese-based, communalist DAP is strongly opposed to Malay political dominance in the country did not stop the UMNO dissidents from not only aligning with them, but adopting their demands too. This alliance is especially evil, since the DAP is currently attempting to grab nationwide control over the labor movement through its puppet union, the MTUC. So far the labor ministry has jooed their plans by prohibiting the MTUC from organizing a nationwide union in the crucial electronics sector. Certainly, therefore, it is the DAP that has the most

to gain from the opposition’s smear campaign against Labor Minister Lee Kim Sai.

Nothing makes clearer the unscrupulous tactics of the opposition than their parading in public the ailing, 86-year-old “Father Malaysia,” Tunku Abdul Rahmam, causing one observer to label the Tunku their “mascot.” The Tunku’s deep, personal resentment against Prime Minister Dr. Mahathir, who helped to oust him in 1970, causes him to make ridiculous assertions. One such claim was the form of an open letter from the Tunku to Ampang Jaya voters, in which he stated that Malaysia was better off under the Japanese occupation than it is today! This unleashed unprecedented public criticism against the Tunku, since Malaysians, especially the Chinese, suffered terribly under Japanese brutality.

While some Malaysians may be confused as to whether the Tunku is just senile and being used, or is fully cognizant of what he is doing, nonetheless his influence has waned to the point where even opposition spokesmen have been forced to admit he has more credibility internationally than in his own country.

## National unity at stake

The plans of the opposition prior to their unexpected defeat were aired by Datuk Mohamed Sopiee, a columnist in the opposition daily, *The Star*, who normally takes an “above politics” approach. Sopiee wrote a column which appeared the morning after the election, predicting Harun would win, and mapping out plans for a “grand coalition” of all opposition parties. The UMNO dissidents plan to link up with the three Islamic parties to form a proposed “Muslim People’s Movement,” which in turn would ally with the DAP to form a new “party.”

Sopiee’s allegedly sincere call for a “two-party system” can only be looked at as a ploy to destroy the national stability that the Barisan has provided since it came into existence in 1952. The opposition to the Barisan has never won widespread support but has always devolved into communalist, separate interest parties. Interestingly, Sopiee sits on the board of the Institute of Strategic and International Studies (ISIS), a Kissinger-linked think tank that plays a key role in Malaysian-East bloc relations. Moreover, Sopiee’s son, Noordin Sopiee, is ISIS director general.

The threat that this unholy alliance poses to Malaysia was best summed up by Deputy Prime Minister Encik Ghafar Baba, who personally led the Barisan campaign for Ong to ensure the voters understood what was at stake in the election. At one campaign event, as reported in the *New Straits Times*, Ghafar warned that disunity could lead to a permanent split, as history had shown in the case of pre-independence India being partitioned into India and Pakistan. Referring to the division of Korea into two nations with opposing ideologies, he said, “I cannot bear to see Malaysia being partitioned into North and South, and the Barisan National will not allow this to happen.”

### Left-wing and right-wing neutralists

*Two parallel movements with identical programs are emerging in the Federal Republic of Germany.*

For several years, a strong left-wing movement against German membership in NATO has been building in West Germany. Its organizational core is provided by the Green party, the Social Democrats (SPD), and the tiny German Communist Party (DKP). With some variants, their program is the same: withdrawal of U.S. nuclear weapons and troops from German territory, no Franco-German military cooperation based on nuclear defense, reduced status of Germany in NATO and eventual neutrality, negotiations with the Soviets and the Western allies on a reunification or confederation of the two postwar German states.

This left-wing neutralism is boosted now by the prospect of a "red-green" municipal government between SPD and Greens in West Berlin, after the Christian Democrats lost their majority in the Jan. 29 elections. A left-wing coalition in Berlin would help shape a similar constellation for the rest of West Germany and would put a saw on the chair of Chancellor Kohl.

Ironically, what could topple Kohl is the current dissent between his own and the Bush administration over Libya, the Lance missiles, and trade and monetary relations. Kohl's three-party government coalition has been upset by this transatlantic controversy, because each of the three parties has different views on each of the issues. When James Baker visited Bonn Feb. 12 and put Kohl under pressure on the Lance question, rumors had it that "if the U.S. increases its pressure, it will make Kohl's position untenable, and a less pro-American government will take over." The next NATO summit

in London in May, which is to decide on the Lance missile, is said to determine Kohl's fate in Bonn.

Kohl's alternative within the rules of the pragmatist policy game usually played in Bonn would be to back down in the face of mounting U.S. demands. But this would move him into another trap, laid by the right-wing neutralist current outside and inside his Christian Democratic party. Kohl would be accused of "selling out to the Americans," and his position in Bonn would become untenable, by summer or fall.

The right-wing neutralist movement is getting stronger, and its impact on political debates in Bonn has grown in tandem with the rise of the "red-green" option. The right-wing brand of neutralism is building around the German Republikaner (REP) party, which scored a shocking 7.5% of the vote in the West Berlin elections of Jan. 29, and has become the driving force behind "right-wing" pressure on Kohl. It works closely with the "Moscow faction" inside the Christian Democratic party, and its program looks almost the same as the left-wing neutralists' program.

The February *Der Republikaner*, the REP party magazine, blasted Kohl for pursuing the pro-Western tradition of the first postwar Chancellor Konrad Adenauer (1949-63), supposedly at the expense of "German interests." The magazine openly pushed a neutralist solution for Germany and a policy of reunification on Moscow's terms, writing: "There are many paid propagandists and officials clinging to their posts, who declared again and again

that it was the Kremlin that blocked every step toward the reunification of Germany. This has to be corrected:

"1) Why, after the diverse Russian offers between 1952 and 1954 for a reunified, militarily non-aligned Germany, was, for example, not even an attempt made to probe in Moscow what was behind these offers?"

"2) How can the Kremlin ever take the Bonn commitment to reunification seriously, if the current German government also declares the Western alliance bonds to be the 'state doctrine' of West Germany? If the official Bonn propaganda and the mass media place these Western bonds above everything else and thereby tries to tie in our people?"

This positive reference to the Stalin Note of March 1952 on a neutralized, reunified Germany appears at a time when Moscow is expected to air a similar proposal on the German question before, during, or shortly after Gorbachov's scheduled visit to Bonn in June.

In the background of the Berlin vote and the REP's results, evidence can be found of a more direct tie into the East bloc. Former East German resident (until 1981) and filmmaker Michael Häsler, now REP media adviser, produced the party's main campaign TV spot. His biography points directly at the Eastern intelligence angle: He was trained by, and worked with, Konrad Wolf, the late brother of Markus Wolf, head of the East German foreign intelligence apparatus (1958-87).

Konrad Wolf always put special emphasis on the pro-Soviet group of neutralists among German POWs in Soviet camps (Nationalkomitee Freies Deutschland) from summer 1943 on, which was one of the fundamentals of "German-Soviet friendship" in East Germany after the end of the war.

### Church rips 'New Age' and Carnival

*Proto-Nazi psychologist Carl Jung is singled out as behind the outbreak of "primitivism and savagery" wracking Brazil.*

**T**he level of moral degradation we are reaching heralds a somber future. No country can survive the triumph of immorality and public irresponsibility for very long." This was the warning delivered by Cardinal Eugenio Sales, archbishop of Rio de Janeiro, on the hedonistic delirium that Carnival-89 would become. Most alarming, he added, is that the same state of moral weakness will continue throughout the entire year.

In reality, Brazil's Carnival (the annual Mardi Gras orgy) is the largest hedonistic worship, the most acute public expression of mass Satanism, in the world. Year after year, the wretched effluvia of the cultural decadence corroding the entire society, parade undisguised in the "Sambadrome." In 1986, one of the leading themes was "the New Age of Aquarius." In 1989, it was chants to astrology, magic, witchcraft, and songs paying explicit homage to a well-known Rio de Janeiro drug trafficker.

This year's innovations included making ecology a major theme, featuring marchers carrying grotesque figures of pagan "Mother Earth" deities. And the choreographers of the infamous samba schools choreographed their dancers as groups of beggars wandering the streets—supposedly to highlight the collapse of the city which has sharply increased their numbers.

This decadence is what provoked Cardinal Sales' warning that "the national ethical fabric, the foundation of the survival of the individual and of society, has been dangerously stretched."

Provoking the greatest shock, however, was the shameless use of religious symbols in this totally pagan celebration. Despite the effort by the Archdiocese of Rio to prohibit this sacrilege by court order, the court refused to act until the last day, when it ruled that the culminating ceremony, the parade of the samba school dancers, could not use its replica of the Christ the Redeemer (the statue which looks out over the city of Rio). They had to cover the figure beneath a cloth and remove it from the march.

But suddenly, the samba school choreographer incited the enraged throng of dancers costumed as beggars to rip off the covering, all the while screaming, "We no longer need to bow our heads to the Church." The mob's fury to "lynch Christ" was termed by the auxiliary bishop of Rio de Janeiro, José Carlos Vaz, "a real act of desecration."

Who is behind such acts? Especially in Rio, the samba schools are owned by a group of middle- and upper middle-class businessmen involved in organized crime, who also run drug trafficking, illegal games, and prostitution.

The Sambadrome was built by Rio's ex-governor, the socialist Leonel Brizola—a candidate in the 1989 presidential elections—on the recommendation of his secretary of education and culture, the Gnostic anthropologist Darcy Ribeiro. Gnosticism is the ancient anti-Christian heresy based on "secret knowledge," which formed the ideology of the Hitler movement.

One of Darcy's dreams was (or is) to be the emperor over a "free" realm,

a fascist world where drugs are used, and euthanasia practiced, with indifference. Fantasy or not, this shows the type of barbarous cultural paradigm by which Darcy became the "Bulgarian connection" in Brazil, through his friendship with the Gnostic Zhivkov family of Bulgaria. He is also one of the mentors of Peru's Shining Path narco-terrorists.

The culture spread by the degenerate samba schools was a dream of Darcy, come true. Now, the project is being expanded to São Paulo. Mayor Luiza Erundina, from the pro-terrorist Workers Party (PT), announced Feb. 5 that the city will build its own sambadrome and invited the private sector to invest in it. She openly confessed the purpose was to bring to São Paulo Rio's degenerate samba school activities. Lo and behold, her secretary of culture is an ally of Darcy Ribeiro—the Gnostic teacher Paulo Freyre, a "Dark Ages" academic and a Soviet agent.

