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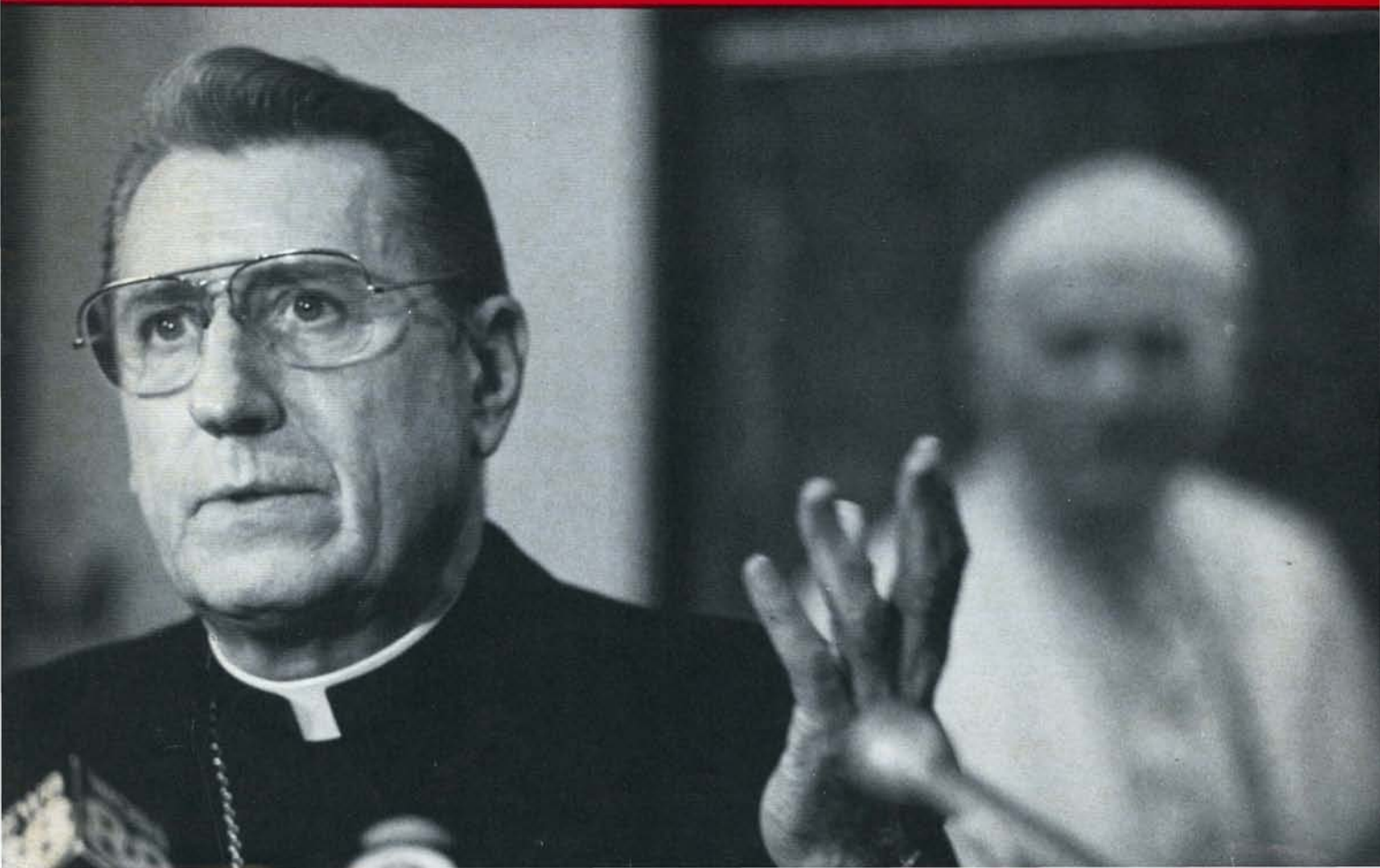
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From the Editor

We present in the *Feature* some documents of an important discussion which has received insufficient, or inadequate, attention in any other press: a recent meeting in Rome between the Pope, leaders of the Roman Curia, and the American Catholic archbishops, dedicated to the problems of the Church in America.

These interventions by the Pope, Cardinal Ratzinger, Cardinal O'Connor, and others, identify not simply theological issues of the Catholic Church vis-à-vis modern Anglo-American liberalism, but the problem in secular society, distinct from issues of the Catholic Church as such: the question of Natural Moral Law, upon which the United States was founded, versus the doctrines of pragmatism, utilitarianism, and Social Darwinism which were imported from Britain.

EIR founder Lyndon LaRouche commented recently: "The myth that these values are distinctly American, dates as an influential doctrine, from approximately the time of Theodore Roosevelt's presidency. And they were associated with institutions such as the pragmatism which emerged around Harvard, particularly that of relevant authors John Dewey and William James. But this represented a terrible moral decay, a precipitous moral decay of American public morality, of American intellectual life at universities and so forth. This is our curse. It is not peculiar to the United States. It represents the *degeneration* of American culture, which has been accomplished within a period of approximately the past hundred years."

Three issues ago, we printed exclusive interviews conducted by *Middle East Insider* with Israeli leaders Mordechai Gur and Ezer Weizman, on their concept of how peace could be achieved. On pages 43-45 *EIR* readers can hear the Palestinian side. Two common points stand out from Palestinian and Israeli alike: that a durable peace must be founded upon economic development projects—as LaRouche has stressed since 1975; that Kissinger and his clones must be kept away from policymaking.

Meanwhile, the danger of war detonated in the Middle East and Balkans is increasing, as Lyndon LaRouche warns in his interview on pages 61-65. For more news about the "green fascist" actions LaRouche points to, see articles on Three Mile Island on page 25 and on the assault on Iceland, page 36.

Nora Hamerman

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Debt fears drive oil supply threats

by Chris White

The first week in April begins, in Washington, D.C., the annual festivities associated with the meeting of the International Monetary Fund's Interim Committee. Along with private meetings of central bank governors and finance ministers, there will also be meetings of the Group of Seven—officials from the United States, Canada, Britain, France, Germany, Italy, and Japan—the Third World members of the Group of 24, the IMF-World Bank Development Committee, and then the Interim Committee itself.

Unlike the usual such gatherings, this time there seems to be a real fight developing among the protagonists, a fight, not so much on the question of policy, but, as befits the technocrats in charge of the world's monetary system, over control. In this fight, the lineup, going into the weekend's meetings, seems to be defined by an agreement of sorts between the United States and Japan, to chop down the influence of the British and their allies in continental Europe, such as the Dutch, over the International Monetary Fund.

That such an agreement is in the process of conclusion appeared from the pattern of central bank currency interventions as the final week of March ended. While European central banks were selling the dollar to keep it below the mooted Group of Seven intervention level of 1.90 deutschemarks, the Japanese central bank was maintaining its pattern of selling its own currency to buy dollars. The Japanese were backing a further increase in the dollar. Toward the end of the week, they were joined by Alan Greenspan's Federal Reserve, which, contrary to the expectations of some, deployed against European efforts to bring the dollar down, when it sided with Japanese efforts on behalf of strengthening

the dollar-yen exchange rate.

Whether there is such an agreement or not will have become clear by the time the round of meetings is concluded. If the United States backs the Japanese demand that its voting weight within the IMF be increased to reflect its contributions, that could be taken as a strong indication that agreements between the U.S. and Japan are indeed moving ahead. At the moment Japan is ranked number five in the IMF pecking order, in which financial contributions are proportional to votes. Japan is demanding the number-two slot after the United States, a position which is presently occupied by Britain.

Principal among the issues to which U.S.-Japanese agreement would be directed, is a common approach to the package of crises that underlie the Bush administration's adoption of what is called the Brady Plan for dealing with the worsening international debt crisis. Again, the matter is primarily defined as a matter of control: Who will be on top when the \$1.3 trillion outstanding of Third World debt is reorganized, though within Japan, according to local reports, there is a faction which has argued forcefully to its American interlocutors, that for the debt crisis to be addressed successfully, IMF conditionalities must be scrapped in favor of a new approach based on economic development of Third World nations. The American side, desirous as it is of Japanese financial support, flatly ruled that approach out of order.

Manipulations of the oil price

The mooted agreement between the United States and Japan is one of the elements contributing to the manipulations

now being used to increase the international price of crude oil to some level between \$20 and \$25 per barrel.

The manipulations include managed emergencies, such as the incident now unfolding off the port of Valdez in Alaska. This, coming on top of a pattern of strange "accidents" in and around the North Sea oil field, has had the effect of curtailing production to create perceptions of shortage in the markets sufficient to increase the price back up to the \$20 level.

On one level, the increase in the oil price, quoted and traded around the world in dollars, contributes to the strength of the dollar, and thereby also lessens the pressure on U.S. banks to increase interest rates yet further. Additional revenue flows for the banks, especially from the feed-through to the consumer, also have the effect of allaying the pressure for interest rate increases.

In this case, we find the same lineup as on the dollar. The Japanese central bank has resisted pressure, coming especially from the central bankers of Europe over the first quarter of this year, to increase its internal rates of interest. Japan has been alone among the advanced-sector countries in resisting interest rate pressure of that sort. The effect has been to see the differential between rates in the United States and rates in Japan increase so as to favor the continued flow of funds from Japan into U.S. assets.

On the U.S. side, with the banks' prime rate at 11.5%, the entire financial structure is within easy striking distance of the threshold at which a chain reaction liquidation of paper assets might be set off. This could be at any point between the range defined from 12-14%. As soon as the banks' prime rate reaches 12%, rates charged their customers will actually be starting at 13.5% and up, and the consequences, for the savings and loans system, the stock market, the bond market, and holders of other forms of highly leveraged paper, would begin to be incalculable.

Thus it can be presumed that on this matter, the Japanese consensus, the principal American commercial banks, and the Bush administration, outspokenly ineffective so far in its opposition to Alan Greenspan's steady tightening of credit, would agree. They would agree against those British-allied European interests, especially the central banks, which have been pushing for further interest rate increases inside the United States, since the beginning of the year.

Where the debt crisis is concerned, this same manipulated increase in the oil price also has its effect. For it helps restore the export earnings of the shattered Mexican and Venezuelan economies, thereby, from the standpoint of obsessive accountants, permitting renewal of delusions that such countries can continue to make their interest payments.

In this approach, the underlying effort is that which has for so long characterized the team of financial managers associated with present Secretary of State and former Treasury Secretary James Baker. Here, once again, we have under way an effort to buy time to delay the onset of inevitable

crisis, using means to that end which will ultimately make that crisis, when it does come, that much worse. Here it must be presumed that time is being bought to create the conditions to get through the weeks and months between now and the Group of Seven heads of state summit scheduled to convene in Paris on the bicentennial of the Fall of the Bastille, July 14. Further, the expectation must be, that if an agreement with the Japanese can be realized over the same time frame, then perhaps time could be additionally bought to stretch matters into the fall weeks, after summer holidays are over.

Mideast war threat

There is another side to this whole business, however. Also under way are determined efforts to unleash some new kind of large-scale bloodletting in the Middle East. There, assets deployed by the same British whose IMF influence is under attack, are co-deployed with the Soviet KGB, as represented in the Salman Rushdie *The Satanic Verses* affair, with help from ideological bedfellows inside the United States, including Henry Kissinger and his circle, who now through Brent Scowcroft at NSC and Lawrence Eagleburger at State, have what some call a preponderance of influence within the Bush administration. While both the British and the Russians would no doubt like to see the price of oil back above \$40 per barrel, which might be one of the consequences of a new round of destruction in the Middle East, that would not be their primary objective. Rather it would be the spread of uncontrollable chaos out of such conflagration, chaos creating the conditions for the forced-march adoption of the emergency crisis management methods with which Kissinger was associated from his days back in the Nixon administration.

Most of the talk that is heard about the Brady Plan is mere idle chatter, the more so when it focuses on the question that has been forced to the forefront by the nation's press, namely the question of debt reduction, in and of itself. In putting the matter of reorganization on the table, Treasury Secretary Nicholas Brady has also put on the table the related matter that there will be, even as the "blood and bayonets" austerity imposed on the Third World is continued, winners and losers among the creditor nations, and the creditor banks which helped bring the worsening crisis into existence.

Behind the fight for control going on within the institutions which manage the monetary and financial order, the bottom line is that some will be thrown overboard, and others will be doing the throwing overboard. However, to the extent the hideous austerity policy which has been in place since 1982 is continued, such considerations are ultimately of no significance, for the whole ship is doomed, on its present course, to go down to disaster, no matter who is given the old heave-ho before that time arrives. But those who insist that the choices are defined by time-buying, on the one hand, and crisis management emergency methods, on the other, have never understood that there are different, and better ways to proceed which do not lead to disaster.

International creditors go for Ibero-America's crown jewels

by Mark Sonnenblick

Venezuelan central bank chief Pedro Tinoco confirmed on March 29 the complaints of Venezuelan industrialists that new policies imposed on them by the International Monetary Fund (IMF) would drive whole sectors of the economy out of business. He confessed that "in capital goods, the effect is hard and traumatic." But the longtime Rockefeller representative offered the beleaguered industrialists a way out. He suggested that they recapitalize their businesses by selling them to foreign investors, through a new "facility for exchanging debt for investment."

Venezuela's Finance Ministry had just issued a decree inviting investors to buy its unpayable dollar debts on the secondary markets at 30% of their nominal value and sell them to the central bank at 40-50% of nominal value, paid in the local currency, the bolivar. They could use these bolivars to buy bankrupt companies for the proverbial nickel on the dollar. Aluminum plants, coal mines, iron mines, agro-industries—everything except petroleum—would be open for such swaps. London's *Financial Times* noted that the combined effect of this opening and 150% devaluation of the bolivar on Feb. 27 made Venezuelan assets a real bargain.

The devaluation, and the simultaneous "shock" doubling of domestic prices, provoked riots, which led to 1,000 dead, three weeks of martial law, and, in the words of ex-President Rafael Caldera, "the shattering of Venezuela as a showcase of democracy." For businessmen, the devaluation meant disaster. They had over \$6 billion in outstanding import bills, to be paid in dollars. This would not have been any problem, had President Carlos Andrés Pérez ripped up contracts under which the government had pledged to provide dollars for paying these bills at the old, far lower, exchange rates.

Pérez announced a scheme by which the government would halfway honor its obligation, leaving businessmen to pay more than double the bolivars for the remaining \$3 billion. The Venezuelan Industrial Council protested, "In the majority of cases, the cost will be two and a half times greater than the assets of the affected industries." *Zeta* magazine on March 16 quantified, "At least 10,000 small and middle industries will be forced into bankruptcy by the imminent impossibility of paying \$3 billion in letters of credit."

At his March 20 press conference, Pérez tried to get

himself off the hook by blaming the IMF, but ended up confessing that he had surrendered economic sovereignty to the IMF. "The IMF refused to allow the Venezuelan government to recognize this exchange differential," he said, "given that they were not going to give loans to pay situations such as this, and on the international basis that he who imports bears all exchange risks. . . . The Venezuelan state first had to fight very hard with the IMF . . . so that it would accept that the Venezuelan state commit itself to pay 50% of these exchange risks. In the end we achieved this; . . . we could not have signed a letter of intent with the IMF on any other basis."

Venezuela is a case study of how the IMF wrecks a country's productive sector in order to facilitate its being gobbled up by international asset-strippers. The political willingness of former Socialist International vice-president Pérez to subject his nation to such looting, is what has made Venezuela "the first beneficiary" of whatever emerges as the so-called Brady Plan for debt renegotiation.

Debt for equity

With the Brady Plan, as in all other shell games, the victim's eye is distracted. Reality is not the "debt reduction" which fills pages of newsprint. Rather, the creditors are shifting into their endgame strategy for seizing the physical assets and political reins of the debtor countries. This strategy was outlined by Alan Greenspan (now the Federal Reserve chairman) and Henry A. Kissinger at an August 1983 Vail, Colorado, meeting of the American Enterprise Institute, and exposed exclusively in *EIR*. They foresaw that the ballyhooed "solutions" to the debt crisis would fall apart in a few years. They argued that the interests of creditors was not to get their money back, but to use the debt as a bludgeon to gain control over the debtors' resources and industries.

Since 1982, the Third World has killed its people to pay interest, only to see its debt increase from \$850 billion to \$1.3 trillion, according to the latest IMF figures. The IMF did not allow any of that money to be used for productive purposes. The Brady Plan would reduce annual interest payments for the top 20 debtors by a grand total of \$3 billion a year, the World Bank calculates. The 3% rise in interest rates

in the past 12 months itself adds \$30 billion a year.

What has the United States gained? The biggest banks have registered record profits, frequently on the same debts they have taken tax losses on. The Brady Plan hub-bub is being used by the banks to lobby for more bailouts. But the U.S. productive economy has suffered along with the Third World debtors. The latest estimates are that the United States has lost \$175 billion in exports to Ibero-America since the crisis began.

The real author of the Brady Plan, Treasury undersecretary designate for international affairs, David Mulford, told the Inter-American Development Bank conference on March 21, "the heart of the problem is still the reform of [debtor nations'] economic policies to produce key structural changes and sustain economic performance." The U.S. insists, he said, that "an integral part of the approach would be for debtor nations to maintain viable debt-equity swap programs." Mulford said such swaps had helped reduce the debt of several important countries and would be a key element in any future debt reduction program.

Mexican Finance Minister Pedro Aspe responded by describing how Mexico's recent experience with such operations proved disastrous, even from the perspective of someone striving to fulfill an IMF letter of intent. Aspe said, "The first problem confronting the Finance Ministry is how to obtain the necessary pesos to pay for the swap. If the pesos come from the central bank, this creates additional inflationary pressures, or the loss of international reserves. If, on the other hand, the pesos come from the market via public debt issues, then this will result in higher domestic interest rates and the crowding out of other investments." It also entailed "a substantial fiscal cost, since we are exchanging foreign debt for domestic debt whose cost is normally greater, so increasing the operational [budget] deficit." Aspe then questioned whether it was right for his government to "subsidize direct foreign investment and the international banks, when money was scarce and the people were suffering great hardships."

Aspe, as could be expected, melted under questioning from Mulford. He said Mexico would continue exchanging debt for equity—investments in tourism. Mexico plans to put \$3 billion into building 50,000 more tourist hotel rooms during the next six years. This could provide some waiters jobs, bring in another \$2 billion a year from visitors. But its biggest impact will be to help Mexico's financial sector compete with Miami and Los Angeles in laundering the \$500 billion worth of narcotics money.

The World Bank is helping that process with a "financial sector structural reform." A "confidential memo" from the World Bank's directors to the Mexican government, outlining the "conditionalities" of that reform, surfaced in the daily *El Financiero* March 14. It demands that the banking system be deregulated, privatized, and opened to full play by foreign banks. It further demands that state-owned banks cease pro-

viding agriculture, industry, and housing construction with loans at below market rates.

Allan Meltzer, a professor at Carnegie-Mellon University who prepared the international debt section of the latest Economic Report of the President, opined in the *Wall Street Journal* on March 29 that the central problem any new debt plan must address, is how to force debtors to let their countries be ruled by "market discipline." "This can be done by tying any net new lending by official agencies to reform. Specific targets, applicable to each country, should be set—the number of state industries sold, the amount by which subsidies are reduced, or the number of prices decontrolled."

IMF domination will also become permanent. Up to now, countries committed themselves to behave according to IMF rules for one, two, or three years. Any Brady Plan "beneficiary" will have to subject itself to 20 years or more of debt bondage to IMF overlords in order to "enjoy" IMF or World Bank guarantees on its slightly reduced debt.

Brady Plan guarantees on debt for equity investments entail further encroachments on sovereignty. Brazil's *Veja* weekly gave this example March 15: "A creditor bank exchanges a \$100 million debt for a \$65 million investment in Brazil. . . . In the extreme hypothesis that in the future profit remittances abroad were prohibited [by Brazil] or a new government nationalized the company, the international fund would reimburse the creditor."

The media and government officials have been universally optimistic about Washington's willingness to change debt policies. But Saúl Ubaldini, the head of Argentina's powerful Peronist General Labor Confederation, warned, "Behind this supposed reduction of debt payments, we will probably find a new plan that will bring increased suffering to our people."

Bankruptcy or sovereignty

It has suddenly become fashionable for debtors to use debt moratoria as pragmatic bargaining tactics to obtain marginally better deals. Brazil, Venezuela, and Ecuador stopped paying in March; Argentina ran out of dollars months ago. Mexico will stop payments "if the creditors do not promptly agree on new radical measures to alleviate the foreign debt crisis," the daily *Diario de México* reported March 24. "If I were a Brazilian, I wouldn't pay," professed Industrial Bank of Japan Deputy President Yoh Kurosawa March 28, in a plea for rapid agreement upon and implementation of the Brady Plan.

Dilson Funaro, the former Brazilian finance minister who shocked bankers by imposing a principled moratorium on Brazil's debt on Feb. 20, 1987, has an opposing view. Funaro, from what the Brazilian press describes as his deathbed from a recurrence of Hodgkins disease, was asked about his health. He replied, "What is important is Brazil's sovereignty, solving the country's structural problems and the question of the foreign debt, which must be treated with dignity."

Privatization could kill the American space program

by Marsha Freeman

During the month of March, the U.S. space program's vanguard project, Space Station *Freedom*, has been the target of madcap budget slashers in the Bush administration. In order to cut one of the most popular programs that the government spends taxpayers' money on, and get away with it, the Office of Management and Budget has tried the old "the private sector should pay for it" trick. The OMB grabbed a handful of new starts NASA had planned for next year's fiscal 1990 budget and removed them, along with the \$208 million to pay for them, from the NASA budget request.

From hearings recently held on Capitol Hill, it is clear that the Congress is not going to fall for this ploy to disable *Freedom*. NASA officials began negotiations with the OMB on the ridiculous proposal to have industry build facilities and then lease them back to NASA, soon after it was made. At hearings before the House subcommittee on Space Science and Applications on March 23, outgoing NASA Administrator James Fletcher announced that he had started to back the OMB down: The Budget Office had dropped the key Flight Telerobotic Servicer from its list of "privatized" projects.

A \$200 million cut may not be a large percentage of the \$13-plus billion requested by the administration for fiscal 1990—a healthy 22% increase over this current year. But the original request NASA made to the OMB last fall was over \$14 billion, needed to start the Space Station in earnest and pay for the increased number of Space Shuttle flights next year. The nearly \$1 billion OMB cut from the NASA request was targeted at the modestly funded but crucial new starts required to move the Space Station and other aspects of space exploration forward.

Who are the OMB geniuses that come up with these self-destruct programs? Current OMB head Richard Darman, according to *Aviation Week* magazine, was the key White House fundraiser for a small, privately financed space facility, now-defunct, which was last year's effort to wreck the international Space Station.

'Freedom' under fire

Three of the large items targeted by the OMB budget cutters are needed for the preparation and assembly of the

Space Station *Freedom*, and the training of the astronauts who will be up in space putting it together and using it.

In fiscal 1990, NASA is supposed to start development of the Flight Telerobotic Servicer, requiring \$30 million. The OMB had removed that money from the budget request, and proposed that industry pay to build it. The FTS is a multi-purpose robotic system which will be used initially to assemble and attach modules and parts of the station to the central truss structure, for maintenance and repair of the station, and for servicing visiting spacecraft.

Industry officials had described the OMB's "private financing" scheme as "absurd." Why would any company want to raise money to build a piece of equipment that will not be flown until 1995 at the earliest, and will have no commercial applications until years after that?

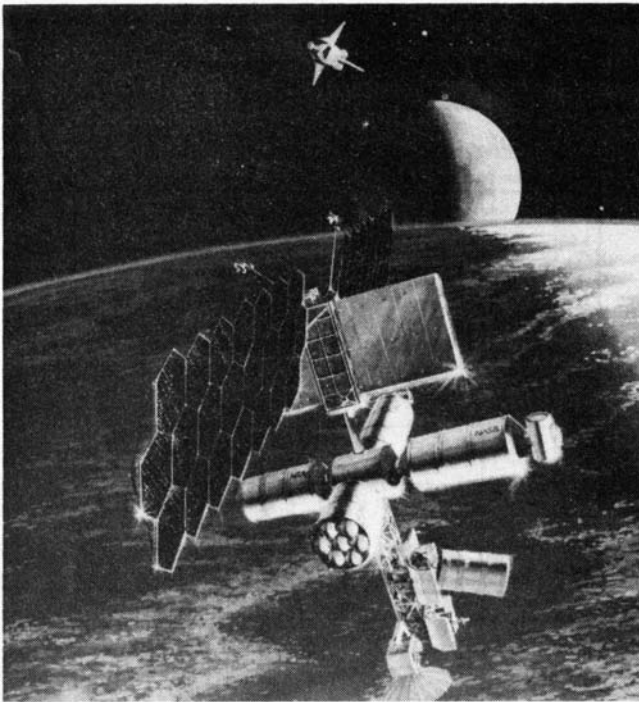
Under the now-dead OMB plan for FTS, if the private sector had not raised the money on time, it would have meant delaying the project, and the assembly of the station. Making the situation even more ludicrous, Congress had mandated that a flight demonstration of the FTS technology be flown on the Space Shuttle by 1991. Meeting that schedule would be impossible if NASA had to wait until FY 1991 to get the funding back into its budget.

In addition, NASA had released a request for proposals for industry bids on building the FTS last November, and is supposed to select the contractor by April. No company that has submitted a proposal to build FTS has any intention of raising the money. Dr. Fletcher was able to get the OMB to drop the FTS from its hit list, but the fate of the other programs has not yet been determined.

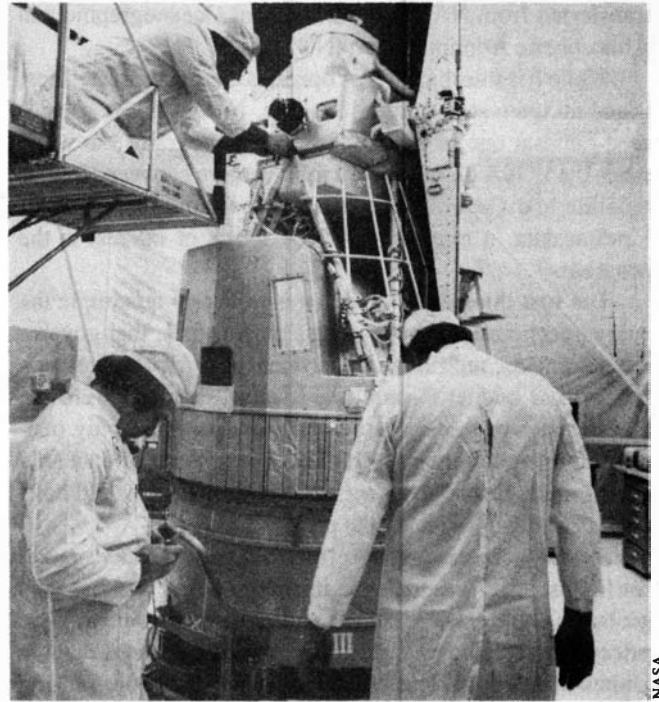
These include a new \$30 million neutral buoyancy tank to be constructed at the Johnson Space Center, for training Space Station astronauts for extravehicular activity (EVA) missions.

At the Kennedy Space Center, NASA plans to build a Space Station processing facility, which will prepare first the modules and other integral pieces of the station, and then the government and commercial payloads that will visit the station for integration with the Shuttle and then launch.

In hearings, Dr. Fletcher explained that the facility would be dedicated to the government-funded Space Station work



TRW



NASA

Left: artist's rendering of a future manned NASA Space Station. Plans for building a Space Station are being subjected to ferocious budget cutting, as chunks of the program are slated to be sold off to the private sector. The same treatment was earlier accorded the Landsat program (right), undermining the U.S. leadership role in remote-sensing operations.

for the first few years, and then could be leased by industry to prepare their payloads. It does not appear to make any sense to try to finance and build the facility the other way around. The processing facility is a \$43 million budget item.

The other *Freedom*-related hardware slated for privatization is a station docking module, for \$4 million, which, it would seem, could have been chosen by putting a blindfolded OMB bureaucrat in front of a dart board. One could theoretically claim that the shower and toilet on *Freedom* will also, sometime in the future, be used by industry astronauts who accompany commercial payloads to space. Perhaps companies should chip in now to build those, too.

The fourth large item targeted by the OMB for privatization, is an observational instrument laboratory, to be built at the Jet Propulsion Laboratory. This \$40 million ground-based facility is designed to develop, test, and assemble new instruments and sensors for a wide array of space science and planetary missions.

Failure as precedent

One might think that if the OMB is making these irrational proposals, it might be because such an approach has somehow been successful in the past. Think again.

In 1973, during President Nixon's budget cutbacks, government funding was eliminated for the Advanced Communications Technology Satellite (ACTS) program, designed to keep the United States in a position of leadership in communications technology. The reason given for cutting off the

NASA research and development effort, was that since private industry would benefit from the research, they should pay for it. When NASA got back the ACTS program in 1979, the historical U.S. lead in this technology was quickly disappearing.

The case of Landsat

The stupidest "private enterprise" initiative in the space program is the Earth remote-sensing program, known as Landsat. This program began in 1972 as a NASA-funded undertaking, and progressed through the development of new remote-sensing techniques and equipment, and the launch of a series of satellites which revolutionized the way the Earth can be examined from space.

In 1979, the Carter administration decided that Landsat was such a promising system—as indeed it was—that it could be thrown out of the government fold, to fend for itself in the marketplace. Though it was clear that data from Earth remote-sensing could benefit farmers, agricultural analysts, cartographers, oil and mineral industries, land use planners, and many, many others, it is such a complex and costly technology that great care was needed to make it useful and affordable to the many who could benefit from using it.

Just at the moment when NASA should have *increased* Landsat spending to develop and build new technology and more satellites, as well as lead a broad educational drive to teach companies, farmers, universities, city and state governments, scientists, and others how to use Landsat, it was

transferred from NASA to the National Oceanographic and Atmospheric Administration (NOAA).

While it is true that NOAA operates the weather satellites, it had no interest in running Landsat. NOAA never considered Landsat one of its most important programs, so when the EOSAT Company, a joint venture between Hughes Satellite and General Electric, took over the marketing of Landsat data, it reinforced NOAA's lack of interest in the program.

The first thing EOSAT did was to nearly quadruple the cost of each Landsat image. This meant, first, that government agencies, such as the Department of Agriculture, which had a fixed budget to purchase Landsat data and were the largest users of the images, could now purchase only one-third to one-quarter as much data. The amount of data sold was shrinking, though an *increase* in data sales would have been one way of reducing the price.

Second, it meant that the effort to expand the user market for Landsat data was halted in its tracks. Many of those who probably could have become Landsat data customers, were priced out of the market. Third, it virtually ensured that the United States would lose its leadership role in remote-sensing operations.

Over the past three years, the French SPOT system has entered the "free" market with government subsidies. The Soviet Union, using remote sensing since the dawn of the space age for military reconnaissance, has offered images for sale with very high resolution. Soyuzkarta, the state mapping agency, is selling images, as long as they are not images of the Soviet Union. Only the U. S. government expects remote sensing to sink or swim on its own.

There are now two aging Landsat satellites in orbit, past their projected lifetime, but still operational. With unabashed cynicism, the Reagan administration put *nothing* in the current FY 1989 NOAA budget for Landsat operations, because they expected the two satellites to fail! Not much better, Congress funded Landsat operations for only six months. On March 31, the \$9.4 million available was to run out. For want of a measly additional \$9.4 million, the United States was ready to shut off Landsat.

Vice President Dan Quayle, head of the newly reconstituted National Space Council, intervened in early March, and organized the government agencies which use Landsat data to come up with the money. The entire U. S. remote-sensing program is now under review.

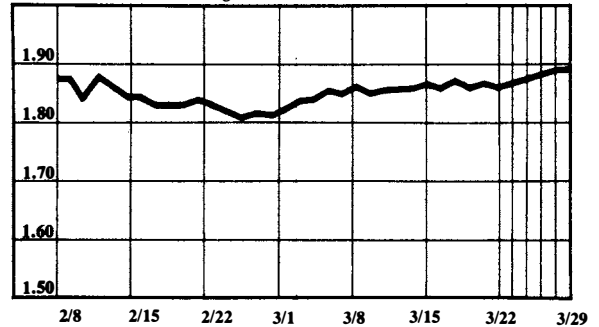
Lest anyone think that this privatization effort saves money, observe the record of the Tracking and Data Relay Satellite. This multi-satellite system was built by Contel Federal Systems, and is leased to NASA. The total cost to the space agency will be \$3.1 billion. Fully \$1.1 billion of that is interest on loans that Contel contracted with the Federal Finance Bank.

OMB has found a process with a proven track record of getting rid of unwanted "expensive" government R&D programs—turn them over prematurely to "private enterprise."

Currency Rates

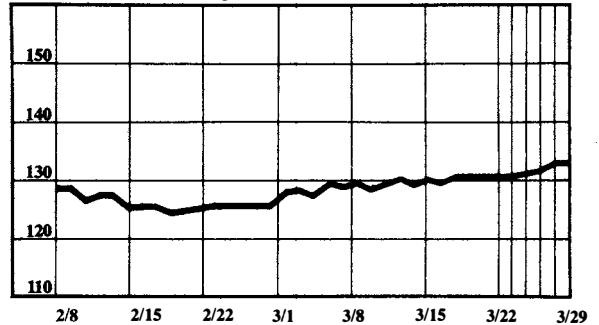
The dollar in deutschemarks

New York late afternoon fixing



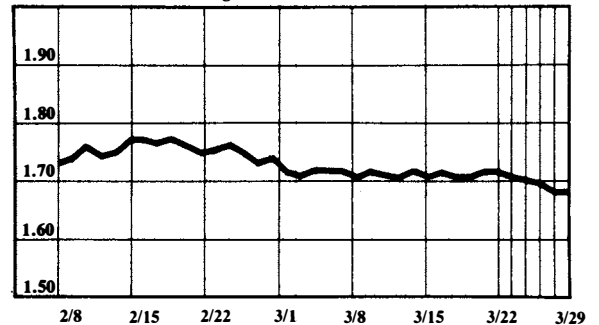
The dollar in yen

New York late afternoon fixing



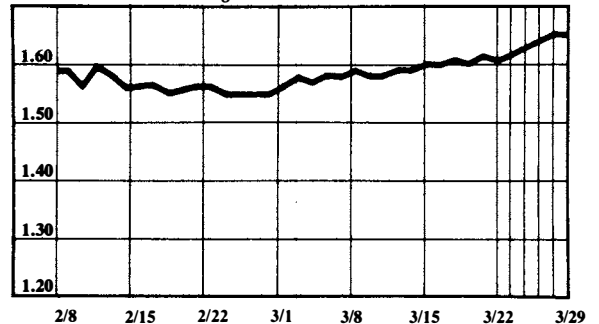
The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



Worldwatch propaganda lies that mass starvation is inevitable

by Marcia Merry

During National Agriculture Week, the third week in March, a barrage of news coverage appeared on the subject of how millions may starve from a world food crisis. For example, the front-page headline in the March 22 *Lincoln Star* in Nebraska was "World Food Crisis Looms." This news blitz presented the view that mass starvation is inevitable. This conclusion originated with an Associated Press release the week of March 20, on a report by a Washington, D.C.-based outfit called the Worldwatch Institute. This agency, and its backers, are part of a propaganda campaign to have you believe that people must die in order "to save the environment." In particular, the Worldwatch propaganda covers up the massive flows of grain and other foodstuffs now going to the Soviet Union from scarce Western stocks.

The moral and scientific view that you can both save lives and restore the globe to fruitfulness was taken in a study published in the March 24 issue of the *EIR* ("World Food Needs Show Set-Aside Is Genocide"), and conveyed through a series of press conferences held by the Food for Peace organization's representatives in March.

The *EIR* report showed how the worldwide decline in the amount of land cultivated for grain, and the decline in farm inputs per acre, were resulting in a drastic decline in food to the point that 500 million people would be condemned to go hungry and die. We called for reversing this degradation of agriculture, and for expanding output. The additional result of such a food expansion drive would be the ameliorating effects on the climate of increased vegetative cover and productivity.

In contrast, Worldwatch asserted that the world has been "over-farmed," and that less land should be cultivated, with less energy-intensive inputs per acre. The Worldwatch report was their annual *State of the World 1989*, subtitled, "Progress Toward a Sustainable Society" (February, New York: Norton). The conclusion of this report is that there must be depopulation for a "sustainable society." A Feb. 11 press release by Worldwatch called for "braking the tremendous momentum of population growth that is undercutting living standards in large parts of the Third World." This is double-speak for genocide.

The AP wire caused the story to appear widely. Radio Moscow carried an item on the Worldwatch predictions, quoting Worldwatch President Lester Brown that, "The overall model suggests that we may be moving into a very difficult

situation with food, one where food security may replace military security as the principal preoccupation of many governments in the world."

The Soviets are in a position to know exactly what this means. They may import an all-time annual high of over 55 million tons from the West this year. Meantime, the lack of this amount of grain on the world grain markets, translates into a death sentence for millions in poor grain import-dependent nations, or even to a nation such as Venezuela, which has been forced into food import-dependency for political reason by the International Monetary Fund.

Worldwatch, the Rockefellers, and the Mellons

The Worldwatch study is a 256-page mishmash of pseudo-science, lies, and even cult beliefs. Lester Brown is famous for tooling around Washington on his bicycle, as a show of personal concern to save hydrocarbons and preserve the environment.

However, to understand why the study gets so much play, you have to look at who funds Worldwatch. The big bucks are from the Rockefeller and Mellon trusts, among other foundation channels, whose interests are served by promoting the idea that millions of people must inevitably die because the world ecological system is decaying due to overpopulation. The financial backers of Worldwatch include the Rockefeller Brothers Fund, the Winthrop Rockefeller Trust, the Andrew W. Mellon Foundation, and the United Nations Fund for Population Activities, among others. This is the core group of private funding channels that has supported zero population growth activities of all kinds for the past 50 years.

The chairman of the board of Worldwatch is Orville L. Freeman, secretary of agriculture in the 1960s, and longtime functionary for international food cartel interests. Freeman is from Cargill Corporation's home state of Minnesota, where he has had a long career in public service for the cartel. The famous-name food cartel companies (Cargill, Continental, Bunge, Louis Dreyfus, Archer Daniels Midland, Garnac/André, and others) are currently dominating agriculture policy in a way to make food scarce and to send huge volumes to the Soviet Union, while starvation reaches genocide levels in Africa and other points of need.

Also on the board of Worldwatch is Edward Cornish, president of the World Future Society, and Larry Minear, of

Church World Service/Lutheran World Relief.

Worldwatch was started in 1974, as a nonprofit research organization, by William M. Dietel of the Rockefeller Brothers Fund, and Lester R. Brown, who is a former official of the U.S. Department of Agriculture. Worldwatch has produced over 80 studies and papers, a number of books, and in 1988, began a bimonthly magazine called *World Watch*.

The theme since the inception of the so-called research group, is that high-technology development of the globe is undesirable. This is the position of the banking interests funding the agency. They view collecting debt service as a matter of their right to primitive looting.