Seconding the warnings of Cardinal Sales, the bishop of Novo Hamburgo, Boaventura Kloppenburg, called the "New Age" movement one of the malignant seeds that have permitted hedonist culture to flourish. In a Feb. 10 article, Kloppenburg compares the "New Age" with Gnosticism. Kloppenburg writes that the "New Age" movement, which unfolded in the U.S. after 1962, "postulates a radical change in the paradigm of human behavior." And, "for that reason, it has successfully created situations or states (including through the use of drugs) that permit the eruption of primitivism, of savagery, of that which the psychologist Carl Jung called the 'collective unconscious.' Lawfully, the daughter of this Swiss psychologist, Gret Baumann Jung, belongs to the school of New Age theorists."



### Villanueva and his terrorist friends

*Peru's prime minister has shown his true colors, consorting with a top narco-terrorist.*

**P**eruvian Prime Minister Armando Villanueva went to a Lima jail for a 20-minute visit with an old friend on Feb. 4. His friend, Victor Polay Campos, is the chief of the Tupac Amaru Revolutionary Movement (MRTA).

Polay (a.k.a. Comrade Rolando) had been captured by the Army the previous day in the Andean city of Huancayo, in the government-run Tourist Hotel, where Villanueva was staying. That hotel is one of the best-guarded places in Huancayo, a city where elected officials and industrial technicians are assassinated almost every week. Some people wondered why a man at the top of the "most wanted" list for having directed the kidnaping of more than 100 businessmen, countless assassinations, and for proven links with drug running would enter such a place. Speculation that Villanueva had gone there to make a deal with Polay was heightened by his extraordinary jail visit.

Villanueva "clarified" that he only wanted to make sure the master terrorist's "human rights" would be respected. Does his act, however, betray an interest in obstructing police investigations and in telling Polay not to reveal MRTA's pacts with pro-terrorist factions inside Villanueva's APRA party?

Armando Villanueva's political ties abroad are to both the liberal international bankers and to the Socialist bloc. In this sense, he is a typical agent of the "Trust," the alliance between the Soviet nomenklatura and the liberal Establishment in the West. He made common cause with Manuel Ulla—whose policies as finance min-

ister (1980-82) helped Dope, Inc. gain hold of Peru—to sabotage President Alan García's attempt to nationalize the banks that were laundering narcodollars. He undermined García's resistance to International Monetary Fund austerity and is now triaging "useless eaters," like pensioners. And he is trusted by the Soviet Embassy to decide which Peruvians should attend Embassy functions, so it is said in Lima.

While his long-term adversary within APRA, García, sought an independent path for Peru, Villanueva stresses that he was the first to point out "the necessity of ties with the socialist and communist countries." Villanueva said his January 1988 tour of Eastern Europe "was indispensable to strengthen relations between a revolutionary party such as APRA, and the new socialist world that is opening the way to fulfill its objectives."

The new world order the Trust is working out with Moscow includes power-sharing with Soviet-backed terrorist movements in the Americas. Colombia is cutting such a deal for dual power with the M-19 terrorists; and Villanueva is seeking the same with the Peruvian guerrillas. The M-19's first big splash was to capture Simón Bolívar's sword; the MRTA did the same with the sword and banner of General San Martín. Such rituals are a hint of the Freemasonic origins of both groups.

Villanueva has given credence to reports that he is a master of dirty Masonic operations in Peru. He was the first Peruvian cabinet member to refuse to kneel before the cross or swear

upon the Bible, when he was sworn in as prime minister last May 16. He is the brains behind the anthroposophists at the APRA-run Villarreal University who act as North Korean dictator Kim Il-Sung's Peruvian connection.

His relations with the Shining Path terrorists are of a similar order. He would probably have them in his cabinet today, had they not scorned his pleas for "dialogue." Villanueva plays off the wanton barbarism of the "bad" Shining Path to accentuate what he considers the legitimate revolutionary fervor of the MRTA, whose irregular warfare violence is more "politically" targeted and whose verbose pronouncements about "social justice" sound much like Villanueva had written them.

Once captured, Villanueva's terrorist friend Polay confessed to 102 kidnapings of industrialists and more than a dozen attacks in Lima alone, according to investigatory police director General Reyes Roca. He also led MRTA into the northern Peru cocaine-producing region. MRTA retaliation for Polay's capture included a murder attempt on APRA leader Luis Negreiros on Feb. 6, bombings of six buildings on Feb. 9, and four grenades fired from a mortar at President García's palace on Feb. 11. They did little harm, but García announced that the part where he lives would be fortified with iron plate.

García implicitly condemned Villanueva on Feb. 5 when he asserted, "We do not concede special status to anyone, much less to those assassins who have bloodied the country, and upon whom the law must fall with total rigor and severity. . . . We live in a democracy that must defend itself with all police, military, and legal energy, from those assassins, and the only way to do so is not to turn to deals with those who have chosen the path of assassination."

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# International Intelligence

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## ***U.S. pressure places Kohl in a trap***

U.S. pressure for West Germany to agree to a modernization of NATO nuclear arsenals could lead to the fall of Chancellor Helmut Kohl's government, speculates that country's *Süddeutsche Zeitung* daily Feb. 15. The article covered Secretary of State James Baker's trip to Bonn.

Kohl is caught in a trap, the paper writes: Baker demanded that the Lance short-range missile modernization be decided before the U.S. Congress convenes in late spring 1989 to haggle over the next U.S. fiscal budget. Without German agreement, Congress would be likely to stop funding for the modernization, which would mean no Lance follow-ons for the mid-1990s.

But it is politically necessary for Kohl to try to avoid a clear affirmation. He wants the NATO summit in May to postpone the decision into 1991-92, because Foreign Minister Hans-Dietrich Genscher and his liberal Free Democrats, Kohl's minority coalition partner, want to leave the "option open for either a yes or a no" for some time into the early 1990s.

Forcing the FDP into a decision for a "yes" now, Kohl told Baker, would split the governing coalition in Bonn, and likely lead to a less "pro-American coalition in power."

Baker told him, as he told Kohl's chancery secretary, Wolfgang Schaeuble, in the United States a week earlier, that a German "no" at this point would risk setting a "very bad precedent on defense budget decisions" for the 1990s.

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## ***Hapsburg hailed on return to Hungary***

*Glasnost* just might mean monarchism in the case of Hungary.

Otto von Hapsburg, former pretender to the Austro-Hungarian throne, is to arrive in Budapest, Hungary in late February, for his first official visit, and will become a full-fledged member of a reconstituted Hungarian political party, the Christian Democrats,

the Feb. 14 *Times* of London reported.

At the same time, the paper notes, a Monarchist Party will be formed, which hopes to campaign for Hapsburg's return to political life in Hungary.

Reporter Richard Bassett writes from Budapest: "In an unprecedented step by a Communist government, the ubiquitous symbol of Communist rule throughout the world, the five-pointed red star, is to be removed from the country's escutcheon, flag and public buildings. It will be replaced by the Crown of St. Stephen, last worn by Dr. Hapsburg's father. . . . For the thousands of Hungarians who file past the crown—which is housed in the National Museum—each day, the crown is a potent symbol. When Dr. Hapsburg pays his official visit to the museum next week, there will be many present who will see the symbol of Hungary in its historical context."

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## ***Philippines asks U.S. withdrawal of bases***

Philippines Vice President Salvador Laurel Feb. 13 called for a phased withdrawal of U.S. military bases in the Philippines over a 10-year period. He urged President Corazon Aquino to open immediate talks on this proposal with Washington, according to a Reuters report.

His statements mark the first time that the government of the Philippines has formally endorsed the "New Yalta" process, under which the State Department, by abandoning these bases, is effectively ceding Asia to a Russian-Chinese condominium.

In a speech to Philippines diplomats, Laurel said, "We cannot forever keep our options open in the naive hope that some well-meaning nation or group of nations will make the decision for us." He said that if Washington regarded the bases as vital for regional security, it should review with Manila "the role of the U.S. bases in the light of the converging bipolar forces toward global peace and nuclear disarmament."

Laurel also called for a meeting of allies within the former Southeast Asian Treaty Organization (SEATO) to discuss regional security. SEATO, dissolved in 1977, was

made up of Australia, Britain, France, New Zealand, Pakistan, the Philippines, Thailand, and the United States.

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## ***Bush to keep arming Afghans—against whom?***

President George Bush has decided to keep arming the Afghan resistance so long as the Soviets continue to back the Najibullah government in Kabul. An administration official said the decision was taken because the Soviets have left so much military hardware behind as they withdraw.

"We said all along that we would support the mujahideen as long as they are supporting the Kabul regime," the aide told Reuters Feb. 11.

The question is, is the Bush administration arming the mujahideen against the Soviets, or against themselves?

A few weeks ago, U.S. State Department director of Afghanistan affairs Robert Flaten stated that the new Afghan government will be "different from any other government anywhere in the world. . . . It probably will be a rather extensively federalized system, in which substantial powers will remain in the provinces and various regions."

London *Guardian* writer Tariq Ali said that this suggested "that Washington would accept a *de facto* segmentation of the country" between Najibullah's Soviet-puppet forces and various warring mujahideen factions.

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## ***Salvador military threatens coup***

El Salvador's defense minister, Gen. Carlos Eugenio Vides Casanova, told reporters gathered for the Central American Presidents meeting Feb. 13 that if the government postponed presidential elections as per a deal proposed by the FMLN guerrillas, the military would have no choice but to carry out a coup.

"If the President stays one day over his term in the presidency outside of the consti-

tutional order, the armed forces would have the obligation to remove him," said Vides Casanova. "The political parties can talk about what they want. The constitution gives very clear responsibilities" to the military.

The FMLN proposed in January that the government postpone elections from March 19 to Sept. 15, in return for which, the FMLN will participate in those elections, as long as they had guarantees that the leftists could participate freely and fairly and the military pledged to remain in their barracks.

The Duarte government itself is reportedly chary of the offer, but the U.S. State Department is urging the government to "consider" it.

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## ***Tokyo rally demands return of the Kuriles***

At a rally in Tokyo Feb. 7, representatives of citizens' groups announced that they have collected 47 million signatures on a petition calling for the return of the Soviet-held northern territories of Japan. The Russians have occupied the Kurile Island chain, stretching northward from Japan's Hokkaido Island to the Kamchatka Peninsula, Soviet territory, since the end of World War II.

The islands' occupation has been an immediate cause of bad relations between the Japanese and the Soviets for 40 years. The Tokyo rally made clear that this shall continue to be the case.

Acting Japanese Prime Minister Kichiro Tazawa spoke at the rally, and echoed other speakers in denunciation of the Soviet stance, which "remains as uncompromising as ever. It is extremely regrettable that some 40 years after the close of the war [the Kuriles] remain under Soviet occupation."