The argument of Worldwatch on the issue of population is that the potential of the Earth to support our current numbers of people has been exhausted by technology, and population has to be cut back. Said Lester Brown, "Unless the threats of climate change, ozone depletion, soil erosion, deforestation, and population growth are brought under control soon, economic decline is inevitable."

The new Worldwatch report is just a collection of scare stories and misinformation to back up this assertion of the inevitability of decline. In the first section, "A World At Risk," Brown and co-authors make the point that world per capita food supplies are decreasing, and then project worse to happen, based on their evaluation that land productivity potential is declining, the Earth is heating up, chemicals are depleting the ozone layer, etc. Nine more sections follow, on subjects including the need to replace the automobile, reduce chlorofluorocarbon emissions, and distribute condoms to prevent AIDS.

The most striking element about the Worldwatch report is its syrupy praise for the Soviet Union. Brown's opening section features the statement, "An environmental awakening has occurred in Eastern Europe and the Soviet Union." He notes the large number of environmentalist groups in Poland, for example, "Freedom and Peace," and offers a quote from the group: "Threatened with the ruin of the biosphere, pollution of air, water and soil, we realize that freedom should also be the possibility to live in non-devastated surroundings." Brown praises Soviet Foreign Minister Eduard Shevardnadze's statements of concern for the environment.

This Worldwatch praise for Russia shows what a rotten propaganda role the group is playing, because the facts on trends of world food production and trade—known and used by Worldwatch—show how the Soviets are commanding huge flows of food imports from the West.

What could be done

A drive to plant more acreage throughout the world, or at least in the major food-exporting nations, plus a crash effort to allocate grain exports to where they are most needed, would prevent the genocide. Increased planting in the six top food-exporting nations alone could result in a needed 230

million tons of food over the next 12 month's crop cycles, which could save the lives of 500 million people.

The March issue of *Food Outlook*, from the U.N. Food and Agriculture Organization in Rome, notes that the rate of planting today is below what even the U.N. considers the minimum. "In view of the sharp fall in world stocks expected at the end of the 1988-89 seasons, during 1989-90 there will be little or no room for further drawdowns in carryovers and world cereal consumption will depend on the outcome of 1989 harvests. Even assuming normal weather in all growing regions in the months ahead, it is now considered highly unlikely that world cereal production will increase in 1989 by the 200 million tons which FAO considers to be required to restore consumption to trend and to replenish stocks to the desired minimum level. . . . Any adverse weather conditions in main producing regions would have serious implications."

The FAO data show the sharply increased exports of Western grain to Russia. This year, an estimated 9.8 million tons of grain equivalent will be available for food aid from the world's food-donating nations, which is the lowest amount in the last six years. Last year (1987-88, from July to June), there were 13.2 million tons. In addition to the drop in shipments of food aid, there is a large drop in stocks for commercial sale to food import-dependent nations. The U.N. notes this in an understatement: "The high prices of grains currently prevailing on international markets, coupled with a substantial reduction in food aid availabilities in 1988-89, will further strain the resources of a number of developing countries which rely on cereal imports." Based on FAO information, it can be estimated that, of the total cereals import requirements for the current year (1988-89 or 1989, depending on the country) for over 60 low-income, food-deficit nations, only about half, or 26.5 million tons, are lined up in commercial orders and food aid pledges, out of a need for close to 50 million tons.

This difference of 25 million tons is almost exactly the additional amount the Soviets are now in a mad rush to import. At the rate Moscow is currently ordering grain imports, this year the Soviet Union may import over 55 million tons of grain—the highest annual amount ever. Moscow may command close to 30% of all grain traded, and soon may expect up to 50% or more. In the first half of the trade year with the United States, the U.S.S.R. has imported over 15.5 million tons of wheat, corn, and soybean products—as much as they bought all last year.

The March FAO *Food Outlook* report warned as a "highlight" issue: "World cereal trade will increase by some 5 percent in 1988-89, mainly on account of larger purchases of coarse grains by the U.S.S.R. Reflecting the tighter supply situation, export prices of wheat and coarse grains remain firm. World cereal stocks will decline by an unprecedented 28 percent in 1988-89, to below the minimum required to safeguard global security."

GATT talks resume in Geneva

The free trade rhetoric hides a cartel plan for food control over increasingly short supplies.

In Geneva the first week of April, ministerial level talks on agriculture trade begin among the 96 member-nations of the General Agreement on Tariffs and Trade—the U.N.-connected trade agency formed in the 1940s. This meeting was scheduled in December 1988, after the ministers, then meeting in Montreal, failed to reach agreement at their “Mid-term Review” session of the four-year Uruguay Round of talks committed to reduce trade barriers to agricultural and other trade—services, labor, patents.

One predictable development in Geneva will be a series of staged battles over how far the United States, the European Community, and the Cairns group of 13 which food-exporting nations (that includes Australia, Argentina, Thailand and Canada) can agree among themselves on implementing “free trade.”

What the GATT secretariat, and complicit national government officials such as U.S. Agriculture Secretary Clayton Yeutter, mean by free trade is the absence of almost any practice traditionally considered the sovereign right of a nation. For example, the following measures are considered “trade distorting” and antithetical to free trade: subsidies to farmers, provision of irrigation water and pesticides to farmers, subsidies of food for the needy, agriculture extension services, import restrictions to prevent food “dumping,” and so forth.

The United States even has a proposal before GATT to prohibit nations from attempting to become food self-sufficient. The U.S. argument is that all nations should be dependent on ac-

cess to the “free market” for their food.

What is not expected to be raised in discussion is how to reverse the drastic decline in world food output per capita, and how to save lives now being lost at genocidal rates. The reality of the world food shortage was never raised at the Montreal talks, which ended in the stalemate between the United States and the European Community over the timing of implementing “free trade.” The U.S. position was to demand a commitment to end all subsidies by the year 2000, and the Europeans instead said to proceed piecemeal, beginning now.

Since December, there have been parrying matches between the United States and the EC. Two rounds of meetings were held, one in Washington, and the second in Brussels, by Yeutter and Carla Hills, who took his former job as trade representative, and their EC counterparts, Agriculture Commissioner Ray MacSharry and chief negotiator Franz Andriessen.

According to the official comments of both sides, there will be some action in Geneva to diminish various trade restrictions (e.g., import quotas). In mid-March, Yeutter said, “There might be a freeze in some areas and an advancement of reforms in others.”

The EC agricultural attaché Jacques Vonthron told participants at the National Governors Conference agriculture meeting March 20, that “negotiations are going fast, and especially on the short-term [measures], which has always been the section Europeans thought were important.” Yeutter and Hills presented the Euro-

peans a package plan in February that called for a “ratcheting down” of “trade-distorting subsidies” in order to reach the goal of eventual elimination.

Smirking at all this diplomatic sashaying are the food cartel companies, whose interests Yeutter, Andriessen, and the lesser players are serving. The whole agricultural “free trade” campaign is an operation on behalf of the companies that rule world food trade: Cargill, Archer Daniels Midland, Continental, Louis Dreyfus, Bunge, Garnac/André, and the rest. These companies want such agencies as GATT to force nations to allow them free rein to control all world food trade, which means they dictate who eats, and who doesn't.

At the moment, for example, huge quantities of Western grain are going to Russia, while grain is being denied—either for sale or donation—to millions in Africa, in South America, and Asia.

Whatever agreement does or does not occur in Geneva among the 96 GATT member-nations this April, the cartel companies intend to bludgeon any national opposition that arises to their political and monopolistic goals. The New York Council on Foreign Relations, a policy voice for these cartels and related banking interests, has taken the position that the GATT process is too cumbersome and doesn't matter, anyway. Free trade is being implemented regionally through the new trade “blocs”—Europe 1992, Canada-U.S. Free Trade Agreement, and Australia/New Zealand 1990. Speaking at the March 20 Governors Conference agriculture session, C. Michael Aho, director of economic studies for the Council on Foreign Relations, said he doubted that any multinational farm talks could succeed. He said, “Agriculture is the Beirut of trade negotiations.”

Wall Street's new oil manipulations

Behind the extraordinary recent price rise, there are a number of curious elements.

The March 24 *Exxon Valdez* oil tanker disaster off Alaska's Port Valdez gave a further "up" shock to world oil prices. The pattern is remarkable. Since Occidental Petroleum's Piper Alpha rig fire last summer, North Sea oil production has been hit by an incredible string of "accidents." Now the major oil supply for the lower 48 U.S. states, Alaska's 2 million barrel per day pipeline had been cut back to 0.8 million barrels. This helped shoot the price for North Sea Brent up almost \$0.50 to \$19.30 by March 27, the first day of trading after the Good Friday disaster in Alaska.

Beginning late last December, platform after platform in the North Sea closed down. Typical of such was the closing of the Eider platform late in February because of "faults in the loudspeaker system." The net effect of all this has been a cut in North Sea crude oil output for the first three months of this year of fully 26%, at about 1.9 million barrels.

But now things become interesting.

According to industry experts in London, there has been a little-noticed shift in world oil demand in recent months. Strict new environmental laws in several U.S. states and similar measures in Italy and France against sulphur emissions have created extraordinary demand for what oilmen call "sweet and light" grades of crude oil. This refers to the specific gravity and the low sulphur content. There are three major production centers for this type of oil: Nigeria, the North Sea, and Libya.

With the howls from well-fi-

nanced international environmentalist lobbies about the evils of sulphur pollution, auto gas emissions, and the like, there has been a definite shift to the refining of North Sea and such oil. And a rash of new emission laws in several large East Coast U.S. states which come into effect this spring have, coincidentally perhaps, added new pressure to North Sea demand.

Royal Dutch Shell and British Petroleum, Western Europe's two largest corporations in gross sales, have not been caught sleeping. Perhaps from years of financing leading "environmentalist" groups, they have inside information. In any case, they have poured an impressive \$8 billion over the past 12 months into grabbing most of the remaining independent companies operating the North Sea.

Shell, said by oil industry sources to be by far the shrewdest and perhaps by some measures the largest of the "Six Sisters" oil giants, quietly went back into Libya. This Shell "coup" apparently sparked a dramatic reversal by the Reagan-Bush administration toward Libya as well. In January, in one of his last official acts, President Reagan, who had previously ordered Libya bombed, announced a decision to allow U.S. oil companies to resume operations in Libya. Conoco, Amara Hess, Marathon, and Occidental scrambled to Tripoli to negotiate. As all of Nigeria's oil is already sold to U.S. refiners, Libya is the one major remaining source of the oil.

But there is another element as well: Wall Street. According to several well-informed industry sources, over the past two months, almost the

entire market for North Sea Brent for delivery in April has been grabbed by one single Wall Street investment house. According to these reports, as of mid-March, Salomon Brothers-Phibro had control of an astonishing 35 cargoes of the North Sea crude, currently the key crude to price most of the world's trades in oil. This is some 17 million barrels of oil.

A year ago, a mysterious trader, John Deuss, tried such a maneuver and virtually went bankrupt. Given the volatility of today's oil futures speculation, it is suicide to "bet the ranch" on such an "unpredictable" situation. Unless, of course, one can be sure it's a one-way bet.

Washington, D.C. sources are telling me of rumors floating in that rumor swamp. It seems that George Bush, through his Texas oil chum Commerce Secretary Robert Mosbacher, has decided to "encourage" world oil prices to rise this year to a level of around \$20-22 a barrel. One effect would be to help "green the Texas desert"; the other, to give, without the fuss of grants or credits, an enormous boost to Mikhail Gorbachov.

Soviet oil and gas make up 75% of all their hard-currency earnings. Since the price collapse in 1986, Russian export earnings have been severely depressed. Since October of last year, the price they are able to get for their sales of some 2 million barrels a day to Western markets has risen a hefty 50%. As well, Bush would take some of the pressure off the explosive Mexican and Venezuelan debt crisis: Both depend on oil revenues to service their debt.

Whether these rumors are true or not, I can't say. But there is no reasonable explanation for the behavior of world oil prices since 1988. Something strange is afoot.

Industrialists demand end to usury

The Summer Plan's failure and the superprofits of the banks are triggering an industrialists' rebellion.

The announcement of a 6% inflation rate for the month of March fell like a cold shower on the feverish heads of Brazil's economic authorities and *tecnicos* who, like Ministers Maílson da Nóbrega and Batista de Abreu, have been spinning fantasies about the "success" of the Summer Plan. They seem to have truly believed their own story that it were possible to maintain a near-zero inflation rate alongside monthly real interest rates above 25%.

At the same time that the failure of the Summer Plan has become an undeniable reality and now threatens to trigger a Weimar-style hyperinflationary process, the Brazilian banks have announced that they garnered stratospheric earnings in 1988, beyond the near 1,000% inflation rate. According to the daily *O Estado de São Paulo*, however, the annual balances of these banks do not reflect these profits, since, in the majority of cases, their owners prefer to hide their earnings in over-inflated reserve funds which bear no correspondence to the banks' real needs to protect themselves from potential bad debtors.

These profits were gotten, primarily, through the highly speculative overnight markets, which are backed by Treasury Financial Notes, whose function has, in effect, been to suck productive resources out of the economy. Proof of this is the fact that in 1988, the economy shrunk by 1%, and industry by more than 3%, while bank profits shot up. Thus, to all intents and purposes, the national banking system

has become, with the backing of the government of President José Sarney, a satrapy of the Brazilian economy.

This situation was denounced by J. Carlos de Assis, adviser to the National Industrial Confederation, in his newspaper column in *O Globo* of March 28: "If the inflation tendency and interest practices continue through the end of March, as all things indicate they will, then two months of the Summer Plan will have cost the Treasury in new financial obligations the equivalent of the entire estimated gross tax revenue for 1988, 30 billion new cruzados (or dollars)."

This situation "already existed before the plan," continued Assis, "and worsened after it. Previously, company working capital placed on the overnight market was protected from inflation and eventually yielded a real gain. Now, these same cash flows yield real interest of 16% a month (after taxes), 460% a year, something truly unheard of in the history of capitalism."

Despite the efforts to hide the banks' gigantic profits, this situation has enraged all of Brazilian society, and in particular those business leaders who are demanding a correction to these financial distortions. The president of the National Industrial Confederation, Senator Albano Franco, wrote a column for all of the nation's major dailies, explaining that the public and private financial system no longer functions to foster the industrial development of the country. "When one has inflation of 3.5% (as in Feb-

ruary) and an interest rate of 25% a month, one has arrived at the limits of craziness. The industrial leadership . . . never agreed to the transformation of productive resources into speculative resources."

"It is true," continued Albano Franco, "that the distortion stems from the Summer Plan itself, which unhappily has given official encouragement to financial roulette under the pretext of stabilizing the currency. But we cannot ignore the role of the financial system in this process. We are absolutely against banking statism. But, with the same conviction, we condemn banking parasitism. Our country needs massive investments in order to produce for both internal consumption and export. . . . The banking system, in turn, needs to modernize itself in risk management. If it does not do so, it will end up paving the way for pernicious statization."

Only days after this unprecedented denunciation of the Brazilian banking system, Deputy Afif Domingos—the presidential candidate backed from the United States by the "Project Democracy" grouping, and mouthpiece for the worst rentier capital interests in the country—attacked the National Industrial Confederation during a businessmen's conference, charging that it did not represent the real interests of the business community because, during the meetings of the Constituent Assembly, it had defended nationalization of Brazil's mineral resources.

The lines are being rapidly drawn in Brazil. If the Sarney government does not reverse its policy of encouraging the usurious and speculative practices of the banks, the country could soon face political and social destabilization on a scale that would make the recent Venezuelan riots pale in comparison.

Business Briefs

Reverse Leverage

Swiss BankCorp takes Nabisco to court

A spokesman for Swiss BankCorp in Basel has admitted that a legal action it recently initiated against Kohlberg, Kravis, Roberts & Co. (KKR) and RJR Nabisco has a "hypothetical potential" to unravel the entire RJR Nabisco \$25 billion junk bond takeover, the largest of the recent wave of leveraged buy-outs in the United States.

The spokesman said the case arose from a January request by Swiss BankCorp on behalf of a \$120 million corporate bond issue it had managed for the old RJR Nabisco Corp. According to the terms of the 1986 bond issue, Swiss BankCorp had the right, in the event of a corporate reorganization of the borrower, RJR Nabisco, to declare the bonds immediately due and payable unless the reorganization included "adequate protection of the bondholders."

A request for such safeguards to the new KKR and RJR Nabisco management was finally answered in the negative March 21, reports Swiss BankCorp. KKR/Nabisco refused to provide adequate safeguards to the old bondholders—that is, creditors—before the company took on the \$25 billion junk bond debt.

The next day, the bank went into court in Basel to seek a "declaratory judgment" against Nabisco.

The challenge could represent a fundamental offensive against U.S. "junk bond" takeovers. Leveraged buy-outs have latent within them the potential for rapid collapse, on the principle of "reverse leverage."

Energy

Iraq may rebuild bombed nuclear plant

Iraq is seriously contemplating the reconstruction of the nuclear power plant destroyed by Israeli Air Force bombing in 1981, the Indian newspaper *Hindu* has reported from Bahrain. Egypt will be the main col-

laborator in the plant's reconstruction.

The source of the technology for the plant has not yet been disclosed.

The semi-official Arabic daily in Bahrain, *Al Ayyam*, quoted Egyptian Electricity and Energy Ministry sources to the effect that Egyptian and Iraqi officials are working on the establishment of experimental nuclear reactors for power generation as part of a larger plan prepared by the new Arab Cooperation Council (ACC). It consists of Jordan, Iraq, Egypt, and North Yemen.

Food

Microbe contamination called biggest threat

Microbe contamination of food products is the most urgent food threat, not pesticides or chemicals, according to several scientific studies just released.

Dr. Frank E. Young, head of the Food and Drug Administration, told the March 28 *New York Times*, "We are seeing a marked increase in microbial contamination and a constantly diminishing contamination by pesticides in our food supply." The result, he said, has been an "explosion" of disease caused by food-borne microorganisms, many of which can be killed by proper cooking.

At the same time, he said, a fear of chemicals has obscured the "low and decreasing risks associated with both natural and manmade pesticides."

The *Times* also reported that in a national survey of 234 foods from supermarkets in 1987, the FDA found no pesticide residues that exceeded 1% of acceptable daily intakes established by the World Health Organization.

Furthermore, regarding chemical additives hysterically denounced by environmentalists, the National Research Council in March reported that exposure to such chemicals individually, in the minute quantities found in the average diet, "is unlikely to contribute to the overall cancer risk to humans in the United States," and that "the facts suggest that our society as a whole is not facing a health crisis posed by environmental agents."

Infrastructure

EPA's Reilly vetos urgent water project

The largest and most important water project in the western United States has been blocked by William K. Reilly, the new head of the Environmental Protection Agency, in an unprecedented decision.

The \$1 billion Two Forks Dam project in Colorado, critical for a water-starved Denver and surrounding farm areas, has already received approval from the Army Corps of Engineers, the Denver Water Board, and even the regional administrator of the EPA.

But Reilly, in a statement released to the press March 27, said that while he recognizes Colorado's need for water, he is required to "respect other values important to Coloradans and all Americans: a beautiful free-flowing trout stream of the highest quality; wetlands; a downstream habitat of endangered whooping cranes." He said the project "contemplates the destruction of an outstanding natural resource."

Reilly is the former head of the World Wildlife Fund and the Conservation Foundation, two feudal-oriented elite "environmentalist" organizations created by European aristocracy.

Agriculture

Peru suffers failure of potato crop

Half the potato crop in the region of Peru supplying the capital city, Lima, failed this year, according to the English language publication *The Andean Report*. It blames this on Peruvian President Alan Garcia's former policy of generous subsidies to growers and importation of cheap potatoes, which forced down market prices.

This year, when the cheap credit from the government was eliminated and the state food-buying agencies kept prices low, the peasants stopped planting potatoes, a staple of the Peruvian diet.

Briefly

● **JAPAN** will head the new bank steering committee which Venezuela will name to handle renegotiations of its foreign debt, Treasury Minister Eglee Iturbe announced March 26. The Bank of Tokyo is one of Venezuela's principal creditors, according to Caracas's *El Nacional*.

● **FRANK LORENZO**, the strike-provoking Eastern Airlines asset-stripper, "has so far made at least \$900 million from his initial investment of \$265 million to purchase Eastern," estimates the March 28 *Washington Times*. His methods included selling off Eastern assets worth \$1.2 billion to his Texas Air for only \$100 million at low interest, to then only lease the same assets back to Eastern.

● **AN IMF AID** package to Pakistan, worth \$813 million to finance immediate import needs, requires budget cuts, price and exchange rate adjustments, elimination of subsidies, an increase in public service and user charges for health and education, and harsh new taxes, including a general sales tax likely to raise prices all around. The next annual budget is likely to end subsidies to agriculture.

● **YOH KUROSAWA**, deputy chairman of the Industrial Bank of Japan, warned that debt moratoria would result from any delay in the Brady Plan. "Because the responsible regulatory authorities said there should be a reduction [in debt burdens] . . . nobody would pay installments until the reduction were fixed," he said on March 28.

● **A \$3.8 BILLION** cash surplus at the Los Angeles Federal Reserve, a 2.2% jump since 1985, is "a red flag that we are awash with drug cash here," according to the local U.S. Attorney's office.

● **NEW YORK** led the nation in numbers of cows lost from dairy herds in 1988. Herds declined by 90,000 cows nationwide. New York lost 36,000, Wisconsin 32,000, and Minnesota 21,000.

The same report said that Peru's rice harvest fell by one-third for the same reason, with rice farmers on the coast planting cotton, and in the jungle, coca. Sugar shortages will also continue.

The Andean Report projects that, as a result, Peru will have to import \$75 million worth of additional food in 1989. Moreover, it will experience trouble financing the food imports, since only Argentina, Brazil, and U.S. AID are offering financing.

Banking

MCorp threatens to declare Chapter 11

MCorp, Texas's second largest banking company, is threatening voluntary bankruptcy under Chapter 11 of the bankruptcy code—protection from creditors while it draws up a reorganization plan—because three minor bondholders have petitioned for involuntary (Chapter 7) bankruptcy.

That is causing Federal Deposit Insurance Corporation (FDIC) chairman William Seidman headaches. Seidman has been seeking a buyer for MCorp since October. He would like the sale to be under President Bush's new thrift "rescue" plan, which has not yet been enacted into law, because this would give him broader power to control the solvent banking units of a troubled bank-holding company. Under current law, bank regulators may only seize the insolvent units. Many of MCorp's banks are solvent, but Seidman has been trying to sell them off as a whole.

In late March, A. Robert Abboud, who took over First City Bancorporation of Texas with the help of a federal bailout, entered the bidding. Other known bidders are a group headed by MCorp's two largest creditors, Shearson Lehman Hutton and Kleinwort Benson Securities, as well as Kohlberg, Kravis, Roberts & Co. of RJR Nabisco takeover fame. The deadline for new bids is April 3, but the status of all is cast into doubt by the legalities of attempting a federal bailout of a company in Chapter 11 bankruptcy.

The huge insolvent Texas bankholding company said it is being forced to file for

Chapter 11 due to the forced bankruptcy petition against it. Chapter 11 permits MCorp to continue in operation under court protection from its creditors while it tries to come up with a plan to pay its debts. Last October, MCorp stopped making interest and principal payments on \$470 million in debt.

The FDIC has never before had to deal with a bankruptcy filing—the filing would put the holding company, some \$400 million in assets, and possibly any healthy banks MCorp owns, under the jurisdiction of a bankruptcy judge whose approval of any deal the FDIC tries to work out would have to be secured before it could be completed.

Thrifts

FSLIC getting itself into more trouble

The Federal Savings and Loan Insurance Corporation (FSLIC) has generated a growing number of law suits against itself, "primarily because of its insistence that the institutions it takes over need not honor previous commitments" or even "federal plant-closing statutes," stated the March 28 *Wall Street Journal*.

The paper reported that the FSLIC seems to have a reverse Midas touch, taking even relatively healthy assets and finding just the right way to treat them so that they will depreciate in value.

For example, last December, the FSLIC found itself owning Gemcraft Homes, a once-huge homebuilder. It immediately suspended the payroll, froze all new construction, and hired as its consultant a man the FBI is currently investigating for defrauding FSLIC in a previous case.

Within two months, Gemcraft was out of business. The FSLIC no longer has a viable business it could sell, but will have to try to sell the pieces at fire-sale prices. It also has about \$50 million in costs from various lawsuits against Gemcraft from home-buyers, subcontractors, and suppliers. The FSLIC itself is being sued by some Gemcraft employees, because it only gave 24-hours notice when it fired them, in violation of federal plant-closing statutes.

Inertial confinement fusion: the civilian applications

In the second part of our series on the immediate promise of fusion power, we let Dr. Erik Storm's congressional testimony of February 21, 1989 speak for itself.

The author, Deputy Associate Director for Inertial Confinement Fusion at Lawrence Livermore National Laboratory, prepared the statement excerpted below for presentation to the Subcommittee on Energy Research and Development, House Committee on Science, Space, and Technology, on Feb. 21, 1989. The figures have been re-numbered, since not all of Dr. Storm's exhibits are being used here.

Foreword

This is my first opportunity to appear before this Committee to provide my opinions on the promise of fusion—particularly Inertial Confinement Fusion (ICF). I want to express my appreciation to the Committee for this opportunity. There is increasing interest and activity in ICF research and development worldwide, motivated by the long-term civilian energy applications as well as, in some cases, the near-term military and defense missions. I am pleased to report that the United States' ICF Program has made significant technical progress since it was last reviewed for you two years ago. The United States continues to lead the world in ICF research and development, and I am particularly gratified that the Program at the Lawrence Livermore National Laboratory (LLNL) has continued to be at the forefront of that progress.

Introduction

Fusion has the potential to provide an environmentally attractive, inherently safe, and virtually inexhaustible energy source. Our awareness of the need for new energy sources that meet these requirements is becoming more acute because of the diminishing reserves of fossil fuels, rising worldwide energy demand, and increasing concerns about the environmental consequences of continuing with our present fossil

fuel based energy technologies. I will summarize the recent technical progress that has given us even greater confidence than we had just two or three years ago that ICF is scientifically feasible. The new data support our projections about the basic feasibility of achieving ignition and high energy gain under the conditions required for electric power production with ICF. The rate of progress has motivated the Department of Energy to begin a planning activity for a Laboratory Microfusion Facility (LMF). That facility would demonstrate the achievement of ignition and high gain in the laboratory, thereby demonstrating the scientific feasibility of ICF while providing the capability for the full spectrum of defense applications of ICF.

There is increasing ICF research and development activity worldwide. None of these activities are yet at the scale of the U.S. Program. The Japanese experimental program at Osaka University is the largest with a civilian (energy production) orientation. This program, which includes collaborations with scientists from other countries, uses a neodymium-doped glass laser that is the most powerful in the world after LLNL's Nova laser; its design is based on pre-Nova LLNL technology. Several other countries have established civilian research programs with smaller lasers. Still other countries are conducting theoretical and computational modeling of various aspects of ICF. Next to the United States, the largest programs for defense purposes are in France and England. Several countries, without U.S. involvement, are now exploring the establishment of multinational laboratories in which to pursue the science and technology of ICF, including the development of driver technologies compatible with power plant requirements. For example, the European scientific community has recently proposed constructing a Nova-class laser facility. Because of the military/civilian

nature of the United States' ICF Program, the commitment to the near-term defense mission and the concomitant national security concerns, we do not formally interact with foreign ICF activities with two exceptions, a classified exchange with the United Kingdom and a limited unclassified collaboration with France.

The United States leads the world in ICF research and development. Based on our success, I believe that it is important and not too early to establish a significant civilian increment to the ICF Program that would fund research and development on laser and particle beam driver technologies appropriate to ICF power plant requirements as well as the technologies required for the power plant itself. Because energy is an essential component of national security, and because it can take several decades to put these new technologies on line, it is advisable to begin this development. I believe we can lead the world in developing ICF as an energy technology.

ICF program goals

The goal of the U.S. ICF Program, since its inception in the early 1970s, has been to fully develop inertial confinement fusion technology for both defense and civilian applications. The Livermore ICF Program continues to be fully committed to both objectives. The full realization of these applications requires a fusion output energy of several hundred to 1,000 megajoules, or 50 to 200 times greater than the energy provided by the laser or particle beam driver used to initiate the process; we call this requirement high gain. The achievement of high gain will have payoffs for this country in two areas vital to national security—nuclear defense and energy production.

The principal near-term goal of the Program, after we acquire the necessary additional data in the next few years, is to provide an LMF that will produce yields of about 100 to 1,000 MJ for defense applications. Our current research efforts are therefore focused on acquiring the remaining data that supports achieving high-gain ICF in the laboratory at an acceptable cost. Demonstrating high gain in the laboratory will also establish the scientific feasibility of ICF as a candidate for electrical power production.

. . . High-gain microfusion in the laboratory would also provide a unique means of studying matter under extreme conditions and would provide the U.S. scientific community with an unmatched ability to work in areas that have been identified by the National Academy of Sciences as frontier fields of physics.

The principal long-term goal of the Program is to develop and demonstrate the inertial confinement approach to fusion as a pure or hybrid technology for electric power production. (The "pure" approach is the one already described—the use of thermal energy produced by fusion reactions to generate electricity. In the "hybrid" approach, neutrons released in the fusion process are used to produce fuel for fission reactors.) Both of these ultimate applications of ICF require signifi-



Lawrence Livermore National Laboratory

Dr. Erik Storm: "Fusion works. . . . An aggressive program to develop commercially competitive power plants is scientifically and technologically realistic."

cantly more technology development than the defense applications. However, the potential national and global payoff is very high. Duplicating on Earth the fusion process that generates the energy of the Sun has the potential to provide a virtually inexhaustible, environmentally attractive, and inherently safe energy option. In the long term, in addition to power generation, ICF reactors and ICF technologies have potential applications for fissile fuel production, isotope production, and space propulsion.

The ICF approach to obtaining a high-gain reaction is to compress and heat fuel composed of isotopes of hydrogen, contained in a small fusion pellet, to a density close to 20 times that of lead and a temperature of about 100,000,000° C. Such conditions exist only two other places in the universe—in hydrogen (thermonuclear) bombs and in stars. By imaging the fusion products emitted from miniature "stars" produced by the Nova laser facility at LLNL, we have demonstrated a fundamental performance requirement for ICF. The photograph on the frontispiece [not shown here] shows the fusion neutrons from a pellet compressed in volume by a factor of nearly 32,000. For a brief instant, the laser drove a microfusion pellet to a temperature and density exceeding those in the Sun. Although it is a long way from this generation of Nova experiments to the ultimate application and full return on the investment in ICF, the recent progress has reinforced our confidence that the goals are attainable. This progress has also supported a decision within the Department of Energy that the time has come to plan for the next step, a Laboratory Microfusion Facility with which to make high-gain ICF a reality.

Major program objectives and milestones

There are three significant milestones on the road to developing ICF for commercial power production. . . .

- The first milestone is to demonstrate scientific feasibility. We must develop the science and technology base for the target and the driver so we can confidently define the technical requirements for obtaining high gain, build a laboratory high-gain experimental facility (LMF), demonstrate high gain in the laboratory, and optimize the driver-target performance.

- The second milestone is to build an "engineering test reactor" to develop and demonstrate solutions to the technology and engineering requirements.

- The final milestone is to build a demonstration power plant and optimize the specific technologies for commercially competitive fusion power.

ICF has made excellent progress on target physics issues in the last few years. Experimental results have significantly increased our confidence about the basic feasibility of achieving high gain. It is now generally accepted that the driver energy required to achieve high gain is between 5 to 20 MJ. Economic considerations make the lower end of that range (5 to 10 MJ) highly desirable—and possibly necessary. It is my belief that the target physics data supports the projection that high gain can be achieved within that lower range of driver energies. The current funding-limited experimental program at LLNL is directed toward answering the remaining questions required to support the construction of an LMF with which to complete the first milestone. If funding were restored to the equivalent of that in fiscal year 1985, we believe that a more comprehensive basis for a decision on the direction of the ICF Program can be available in about four years. The extremely rapid progress over the last two years has demonstrated that experimental capabilities and theoretical modeling tools are in place to justify an accelerated program.

Program status and accomplishments

The national ICF Program is pursuing the demonstration of the scientific feasibility of high-gain ICF with a three-component program. In order to present program status and accomplishments, I will first briefly review the technical components of that program.

- A laboratory component to study driver-target performance with targets up to 1/10 full scale. This effort will provide the physics and technology base to quantify most of the requirements for achieving high gain in the laboratory. The LLNL Nova laser is the primary facility for this component.

- A classified component, Halite (at LLNL) and Centurion (at Los Alamos National Laboratory), utilizing underground nuclear tests at the Nevada Test Site. The purpose of this component is to study the design characteristics of efficient ICF targets. Halite and Centurion have played a vital role in establishing our confidence in the scientific feasibility of ICF.

- The driver development component, aimed at provid-

ing the technology base for a low-cost, flexible, high-energy, high-power driver to demonstrate and optimize high gain in the laboratory. A desirable but presently underfunded and underemphasized adjunct would be to identify an associated technology path to a driver with characteristics required for an ICF power plant.

The centers for ICF research in the United States are at the Lawrence Livermore National Laboratory, the Los Alamos National Laboratory, and the Sandia National Laboratory. Supporting activities are carried out by an industrial participant, KMS Fusion, Inc., by the University of Rochester Laboratory for Laser Energetics, and by the Naval Research Laboratory.

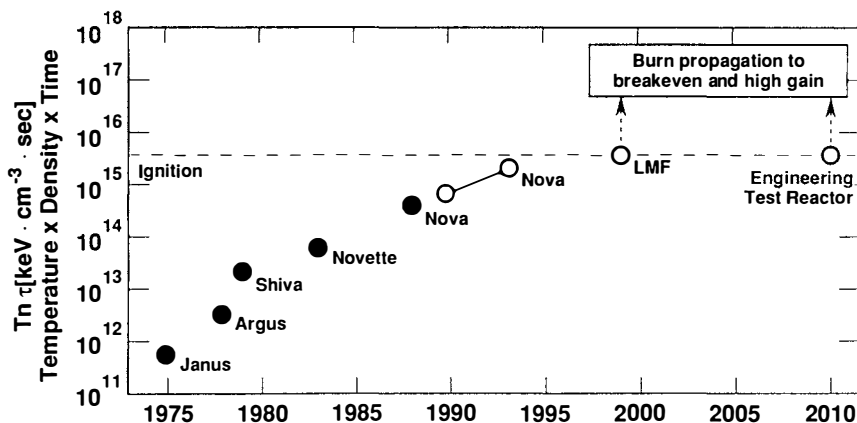
Because of budgetary constraints and technical priorities, the LLNL ICF Program has recently consolidated its efforts into a two-component program: target physics, with Nova, and driver development; the Halite program has been suspended.

Nova experiments at LLNL

The LLNL Nova laser facility . . . is the primary U.S. facility devoted to the study of the indirect (or hohlraum) drive approach to inertial fusion. Nova's principal objective is to demonstrate that laser-driven hohlraums (hollow chambers that trap electromagnetic radiation) meet the conditions of beam/target coupling efficiency, beam irradiation symmetry, beam pulse shaping, target preheat, and hydrodynamic stability required for high gain. In the past two years, rapid progress has been made toward all these objectives. The first of these comprehensive indirect-drive experiments with Nova was conducted in 1986. In less than three years, in various experiments with about 20 kJ of 0.35 micrometer light (less than 50% of Nova's full performance capability), values for the drive temperature and pressure, preheat, and symmetry that meet or exceed those required for high gain have been documented with a properly scaled target geometry.

Over the last year these tests have culminated in precision experiments . . . that have demonstrated the successful implosions of capsules with a uniform volume compression exceeding the value of 30,000 required for the success of ICF. The photograph on the frontispiece of this testimony [not shown here] is an image produced by the fusion products emitted from a pellet compressed by nearly a factor of 32,000 in volume. In other experiments, volume compressions exceeding 50,000 were measured. This performance is a critical requirement for ICF, and its achievement meets a major program objective. The fuel pellet performance essentially matched optimal, one-dimensional computer predictions of implosion values. The experiments also demonstrated control of the hohlraum environment—in particular, the achievement of the radiation flux uniformity required for high gain. This is the first time that ICF theory and experiments have agreed so closely, and it indicates that our ability to predict and understand results has greatly improved. The

FIGURE 1
Inertial Confinement Fusion (ICF) progress in achieving conditions required for fusion power



This graph shows past achievements (solid bullets) and projected results from crucial Livermore laser fusion experiments. Janus was the first Lawrence Livermore National Lab laser fusion research facility. Argus, Shiva, Novette and Nova are larger and more powerful follow-on laser systems. The product of temperature, fuel density, and the time during which the fuel is confined in ICF experiments provides a rough measure of the fusion potential. When the temperature is measured in keV (thousands of electron volts, 1 keV = 11 million degrees Celsius), the density in nuclei per cubic centimeter, and the confinement time in seconds, a product of several times 10^{15} , in other words 1,000,000,000,000,000, is required for igniting the core of a compressed fusion fuel pellet. To obtain burn propagation throughout all of the fuel, even higher levels are required.

Source: Lawrence Livermore National Laboratories

experimental results were achieved both through improved theoretical understanding and computational modeling and through the use of ultraviolet (0.35 micrometer) light from the Nova laser. The physical conditions in these experiments were chosen to match those of appropriately scaled high-gain targets, and we achieved a combination of confinement time and fuel temperatures that was less than a factor of 10 away from the value needed to meet the criterion for fusion ignition and high gain, as shown by the solid Nova point in **Figure 1**. This result is comparable to the best conditions obtained in magnetic confinement fusion experiments.

We have just completed improvements to Nova that will allow us to operate it routinely at its full design energy. With the benefit of experiments at these higher drive energies, and using the sophisticated temporal pulse shaping capability of Nova and the advances in diagnostic capability we have added to the facility, we will refine target designs and expect improvements in our results to the regimes indicated as open circles in **Figure 1**. The successful execution of these physics and implosion experiments will confirm that fuel pellets indirectly driven with a 5 to 10 MJ driver will achieve the conditions required for high gain.

Halite/Centurion

As discussed above, the principal approach to inertial fusion in the United States involves the use of indirectly driven targets. In this concept, energy from a laboratory driver is converted to x-rays that are used to implode and heat the fusion fuel in an inertial fusion capsule. The ability to study and understand the performance of such capsules in the laboratory has been limited by the energy and power that can

be provided with presently available lasers. In Halite/Centurion, a portion of the much greater energy from a nuclear device in underground explosions at the Nevada Test Site has been used to implode inertial fusion capsules, thereby extending the range of inertial fusion research. These experiments have produced excellent results, contributing considerably to our increased confidence in the basic feasibility of achieving high-gain ICF.