The audience consisted of citizens' groups, former Kurile Island residents, government officials, political party representatives, and reporters, including those from three Soviet news agencies.

The rally, and similar rallies at the regional level, is but one sign of resurgent Japanese nationalism. The Japanese Education Ministry recently ordered that, by

1990, all schools must raise the Rising Sun flag and sing an anthem honoring the Emperor. Such observances, which ministry spokesmen said will instill a sense of national pride in young Japanese, are now voluntary.

The Japanese Teachers' Union opposes these measures, which it calls "symbols of those who hope to march in military boots again." The anthem, the Kimigayo, was banned by the occupying Allies after 1945.

Another controversial measure is the Education Ministry's directive that students should learn about 42 national heroes, one of whom is the 1904 Russo-Japanese War hero Adm. Heihachiro Togo. All military leaders were expunged from Japanese textbooks after 1945.

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## ***Largest Jewish group ever visits Moscow***

Whiskey magnate and grain-for-Jews trader Edgar Bronfman was at the head of a group of 100 Western Jewish leaders who arrived in Moscow Feb. 12. It was the largest delegation of Jewish leaders ever to visit the U.S.S.R., there to attend the opening of a Jewish Cultural Center.

Among them was Nobel Prize winner Elie Wiesel, who proclaimed the ceremony to be the beginning of a "Jewish reawakening in the Soviet Union," and who praised Gorbachov. Bronfman was also effusive in praise for Gorbachov.

Another attendee was Yuri Lyubimov, the Dostoevskian kook theater director, who had previously "defected" to Israel.

Despite the euphoria of Bronfman et al., various Soviet Jewish "refusenik" groups expressed anger over the event, saying it legitimized Soviet state policy.

Isi Leibler, Australia-based vice president of the World Jewish Congress, dismissed the threat that the extreme anti-Semitic Pamyat Society poses to Jews in the Soviet Union. "A bit of Pamyat hooliganism doesn't worry me," he said. "I'm much more concerned by government and state-supported anti-Semitism."

Who said Pamyat wasn't state supported?

# Briefly

● **JAPAN'S** ruling party lost a special election to the Japanese Socialist Party by a landslide Feb. 12, leading to worldwide speculation that Prime Minister Noboru Takeshita's 15-month-old government is in serious trouble.

● **SRI LANKA** held its first general elections in 12 years Feb. 15, and President Ranasinghe Premadasa claimed victory. More than 400 people were killed in ethnic violence in the four-week campaign period, most by the Sinhala chauvinist JVP organization. Pledging to restore order, Premadasa said, "Those outside the democratic mainstream should now fully realize that people have totally rejected the path of violence."

● **SINGAPORE** Prime Minister Lee Kuan Yew has called on his people to continue having children. Alarmed by a collapsing birth rate two years ago, authorities reversed their birth control policy and introduced such measures as a \$10,000 tax rebate for families having more than two children. The birth rate jumped 14% in 1987 and 21% in 1988.

● **KAMPUCHEAN** Prince Norodom Sihanouk said Feb. 12 that he had resumed the presidency of the three-faction resistance coalition, the CGDK, in order to give new impetus to regional peace efforts, and because of what he called Thailand's "dangerous policies." Thai Prime Minister Chatichai Choonhavan recently met with Vietnamese-backed Kampuchean ruler Hun Sen.

● **BENAZIR BHUTTO**, in Beijing during her first trip abroad as prime minister of Pakistan, told a news conference, "There are no Pakistani troops being massed on the border with Afghanistan. We've got enough problems of national integration. We don't need foreign adventures."

## LaRouche is innocent, as Captain Dreyfus was

by Friedrich-August von der Heydte

*Friedrich-August von der Heydte, a well-known German professor of constitutional and international law, sees remarkable parallels between the infamous "Dreyfus Affair" in the 1890s in France, and the political persecution of Lyndon H. LaRouche in the United States.*

*Alfred Dreyfus, the son of a Jewish merchant who became a captain in the French Army, assigned to the Ministry of War, was framed up in 1894 on espionage charges, convicted, and imprisoned on Devil's Island off the coast of French Guiana. His cause was taken up by, among others, the writer Emile Zola, who was himself sentenced to a year in prison for libel following the publication of his famous open letter, "J'accuse." In 1899 Dreyfus was pardoned, but he fought for a retrial which fully exonerated him in 1904.*

Everything that could be found out about the trial against Lyndon H. LaRouche, has been yet another painful reminder that the exploitation of the judicial system for the achievement of political ends, is unfortunately a method used repeatedly today in the West as well as in the East. The "LaRouche case" is a glaring example of how, in the United States also, the judiciary is abused for the dispensing of "political justice."

On closer examination of the behavior of the U.S. authorities toward LaRouche, there emerge strong parallels to the infamous Dreyfus Affair in France, which has gone down in history as a classic example of a political trial.

Just as LaRouche was, the French captain Alfred Dreyfus was deprived by the structure of the trial procedures, of any opportunity to prove his innocence, and facts critical for his defense were excluded from the trial. In both cases, the harshness of the punishment betrayed the authorities' actual intent, namely, to hold the defendant, who was condemned for political reasons, in prison for such an extended period that for simple biological reasons alone, he would no longer be able to influence the political process.

In both political trials, the prosecution consistently denied the political background of the accusations. LaRouche's actual "crime" seems to consist in the fact that he has created a financially and otherwise politically independent force which stands outside of the Establishment's strictly controlled political framework. Since that is hardly a punishable offense in a democratic state, an indictment had to be constructed which would make it possible to convict him under criminal law. After the first trial before a federal court in Boston collapsed, because even the court was unable to deny its political dimensions, a new trial with a virtually identical indictment was set up in Alexandria, Virginia, thereby taking advantage of the American federal system.

### **Role of the media**

Some further parallels should be pointed out between the Dreyfus Affair and the LaRouche case:

In both cases, despite massive efforts, the initial criminal



*A banner unfurled before the Opéra in Paris in January 1989. Beyond being one of the most clamorous cases of injustice in the last century, the frame-up of Alfred Dreyfus tore France into warring factions for over a decade, and was part of the process that set Europe on the road to World War I.*

investigations led nowhere. Then the media were “drawn in,” and, playing on the growing wave of anti-Semitism and anti-German revanchism in France at the end of the 19th century, managed to stir up a witchhunt campaign and create a “pre-judgment,” such that additional pressure by the General Staff and the government finally led to an indictment against Dreyfus. Similarly today, in the United States there is scarcely any political figure more hated by the media than LaRouche.

Up to the trial’s conclusion, Dreyfus was almost certain that he would not be convicted, since despite falsified documents, the evidence against him was quite scanty. A handwriting expert had even confirmed that the famous “Border-eau” document could not have been written by Dreyfus. Nevertheless, the crushing verdict was delivered after only one hour’s deliberation. It was similar with the trial in Alexandria: On the basis of the judge’s instructions to the jury, the defendant could expect at least partial acquittal; and yet the jury unanimously found him and his six associates guilty on all 48 counts—which would work out to a total of approximately 10 minutes of “deliberation” on each count.

### **Rush to judgment**

Both proceedings were rushed to their conclusion, as is typical for political trials. The period between the issuance of the indictment and the final conviction in both cases, was only a few weeks. LaRouche was indicted on Oct. 14, 1988 and was pronounced guilty on Dec. 16, 1988; Dreyfus only

learned that he was charged with treason when he was arrested on Oct. 15, 1894, and was convicted on Dec. 22, 1894.

In the court martial trial against Dreyfus, exculpatory material was suppressed, and documents were introduced as evidence which had been manipulated by intelligence services, and whose source was concealed by citing regulations on classified materials. The defense did not have complete access to the documents upon which the indictment was based. Only years afterward, was Dreyfus able to prove that the essential documents which led to his conviction had been forged, and that the prosecution’s star witness had committed perjury. Judging from the currently available published information, one is hard put to fend off the impression that here, too, there are parallels to the trial against LaRouche.

In both cases, the courts rushed to carry out the sentence, in order to deprive the accused of the ability to influence events. Even after the convictions, the press campaigns—now snide and triumphantly gloating—did not subside, but rather the contrary.

In order to disprove the accusations which to him were beyond belief, Dreyfus presented himself before the trial fully conscious of the fact that he had done nothing wrong. The fact alone that Lyndon LaRouche, although he was well aware of the political character of the trial against him, did not become a fugitive from justice—though he could have easily done so—is a convincing demonstration that LaRouche has a clear conscience.

# LaRouche appeal: does the Bill of Rights still survive?

The recent trial and conviction of Lyndon LaRouche and six associates in an Alexandria, Virginia federal court has shocked the conscience of the nation and the world. Astute observers around the globe realize that if this travesty of justice is allowed to stand, the United States no longer stands as a "beacon of hope and temple of liberty" for the world.

The upcoming appeals in the LaRouche case will determine whether the Constitution and the Bill of Rights are a dead letter, and whether the United States has become a totalitarian police state in which the rule of law is no more.

## Constitutional violations

From beginning to end, the LaRouche trial was a flagrant denial of the right to due process and a fair trial. The magnitude of the constitutional violations is only understood by taking the violations as a whole, not merely one by one.

1) The Oct. 14, 1988 Alexandria indictment and trial were rushed through to preempt the retrial of the Boston case, scheduled for Jan. 3, 1989. The collapse of the Boston case and the ensuing declaration of mistrial were seen as a major embarrassment for the government: Prosecutors were determined to prevent a repeat of the Boston fiasco.

2) In order to rush the Alexandria case to trial a mere 38 days after the indictment, the judge denied all substantive pre-trial motions, including all defense requests for disclosure of exculpatory evidence. (Government hiding of evidence and mishandling of classified information was the cause of the Boston case's blowing up.)

3) At the same time, the court granted the government's motion to exclude evidence anticipated to be offered by the defense, thus precluding the jury from ever hearing major areas of the defense case, and compelling the defense to lie about evidence critical to the charges presented. Other evidentiary rulings during the trial compounded the damage.

4) The rush to trial also prevented the defendants and their attorneys from adequately preparing what was left of the defense case.

5) Selection of a jury in less than two hours denied the defendants their right to a fair and impartial jury, leaving a jury with three government employees, including a jury foreman whose official duties with the government put him in contact with anti-LaRouche operations run through a multi-agency task force.