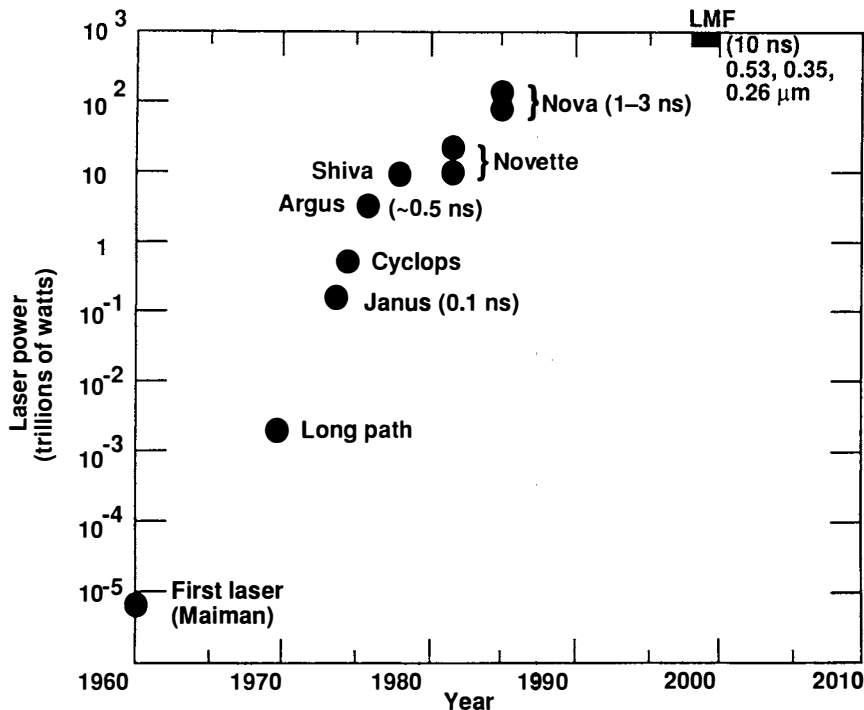
The combination of Nova and Halite/Centurion data and the recent development of cryogenic high-gain target fabrication technologies makes us sure that in the next three to five years we can obtain the data and demonstrate the technology necessary to resolve the remaining target issues. I believe that this accomplishment will reduce the uncertainty in the drive energy required for high gain from the current 5 to 20 MJ to the anticipated 5 to 10 MJ.

Driver development

There are two essential aspects of ICF research and development for driver technology. The first of these is directed at the driver requirements for the high-gain LMF and is discussed below. The second addresses the development of a power plant driver optimized for efficiency and cost-effectiveness and designed to repetitively drive optimized fusion targets. This second effort will be briefly discussed in the following section on ICF power plants.

The driver issues associated with high-energy, high-gain experiments that would be conducted at the rate of a few per week in an LMF are associated almost exclusively with cost. Our experience and analysis supports the opinion that the extension of present short-wavelength solid state lasers to the

FIGURE 2
LLNL solid state lasers are very close to the power needed for an LMF



This graph shows the historical power levels of past and present LLNL laser facilities. The power level is given in trillions of watts. Beside the name of the laser system (Long Path, Janus, Cyclops, Argus, Shiva, Novette, Nova and LMF) are figures for the pulse length and wavelength of the laser system output. The pulse length times the power level gives the total energy of the laser beam output.

It is technically assured that a multimegajoule, ~1000 TW solid state laser can be built

Source: Lawrence Livermore National Laboratories

energy and power regime required to achieve high gain is technically straightforward. The 100-kJ, 100-TW class Nova laser has proven to be an extremely successful and flexible experimental facility. The design and construction of the 10-beam Nova also required the development of numerous capabilities and technologies in which more than 1,200 U.S. companies participated. The result, in addition to producing the most powerful and versatile laser research facility in the world, was to provide new capabilities and products for a number of U.S. companies. This gave them expanded markets and increased competitiveness. Nova required, for example, over one hundred very high quality mirrors and lenses up to 3½ feet in diameter. At the time, low-cost production quantities of such optics were not available. Working with several U.S. manufacturers, we developed the techniques and helped provide the facilities to allow manufacture of the required components. As a result, these companies now have the world's leading capabilities to produce large, high-precision optical components, and in many cases the technologies have been significantly advanced and extended into new fields. . . .

Drawing on this body of scientific, engineering, and industrial expertise and experience, we have refined an LLNL point design for a 10-MJ, 1,000-TW solid state laser driver for an LMF. The design uses compact, modular units to

increase laser efficiency and reduce assembly time and manufacturing costs. The design parameters and component costs are based on our experience with Nova together with engineering estimates based on present production techniques and demonstrated laser technology improvements. As a result of this study we are confident, that using technology we have at hand, a high-gain fusion laboratory facility (LMF), including experimental capability, could be completed before 1998 and at a cost of approximately \$800 million in fiscal year 1989 dollars. The tenfold increase in power required beyond Nova, as shown in Figure 2, is a small extension of the more than 100,000-fold improvement in high-energy laser performance that we have already achieved at LLNL.

Based on concerns that a cost in the range of \$800 million for an LMF is unacceptably high, barring a significant change in national priority, we have begun to reassess higher-technical-risk approaches to solid state laser designs that offer promise for significant cost reductions. Utilizing our experience with laser technology development, we believe that a substantial reduction in the cost of a high-energy solid state laser for an LMF is possible given an appropriate R&D program to support this activity. We have recently completed the preliminary assessment of materials and technologies for a laser-pumped solid state laser. This is a departure in laser architecture and technologies from conventional flashlamp-

pumped neodymium-doped glass lasers such as Nova. We have just initiated a four to five year R&D program to assess this option; if successful, it has the potential to reduce the cost of LMF by a factor of two, to a total cost of about \$400 million in fiscal year 1989 dollars.

ICF power plants

Working with the nuclear reactor design community, we have studied the details of producing electrical power using pure ICF (the technique already described) and using the "hybrid" concept, in which fusion neutrons are used to produce fuel for conventional fission reactors. These studies indicate that the inertial confinement approach to electric power production has a number of attractive features that offer the potential for high efficiency and excellent safety.

The power plant driver (the laser or particle-beam accelerator) can be physically separated from the fusion reaction chamber. The driver and chamber can therefore be optimized individually, and most of the high-technology, high-maintenance equipment can be far from the environment of the reaction chamber. A single driver could, in principle, serve several chambers if the beam were switched from one chamber to another.

An additional feature possible with an ICF reaction chamber is that the so-called first wall, which is directly exposed to the extreme environment produced by the fusion reaction, can have the form of a flowing, renewable material. This replenished first wall protects the chamber's structural materials from much of the shock and radiation associated with the fusion reactions, acts as the heat transfer fluid, allows for easier maintenance, and reduces external shielding requirements. If the material contains lithium, the fusion neutrons interacting with the lithium-bearing material breed tritium to fuel subsequent fusion targets. This design approach greatly reduces the quantity of long-lived activation products and makes it possible to design a system in which the structural wall lasts for the 30 year lifetime of the plant.

We are continuing to refine our analyses of our Cascade reactor concept . . . which incorporates the features just described. Cascade has received the most detailed engineering and cost analyses of any proposed ICF reactor design. Earlier designs utilized liquid lithium, which presents a fire hazard. In Cascade, the lithium is contained in ceramic granules that cannot burn. A layer about one meter thick composed of these one millimeter diameter granules, flows along the wall of the reaction chamber as the entire chamber rotates. The granules can withstand high temperatures, so Cascade can achieve a power conversion efficiency of 55%, and an overall plant efficiency of 49%. The first structural wall consists of silicon carbide panels, which will have low residual activation.

Further studies must be conducted before Cascade's potential can be fully determined. For example, experiments must be conducted to ascertain the lifetime and manufacturing cost of the ceramic granules, which will affect the viability

and economic competitiveness of Cascade. If such matters prove to have slight cost impact, Cascade would be cost-competitive with coal and with advanced fission reactors. Given the amount of study already devoted to Cascade, and the promise that this design appears to hold for a viable ICF power plant, it seems appropriate now to enhance studies of power-plant technologies, particularly studies of materials and of reaction-chamber design.

It is also appropriate to give considerably more emphasis to identifying an appropriate ICF power plant driver. Besides delivering a high-energy, high-power beam, such a driver must of course be efficient, must be capable of reliable operation over extended periods at a few pulses per second, and must cost less than 25% of the total power plant cost. No candidate driver has been developed far enough that its capabilities can be extrapolated to meet all these requirements.

Flashlamp-pumped neodymium-doped glass laser amplifiers, such as those used in the Nova laser, can deliver the necessary peak energy and power, but not the required efficiency or repetition rate. It appears that the use of a flow-cooled crystalline amplifier medium, instead of glass, would permit us to meet both of these criteria as well. However, technical and economic challenges must be addressed and solved before this technology can be extrapolated to the required conditions.

Multistage linear-induction accelerators for heavy ions (such as lead) appear to be capable of the efficiency, repetition rate, and durability required in a power plant. Although technologically promising, work on the heavy-ion drivers, principally being conducted at Lawrence Berkeley Laboratory, has been funded at a relatively low level, and therefore they are not as far along the development path as that for other drivers.

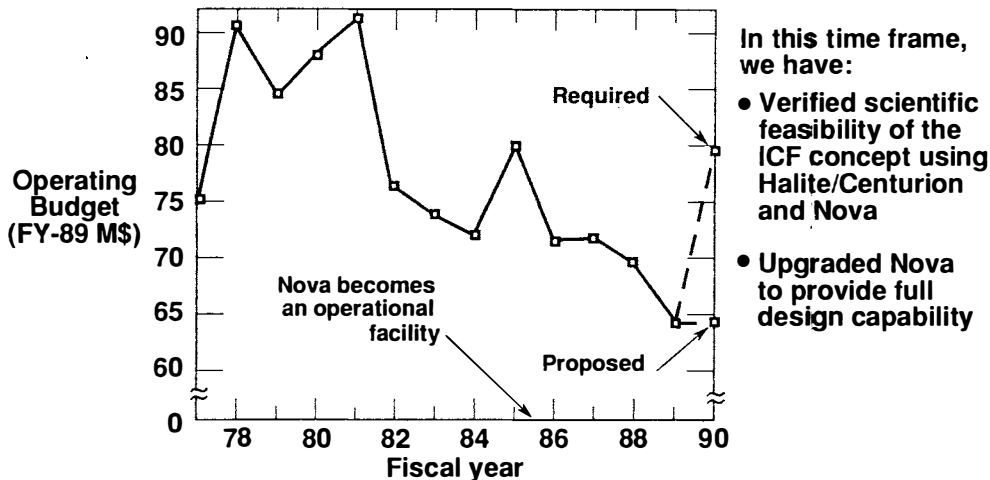
The future of ICF

We think that we have made impressive technical progress in ICF in the last two to three years, with results and accomplishments that, less than a decade ago, some thought could not be achieved. The most difficult problems we now face if we are to move ahead vigorously appear to be not scientific or technical, but financial. Results obtained over the last three years with the Nova laser and in the Halite/Centurion program provide my confidence that the ICF technique is scientifically feasible.

Figure 3 shows (in fiscal year 1989 dollars) the funding history of the LLNL ICF Program. For some time the program operated at the equivalent of \$80 million per year in today's dollars; today our operating budget is \$64.3 million. This budget erosion has had a serious impact on our program. This year we have had to impose a drastic curtailment in Nova experiments, severely reduce technology development efforts for advanced drivers, eliminate technology development for reactor drivers, and reduce work on power-plant concepts to paper studies. This has resulted in a recent staff

FIGURE 3

ICF operation funding continues to be well below the critical level for maintaining a balanced program



- The Required case productively exploits the progress made to date
- The Proposed case perpetuates a sub-critical program

\$80M is the minimum recommended level of operational funding

Source: Lawrence Livermore National Laboratories

reduction of 60 more people. With continued funding at this level, the LLNL ICF Program would of necessity become a one-component program within about three years, comprising Nova experiments only; we would probably have to abandon attempts to develop a low-cost, high-energy laser driver by the early 1990s, and all work on ICF energy-production technologies. Funding of the LLNL ICF Program at its historic level of \$80 million (fiscal year 1989 dollars) appears to me to be the minimum consistent with restoring a balanced program.

Further, our technical accomplishments lead me to believe that it is appropriate to introduce new funds to support more vigorous development of the civilian applications of ICF—in particular, ICF power plant drivers and other power plant technologies.

Both the inertial and magnetic confinement fusion programs continue to demonstrate technical progress toward achieving the conditions they require for electrical power production. The magnetic fusion program is constituted as an energy program. It has invested significant resources over the years in sciences and technologies required for the production of electrical power from fusion. By contrast, the ICF Program is funded principally as a defense program and has not had a comparable effort focused on the civilian energy requirements. Additional funding designated for the civilian aspects of ICF would allow these technologies to be studied and developed without diluting the ICF Program's focus and

commitment to its defense mission.

I believe strongly that energy science and technology is one of the most important areas for the United States in the long term. The signs of serious energy and environmental problems are becoming more visible at an increasing rate. We should move aggressively toward developing alternative sources that can begin to provide a significant fraction of our energy in 30 to 50 years. I believe that ICF should be one of them. During the last few years there has developed broad based concern over the degree to which the United States is in danger of losing its lead in many high technology areas. Advanced energy technologies is an area in which I strongly believe the United States must be second to none.

Fusion works; the stars are our natural fusion power plants. An aggressive program to develop commercially competitive power plants is scientifically and technologically realistic. The question left for ICF is exactly what driver energy is required for an efficient system. With a national commitment I believe that the technology solutions for a prototype ICF power plant could be in hand by the first decade of the next century. I am convinced that the goal of fusion as a commercial energy source is one of unprecedented importance for humankind. I hope we have the vision and the will to accept the challenge of fusion.

Your Committee has understood the challenge and has supported the vision. We of the fusion community profoundly appreciate that understanding and support.

TMI 10 years later: News lies never stop

by Marjorie Mazel Hecht

Ten years after the nuclear accident at the Three Mile Island plant in Pennsylvania, the press coverage of this 10th anniversary is most notable for what it omits. First, it ignores the fact that no one was injured and it continues to convey the same kind of hysteria about radiation that marked the event itself. Second, it ignores the fact that millions of deaths have occurred because of the slowdown of nuclear power after TMI. Third, it omits any mention of the fact that the accident was most likely not an accident, but the result of anti-nuclear sabotage.

On the question of radiation: There is no excuse for any news reporters to be ignorant of the actual radiation effects of TMI. Of the 10 major governmental and independent studies that assessed the accident at TMI Unit 2, there is total agreement that the minute amount of radiation released could cause *no detectable health effects on residents in the area at the time of the accident or in the future.*

To make this specific: The highest possible whole body dose of radiation to any one individual in the TMI area was 100 millirems, which is about the equivalent that the average American receives every year simply from natural background radiation (cosmic rays, the ground, building materials, and internal body sources). Man-made sources add approximately another 100 millirems per year per person, on average.

To get this highest possible radiation dose, the person would have had to stand naked at the plant boundary throughout the first days of the accident, which, most assuredly, nobody—even reporters—did. For the vast majority of area residents, the average radiation exposure within 10 miles of TMI was about 8 millirems, while the average exposure to individuals within 50 miles was less than 1.5 millirems.

Given these facts, there is no explanation for an alert reporter today conveying fear about radiation damage from the accident—except that the reporter intends to perpetuate the lies that foster the anti-nuclear movement. One such national broadcast example of deliberate hysteria was the March 29 “Morning Edition” report on National Public Radio by Cokie Roberts, who was advertised as having covered the accident for NPR in 1979.

Roberts treated her listeners to three hysterical responses from local TMI residents. One protested that residents were never told the truth about radiation releases, either in 1979 or later. Then a 65-year-old former nurse who had joined the anti-nukes broke down in sobs, crying, “This isn’t for my-

self. . . . They’re killing our children” (more sobs). The third interviewee, the mayor of Middletown, where TMI is located, then asserted several times that studies of health effects were promised but never done. I’ve never seen a single study, he railed.

Now, it is virtually impossible that the mayor (and Roberts, for that matter) would not have seen any one of the many studies by the Pennsylvania Department of Health and other governmental bodies—or have known where to go to find them. Clearly, the purpose here is to encourage listeners to enter the same irrational fear state evidenced by the first two women interviewed.

The dangers of not going nuclear

There has indeed been real killing in the wake of TMI, but these are the millions of deaths caused by *not* going nuclear. In fact, the lives of millions in the developing sector would have been saved had their economies had the benefit of the increased growth rate (at least 3%) made possible by nuclear power. As calculated by the Fusion Energy Foundation in a 1982 study, if the United States had carried through with the Atoms for Peace program of the early 1960s, some 115 million people would not have died between the years 1965 and 1980.

It is no mystery then why the very promise of nuclear energy—its capability for fueling economic prosperity and population growth—is what spurs its chief opposition. Today’s malthusian environmentalists oppose fission energy because it means that there are no limits to growth.

The slowdown of the U.S. nuclear industry did not begin on March 28, 1979, when the Three Mile Island accident occurred. The Carter administration was imposing energy austerity and bankrolling the nascent environmentalist movement. Jane Fonda’s anti-nuclear *China Syndrome* film had just been released. The goal was to stop the growth of nuclear power and with it, scientific optimism.

After the TMI accident, the nuclear industry retreated, too cowardly to take on the spread of environmentalist lies by aggressively stating the truth. What might have been simply an incident that showed the ultimate safety of U.S. nuclear plants was turned into a nuclear defeat. Since 1979, there have been no new U.S. orders for nuclear plants; in fact, no nuclear plant that was ordered since 1973 is operating or will be completed in the United States.

Was it sabotage? The chain of failures at TMI had a mathematical probability of 1 in 1,000,000 of occurring in series, and sabotage had been confirmed at other U.S. plants. Yet, not one of the many commissions investigating events at TMI 2 pursued the question of sabotage, and the plant staff was never required to take lie detector tests. Interestingly, TMI marked the public debut of the Federal Emergency Management Agency’s emergency government, which was set into operation by the National Security Council March 27, just one day before the incident.

Vatican takes on American Heresy at Rome meeting

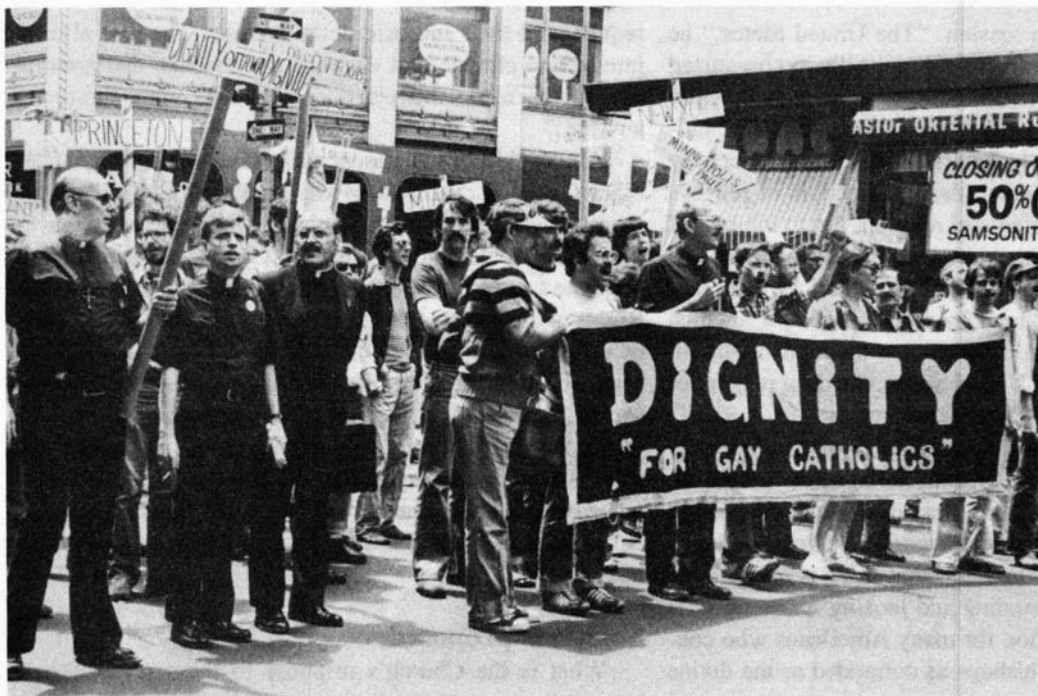
by Maria Cristina Fiocchi and Susan Welsh

Pope John Paul II has made a powerful intervention into the moral crisis in the United States, convening a meeting at the Vatican March 8-11 with the leaders of the American Catholic Church. The essential problem facing the Church, he told the bishops, is that it operates "in a cultural context which questions the integrity and often the very existence of truth."

This problem, while not unique to the Church in America, is particularly acute there. It has given rise to the "American Heresy," "American Exceptionalism," the notion that U.S. Catholics need not be bound by the traditional doctrines and central direction of the Vatican. According to this pernicious view, because America is a democratic and pluralistic society, it accepts no such thing as absolute truth; hence, the Church hierarchy is not obliged to follow the allegedly "authoritarian" dictates of Rome.

The Pope, Joseph Cardinal Ratzinger, and other speakers both from the Roman Curia and from within the American Church, made it clear that this view must no longer be tolerated. To the extent that it has been tolerated by American Catholic leaders, it has permitted such atrocities as the acceptance of homosexuality, abortion, euthanasia, radical feminism, and political pacifism (the "nuclear freeze"). Many bishops, fearful of antagonizing their congregations by going against "the current of the times," have allowed radical and outspoken theologians to shape Church theory and practice, in accordance with the worst features of the American ideology.

That is why both the Pope and Cardinal Ratzinger defined the agenda of the meeting as "The Role of the Bishop as a Teacher of the Faith." As you will see in the documentation section following this article, they told the bishops that the time has come for the bishops themselves to run the Church, in accordance with the truth of the Gospel—not the vagaries of public opinion. "It is the hallmark of truth that it is worth suffering for," said Cardinal Ratzinger. "In the deepest sense of the word, the Evangelist must also be a martyr. If he is unwilling to be so, he should not lay his hand to the plow."



Carlos Wesley

A Catholic contingent at a "gay rights" parade in New York City. If the Church accepts the corrupt pragmatic ideology of "everybody do your own thing," then nothing will remain of God's truth, or of Natural Moral Law.

John Cardinal O'Connor of New York, in a very insightful speech excerpted below, pointed out that the rotten features of American cultural life today are indeed inimical to the actual American tradition of the Founding Fathers. The Founding Fathers were guided by a notion of Natural Moral Law, he said, which is fully coherent with the standpoint of Catholicism; but this notion has been undermined by the evil influences of pragmatism, utilitarianism, and social Darwinism. The challenge facing the Church today is precisely to reverse this cultural decay.

Points of dissent

The participants included, from the American Church, 36 archbishops and bishops, plus the secretary of the Bishops Conference; and 25 cardinals and archbishops of the Roman Curia. The meeting was chaired by the Pope and in his absence by Secretary of State Agostino Cardinal Casaroli; moderators were Cardinals Bernardin Gantin, prefect of the Congregation for Bishops, and Joseph Bernardin, archbishop of Chicago.

The meeting had been convoked by John Paul II with a letter sent to the U.S. bishops on Jan. 10, calling upon them to bring into focus "the undisputed priorities of life in the Church today, both in its universal necessities and in the special requirements of the Church in the United States."

Such a meeting had been made necessary because of the notable points of dissent that had arisen between the U.S. bishops and the Vatican. In particular, the Congregation for the Doctrine of the Faith had recently blocked the text of a document of the American bishops on relations between bish-

ops and theologians, in which the figure of the theologian had erroneously prevailed over that of the bishop. For their part, the U.S. bishops had sent harsh criticisms against the "working draft" prepared by the Congregation for Bishops on the theological and juridical status of the Bishops Conferences. Other divergences had arisen around the issues of dealing with AIDS (in one document of the American Church, the use of condoms is uncritically accepted), priesthood for women, celibacy of priests, the economy, war, and so forth.

Bernardin Cardinal Gantin, who together with Chicago's Joseph Cardinal Bernardin, presented the meeting to the international press, said that it should be regarded not as a conflict but rather as a dialogue. Citing a phrase of Pope John he said, "Let's not complicate simple things and let's not simplify complicated things." But he did not hide the existence of grave and difficult problems. "The bishop as a teacher of faith, will be the central point of the discussion," the African cardinal stressed.

The intervention of Cardinal Bernardin left observers puzzled. He went on at great length to describe the characteristics of American society and the American Catholic Church, painting the image of a kind of Eldorado on the one hand and on the other, of a Church richer than ever and without any vocational crisis: "We are blessed," he said, "with many dedicated, hard-working priests, deacons, and men and women religious. Together with our laity, they are the incarnation of the Church in our time and place."

This was in practice a defense of the "American way" of Catholicism. The same tone was taken by Archbishop John May, chairman of the American Bishops Conference, who

introduced the first day's session. "The United States," he said, "is pluralistic; it enjoys full religious liberty; organized religion abounds in America; there is full freedom of thought; and the spirit of democracy runs strong." Forgetting that anti-abortionists are locked up in American jails, Monsignor May went on: "One of our original ideals is freedom of religion . . . our courts exist to safeguard religion, not to inhibit it." The archbishop of St. Louis went so far as to define the monopolizing and dictatorial power of the American mass media as an expression of "total *freedom of thought*," which accepts no form of censorship. Not a mention of the 40 million poor living in the United States, the drug plague, or the growing violence of American society.

Particularly telling was his definition of the "*spirit of democracy*" in the country: "Authoritarianism is suspect in any area of learning or culture. Individual freedom is prized supremely. Religious doctrine and moral teaching are judged by these criteria. Hence, to assert that there is one Church teaching with authority binding and loosing for eternity, is truly a sign of contradiction for many Americans who consider the divine right of bishops as outmoded as the divine right of kings."

This argument was confronted head-on by John Cardinal O'Connor, the archbishop of New York, who pointed out that a mistaken application of "political pluralism" to the teaching and the authority of the Church, has led to a mentality of opting for that which is doctrinally unacceptable.

James Cardinal Hickey, archbishop of Washington, pointed to the importance of the instability of the family institution. "One out of every two marriages ends in divorce," the prelate observed. "As a result, many young people lack a clear value system or a strong sense of personal morality. This often hinders them from making permanent life commitments." He added that there is "an over-reliance on the social sciences. These sciences, particularly psychology, often shape the values and norms of our society. For many Americans, volunteerism and a multitude of self-help programs take the place religion used to occupy."

Archbishop Patrick Flores summed up the prevalent realities in U.S. society as follows:

"1) Narcissism, individualism, emphasis on the individual. Concentration on 'doing one's own thing,' 'don't need anyone else,' 'I have no impact on anyone else,' 'nothing wrong with me';

"2) consumerism;

"3) mobility, lack of roots;

"4) disintegration of marriages and family life, high divorce rate, single-parent families, often poor;

"5) scarce weight given to the dignity of human life."

Boston Archbishop Bernard Cardinal Law spoke of "an exaggerated emphasis on the right to privacy and an equally exaggerated diminution of attention to the common good. Hence, fundamental relationships such as marriage and the family are set aside because of the personal sacrifices they

require and their intrinsic definitiveness. There is also an intellectual climate that destroys the absolute and a moral climate that exalts the rejections of others' moral choices as a virtue."

A harsh bill of indictment was delivered by Eduard Cardinal Gagnon, chairman of the Pontifical Council on the Family, who dwelt on the subject of feminism, a much-discussed problem at the meeting. Cardinal Gagnon underlined the sacredness of human life, quoting the Charter of the Rights of the Family that "economic aid for the advancement of peoples must not be conditioned on acceptance of programs of contraception, sterilization, or abortion." He described the destructive effect of pornography and said, "I would suggest that we do something too about another and more subtle pornography, that is the degrading of moral values vehicled by cinema and TV shows which pretend to depict normal American life," such as the soap opera "Dallas."

Solutions proposed

What is the Church's response to these myriad challenges? Some strategic directions were outlined. In his report, Antonio Cardinal Innocenti said: "There is a need for a strong supernatural motivation, together with a greater emotional closeness of the bishops to their own priests." He sketched a profile of the ideal priest for modern North American society: "a man chosen from among men with an acute discernment of vocation, with the primary task of proclaiming the Word of God, of promoting the Catechism in the first person, of acting in *persona Christi*, above all in the celebration of the Eucharist, and the Sacrament of Reconciliation, of being a many of prayer and example of a style of life that gives priority to reflection, inwardness, and asceticism in a world of sin, superficiality, consumerism, and the ephemeral."

Bernard Cardinal Law added, "The priest, to fulfill his task in society, must keep in mind the following: He must be free enough from administrative tasks; he must consider the Church as the first teacher in his own life; even in a moral climate of relativism, he must know how to understand the reality of sin and to call himself and others to conversion and penitence."

John Paul II, in closing the sessions, reiterated: "We are the guardians of something given, and given to the Church universal; something which is not the result of reflection, however competent, on cultural and social questions of the day, and is not merely the best path among many, but the one and only path to salvation. . . . The true measure of our success will consist in *greater holiness, more loving service of those in need, and the advancement of truth and justice* in every sphere of the life of your people and your country. As one of our brothers so rightly said: 'Success cannot be the criterion or the condition of evangelization. The criterion and condition of evangelization must be fidelity to the mission.' "

Cardinal Ratzinger: bishops vs. theologians

Named by Pope John Paul II in 1981 to head the Vatican's Sacred Congregation for the Doctrine of the Faith, Joseph Cardinal Ratzinger has waged a courageous battle to defend traditional Catholic doctrine and the Church's magisterium from the assaults of "liberation" theology. He was an architect of the extraordinary synod convened by the Pope in 1985, where he denounced the immorality of both Soviet and Adam Smith's doctrines of political economy, and denounced Theodore Roosevelt and Rockefeller for spreading the immoral theological doctrines of sociologist Max Weber into the Americas.

Ratzinger served as archbishop of Munich before being called to his present duties at the Vatican.

The speech by Cardinal Ratzinger which we excerpt here was delivered on March 8 to the meeting with American Archbishops. Titled "The Bishop as Teacher of the Faith," it quotes documents of the Second Vatican Council, to the effect that "by divine institution bishops have succeeded to the place of the Apostles as shepherds of the Church, and he who hears them, hears Christ." The cardinal criticizes the implementation of this directive.

The balance is seen to tip much less toward the positive, however, as soon as we begin to think about the developments in catechesis in the post-conciliar period. To large extent, this area has been turned over to the so-called professional. This, in turn, has led to an excess of experimentation, which often makes the actual topic vanish from our sight, and to a confusion of voices, making it all the more difficult to recognize that of the Gospel. The problem becomes more evident, if we think about the relationship between bishop and theologians who are no longer active in just the quiet realm of academic research and teaching. They frequently perform their quite dissonant concert for all the public with the instruments of the mass media in such a way that their voice drowns out that of the Bishop-Evangelist. Despite all the indisputable efforts by bishops to proclaim the Word, theologians in many parts of the world have taken the place of the Bishop as Teacher. Although much good has also come to pass in this way, on the whole the result has to be seen predominantly as one of uncertainty and confusion: The contours of the faith are vanishing behind reflections which ought to be illuminating it.

In this context, I have to mention a particular development of this post-conciliar time which calls for our special

attention. We heard how the Second Vatican Council gave precedence to the bishop's mission of proclaiming the Word. If we would look now at the theological literature of the period after the Council on this question, we would discover surprisingly that this statement has remained practically without commentary. What we find instead in the literature are explanations which attempt to reduce the Episcopate to a kind of spiritual administration. . . . All these theses have not remained in the academic realm; rather they have been transformed into a kind of pressure which is exerted upon the bishop: It would be his task to avoid polarizations, to appear as a Moderator acting within the plurality of existing opinions, but he himself is not to become "partisan" in any substantive way. Now this is always correct, if the question is just one of scholarly differences. But it is wrong, if what comes into issue is the faith itself. For the faith, entry into the Church does not constitute a "partisan act."

Actually, we have to confess that bishops have submitted in large measure to this scheme of things and have little exercised their teaching authority in opposition to theologians. . . .

This is where we encounter the background of our modern culture, the issue of the proper relationship between this culture and the Gospel. Modern culture tells us first of all that it is not possible to distinguish clearly between faith and theology and, even if it should be possible, it can only be the specialist in any case, the theologian not the Shepherd, who is competent. . . .

Our modern world makes a distinction between two spheres of life, that of action and that of reflection. In the sphere of action, a person needs something like Authority which is functionally based and which becomes active within the framework of its area of operation. In the sphere of reflection, there can be no authority. . . . However, if these notions hold sway, this means that the Church, while surely able to dispense pious advice, will not be able to bear witness to the truth in a way that is binding and thereby to call people to a commitment.

In the hierarchy of values of today's world, the free rights of the individual and those accorded to the mass media take highest place, while the objective, moral values, about which there is no agreement anyway, are banished to the realm of the individual where they merit no public defense from the Community. There is, to put it bluntly, a right to act immorally, but morality itself has no rights. In contrast to the one-sidedness of former epochs, this can have its advantage. On the other hand, the commission of witnessing to the truth of the Gospel brings one also to suffering for it.

But this is at the same time the very positive conclusion toward which our deliberations have been leading: It is the hallmark of truth to be worth suffering for. In the deepest sense of the word, the Evangelist must also be a martyr. If he is unwilling to do so, he should not lay his hand to the plow. . . .

Cardinal O'Connor: the Church in America

John Cardinal O'Connor is a traditionalist Catholic considered to be one of the Pope and Cardinal Ratzinger's key allies in the United States. He was consecrated a bishop in 1979, and was one of the five members of the drafting committee of the American bishops' 1983 pastoral, "The Challenge of Peace: God's Promise and Our Response," in which he toned down the more extreme anti-defense views of the other drafters.

Pope John Paul II appointed him bishop of Scranton in May 1983, and then head of the New York Archdiocese a year later. O'Connor was subsequently named to the College of Cardinals. As New York's archbishop, O'Connor has wrangled with the pro-abortion and pro-euthanasia lobbies. In 1984, he refused to sign a New York City mayoral order banning discrimination in employment or hiring based on "sexual orientation or affectional preference," arguing that this would mean condoning homosexuality. O'Connor has been instrumental in defending the Pope's attempt to crack down on the more egregious examples of the American heresy, e.g., siding with the Vatican in the case of dissident theologian Charles Curran.

The speech excerpted here was given by Cardinal O'Connor to the meeting of the American Archbishops at the Vatican on March 8. Footnotes have been omitted.

. . . Let me make clear that the bishops of the United States have been first and foremost articulate and courageous teachers of the faith for the two centuries of our existence. . . . But there are serious impediments to the teaching *effectiveness* of American bishops. Some impediments, I suspect, are common to the world at large. Others that we tend to see as peculiarly American are also fairly common elsewhere. Still others are unique to the United States.

Universal impediments to episcopal teaching

Two impediments to effective episcopal teaching which I suspect are relatively common to the episcopacy throughout the world relate, respectively, to Vatican II and *Humanae Vitae*, though caused by neither.

First, Vatican II. While there was a reasonable amount

of preparation by various commissions *prior* to the deliberations of Vatican II, there was virtually no *post*-Vatican II preparation of the Church at large to receive, understand, and rationally implement the conciliar documents. We are still trying to recover from the chaos of misunderstanding and deliberate distortions. A tremendous number of *American Catholics*, at least, learned all they thought they had to know about the Council from the mysterious and ubiquitous Xavier Rynn of the *New Yorker* magazine. This is terribly serious. We still have millions of Catholics, and not a few priests and religious, who talk esoterically about the "spirit" of Vatican II—accusing many bishops of resisting that spirit—when they themselves have never read a single Council document. I had to spend four years in New York in preparation for a Synod in getting people to study the conciliar documents. Because of this gross ignorance, many people, equating abstinence from fish on Friday with the validity of the Holy Trinity, gave up the latter—and much other Church teaching—when they learned they were no longer bound by the former. . . .

The second major impediment to episcopal teaching throughout the world, I believe, developed out of the manner of preparing for, the extensive delay in the promulgation of, and the variety of interpretations given to *Humanae Vitae*. I believe that circumstances surrounding the publication of *Humanae Vitae* seriously eroded the credibility of Church teaching. I am not for a moment questioning the validity of *Humanae Vitae*. I am saying that when Catholics learned—and it took them no time at all—that they could shop around among confessors for opinions on birth control, they soon decided that they really didn't have to confess the matter at all. In my judgment we have not yet recovered from this confusion. One gets a sense that a kind of moral free enterprise system took over at some point. The "moral market" has been allowed to float. . . .

'American' impediments to episcopal teaching

A. Commonly recognized problems (not unique to America)

Bishops must teach largely through others: priests, religious, deacons, lay persons. While it is unfortunate that not all of our priests preach effectively, this problem is reasonably correctable. Harder to correct, however, is the loss of teaching religious and the theological or ecclesiological confusion demonstrated by some—by no means all—who still do teach. Teachers committed to radical feminism, for example, whether priests, religious or lay, are quite capable of distorting doctrine. At the same time, it must be admitted that sexism is a reality. It provides grist for the mill of radical feminism, and threatens the credibility of bishops who try to teach about justice—as does serious underpayment of lay persons, men and women, who work for the Church. Most troublesome of all "isms," however, is racism, which makes

a mockery of episcopal teaching about the sacredness of every human person. That it still plagues the Church is tragically obvious.

The media and the movies are often horrifying perverters of family values and constitute very grave obstacles to episcopal teaching. A view that Catholicism has canonized capitalism is a severe obstacle to teaching social and economic justice in some quarters. (Some Catholics have learned too well Max Weber's *The Protestant Ethic and the Spirit of Capitalism*.) Both "rightist" and "leftist" newspapers and journals that call themselves Catholic, but constantly attack bishops, individually and collectively, are surely an impediment to the teaching ministry. In a world of constant flux, it is difficult for bishops to be heard when they teach that the Church still exists primarily to help people reach an eternal goal. . . .

A certain number of bishops at some point during the past 20 years or so have seemed to lose confidence, first in themselves as persons, then in their magisterial authority, perhaps in the face of some hard-hitting theologians, perhaps out of fear of the press. (*Mirabile dictu!*) At times the bishop convinces himself that peace is the highest good. Sometimes, if I may say so respectfully, a bishop may not want to enter battle over authoritative church teaching called into doubt by dissenting theologians, pastors, religious, lay persons or the secular or religious press because he fears that neither the National Conference of Catholic Bishops nor Rome will support him. He may consider twisting slowly in the wind to be highly unepiscopal and inordinately uncomfortable. . . .

Next, we are developing in our country with frightening speed a consistent ethic of death, with some 20 million abortions since 1973, and euthanasia under a variety of euphemistic terms becoming acceptable to the point that laws authorizing outright suicide may be just around the corner.

Finally, within this category of "commonly recognized problems" (and this could require a paper of its own), we are still recovering from Vietnam. In a letter of April 23, 1866, Karl Marx wrote to Fredrick Engels: "After the Civil War phase the United States are really only now entering the revolutionary phase. . . ." Nothing since the Civil War has so torn our country and induced revolution as our involvement in Vietnam. With millions of young people, every form of the "establishment" lost credibility: government, business, education, the family, the Church. In the general climate of disenchantment, traditional values were rejected as having been responsible for the war. "Free love" became widespread, as did drugs. Authority—all authority—became suspect, then rejected by many. I suspect that only an American can appreciate fully the impact of this war on the teaching mission and credibility of U.S. bishops.