Constitutional rights implicated, and violated, by the Alexandria show-trial proceeding include:

- The constitutional guarantee (Article III) of trial by jury;
- The First Amendment right to freedom of speech and association;
- The Fourth Amendment right to be free from unreasonable searches and seizures;
- The Fifth Amendment right to due process of law, and the prohibition against double jeopardy; and
- The Sixth Amendment right to a fair trial, by an impartial jury, to be able to summon and confront witnesses, and to effective assistance of counsel.

## Jury trial abrogated

Nothing is more fundamental to our system of justice than trial by jury, which has been understood historically in the United States as the ultimate protection against arbitrary and politically motivated prosecutors and corrupt judges. Every citizen has the right to a public trial, in which he can present a full defense to a fair and impartial jury. In the Alexandria case, the defendants were denied the right to present their full defense to the jury; and then, to doubly ensure the frameup, they were denied the right to be judged by an unbiased jury.

In a civil case, the judge can take factual issues away from the jury by the device of summary judgment. While there is no provision for summary judgment in criminal cases—the jury, not the judge, is the trier of fact—Judge Bryan sneaked summary judgment in through the back door in the LaRouche case. This was accomplished by means of the insidious vehicle of a government "motion *in limine*" to prevent the defense from even mentioning certain subject areas in front of the jury.

The government's "motion *in limine*" gutted the defense case in the following ways:

- It prevented the defendants from mentioning the 20-year history of FBI harassment against them, including the use of informants, infiltration, monitoring of bank accounts, and "dirty tricks."
- It barred the defendants from presenting a defense based on government-directed "financial warfare" against them, with only narrow exceptions;

- It prevented any mention of the fact of the Boston mistrial or government misconduct uncovered in the Boston case;

- It forced the defendants to lie about the government-initiated involuntary bankruptcy against the three companies which took the loans which were at issue in the case.

This last ruling, compelling the falsification of the facts of the bankruptcy, was one of the most outrageous aspects of the whole trial. The substance of the “mail fraud” charges against the defendants was that loans had been solicited by them and not repaid. This was the heart of the prosecution’s emotional appeal to the jury, telling the jury that “little old ladies” had lost their life savings because the loans were not repaid. While the defendants could allude to the involuntary bankruptcy, they could only say that unnamed “creditors” forced the bankruptcy. The defendants could not tell the truth: that it was a sole creditor—the United States government—which petitioned for the bankruptcy and shut down the three publishing companies, thus preventing the companies by force of law from repaying any loans! The jury was never told that the same U.S. Attorney’s office which was prosecuting the defendants for non-repayment of loans, had in fact *prevented* the repayment of loans by shutting down the companies which owed the money. The government arbitrarily defined the end of the conspiracy as the day before the government initiated the bankruptcy action.

Thus, before the jury was ever selected, the court had denied the defendants the ability to present a full defense to the jury. This denial of the right to trial by jury was compounded by the judge’s evidentiary rulings during the trial itself, by which he excluded numerous defense exhibits, and prohibited the defendants from attacking the government’s “conspiracy theory” underlying the charges against the defendants. At root, the prosecution was alleging that the defendants’ philosophical association—the National Caucus of Labor Committees—was itself a criminal conspiracy, dominated by the “authoritarian personality,” Lyndon LaRouche. The defense was barred from exposing the roots of the government’s peculiar “conspiracy theory,” and was also barred from obtaining or presenting evidence of the government’s actual counter-conspiracy against the defendants.

Under such conditions, it should hardly have been necessary to even bother rigging the jury. But, just for that extra margin of safety, the court and the prosecution teamed up to conduct a rapid-fire jury selection, denying the defendants any semblance of an adequate *voir dire*.

Jury selection taking many weeks to complete is commonplace in high-publicity cases. In the Boston LaRouche trial, sequestered, individual *voir dire* was permitted, along with the use of a written questionnaire; this resulted, to all indications, in a fair jury. Jury selection has run much longer—up to eight weeks—in other high-profile cases. Yet here, with the Washington-Northern Virginia area saturated with virulent news-media attacks on LaRouche over a number of

years, a jury was seated in less than two hours!

Judge Albert V. Bryan refused to excuse for cause even employees of the prosecuting agencies, the FBI and the Justice Department, forcing the defense to use their scarce peremptory strikes against them. *Voir dire* was for the most part collective (involving all potential jurors) and extremely general. As a result, a majority of the final jurors never even opened their mouths during the *voir dire*.

These included Buster Horton, visibly hostile to the defendants from the beginning, who aggressively campaigned

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*The upcoming appeals in the LaRouche case will determine whether the Constitution and the Bill of Rights are a dead letter, and whether the United States has become a totalitarian police state in which the rule of law is no more.*

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to become the jury foreman. It was later learned that Horton is the highest-ranking career employee responsible for “emergency preparedness” in the U.S. Department of Agriculture. Horton is the liaison to the Federal Emergency Management Agency and to the FBI and other agencies dealing with “extremism” and terrorism. This puts Horton not only in the middle of the “Seven Days in May” crowd, but also in the multi-agency task force targeting of LaRouche and associates. Yet, the defendants were not allowed to ask Horton a single question during *voir dire* which might have uncovered these sources of contamination.

Taken separately and as discrete issues, one can find many adverse precedents in the case law of both the Fourth Circuit Court of Appeals and the Rehnquist-dominated Supreme Court. On issues of jury selection, exclusion of evidence, denial of discovery, and denial of adequate time to prepare for trial, the courts in recent years have steadily eroded the rights of the accused while upholding the actions of judges and prosecutors.

The line must be drawn with the LaRouche case. The cumulative effect of separate, discrete rulings by the trial court was an overwhelming denial of due process. If this precedent is affirmed, no one is safe. Due process of law will have effectively been eliminated in the United States. Trials will have become a mere formality sandwiched in between indictment and sentencing, with the same significance such legal rituals had in Nazi Germany or any other totalitarian regime.

# Kissinger Associates, Inc.: two birds in the bush

by Scott Thompson and Joseph Brewda

Two leading members of Henry Kissinger's consulting firm, Kissinger Associates, have been appointed to the Bush administration, causing Gary Wills to write in the Jan. 17, 1989 issue of the *New York Times*, "The Unsinkable Kissinger Bobs Back." While the naming of Kissinger Associates Washington, D.C. branch manager, Gen. Brent Scowcroft, to be Bush's National Security Adviser went unopposed, simply because there are no confirmation hearings for the President's staff, that of Kissinger Associates president Lawrence Eagleburger to the post of Undersecretary of State may hit a snag when confirmation hearings open some time in the week of Feb. 20-25 before the Senate Foreign Relations Committee.

Already, spokesmen for Eagleburger have told Walter Pincus of the *Washington Post* on Feb. 16 that Eagleburger may recuse himself from State Department dealings with a dozen countries, where he has had major corporate clients through his position with Kissinger Associates. Precisely how long Eagleburger will have to limit his role is now being negotiated between the State Department, the White House Counsel's office, and the Office of Government Ethics. Still, Eagleburger is only being partially truthful about the potential conflict-of-interest situations that he faces, since he is trying to limit this question before the Senate Foreign Relations Committee to deal only with foreign businesses that were his personal clients, not those of Kissinger Associates as a whole. In fact, were it not for the hard line being taken by Sen. Jesse Helms (R-N.C.), Eagleburger would attempt to get by without even revealing what businesses employed Kissinger Associates as their consultant.

Precisely how far Senator Helms is willing to go in his opposition to the Eagleburger appointment is not known. In 1986, in hearings for the confirmation of Richard Burt as U.S. Ambassador to West Germany, Helms held fast against this security risk only long enough to secure several appointments for those with conservative credentials. Still, if Helms and others are prepared to push it, there is sufficient evidence on Kissinger Associates—the highlights of which will be presented in this article—to submerge Henry Kissinger once again by either blocking the Eagleburger appointment or else by severely crippling his revival in office.

On one issue, analysts in the U.S. and Western Europe are absolutely clear: If Eagleburger achieves the number two

spot at the State Department, while Scowcroft runs the National Security Council staff, Henry Kissinger will once again have the freedom to drop his recent hard-line posturing to let his true colors as a Soviet agent-of-influence show through. Kissinger's latest Central European proposal, which includes Kissinger's age-old call for a reunified, but neutral "Austrian Solution" for Germany, shows he now feels confident that he need no longer attack Western appeasement, because it will be Kissinger and his minions in the major positions to carry out that Western appeasement of the Soviets.

## Our man in Belgrade

When he left his post as Assistant Secretary of State for Political Affairs in the Reagan administration in May 1984 to "go make money" with his friend Henry Kissinger, Eagleburger carried with him strong contacts with the leading political and financial circles of Yugoslavia, where he had been U.S. ambassador during the Carter years. In the Reagan administration, Eagleburger had feuded with Secretary of Defense Caspar Weinberger to make sure that U.S. trade and credits with Yugoslavia were expanded. It is Eagleburger's subsequent role at Kissinger Associates as their "man in Belgrade," which raises questions of potential implication in criminal enterprise, not merely conflict of interest.

Eagleburger was the Kissinger Associates representative with the U.S.-Yugoslavia Trade Council, and he is known to have been involved with at least three Yugoslavian firms: 1) Eagleburger was on the board of Yugo America, Inc., which filed for bankruptcy early this year, and is in the process of being taken over by its parent company, Global Motors, which has hired Kissinger Associates as a consultant; 2) another Yugoslavian firm that hired Kissinger Associates as consultants was Enerjoprojekt, a construction and engineering firm that was, until recent financial reverses, the 16th largest company of its sort, involved with multimillion-dollar projects in Iraq, Kuwait, and Gabon; and, 3) Eagleburger, independently of Kissinger Associates, was a board member of LBS Bank of New York, a wholly-owned subsidiary of Ljubljanska Banka of Yugoslavia, which was established on Oct. 1, 1986.

A Dec. 1, 1988 indictment of Vinko Mir, the chairman of the board of LBS Bank on which Larry Eagleburger sits, raises serious questions about the degree of Eagleburger's



complicity in or knowledge about a criminal enterprise. The indictment charges that Mir, who is also on the board of the parent Ljubljanska Banka and its executive vice president, willingly took part in the illegal laundering of funds by persons whom Mir would have believed to be underworld figures engaged in the illegal export of restricted high technology and implements of war. Actually, the money-launderers were undercover U.S. Customs and Internal Revenue Service agents taking part in "Operation Flying Kite," which caught a network of people of which Mir was a part in laundering a total of \$1,476,350 in funds of the "sting" operatives. Several other Yugoslavian financial and political institutions are also implicated in the case, including the Chicago-based Yugoslavian Consul General to the United States. Not only did Mir allegedly conspire to launder funds from these "organized crime" figures, but in a subsequent meeting with the IRS undercover agent, he acknowledged that he had falsified information on the Currency Transaction Reports that should have been filed with the Treasury Department, a practice established for the purpose of tracking money laundering.