B. Underlying problems less commonly recognized (unique to America)

. . . My purpose is exceedingly practical. I believe that

both the Holy See and the bishops of the United States can better appreciate why it is difficult to teach the faith in all its purity in the United States, if both understand especially the three intertwined cultural forces set forth below, however simplistically because of the press of time. These cultural forces are: one, the moral philosophies that are at the heart of the American Experience; two, group dynamics and process; three, pluralism.

I. Moral philosophies and the American experience

Bishops in the United States have always had to teach within a cultural context of four different moral philosophies, three of them uncongenial to Church teaching, namely, Pragmatism, Utilitarianism, Social Evolutionism. The fourth, Natural Moral Law, is of course quite congenial to Church teaching.

However many of the Founding Fathers were deists or pure rationalists, they were grounded in Natural Moral Law, even though modified for them by John Locke. They grasped its premises and used them to shape the Declaration of Independence and at least the Bill of Rights of the Constitution. Catholicism is preeminently attuned to the basic principles of the American Republic as articulated by the Founding Fathers in large measure because of Catholicism's affinity with *Natural Moral Law*. I suggest that Catholic moral teaching has been accepted or rejected in our country in almost direct proportion to the acceptance or rejection of Natural Moral Law in the formulation of public policy. Debates over critical moral issues have inevitably reflected this: Slavery, racism, abortion, euthanasia, homosexuality, and war are illustrative.

Justice Oliver Wendell Holmes, Jr., was the most famous Supreme Court Justice our country has ever known, the justice most commonly cited in law schools ever since his day, and the author of the classic text, *The Common Law*. Justice Holmes explicitly rejected all appeal to Natural Moral Law in interpreting the Constitution. In its place, he substituted the philosophy of *Pragmatism*: the good is whatever works, or is expedient. Moral relativism entered jurisprudence and American life by way of Pragmatism, which is unconditionally hostile to all moral absolutes. I suggest that, simultaneously, the law has become the primary teacher in America. Whatever is legal is assumed to be morally good. Abortion and homosexuality, for example, are legal, hence assumed to be moral. The horrifying rise in court-assisted "euthanasia" I believe to be ultimately traceable to Justice Holmes and to his medical doctor father.

Jeremy Bentham's *Utilitarianism* took American form by way of the "Greatest Happiness of the Greatest Number," a rationale which takes advantage of a political philosophy that the majority rules. It is an easy step to the concept that majority rule determines what is morally good for everyone.

Again the thrust is to reject moral absolutes or teaching about intrinsic good and evil. Doctrine becomes irrelevant.

Not the philosophical founder, but certainly the most powerful proponent of *Social Darwinism* or *Social Evolutionism* was President Theodore Roosevelt, with his hearty but destructive emphasis on “rugged individualism.” The “survival of the fittest” became the canon of all social morality. I suggest that whenever America has been imperialistic, as in its early 20th-century attitude toward Filipinos, or carried away by its self-perceived “manifest destiny,” the philosophy of Social Evolution has been the driving and destructive force. No American philosophy has been more antagonistic to the Social Gospel taught by American bishops. Worse, none has been more antagonistic to the belief that all men are created equal, or to our belief in the worth, the dignity, the sacredness of every human person as made in the Image of God. Much of today’s homelessness, bad housing, inadequate concern for the poor of the world, and especially a subtle contempt for the Third World, is rooted in this moral philosophy. [Pope John Paul II’s] *Redemptor Hominis*, with its emphasis on man as “the way,” wouldn’t stand a chance under rugged individualism and the survival of the fittest, even if Andrew Carnegie built a financial empire on the backs of the unrugged and the unsurvivable. Frederick Nietzsche’s *Übermensch*, on the contrary, would fit in very well.

II. Group dynamics and process

The Vienna Circle, particularly Wittgenstein and Schlick, reached out to America by way of the Cambridge School of Analysis. *Logical Positivism* did not have to attack metaphysics. It simply treated metaphysical propositions as meaningless. Only the observable, the measurable, became important. American psychology became, through John Watson, the mere study of observable—therefore external—behavior. John Dewey turned the psychology of *Behaviorism* into an educational philosophy of *Instrumentalism* which, in large part, by way of Columbia Teachers College, in New York came to influence hundreds of thousands of teachers across America, including religious, and a very great number of educational institutions throughout the United States. In essence, learning was to be measured by change in external behavior; the purpose of teaching was to effect such change.

In the meanwhile, the form of Julien La Mettrie’s *L’Homme Machine* was at work in Norbert Wiener’s research in *Cybernetics*, or feedback mechanisms, and another physicist, Kurt Lewin, was busily developing *Group Dynamics*, the social application of such exotic mathematical concepts as topology and homology. Relationships between peoples were determined by vectors and valences. In time, Lewin’s disciples were devising theories about *life-space*. Bethel, Maine became the summer teaching center for school teachers, again including religious, who wanted to learn about sociodrama. Encounter groups and sensitivity sessions del-

uded the country very soon thereafter, and America was caught up in *dialogue*, which was frequently unrelated to the exchange of information or the communication of truths. *Dialogue* was simply a *process* intended to achieve *consensus*. *Dialogue* was successful or unsuccessful only to the degree in which *consensus* occurred or failed to occur. Substance became irrelevant. The medium became the message.

I suggest that this entire development, rooted in the Vienna Circle, in which metaphysical propositions were considered meaningless, played a major role in the emergence of consensus theology, in which ontological truth plays little role. I suggest further that as seminaries stopped teaching philosophy, and particularly metaphysics, theology lost the language of substance and of absolutes. Theological speculation became a search for consensus, which in turn was found in *praxis*, the theological equivalent of *process*. Popular, observable behavior became the norm of truth. The formation of conscience became almost a lost art, as did the practice of confession for huge numbers, since the entire notion of *sin* became at best speculative. I suggest that an unnoticed result of group dynamics and process which has made episcopal teaching exceedingly difficult is a form of anti-intellectualism. The true and the good can be discerned only by *feeling*. It was understandable that many young people turned to Zen, while others turned to hard rock music, drugs, and free-for-all sex.

III. Pluralism

Every American bishop, including myself, would fight fiercely to preserve the American pluralistic political system, safeguarded in part by constitutional checks and balances and by a very strong commitment to the principle of “one person, one vote.” I do not know a single American bishop who would opt for a State Church. It has taken 200 years and some serious mistakes to get our system to work, and it’s still far from perfect. There can be no serious question, however, but that the Church has profited in countless ways.

Political pluralism has been undergoing changes, however, in a direction feared by some of the Founding Fathers, leaning toward the “tyranny of the minority.” Combined with the politically valid principle of “one person, one vote,” political pluralism, particularly in this deviant form of the tyranny of the minority, offers an alluring rationalization for a unique and pervasive form of theology of dissent. Magisterial teaching becomes no more authoritative than the opinion of any single individual, as my vote is as good as yours. The response to a magisterium that attempts to “impose” Church teaching is to organize into a vociferous minority, coopt the media and charge the magisterium—or even the Holy Father—with the most heinous of crimes in the American lexicon: discrimination. This has been one of the most powerful weapons in the arsenal of radical feminism, for example, used with equal zeal by some theologians who have

championed that cause. . . .

I believe I see a new phenomenon developing in the United States, which again, it would be mutually helpful for both Rome and the United States bishops to understand. Through innumerable court decisions that have made moral relativism the norm, the inordinate power of television and movies that glorify sex and violence, and are inimical to family values and cynical of all authority, a public educational system that has been almost totally secularized, and various other factors, our American culture has been changing dramatically in recent years. In response, I see the Church more and more becoming a counterculture, a voice crying in the wilderness. One need but examine recent documents of the National Conference of Catholic Bishops to discover this trend. In my judgment, it is a trend that must continue. The great preacher-teacher, Archbishop Fulton J. Sheen, said it very clearly: "What the world needs is a voice that is right, not when the world is right, but a voice that is right when the world is wrong."

Finally, I am not unaware that those who assigned me to prepare this paper really didn't ask me to append my personal advice, but I must run the risk. First, I believe it could help both Rome and U.S. bishops if we would declare a moratorium on the use of the terms "liberal" and "conservative." These are political terms, unworthy of bishops as teachers. Paul VI reminded us that orthodoxy is the Church's main concern, and the pastoral office is her most important, divinely willed mission. Orthodoxy is neither liberal nor conservative, right wing or left wing. Orthodoxy is orthodoxy, and we're all committed to it, lock, stock and barrel, however differently we may express ourselves as individuals.

Second, I would suggest that while every bishop must teach with unambiguous clarity and courage—the courage of an Ignatius in the jaws of the lions—we must keep both our balance and our sense of humor. Nietzsche said, "The world no longer believes because believers no longer sing." St. Augustine gave us the song: "You are an Easter people, and your song is Alleluia!" Pope John XXIII warned us not to be prophets of doom. God is not finished with us yet. The resurrection is not yet complete, the Body of Christ not yet fully built up.

Third, there is an awful lot of good in our American culture, and we bishops have learned from America even while teaching it. . . . If thus far we bishops may seem to have accommodated too comfortably to the moral relativism that characterizes much of American life, give us time. We have lots of water in our country, and we'll baptize our culture yet. Some of us may not be outstanding theologians, but when the chips are down, as we say in America, we know who we are. We subscribe completely to Vatican II's *Verbum Dei*, that our preaching is ". . . the preaching of those who have received through episcopal succession the sure gift of truth."

Pope John Paul II: Our criterion must be truth

The following passage is excerpted from the closing address of Pope John Paul II to the Archbishops of the United States, at the end of their March 8-11 meeting at the Vatican.

At this point we return to the difficulty which has surfaced time and time again in our discussions, *the task of handing on the truths of the faith* in a cultural context which questions the integrity and often the very existence of truth. Much of what has been discussed reflects this fundamental challenge to the contemporary Church as she seeks to evangelize. You have pointed to the many ways in which the various agents of evangelization might be helped to proclaim the truths of Scripture and Tradition more effectively. I encourage you to give these suggestions serious consideration.

It is essential that the agents, and in the first place we the pastors, speak the true message, "the gospel of God which he promised beforehand through his prophets in the holy scriptures, the gospel concerning his Son . . . through whom we have received grace and apostleship to bring about the obedience of faith for the sake of his name among all the nations" (Romans 1:1-5). We are guardians of something given, and given to the Church universal; something which is not the result of reflection, however competent, on cultural and social questions of the day, and is not merely the best path among many, but the one and only path to salvation: "there is no other name under heaven given among men by which we must be saved" (Acts 4:12). The People of God and those near and far must *hear the name*. We are all—you and I—bound to make an examination of conscience about how we are fulfilling the task, "lest the cross of Christ be emptied of its power" (1 Corinthians 1:17). The true measure of our success will consist in *greater holiness, more loving service of those in need, and the advancement of truth and justice in every sphere of the life of your people and your country*. As one of our brothers so rightly said: "Success cannot be the criterion or the condition of evangelization. The criterion and condition of evangelization must be fidelity to the mission."

Lebanese Christians appeal to end Syrian occupation

by Middle East Insider

Over the last ten days of March, the Syrian expeditionary forces in Lebanon under the command of General Kanaan and Gen. Ali Hamoud have covered Christian East Beirut with a deluge of artillery fire. Direct reports from Beirut indicate that on average over 5,000 shells are falling per day on East Beirut shot from Syrian Army artillery positions on the mountain heights surrounding Beirut and the airport area controlled by Syrian forces. Contrary to the propaganda being circulated by the Syrian intelligence services, the pro-Syrian Amal, Druze, and Baath Party militias have withdrawn from the immediate combat areas, which have been entirely taken over by Syrian Army Special Forces. According to Lebanese Army sources, the total number of Syrian troops involved or ready to be deployed in the war at this time nears 20,000 men. Total Syrian forces number over 25,000.

Though the firepower of the Lebanese Army, the legal Army of Lebanon, does not match that of the Soviet-supplied and -trained Syrian forces, the defense of East Beirut has been strong and Christian lines are stable. Hundreds of civilians, however, have been killed or wounded in less than a week, and electricity plants, petroleum refineries, and energy grids have been targeted by Syrian artillery forces. For the moment Syria's military aim seems to be to cripple the overall defense capability of the Christian government and its army through the destruction of its vital economic infrastructure, the interdiction of its ports, and the terrorization of the population, parts of which have been forced to flee. Yet it cannot be excluded that, facing stiff resistance, the Syrian forces will be ordered by Damascus into an overall offensive whose cost in human lives would be enormous: The war is ongoing among regular forces in a small urban area of extremely high population density.

Syria's military offensive was in preparation for over one month against the government of Prime Minister Michel

Aoun, the regular Lebanese Army and the Lebanese Christian Militia Forces of Samir Geaga. The reasons for this are simple: the appointment of General Aoun as prime minister in October by President Amin Gemayel, whose mandate was coming to an end, was a setback to Syria's decade-long strategy in Lebanon. Following the assassination of President Beshir Gemayel in 1982 by Syrian intelligence, the Assad regime had hoped that the permanent intercommunal strife it had helped to provoke in Lebanon would lead the exhausted Lebanese and a world community tired of Lebanon's unending civil war, to grant them overlordship over the country, fulfilling Assad's idea for the creation of a "Greater Syria."

The Assad regime never recognized Lebanese sovereignty as a result of this doctrine. Yet Lebanon was, and to some extent remains, a unique nation in the Arab Orient which, until the civil war in 1975, was one of the few prosperous and stable, ethnically and religiously mixed nations in the Orient. Aoun's appointment merely added to the setbacks of the Syrian regime since the end of the Iran-Iraq war, notably a rapidly deteriorating economic situation and significant isolation in the Arab world. The Syrians thus had some of their Lebanese allies contest Aoun's appointment, leading to the nomination of a Muslim prime minister, Selim el Hoss. This led to a stalemate and over the past months an intensification of terrorism against civilians in East Beirut. The Syrian offensive was being planned. In response, Aoun, a Lebanese nationalist, recently challenged Syrian hegemony in Lebanon by calling for a "national liberation war against Syria," and he has the support of all Christian factions in spite of very real rivalries subsisting in the Christian camp. Full-scale war has now broken out.

On March 29 the commander of the elite 8th Brigade of the Lebanese Army, in a statement delivered to the weekly *Middle East Insider*, called on the international community

to act to restore Lebanese sovereignty: "Since 1976 [first Syrian intervention in Lebanon mandated by the Arab League], the Syrians have tried to fool the entire world on their real intentions . . . they have tried in particular to make the free world believe that the war in Lebanon is a war between Christians and Muslims, that their presence was to secure peace and protect the Christians of Lebanon. . . . In 1987, to push through the implementation of their plan, the Syrians deployed elite troops, their special forces, in the Lebanese capital, claiming yet again that their aim was to restore order, to free the American and Western hostages from the hands of the fundamentalists, to end international terrorism originating in Lebanon, and to put a stop to the narcotics contraband. . . . But in reality for more than ten years now the Syrian Army has been acting as an occupation army. The hostages are used as a means of blackmail. International terrorism is still exported from Lebanon under their patronage: Abu Nidal, Ahmed Jibril, and the Hezbollah; the narcotics traffic is sponsored by the Syrians. Poppy is cultivated in the Bekaa valley under Syrian control, heroin is synthesized in laboratories in areas under their control and is exported through various illegal ports which they dominate. . . . It is very important that the free world become conscious of these truths which have long been camouflaged by disinformation published in the media. . . . It is disgusting that world public opinion is mobilized in a universal outcry against the hunt of baby seals and whale hunting, yet accepts the hunt of the Lebanese people by the Syrian Army. . . . I present the Lebanese problem to world public opinion and the world's conscience so that the truth can be said . . . and so that world opinion act to end the occupation of Lebanese soil by Syrian troops."

Though the United States, France, and the Vatican have all recently reaffirmed their support for Lebanese sovereignty, a March 20 statement by newly confirmed Deputy Secretary of State Lawrence Eagleburger reveals quite another policy: "If Syrian troops withdrew from Lebanon the situation would be worse, not better." Eagleburger's statement undoubtedly reflects not only the State Department's years-long policy toward Syria, but more specifically, the policies set down by Secretary of State Henry Kissinger in 1975. In his memoirs, Kissinger reflects the Syrian tilt of U.S. policy at that time when describing President Assad as a "political genius" and the Metternich of the Mideast. At the outbreak of the civil war then-U.S. Ambassador to Beirut Brown suggested to the Christians that Christian presence in the Islamic Arab world was a historical aberration. In one of the most unbelievable contemporary gestures of U.S. diplomacy, Washington then suggested that 500,000 Green Cards would be given to Lebanese Christians willing to leave their homeland of many centuries for Canada, the United States, and other parts of the world.

The outbreak of war in Lebanon in late March will test whether, as Colonel Kallas demands, the international community acts to save Lebanese sovereignty.

Soviet-Iran terror pact casts its net

by Jeffrey Steinberg

On March 29, the Saudi imam of Brussels, Belgium, Abdullah Al Ahdal, and his Tunisian deputy, Imam Salim Bahri, were both assassinated at their mosque in Brussels. The killings were immediately linked by Belgian police officials to a recent interview given by Bahri, in which he took a "moderate" stand in opposition to Ayatollah Khomeini's death sentence against *The Satanic Verses* author Salman Rushdie. This marks the first publicly reported instance of an assassination linked to the Khomeini call for Rushdie's execution.

Behind this incident, as well as a number of other terrorist acts—including four bombings in the United States since mid-February—stands an alliance between an ever more radicalized Khomeini-centered Islamic fundamentalist movement and Soviet bloc intelligence services. The alliance is a revival of the Communist-Islamic fundamentalist pact which emerged at the Baku Conference on the "revolutionary peoples of the East" in 1921.

That alliance was publicly celebrated during Soviet Foreign Minister Eduard Shevardnadze's trip to Teheran in February, in which he embraced the Islamic revolution at exactly the point that Western governments across the board were denouncing Khomeini for his call to arms against Rushdie. Due to the rampant "Gorbymania" among Western politicians and news media, there has been an appalling silence to date on the fact of the newly hardened Soviet-Iranian terror pact. In fact, evidence of the alliance, and the identification of at least one key player in it, is known to Western intelligence services, whose silence seems to indicate a deep level of commitment to the superpower New Yalta balance-of-power game—even at the cost of a new wave of Soviet-sponsored terrorism.

The key role of Mohtashemi

Arab sources have identified Iran's Interior Minister Ali Akbar Mohtashemi as a pivotal figure in the terror upsurge that began on Dec. 21, 1988, with the bombing of Pan American Flight 103 over Lockerbie, Scotland, killing 270 people. A long-time crony of Khomeini, Mohtashemi is known to be the member of Iran's inner council with the deepest ties to Soviet intelligence. From 1980-83, Mohtashemi was Iran's ambassador in Damascus, during which time he arranged for the training of Pasdaran (Revolutionary Guards) terrorists in

East bloc-run camps in Syria and in the Bekaa Valley of Lebanon. Following Israel's 1982 invasion of Lebanon, Mohtashemi oversaw the founding of Hezbollah and Jihad, the two groups responsible for the majority of kidnappings in Lebanon over the past seven years.

Throughout this period, Mohtashemi served as the liaison between the Iranian regime and such leading Syrian and Soviet-backed terrorists as Dr. George Habash and Nawaf Hawatmeh. After escaping an attempt on his own life in 1983, Mohtashemi returned to Teheran where he was named interior minister two years later.