Questioned by *EIR* on Feb. 16, Mir refused to say whether he had been the person who hired Eagleburger on the board of LBS Bank, although he did acknowledge knowing Eagleburger well. It is notable that Eagleburger, who has recently taken the public stance that he wishes to avoid the slightest hint of impropriety, waited until Jan. 9, 1989 (more than a month after the indictment of his friend Mir, when Eagleburger's nomination was locked up), to resign from the board of the LBS Bank. Nor can Eagleburger, who began his work in the Foreign Service in Yugoslavia in the 1950s, claim ignorance of the facts, since the province of Slovenia in whose capital LBS Bank's parent company operates, has the same reputation among insiders for organized criminal activity stretching into Western Europe, as the more infamous "Bulgarian connection."

Through his position at Kissinger Associates, Eagleburger is directly a consultant to the following firms: 1) L.M. Ericsson AB of Sweden, an international communications and manufacturing company, which is linked to the Swedish Wallenberg family interests, who constitute the "Northern Route" of the Anglo-Soviet Trust; 2) The Daewoo Group, which is one of the largest South Korean conglomerates, producing several products including automobiles in partnership with General Motors; 3) ASEA Brown Boveri, another Swedish-based industrial manufacturing concern, which is part of the Wallenberg family part of the "Northern Route" with the U.S.S.R.; 4) Midland Bank, which is the fourth-largest commercial bank in Britain, that also holds substantial amounts of Third World debt; 5) A.B. Volvo, the Swedish automobile manufacturer, which is now financially controlled by the Wallenberg family interests; 6) Fiat, the Italian vehicle manufacturing firm, which, during Kissinger's 1970s "detente," built the Togliatti firm in the U.S.S.R., which produces advanced suspension systems for Soviet tanks; 7)

Bell Telephone Co. of Belgium, which owns nearly 40% of a Turkish company that manufactures communications in that country; 8) Union Carbide, the U.S.-based, international chemicals company; 9) Global Motors, the parent company of the now bankrupt Yugo America, Inc.; 10) Coca Cola; 11) H.J. Heinz; 12) Anheuser-Busch; 13) Hunt Oil Co. of Dallas, Texas, which is run by Ray Hunt, son of the late H.L. Hunt and which employed Eagleburger in part for his advice in North Yemen oil exploration; and, 14) ITT.

As with the LBS Bank and Global Motors, Eagleburger is on the board of American ITT, the Mutual Life Insurance Co. of New York, BestMart, and Josephson International. But a proper investigation of Eagleburger's potential conflicts of interest—the sort of investigation being demanded by Sen. Jesse Helms—would also include a look at the board of directors of Kissinger Associates and its many other clients.

### Who's who at Kissinger Associates

Founded in 1982 with loans from the investment banks of S.G. Warburg, Pincus, and Goldman, Sachs, Kissinger Associates has developed into a "miniature State Department," charging clients fees that start at \$150,000 a year for "consulting." Actually, there is a question about precisely what Kissinger Associates does for its clients, whose full listing has never been made public. Published accounts state that for that \$150,000, a firm's chief executive officer only gets one visit a year with Kissinger Associates' main office in New York, as well as a few telephone consultations. If the story of Eagleburger and the LBS Bank is any indicator, the services may be much more important, though concealed, as in Henry Kissinger's recent attempts to set up a debt-for-equity looting scheme on recent trips to meet heads of state in Ibero-America, which would greatly benefit such known Kissinger Associates clients as Midland Bank, Chase Manhattan Bank, and Citibank. Additionally, Kissinger has used his clout to attempt to secure government guarantees of such debt-for-equity swaps, which would place the U.S. government as a body of armed men to collect the debt that mushroomed earlier under Federal Reserve Chairman Paul Volcker's usurious interest rates. Informed analysts believe that it is such special operations which Kissinger Associates actually perform on behalf of top corporate clients, not mere round table consulting as presented in the public relations statements.

The high-powered board of trustees of Kissinger Associates tends to confirm this analysis. Members include:

- Robert O. Anderson. Until two years ago Anderson was chairman of the Atlantic Richfield (Arco) oil giant, which still employs Kissinger Associates as consultants. Anderson was a founder of the Aspen Institute, which has engaged extensively in the development of negotiating positions for those arms control deals, which Kissinger claims he would avoid since his traitorous 1972 SALT-ABM treaties. Anderson is currently a partner of British tycoon Tiny Rowland,

whose Lonrho, Ltd. runs a feudal fiefdom in Africa. In association with Anderson, Rowland spawned Marc Rich, the Soviet oil trader, who faces indictment in the U.S.

- William Jefferson Cunningham III. This vice chairman of Kissinger Associates had formerly been president of the Orion Group, which is part of a consortium involving such major offshore drug-money laundering firms as Royal Bank of Canada, according to the authors of the book, *Dope, Inc.*

- Pehr Gyllenhammer. He has been the chairman of Volvo since 1983, and he is chief executive officer of Volvo AB, which is one of Eagleburger's clients. Since 1962 Gyllenhammer has been on the Chase Manhattan International Advisory Board, which is chaired by Henry Kissinger.

- Sir Y.K. Kan. A resident of Hong Kong, Kan had been chairman of the Bank of East Asia, which is affiliated with S.G. Warburg in East Asia Warburg, Ltd., from 1963-83, and he was chairman of the Hong Kong Trade Development Council from 1979-83. From his position at the bank, Kan was involved in operations with the China International Finance Company, Ltd., based in the mainland China city of Shenzhen, reportedly in cooperation with the Bank of China.

- Henry Kissinger. In addition to chairing and being the sole owner of Kissinger Associates, Henry's other financial connections include: 1) adviser and former chairman of the International Advisory Board of Chase Manhattan Bank, which heretofore employed Kissinger Associates as consultants; 2) chairman of the International Advisory Board of Maurice "Hank" Greenberg's American International Group, which was a leading part of the coup against President Marcos in the Phillipines, while Kissinger served with AIG; 3) board member of Shearson-Lehman/American Express, which is among Kissinger Associates' most lucrative clients; 4) board member of Union Pacific; 5) board member of R.H. Macy; 6) board member of Continental Grain, which, like Chase Manhattan, has had extensive trade dealings with the U.S.S.R.; and, 7) trustee of the Rockefeller Brothers Fund.

- Saburo Okita. The highest post held by Okita in the Japanese government was that of foreign minister, appointed by Prime Minister Ohira in November 1979. Okita has served in numerous positions in such "one worldist" institutions as the Club of Rome, World Wildlife Fund, World Bank, and United Nations, but, at least superficially, appears to have been an advocate of Japan's dirigist scientific and technological development policies. Okita was also on the steering committee of David Rockefeller's Trilateral Commission.

- Edward Lewis Palmer. In 1982, when Kissinger Associates was formed, Palmer retired as a director and chairman of the executive committee of Citibank, which employs Kissinger Associates as a consultant. Palmer remains a board member of Union Pacific with Kissinger, and he is a board member of the National Bank of Washington from which Scowcroft recently resigned.

- William Dill Rogers. This former ranking member of

the State Department under Henry Kissinger in the 1970s, is today with the law firm of Arnold and Porter, where he serves as Henry Kissinger's personal attorney and also as attorney for Kissinger Associates. It was Rogers who, in a series of letters released under the Freedom of Information Act, is seen soliciting then FBI director William Webster to mount a "Cointelpro" operation against *EIR* founder Lyndon LaRouche, simply because of *EIR*'s dossiers exposing Kissinger's role in the murder of several world leaders, Kissinger's unsavory personal morality, and his actions as a Soviet agent-of-influence.

(Kissinger himself wrote such a letter to Webster on Aug. 19, 1982, shortly after the Aug. 14 filing of a legal brief in Italy by LaRouche's friend, Fiorella Operto, the leader of the European Labor Party, assembling evidence regarding Kissinger and the murder of Aldo Moro; the brief was published in *EIR*.)

Rogers's position on the board of Kissinger Associates belies Henry's claim that his firm never represents foreign governments. Roger's client list has included: 1) the government of Venezuela, which Rogers has represented in syndicated Eurodollar bond offerings; 2) the government of Israel; and, 3) the Sandinista government of Nicaragua, for which Rogers was the registered foreign agent in 1981, when he advised the Sandinistas on arms exports, receiving \$126,000 for this advice over a six-month period. Rogers has been a major fixture with Henry Kissinger in their debt-for-equity looting scheme, and *EIR* possesses documented evidence of Rogers's direct work against Lyndon LaRouche's *Operation Juárez* for resolving the "debt bomb."

- Lord Roll of Ipsden (Baron Eric Roll, created Life Peer 1977). Lord Roll has been the chairman of S.G. Warburg since 1973, and he has also been the past chairman of Mercury Securities. Lord Roll was elevated to the peerage, because he was a director of the Bank of England from 1968-77. S.G. Warburg employs Kissinger.

- William Simon. This former Secretary of the Treasury in the 1970s, serving opposite Kissinger at State, appears to be the token conservative on the board.

Apart from those already named above, the clients of Kissinger Associates include: 1) Fluor Corporation, a major international construction firm; 2) the International Energy Corporation of Stamford, Connecticut; 3) Montedison of Italy, which entered into the largest joint venture in the U.S.S.R. during Gorbachov's reign (a modern petrochemical plant) with Soviet Trust agent Armand Hammer; 4) General Electric Company in the U.K., whose past chairman, Lord Carrington, until recently NATO secretary general, had been a board member of Kissinger Associates; and 5) Merck Pharmaceutical.

To discover the true conflicts of interest which might arise with Eagleburger's appointments, all these various firms and board members relations with Eagleburger will have to be explored by the Senate Foreign Relations Committee.

# Bush team digs its own grave, dumps the SDI

by Leo Scanlon

When Lyndon LaRouche was asked what political consequences would flow from the judicial frame-up and jailing of himself and six associates, he said that if he were brought down by these foul means, the Bush administration would not be far behind. Right on schedule, not two weeks after the jailing of LaRouche—an act which enjoyed the tacit or explicit approval of the incoming administration—the “Bush team” has crashed into a series of policy blunders, has yet to secure congressional approval for its cabinet nominees, and is demonstrating vacillation on the very national security issues which many hoped would be the strong suit of this administration.

Three times during the first weeks of February, administration spokesmen were asked by this magazine: “Where do you stand on the Strategic Defense Initiative?” and the three different answers demonstrate that the program is a bargaining chip. Worse yet, it will be bargained not against Soviet weapons systems, but against congressional budget plans!

*EIR*'s Nicholas F. Benton asked Office of Management and Budget director Richard Darman about SDI funding, during Darman's press briefing prior to Bush's State of the Union message on Feb. 9. Darman said that funding would remain the same as in Reagan's budget for the time being, but it was conditional on the outcome of a review of the program that was scheduled to get under way soon.

On Feb. 11 in Ottawa, Canada, Benton asked Bush during a brief press conference if the SDI were indeed conditional on the outcome of a review. Bush, who was walking away from the microphone at the end of the press conference, shook his head.

Then, on Feb. 14, Benton placed these two contradictory responses before White House spokesman Marlin Fitzwater during a daily White House briefing. “Which one is true?” Benton asked. Fitzwater said that Darman's response was the correct one, because “The President wants to keep his options open.”

The contradictory remarks indicate the problems already besetting the technocratic team of policymakers, which is being bushwhacked by the developing economic breakdown. The haste behind the jailing of LaRouche in the Alexandria, Virginia “rocket docket” betrayed the hopes of the Bush team

that by silencing the voice of “dissent” on economic policy matters, they would buy the time to put “the team” together, before the crisis hit.

The jailing of LaRouche was not the only indication of the administration's fear of addressing emergency economic measures needed to put military and budgetary planning on a sound footing. Darman has made it clear to Congress, for example, that he is willing to accept Gramm-Rudman sequestering—automatic budget cuts—in order to head off a budget blow-out. In that context, as he said, the SDI is “conditional” upon the commitment to subordinate defense policy to overall budgetary strategy. For its part, the Congress has repeatedly cut the SDI budget, and leading defense staffers say that the aim is to bring the SDI funding down from the administration proposal of \$5.6 billion to less than \$4 billion, and to bring the program back to the status it held when each of its components was funded line by line.

As defense policymaker Fred Iklé stated in a congressional seminar last year, the strategy is to fund SDI research, and use deployment as a threat.

That concept is the classic view of the arms control Establishment, and the Kissinger group in particular, and it is Kissinger hand Brent Scowcroft, who is conducting the policy review referenced by Darman. This review was promised by President Bush before his inauguration, and the appointment of an august group of Establishment regulars to his cabinet was supposed to speed the results and prepare the new administration to aggressively engage Gorbachov at the bargaining table.

## Major policy decisions stalled

In December 1988, Bush announced that he would delay the resumption of talks on a treaty to halve the superpowers' stocks of long-range nuclear weapons beyond the Feb. 15 date set by the Reagan administration, and has since pointed out that he is unable to deal with these and other arms control matters until his team completes its policy review.

The White House has also put on hold its commitment to meet a congressionally mandated February deadline for deciding whether to back the MX or Midgetman mobile nuclear missiles. The Reagan defense budget predicated major sav-

ings on a plan to eliminate the Midgetman—a pet project of NSC director Scowcroft. Since the Midgetman program represents a commitment to as much as \$50 billion eventually, this one decision will shape a major part of the administration's budget strategy.

Similarly, it has been leaked that the Joint Chiefs of Staff is rewriting its annual net assessment, in order to bring the document into line with the budgetary strategy of the new administration. The "net assessment" shapes the overall budgetary strategy of military planning and procurement of ficers.

The picture which emerges is of an administration obsessed with budgetary concerns, and unable to push any decisive policy. The Soviets have taken full advantage of this by tossing out mock "concessions" on arms policy, each of which has been designed to further stymie the administration. Gorbachov's phony troop and equipment reduction proposals have fueled European resistance to Washington's absurd demand that the defense of the United States be paid for by the allies.

At the same time, the subordination of SDI and other weapons modernization plans to U.S. budget management measures has cut the political floor out from plans to station upgraded (short-range, nuclear) Lance missiles in Germany—and the issue blew up in the face of Secretary of State James Baker during his European tour in mid-February.

Finally, the Soviets have tossed out a revised set of figures purporting to present an accurate picture of the NATO/Warsaw Pact balance, and which claim that the two blocs have near parity in troop and armor strength. A cute political ploy, for unless the Bush-men come out and call Gorbachov a liar, they will have no defense against the budget slashers in Congress, who are using the Russian claims of parity to justify U.S. defense cuts.

### **SDI on the chopping block**

The Bush administration is preparing to deflect the defense budget issue by reviewing major programs, and the lineup is led by Defense Secretary designate John Tower, who pledged to subject the Reagan budget proposal's 50% increase in SDI funding to close scrutiny, a position which was echoed by Bush himself on Jan. 26. Tower further stated that he considered a full SDI missile defense program "unreasonable," and expressed support for limited deployment, within limits defined by the ABM Treaty.

But this policy has not spared Tower from one of the most brutal campaigns of innuendo and calumny ever conducted by the Congress and the news media.

It is not surprising that the allegations against Tower have come exclusively from disgraced State Department and military figures, who admit to have been compromised themselves by Soviet "sexpionage" operations, which targeted the U.S. arms control delegation led by Tower in Geneva. It is also typical that the one officer who worked with Tower 14-

16 hours a day, six days a week, not only denies categorically all of the innuendo about Tower's alleged debauchery, but reports that the FBI never even interviewed him on the matter!

The final nail in the SDI coffin was provided by Brent Scowcroft, who led the "Presidential Leadership Choices" project of the Washington, D.C. Center for Strategic and International Studies (CSIS), which was issued in November. In the document, Scowcroft, Kissinger, and numerous officials of the Carter administration counsel that the national interest would not be served by the deployment of an SDI system that goes outside the ABM Treaty allowances for systems to protect ballistic missiles, not population.

Scowcroft has repeatedly told Congress that he thinks that an anti-missile shield is "impossible" and a "gamble" which the United States should avoid. "There is just absolutely no doubt that the SDI cannot continue along the lines that Ronald Reagan wanted it to. It's impossible," he told the *Washington Post* last month.

The Johns Hopkins Foreign Policy Institute, under the direction of Carter Defense Secretary Harold Brown, provided another forum for Scowcroft to polemicize against the SDI. A report signed by the NSC director called for "a program of research and technological development [not systems development] applicable to defense against ballistic missiles and airbreathers . . . [which should] . . . avoid spectaculars carried out for their own sake." The program should "emphasize ground-based terminal defense of mobile or hard points . . . divert some of the funds thus made available to high-technology conventional force initiatives . . . not make any decision on full-scale engineering development of a multi-tier SDI system before the early 1990s at the earliest," and so on.

With this heavy weight lined up against the SDI, it is no wonder that a political mediocrity like Sen. Sam Nunn (D-Ga.) could emerge, apparently leading the Congress into support for his Accidental Launch Protection System (ALPS), a rehash of 1960s technologies and strategies.

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# Oliver North goes to trial, to get LaRouche treatment?

by Herbert Quinde

Indicted Iringate scapegoat Oliver North finally seems to be going to trial, barring any further intervention by a Bush administration already apoplectic over revelations made by North's defense lawyers.

North's defense strategy has been a game of political brinkmanship with the Bush administration. The former White House aide is threatening to tell all he knows about the affair. The Justice Department, i.e., the Bush administration, is trying to "gut" his defense strategy by forcing the court to block the introduction of evidence deemed to compromise the national security.

But the pious invocations of concern for the national security by the Department of Justice have been exposed as a less than delicate cover-up for the disastrous foreign policy gambits of the Reagan/Bush administration.

Pulling out the stops in hopes of convincing the White House to end the prosecution, lawyers for North accused the Reagan-Bush administration of a high-level cover-up in the Iran-Contra affair. North's lawyer, Brendan Sullivan, said, "At the heart of this case are the *quid pro quo* and other third-country arrangements with which the Reagan administration obtained military support for the resistance [Contras]—when Congress banned it—and the policy that those third-country arrangements would not be disclosed outside a limited group of Executive branch officials."

Judge Gesell commented that part of North's defense "will be, to put it in the vernacular, that Colonel North was between a rock and a hard place. He is being told on the top side not to tell anybody and he's being asked a lot of questions about it on the bottom side. And some of those instructions came from people who have military authority over him as well as presidential authority over him, and I have ruled that he should be entitled to have the jury see the circumstances under which he acted."

North's lawyers, in court documents, named the names of his superiors who ran the operation. They were President Reagan, National Security Adviser Robert McFarlane, Defense Secretary Caspar Weinberger, Secretary of State George Shultz, Central Intelligence Agency director William Casey,

and Joint Chiefs of Staff chairman Gen. John W. Vessey.

Should the trial proceed, it is probable that former President Reagan will be forced to take the stand. Although the Department of Justice has tried to invoke executive privilege for Reagan, Judge Gesell has ruled that Reagan is on call for testimony if North's attorneys make the request.

Such a prospect could mean serious trouble for the squeaky-clean image of President Bush, whose quiet hands-on management of the Iran-Contra fiasco from the Office of the Vice President is no longer a well-kept secret.

For weeks, the trial had been delayed by a tug-of-war over the alleged need to protect national security secrets. Attorney General Richard Thornburgh, representing the interests of the Bush administration, intervened at the last minute, just as the jury was to be sworn in, claiming that North's lawyers, with the help of presiding Judge Gerhard Gesell, were going to violate the Classified Information Procedures Act (CIPA) by airing aspects of the dirty laundry accumulated during the Iran-Contra affair.

Independent Counsel Lawrence Walsh was caught in the crossfire, eventually losing credibility as an "independent" prosecutor. Initially, Walsh stated that all CIPA issues had been settled, agreeing with Judge Gesell that the Justice Department's concern for protecting national security secrets was "exaggerated." But later, under administration pressure, Walsh buckled under, agreeing to prosecute the case on a short leash held by Thornburgh.

CIPA was enacted nine years ago in an attempt to control the potential for blackmail which could be used by a defendant to force the prosecution to back off under threat of exposing secrets deemed of interest to U.S. national security.

Although North is certainly getting the "LaRouche treatment" and being hung out to dry, the procedural rulings by presiding Judge Gesell, when compared to those of the judges in the LaRouche case, demonstrate that even the political prosecution of a defendant could be handled fairly, if there is adherence to constitutional safeguards.

The Justice Department had been playing a dangerous public relations balancing act, not wanting to look like they

were part of a cover-up for Bush and company. After Thornburgh interrupted the trial by getting the Supreme Court to stay the proceedings until CIPA guarantees could be worked out to the administration's satisfaction, Judge Gesell said in open court that he doubted North could get a fair trial under the proposed Justice Department compromise on handling of national security secrets during the trial.

Less than happy with the Bush administration's unprincipled attempts to cover its backside, Gesell said, "The court . . . is committed to the traditional values established under the Constitution for the protections of a defendant in a criminal case. . . . These protections have nothing to do with whether a defendant is guilty or innocent. It is the right of every citizen to have a fair trial, to present their defense fairly and fully. This is not a country like some other country where the entire script of the trial is worked out in advance and the judge plays a role to some pre-determined conclusion."

Gesell reserved his harshest criticism for Attorney General Thornburgh, effectively calling him a worm. "If the attorney general wants to protect national security secrets . . . he should exercise his power under the law now and file an affidavit. . . . The attorney general is unprepared to or unwilling to exercise his authority now. . . . What he wants to do is see if he can wriggle through it with the court's rulings." Under CIPA, the attorney general can *stop* a criminal prosecution by filing an affidavit preventing a defendant from revealing state secrets.

Throughout the LaRouche cases, classified material was central to the defense. Both in Boston and in the Alexandria, Virginia prosecutions, the government denied defense lawyers hundreds of exculpatory documents which both the CIA and FBI admitted were in their possession, while hiding behind the CIPA law. LaRouche was denied a political defense, much in the same way that North's defense options have been whittled away.

At one point during the wrestling match over national security secrets, Judge Gesell threatened to declare CIPA unconstitutional. One legal observer noted that almost every defendant that has been forced to bite the CIPA bullet has been convicted.

### **A fair jury**

Judge Gesell's attempt at a fair trial could also be seen in his handling of the jury selection process. Although there has been much ridicule of the jurors for their lack of exposure to and interest in current affairs, a central premise for a fair jury is that each juror be free of bias toward the defendant. Thousands of media commentaries have commented that the jurors "must either have been understudies for Rip Van Winkle during the past two years or congenitally somnolent in the world of government affairs," as lawyer Bruce Fein wrote in the *Washington Times*, for not recognizing North's face or knowing anything surrounding the most widely reported event of the Reagan years.

Judge Gesell struck for cause any potential juror from the jury pool who had heard any of North's immunized testimony before Congress which was broadcast live on television.

A Washington, D.C. Finance Department control clerk was excused by Judge Gesell after saying she didn't pay much attention to the Iran-Contra case, even though she read the daily newspapers and recalled seeing North testify at televised congressional hearing back in 1987. "I was wondering, why did he take up [all the channels on] the television. . . . I wanted to watch the soap operas. I heard him say something, but like I say, it didn't interest me."

An employee of Sears Roebuck was let go because she worked in proximity to the television display area. The woman at first could not remember anything about Colonel North, but after repeated questioning, recalled that she might have overheard some of the testimony on the TV sets next to where she worked. "They were talking about him shredding the paper documents when he was in the service," said the store clerk.

The jury selection process was difficult enough without the news media making it worse. As the selection process started, an ABC news correspondent ran clips of North's congressional testimony on the evening news, closing with the message: "If you paid close attention to this report, you too are now ineligible to be a juror." Judge Gesell almost cited the reporter with a contempt citation for obstructing the process.

In the LaRouche case before Judge Albert V. Bryan, Jr. in Alexandria, Va., the jury selection process took less than two hours, compared to almost two weeks in the North case. The majority of jurors in the LaRouche case never answered a single question. The jury foreman, Buster Horton, an Agriculture Department official whose job in emergency preparedness requires him to deal with the intelligence and defense community, never had to answer a question about bias, even though Horton's prior assignment in the USDA Office of Governmental and Public Affairs meant it was part of his job to keep up with current affairs. That means reading at least the *Washington Post*, which regularly libeled LaRouche as a "political extremist."

In a LaRouche-connected case, *Commonwealth of Virginia v. Rochelle Ascher*, the jury selection process documented that it is impossible for any LaRouche-affiliated person to get a fair and unbiased jury in Loudoun County, where the trial is taking place, or anywhere in the Washington Metropolitan area. During the *voir dire* of individuals from the jury pool, person after person said they had not only read and seen unfavorable TV coverage of LaRouche and associates, but had formed strong opinions that anyone linked to LaRouche must be guilty. Yet, Judge Carleton Penn accepted as potential jurors those who admitted to holding a bias against LaRouche, if they said they could put the bias aside in this particular case—something that Judge Gesell never bought in the North case.

## Soviet economist begs for bailout

*Abel Aganbegyan's rosy expectations are belied by the actual catastrophic state of the Soviet economy.*

**A**bel Aganbegyan, chief economic adviser to Soviet President Mikhail Gorbachov, was in town Feb. 15 to convince the Bush administration that it should lift all trade sanctions against the Soviets, now that they have supposedly lived up to their promise to withdraw from Afghanistan.

Aganbegyan spoke to Johns Hopkins University's School of Advanced International Studies (SAIS) on the importance of Western capital investment and joint ventures in the Soviet Union for achieving the goals of Gorbachov's *perestroika*.

Aganbegyan admitted that all earlier economic planning efforts in his country were "seriously deformed." Now, he said, the Soviets have seen the error of their ways and are moving with break-neck speed to implement "radical reforms." These include the opening up of the Soviet Union on April 1 to joint ventures with Western partners, with no strings attached. That is, there is no longer a requirement of 51% Soviet control of any venture, or for any operations in the Soviet Union to be run by Soviet citizens.

Also, as of April 1, the Soviets will open up bank accounts for foreign hard currency, establishing the conditions for transition to a convertible ruble.

In March, Aganbegyan said, the Soviet Communist Party will hold a Central Committee plenum focusing on agricultural issues. Among the new reforms, he said, will be provisions to permit giant agri-business enterprises to run production in certain areas of the country.

"If all goes well, within three to four years, we will have a break-

through with tangible improvements in the lives of our people," he predicted.

But this optimism was tempered with the admission of certain deep problems in the economy that will result in severe dislocations. These include a 100 billion ruble budget deficit, and the fact that over 70% of Soviet industry is currently unprofitable. He said the budget deficit includes 36 billion rubles of "the most dangerous part"—bank loans that need to be repaid. "We are very afraid of inflation," he conceded. "We are also very afraid of unemployment." Both would heighten political dissension.

The Soviet plan, he said, is to shut down unprofitable industries in a gradual fashion, using "the Swedish method" of relocating workers into new jobs.

He said that the budget deficit would be handled by gradually lifting the subsidies from certain kinds of economic activity, and allowing prices to float up toward world market levels, thereby increasing revenues coming into the government. He did not say what effect this price increase would have on the domestic population, however.

He said that the Soviets are looking toward the model of the People's Republic of China, and are also studying other economic models, even Reaganomics, he said, in order to become "a part of the world division of labor." This includes joining such global institutions as the International Monetary Fund and the World Bank at the appropriate time, he said.

But while Aganbegyan was willing to admit that the need for reform

was great in his country, and that it was moving too slowly to date, his optimism about its ultimate success was not shared by a spokesman from the U.S. State Department's Arms Control and Disarmament Agency (ACDA), who spoke to the Atlantic Council a few blocks away on Feb. 13.

Lt. Col. David Tanks of ACDA spent over two hours detailing the horror story that is the current Soviet economy. He blamed most of the crisis on the Soviets' "vertical" structure of political organization, which he said stifles creativity and locks in a static, self-perpetuating bureaucracy.

Under this kind of system, he noted, "lack of feedback blinds the leadership," because those down the chain of command become accustomed to falsifying statistics and covering up bad news.

Of course, the preoccupation of the Soviets with military buildup is also a major contributor to their economic debacle, he added, noting that the statistic showing 17% of the Soviet GNP going for the military does not tell the whole story, since it is the "cream" of that GNP output which is siphoned off.

On any given day, for example, over 700,000 Soviet workers are diverted from their regular jobs to undertake special tasks under the burden to meet military quotas.

Domestically, agricultural distribution is so poor that 25-40% of all food is spoiled before it can get to the stores. There is only one retail outlet for every 23,000 people, even in the capital of Moscow.

Two-thirds of all rural housing and 35% of all secondary schools, everywhere, lack indoor plumbing. Only one-third of the most basic consumer demands of the country are being met, he reported.

# National News

## Insurance firms stacked pay raise commission

The commission set up by President Reagan, which recommended a 51% pay raise for Congress, was loaded with representatives of the insurance industry.

According to an article by *Newsday* columnist Patrick Sloyan which appeared in the Feb. 12 *Washington Post*, every public official including Reagan, and the Senate and House Majority and Minority leaders, who named people to the commission, chose insurance industry representatives.

At the time, the insurance industry was involved in a massive lobbying of Congress seeking to kill legislation which would "repeal key sections of the insurance industry's exemption from federal anti-trust law."

Sloyan notes that the commission chairman, Lloyd Cutler, who defends the commission, will continue to sit on commissions that advocate hated policies while taking the heat off elected political officials, because Cutler has just been named by President Bush to head his ethics commission.

## Hammer denies hosting reception for KGB boss

In a letter to the editor in the Feb. 12 *Washington Post*, Armand Hammer denies the charge in a Jerrold Schecter *Washington Post* article Feb. 5, on the visit of KGB director Vladimir Kryuchkov to Washington for the summit of December 1987, that he hosted a reception for the KGB boss and U.S. officials.

"Mr. Schecter states that I hosted a farewell party for the Soviet delegation that included Mr. Kryuchkov and that 'it was the first time a KGB spymaster had members of the Senate, House and Executive branch parade before him.' This is not true," Hammer claims, explaining that U.S. officials were invited to a meeting with Anatoly Dobrynin.

"The following day . . . I invited those Soviet officials who were staying at my ho-

tel to drop in. Many did, and among them was Mr. Kryuchkov, whom I had not previously met. This was strictly a hospitality function for the Russian delegation. Mr. Kryuchkov did not attend any meeting I arranged with U.S. officials. If there is any question in the mind of anyone about my 70 years of service to my country, I will say again that I am in sympathy with all who seek peace in the world and a reduction of the nuclear terror that hangs over us."

Mr. Hammer, whom Moscow made a billionaire through special trade concessions, did not state which country he was referring to.

## DoJ's gestapo attacks foreclosure opponent

A pattern of attacks continues on leading individuals who oppose imposition of austerity, as Charles Walters, editor of the well-known farm publication *Acres USA*, has been attacked by the Department of Justice's farm gestapo for his editorial opposition to a Farmers Home Administration (FmHA) "debt restructuring" packet.

The FLAG, a spinoff of Daniel Levitas's "Prairiefire" apparatus, which helped write the 1987 Farm Bill authorizing FmHA foreclosures and which functions as an extension of the DoJ, attacked Walters in a national press release as an anti-Semite and said he is responsible for farmers losing their farms if they fail to sign the FmHA's restructuring packet.

The release, also signed by Leonard Zisking of the Atlanta Center for Democratic Renewal, threatened to sue Walters for attacking the restructuring packet.

As *EIR* has reported, the loan restructuring packet is a means of enticing the farmer to voluntarily give up his land to the FmHA without a fight, while the government avoids the political consequences of mass foreclosures against delinquent farmers. While Iowa and Nebraska, and possibly other states, have moratoria in effect against foreclosures, the government has announced that only 16,000 out of the 83,000 farmers who received notices could possibly qualify for some sort of restructuring.

## Judge moots venue change in Virginia trial

Loudoun County Circuit Court Judge Carleton Penn surprised observers of the Virginia prosecutions of associates of Lyndon LaRouche on Feb. 11, when he invited a change of venue motion by Michael Billington, the next of 14 defendants scheduled for trial on trumped-up fraud and conspiracy charges.

In the current trial, counsel for the accused, Rochelle Ascher, has argued strenuously to the Court that the poisoned media environment in the county denies her a fair trial and has resulted in the seating of a jury biased against her. Several of the seated jurors admit to a bias against LaRouche, but were seated by Penn after two jury pools were exhausted in the selection process.

In a statement to Billington's attorney Jim Clark, Penn stated that the timing of LaRouche's sentencing on Jan. 27 and widespread media coverage had made the jury selection in the Ascher case lengthy and difficult, and after the additional publicity of the Ascher trial itself, he was not hopeful of obtaining an impartial jury in the county for the following cases.

Penn had rejected change of venue motions for Ascher, but the issue of fairness for her is now raised again because there were hundreds of hate-filled news articles published in the county before her trial began, compared to only a handful since.

## DNC to discriminate against LaRouche Dems

Less than 48 hours after he was elected chairman of the Democratic National Committee on Feb. 10, Ron Brown declared a policy of discrimination against the LaRouche wing of the Democratic Party.

Appearing on the NBC-TV news show "Meet the Press" on Feb. 12, Brown was questioned by reporters as to whether he would back a party nominee if there were an



independent black candidate in the race. Brown replied that he would always back the official nominee of the party and all "legitimate" Democrats. But if the nominee were a "KKK member or a supporter of Lyndon LaRouche, then I would not support him."

The National Democratic Policy Committee, a political action committee which represents the LaRouche wing of the party, sent a letter to the DNC on Feb. 13 demanding that Brown retract his remarks. The NDPC noted that the remarks continued the strategy of exclusion of LaRouche "which has cost the Democratic Party about 30-35% of its constituency"; violated the party rule which prohibits officially endorsed candidates in primaries; attacked the civil liberties of a victim of injustice, since the LaRouche case is considered the leading civil liberties case of the period by civil libertarians throughout the country; and are outrageous for comparing LaRouche—who is known throughout the world for his fight for political and economic justice—to the KKK.

## NDPC testifies on HHS, Veterans nominations

The National Democratic Policy Committee has submitted testimony for the confirmation hearing of Louis Sullivan, President Bush's nominee for Secretary of the Department of Health and Human Services, and for Edward Derwinski, nominee for the new cabinet level post of Secretary of Veterans Affairs.

The testimony gave an in-depth analysis of how Medicare's Prospective Payment System and the Veterans Administration's reimbursement system, both organized by cost-efficiency experts, are actually a driving force behind the collapse of the U.S. health care system. Both Medicare's Diagnosis Related Groups (DRGs) and the VA's Resource Allocation Methodology (RAM) reimburse hospitals on the basis of a patient's diagnosis, rather than the actual cost of treating the patient. These underpayments are causing hospital bankruptcies, creating detrimental patient care, dangerous

collapses in hospital infrastructures and equipment, and personnel layoffs, to the degree that some VA medical centers have shut down 50% of their beds due to the inability to pay nurses.

## Rudolph attacks government witchhunt

German-born NASA rocket scientist Arthur Rudolph, a U.S. citizen who was forced into exile by the U.S. Department of Justice which alleged that he had committed Nazi war crimes, has publicly challenged the witchhunt against him.

In an interview with the *Birmingham News*, as reported by the U.S. Army newspaper *Stars and Stripes* Feb. 14, Rudolph said that it was "dumb, very dumb" for him to have accepted the Justice Department's "offer" of exile, instead of fighting for his U.S. citizenship in court.

"I did not see a chance to win in the situation I was in, so the simple solution was to go . . . and I made up my mind and carried it through, even if it was wrong," Rudolph told the paper. He said that in 1983, he was confronted at his home in California with Justice Department accusations of his alleged "Nazi past," but "I did not have the financial resources to go through a lengthy court trial. And I did not know if after 40 years, I could still find any witnesses to rebut the charges against me."

Rudolph stressed that he "never pleaded guilty, but they talk anyway about alleged things that I did, not proven, and I'm not guilty."

Rudolph regained his West German citizenship last year, after a lengthy West German investigation concluded that he had committed no war crimes in World War II.

A campaign is under way to restore Rudolph's U.S. citizenship, and Rudolph has asked for a visa to visit the NASA Alabama Space and Rocket Center this summer for the Apollo space program reunion. Rudolph was project manager for the Apollo Moon flight's Saturn 5 rocket, first launched on Dec. 12, 1968.

## Briefly

● **NEIL BUSH**, President Bush's son, may be named in a lawsuit by the federal government for his role as a director of the Silverado Banking Savings and Loan Association from 1985 until August 1988, according to an article in the Feb. 8 *Houston Post* which was based on stories in the *Denver Post* and the *National Thrift News*. Silverado failed in December 1988 at a cost to the FSLIC of more than \$1 billion.

● **THREE GOVERNORS**, Mario Cuomo of New York, Thomas Kean of New Jersey, and Madeleine Kunin of Vermont, are sponsoring the largest conference on global climate change that has yet occurred in the United States, to be held in New York City Feb. 28 to March 3.

● **MELVIN LAIRD**, the former defense secretary, was asked by *EIR*'s Nick Benton at a Washington press conference Feb. 17 whether the U.S. was pushing Germany too hard. Laird acknowledged, "Priorities have gotten a little out of line. They are raising issues with Europe without getting people in place here."

● **NANCY REAGAN** has signed on William Novak, the author of *High Culture: Marijuana in the Lives of Americans*, to draft her autobiography. In his book, Novak relates his drug-using experiences and says he hopes "users can benefit from this book by learning from each other more successful and satisfying models of marijuana use." A spokeswoman for the former first lady had no comment on Novak's writings.

● **THE BUSH** administration is a "green monster," with environmentalists, with Bush's backing, having taken key administration posts, and unless their stranglehold is soon broken, the U.S. will become an ecological dictatorship, one of the world's leading meteorologists told *EIR*.

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## Editorial

### *Read our lips George: Kissinger's got to go*

We can easily imagine Henry Kissinger smacking his fat lips and gloating: "Now that I have Lyndon LaRouche in jail, at last I am free to pursue my evil plans." The word is out everywhere that Henry has surfaced as a special messenger for George Bush to the Soviets. While during the election campaign, he made a show of opposing the trend toward uncritical trust in Soviet dictator Gorbachov, the Henry we all knew and hated has resurfaced again. The word is out everywhere that Kissinger is at the center of the drive for a new Yalta sellout.

According to press leaks, Kissinger met with President Bush and James Baker, on Jan. 28, just one day after the sentencing of Lyndon LaRouche and his associates, to lay out broad proposals for an East-West settlement which would trade off the Federal Republic of Germany and the NATO alliance for Soviet concessions in Eastern Europe.

The recent showing of James Baker on his trip to the F.R.G., would seem to substantiate that Kissinger's policy to Finlandize West Germany, has been accepted—at least by the Secretary of State. By his blustering attacks on the German government, for stalling on the question of modernizing short-range missiles, he is virtually guaranteeing that the modernization will be stalled. He is actually making it more difficult for Chancellor Kohl to control the pro-Soviet Hans-Dietrich Genscher, Foreign Minister in his government, and weakening the pro-American Chancellor, whose government is already shaky.

A cursory look at the number of key appointments in the Bush administration, from General Scowcroft at the NSC to Lawrence Eagleburger, proposed for the number-two spot at the State Department, shows the spoor of Kissinger. It is clear that since its formation, in 1982, Kissinger Associates has functioned as a shadow government in the wings, or more precisely the administrative section of northern Freemasonry.

Henry Kissinger is probably the most hated American, and for good reason. He has been implicated in the murders of Zulfiqar Ali Bhutto, Aldo Moro, Opus

Dei leader Adm. Luis Carrero Blanco, and whole nations such as Lebanon. Now he is plotting to decouple the United States from Western Europe, turning Europe into a Soviet sphere of influence. If we allow him to succeed, this will be tantamount to the murder of Western civilization itself.

On Aug. 14, 1982, Fiorella Operto, chairman of the European Labor Party in Italy, submitted a legal evidentiary brief on Kissinger's complicity in operations leading to the mid-1970s outbreak of international terrorism across Europe, and specifically to the Red Brigades' kidnaping and assassination of former Italian Prime Minister Aldo Moro. This led to a warrant being issued against Kissinger a year later by Judge Imposimato. This would have forced him to answer the questions raised in the brief. Rather than do so, Kissinger fled Italy and went to France. Meanwhile, on Aug. 19, 1982, Kissinger had written to William Webster, then head of the Federal Bureau of Investigation, requesting that he open an investigation against Lyndon LaRouche.

Kissinger is a man who will stop at nothing to get his way, or to exact personal vengeance. Now that Kissinger has again crawled out of his closet, and is openly operating at the center of policymaking circles, does he think that now he has the power to silence his opponent LaRouche? We believe he will be taught a lesson.

As we go to press, forces are mobilizing to defeat Lawrence Eagleburger's appointment to the State Department. They are mobilizing to oppose the bankers' dictatorship which would be the effective result of President Bush's plan to restructure the regional banking system, a reorganization which would immediately benefit James Baker's Chemical and Henry Kissinger's Chase Manhattan banks. They are mobilizing in Ibero-America to defeat Kissinger and Baker's schemes to return those nations to the status of colonies. They are mobilizing internationally to free Lyndon LaRouche.

If you hate Henry Kissinger and the evil which he stands for, then you should organize, too.

# LaROUCHE

YOU MAY LOVE HIM

YOU MAY HATE HIM

**BUT**

YOU'D BETTER

KNOW WHAT

HE HAS TO SAY



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