According to reports in both American and British newspapers, the bombing of Pan Am 103 was contracted by Mohtashemi in retaliation for the accidental American shooting down of an Iranian civilian airliner over the Persian Gulf last July 3. In February, the captain of the *U.S.S. Vincennes*, the U.S. naval vessel that was responsible for that incident, was the target of a pipe bomb attack in San Diego. Captain Will Rogers's wife narrowly escaped when a pipe bomb blew up her van as she was driving near the U.S. naval base.

Reportedly, in the past year, increased Western security attention to Iranian activists and known Pasdaran operatives has undermined Iran's ability to deploy its own international terror army. Mohtashemi subcontracted Soviet-Syrian asset Ahmed Jibril's Popular Front for the Liberation of Palestine-General Command (PFLP-GC) to carry out the Pan Am bombing, for a reported \$10 million payment.

Mohtashemi's itinerary during the mid-February period of Khomeini's death sentence against Rushdie, according to Arab sources, suggests that he was the architect of Khomeini's action. On Feb. 9-10, Mohtashemi was in Pakistan negotiating an "anti-drug" pact with the new Bhutto government. Two days later, anti-American riots broke out in Karachi in protest over the Rushdie book. On Feb. 14, Mohtashemi reportedly personally briefed Khomeini on the anti-Muslim passages of the Rushdie book, prompting the death sentence against Rushdie—six months after the book had been released.

A variety of intelligence sources have told *EIR* that Mohtashemi's faction inside Iran is notorious for being penetrated by KGB agents. They say that he has been in a factional brawl with nominally "pro-Western pragmatists" in the Khomeini government, who had been negotiating with British and American intermediaries at the time the Rushdie affair broke, over freeing the remaining hostages in exchange for Western economic aid.

With the recent resignation of Ayatollah Montazeri, one of the principal so-called moderates around Khomeini, Iran is at least temporarily on a radicalized path—with a new-found intimate relationship to the Gorbachov gang in Moscow. All told, it makes for a dangerous new climate, ripe for international terrorism. This is especially the case if Western blinders to the increasingly sophisticated Soviet playing of the terror-at-a-distance continue to remain in place.

Defend Iceland from green terrorism

by Poul Rasmussen

The international green terror organization, Greenpeace, has declared war on the nation of Iceland, a member country of the Atlantic Alliance. In recent months, Greenpeace has been responsible for an international campaign to boycott all Icelandic fish exports, with the open aim of destroying the entire economy of the nation.

So far, Greenpeace has succeeded in threatening and pressuring restaurants and supermarkets in the United States and Germany into stopping purchases of Icelandic fish. If this campaign is allowed to continue, it will actually break the back of Iceland's economy. The export of fish products represents 76% of Icelandic exports, and a full 45% of the GNP.

NATO's northern flank at risk

The official reason for the Greenpeace campaign against Iceland is a total hoax. In a typically manipulative campaign, Greenpeace is ostensibly protesting against the Icelanders hunting of whales. There is no reason for that, since Iceland is carefully following all international regulations on whale hunting. When the International Whaling Commission in 1982, under pressure from environmentalist groups, decided to declare a four-year moratorium on all whale hunting from 1986 to 1990, Iceland accepted their decision. The whaling commission granted Iceland a yearly catch of 80 fin, 40 sei, and 80 minke whales for scientific purposes. This is what Iceland catches, nothing more.

The real reason for the Greenpeace campaign has nothing to do with whales. Given the open anti-NATO attitude of Greenpeace, it is hardly an accident that the Greenpeace campaign coincides with the Soviet propaganda proposals for a "denuclearization of the seas," which is aimed at kicking NATO out of the North Atlantic.

Situated strategically in the so-called GIUK Gap (the waters between Greenland, Iceland, and the United Kingdom), Iceland plays an important role in the defense of Western Europe. In case of war, U.S. reinforcement of Europe is only possible if the GIUK Gap can remain closed to Soviet naval activity. In recent years, Soviet naval activities in the waters around Iceland have increased significantly, and Iceland has responded by demonstrably increasing its participation in NATO activities. Now, they are hit by economic warfare.



Reynald Rouleau

Greenpeaceniks picket a Burger King franchise in Washington, D.C. The pretext of saving whales is a total hoax, since Iceland has fully complied with whaling limits.

If people are forced to move away because the main economic activity is crushed, it will be very hard to maintain military installations in the region—a fact of which the government of Norway, which has fostered programs to protect the fishing industry in its own militarily crucial northern region, is keenly aware.

Iceland fights back

Surviving in the harsh climate of the high north is not an easy matter, and the Icelanders are used to fighting. They are fighting back against the Greenpeace campaign. On Danish television, March 16, the Icelandic foreign minister, Jon Baldvin Hanibalsson, compared the Greenpeace campaign to “the Nazi campaign against Jewish shops in the 1930s.”

The Icelandic journalist, Magnus Gudmundsson, has produced a television program called “Survival in the High North,” which gives a graphic description of the devastating effects on the lives of the peoples of Greenland, Iceland, and the Faroe Islands resulting from the Greenpeace campaigns against seal and whale hunting. Gudmundsson also documents how Greenpeace uses fraudulent films, including staged “seal huntings,” to promote their ugly campaign.

Gudmundsson’s television program has already been broadcast on both Icelandic and Danish television, causing considerable uproar against the Goebbels methods of Greenpeace. Greenpeace has reacted in a manner that reminds one of the Ayatollah Khomeini in his outrage against Salman

Rushdie over *The Satanic Verses* book. In full-page ads in the British press, Greenpeace has called for a total boycott of Iceland, and in an official message to Iceland, transmitted through Icelandic TV, Greenpeace promised to “punish Iceland for the actions of Gudmundsson.” Gudmundsson himself, says Greenpeace, “will pay dearly for his lies.”

It is clear that the people of the free nations of the Western alliance must come to the defense of this small country. We cannot accept that an organization like Greenpeace, with multiple Soviet ties, can run a campaign to destroy a sovereign nation, let alone a sovereign nation that is an important member of the NATO alliance. With 3 million (many unwitting) members worldwide, Greenpeace, one could say, has a greater “population” than Iceland, with only 250,000 inhabitants.

But Iceland is a proud nation. The country was colonized by Norse sailors in the year 874, and in A.D. 930, they formed the first republic with a parliamentary democracy in the world. We cannot allow green fanatics to destroy this nation, and to destabilize the Western alliance.

In West Germany, the Tengelmann and ALDI supermarkets have bowed to the terror campaign of Greenpeace, and taken Icelandic fish off the shelves. In the United States, the Red Lobster restaurant chain and the Long John Silver and Burger King fast food chains are playing a similar cowardly role by refusing to serve Icelandic fish. This must be reversed.

Uprising in Kosovo leaves 150 dead

by Konstantin George

For the first time in 30 years, there is a state of armed insurrection in Europe, as Albanian separatists in Yugoslavia's Kosovo region clashed with the Yugoslav police and armed forces. Kosovo, with its 85% Albanian majority, borders on Albania. By March 30, over 150 persons had been killed there and at least 1,000 wounded, with clashes raging between armed Albanian insurgents and Yugoslav Army units, police, and security forces.

The escalation of the Kosovo crisis began with Albanian riots on March 23, after the Kosovo Parliament succumbed to pressure from Serbia—the most powerful of Yugoslavia's constituent republics, which dominates the armed forces, in particular—and voted to end Kosovo's post-1974 status as an autonomous region of the Serbian Republic. The launching of the armed insurrection was timed with the March 28 signing ceremony in the Yugoslav capital of Belgrade, certifying the reimposition of direct Serbian rule over the province. While strict censorship has been imposed on casualty figures, the Yugoslav media made no attempt to conceal the fact that a shooting war is raging in the region.

The Kosovo battlefield

On March 29, all the leading Yugoslav press carried a statement by the Federal Interior Ministry announcing that Kosovo "has reached the dimensions of an armed uprising." The statement continued: "The enemy forces in Kosovo have announced a further escalation of the conflict, including an armed uprising of the Albanian majority. . . . Enemy forces are connected to the Albanian emigration who have threatened terrorist attacks against Yugoslav facilities abroad."

The federal newspaper of the Yugoslav League of Communists, *Borba*, on March 29, carried a headline: "Streets Like a Battlefield," with battles "as in wartime" raging in the streets of Kosovo's major towns, the capital of Pristina and the towns of Urosevac, Prizren, and Pec. *Borba* reported, "Armed terrorists . . . firing from rooftops, balconies, and windows," were shooting, "some with rifles with telescopic sights," at police, the Army, and security forces. Gangs of Albanians "tried to storm police stations," while other groups "set fire to cars, buses, and railway cars." From the coverage in *Borba* it is clear that some of the Albanian insurgents have procured automatic rifles. One case was cited where "armed terrorists" fired automatic rifles at two Yugoslav Army helicopters, hitting them, "though they were able to land safely" at Pristina Airport.

The Interior Ministry announcement also disclosed that beginning on the night of March 28, some 10-15,000 additional troops and security forces drawn from all six republics and the autonomous Vojvodina region were sent into Kosovo, bringing the total of Army, police, and paramilitary security forces to 50-60,000.

Albania endorses the uprising

On March 29, Albania's official Communist Party newspaper, *Zeri i Popullit*, editorialized in support of the Kosovo uprising. Titled "The Tragedy of Kosovo—The Shame of Yugoslavia," the editorial called the events in Kosovo the "Albanian *Intifada*," referring to the Palestinian uprising on the West Bank and the Gaza strip. The editorial further compared the Kosovo uprising to the "struggle by black Africans" against South Africa.

The Albanian media, especially during the weeks leading up to the revolt in Kosovo, had been denouncing not simply Serbia, but Yugoslavia as a whole for "oppression of the Kosovo Albanians." With the March 29 editorial, Albania endorsed the separation of Kosovo from Yugoslavia and the formation of an Albanian state. For the first time, the term "Kosovo Albanian" has been dropped, and replaced by the term "Albanian": "No law now protects the Albanians. They are in the grip of the tanks."

By March 30, the Yugoslav federal leadership struck back, publicly accusing Albania and unnamed "foreign intelligence agencies" of being behind the uprising.

Meanwhile Moscow, beginning with the late February general strike of Kosovo Albanians, has come out in full support of Serbia's bid to eliminate Kosovo's autonomy. Throughout March, Soviet media have been filled with denunciations of "Albanian nationalism and separatism."

In Western Europe, a campaign was launched at a press conference in Brussels on March 30, by the radical ecologist movement and its offshoot, the West German-based Society for Endangered Peoples, demanding a European Community boycott of Yugoslavia, "in solidarity with the Kosovo Albanians." This campaign, coming on top of years of Western creditor wrecking of the Yugoslav economy will, together with the war raging in Kosovo, create the conditions for a Soviet adventure in the region, possibly including the formation of a Russian-Serbian pact and a Soviet military incursion to "restore order."

An intelligent Western leadership could prevent such an outcome by terminating the International Monetary Fund's austerity program for Yugoslavia and launching a true development policy for the country. Under normal circumstances, the Serbs—whose mortal enemy is Bulgaria, Moscow's staunchest Balkan puppet—would not rush into a pact with the Soviet Union. Presently, however, the laws of classical tragedy are governing, and Moscow is waiting for its opportunity to pose as a champion of Serbia and open a Russian corridor to the Adriatic.

Ogarkov remains in strategic command

by Konstantin George

Moscow has confirmed that 71-year-old Marshal Nikolai Ogarkov, the key figure in the Soviet High Command over the past 12 years, was never "retired" and remains commander-in-chief of the wartime High Command West.

The source is the February edition of the new Soviet monthly *Izvestia of the Central Committee*, which, in publishing the biographies of all full members of the Soviet Central Committee, cited Marshal Ogarkov as commander-in-chief of the "Western Strategic Direction." This is the Soviet designation for the wartime command responsible for all military operations against the United States and NATO, at any level of conflict, ranging from global war to "limited" military operations.

Under the jurisdiction of Ogarkov's Western High Command fall the various Western "Theaters of War," known as TVD from the Russian initials. These include the Western TVD, the Southwest TVD, and a Northwest TVD.

The facts on Ogarkov's current functions cited in *Izvestia of the Central Committee*, confirm the evaluation of *EIR* founder Lyndon LaRouche that Ogarkov is the key military mind behind the Soviets' current war plan, and remains the key figure in the High Command. The same facts discredit the opponents of LaRouche, who have repeatedly spread the piece of disinformation that Moscow is moving away from aggressive military plans, and have cited a supposed "retirement" or "demotion" of Ogarkov to prove their case.

Facts covered up

This hard information concerning Ogarkov has been in the hands of Western intelligence agencies since at least mid-March, while copies of the February edition of *Izvestia of the Central Committee* exist, for example, at intelligence-related think tanks such as the Rand Corporation. Yet, not one mention of these facts has yet to appear in any Western media outlet.

The Western disinformation campaign concerning Ogarkov's functions reached massive proportions in September 1988, when his "retirement" was proclaimed. Alone among Western publications, *EIR* had at that time stated the actual

updated facts concerning Ogarkov.

1) Ogarkov had only turned over the lowest of his multiple command functions to a replacement. The position involved was that of commander-in-chief of the Western TVD, which was assumed around Sept. 1 by General of the Army Stanislav Postnikov. *EIR* emphasized that Ogarkov remained commander-in-chief of the Western High Command and remained, in terms of protocol, number-two on the National Defense Council.

2) The Western TVD change was part of a wave of critical high command changes, the most sweeping since the September 1984 creation of the wartime High Commands. *EIR* also stated that in the course of the next months, crucial facts proving this would surface. Exactly that has transpired.

Wartime High Command changes

The new biographies of Soviet Central Committee members in *Izvestia of the Central Committee* reveal command changes in the two Soviet wartime theaters which are prime areas for near-future military adventures: the Southwest TVD headquartered in Kiev, and High Command South headquartered in Baku. The reorganization was conducted at Marshal Ogarkov's direction, and occurred in the latter half of 1988. It featured the retirement of two Generals of the Army, both of whom are younger than Ogarkov: Ivan Gerasimov and Mikhail Zaitsev. Both are now listed in *Izvestia of the Central Committee* as having retired to join the non-active generals of the "group of inspectors" at the Soviet Defense Ministry.

General Gerasimov had been commander-in-chief of the Southwest TVD, responsible for military operations in the Balkans, while General Zaitsev was commander-in-chief of High Command South, the area facing the Iran-Persian Gulf Theater and Turkey.

While their replacements remain unknown, the main policy consideration, ensuring full war readiness, has been revealed through key district command changes, namely, that the last two commanders of Soviet forces in Afghanistan were named to South and Southwest district command posts. In May 1988, Gen. Lt. Igor Rodionov, the predecessor to Gen. Lt. Boris Gromov as commander in Afghanistan, was named commander of the Transcaucasus Military District. Following the Feb. 15 completion of the Soviet withdrawal from Afghanistan, the Soviet commander there, Gromov, was sent to command the Kiev Military District.

During 1988, under the pretext of national unrest in Armenia and Azerbaijan, Moscow conducted a huge buildup of its military forces, supplies, and military-related infrastructure in the Transcaucasus opposite Iran and Turkey. Now, using the outbreak of national unrest in the Soviet Republic of Moldavia, bordering on the Balkan nation of Romania, 1989 will soon witness a buildup of military forces in Moldavia and the Western half of the Ukraine. Under preparation is a military move into the Balkans later this year, as the Yugoslav crisis explodes.

Gorbachov elections a purging circus

by Konstantin George

The results of the March 26 "elections" to the new Soviet "Parliament" will provide the pretext for a large-scale purge of regional party figures. Much has been written in the Western press about what a "new" phenomenon these elections are. More to the point: These elections constitute a new method of continuing a very old Soviet tradition—purges of the party apparatus. In fact, the elections give the Soviet leadership and KGB the pretext for continuing, on a far broader scale, the purge of regional party leaders noticeable since September 1988, in the period leading up to the Sept. 30 Central Committee plenum. That plenum marked the consolidation of power by the "Andropov Kindergarten" in the Soviet leadership overall, and an increase in the political power of the KGB and its leading figures.

The upcoming purge was announced in a press conference given by Soviet Foreign Ministry spokesman Gennadi Gerasimov March 27. Gerasimov declared, "Party leaders must have not only the confidence of the party, but the confidence of the people," and decisions on whether the losers are to be removed from their party posts will be taken during the course of this spring by the city and regional party organizations.

The Soviet government newspaper, *Izvestia*, stated in a commentary March 29, "Each loser must now stop and think why he was voted down." Radio Moscow on the same day reported that besides the cases where party leaders had lost to an opponent, in over 160 electoral districts, no candidate had secured the 50% of the vote required to gain a seat. In these districts, to cite Radio Moscow, "New elections with new candidates will be held in two months."

Of the candidates who were CPSU members, about 20% were defeated. Big losers and thus leading candidates to be purged include: Yuri Solovyov, a candidate Politburo member who is head of the Leningrad regional party; Anatoli Gerasimov, head of the Leningrad city party; Yuri Prokofyev, number-two man in the Moscow city party; Konstantin Masik, head of the Kiev city party; the city party heads of the Belorussian capital of Minsk, the Kazakhstan capital of Alma Ata, the Moldavian capital of Kishinyov, five regional party heads in the Ukraine, and four regional party bosses in the Soviet Far East.

With these results, the process of wholesale elimination of regional party leaders will be continued. For example, in the period between Sept. 1 and Dec. 31, 1988, six party

leaders of regions in the Russian Republic and a total of 21 regional party leaders in the non-Russian republics were removed.

This has meant growth in the Central Committee category known as "Dead Souls," i.e., persons who remain on the Central Committee as full (voting) or candidate (non-voting) members, but who no longer hold a party function entitling them to such rank. By last summer, 70 of the 300 full members were "Dead Souls" and this figure should cross the 100 mark by summer.

The devastation in the Central Committee reflects a process under way since the summer of 1988: The party as an institution has been subjected to a process of creeping de-thronement, to the gain of the praetorian institutions of the Russian Empire, the KGB and internal security apparatus, the military, and a party leadership core closely tied to these institutions.

- Since August, the Central Committee Secretariat, which had functioned as the most powerful body after the Politburo, has ceased altogether holding regular weekly meetings. In short, it is defunct.

- Following the Sept. 30 plenum, more than half the 20 Central Committee departments have been abolished, and the personnel assigned to staff the CC apparatus reduced by some 40%.

- Since Gorbachov's hasty return to the Soviet Union from the United States in early December, the Politburo, which used to hold weekly meetings, has been meeting on an average of every three weeks.

- The latest Central Committee plenum, March 15-16, broke the rule in force since the founding of the Bolshevik state that only full members of the Central Committee may vote. At this plenum, all those invited, including candidate members who attend but never vote, the lower ranking Central Auditing Commission, and scores of attendees not on any of these bodies, all voted.

It is too early to tell whether this break with tradition, and the changing institutional power structures it embodies, will continue at future plenums. The next test is not far off: The next plenum is set for April.

The circus and the cry for bread

The election results were otherwise a barometer of high popular anger over the extreme shortages of food and consumer goods, especially in the non-Russian republics. In Armenia, nationalist calls for a boycott were a huge success. Less than 30% voted there. In the Ukraine, with 50 million people by far the most populous of the non-Russian republics, those who voted did so to protest intolerable living conditions. In the Ukrainian city of Zhitomir, of five candidates, the only non-party candidate won with 90%, running on a "platform" demanding housing and food. In the western Ukrainian city of Lvov, 36,000 ballots were ripped up and then cast.

Irangate's Rowland under fire in U.K.

by Mark Burdman

Tiny Rowland, chairman of the Lonrho Corporation, is in trouble in Britain. His problems may not bode well for leading figures in the "Irangate" complex of the Anglo-American Establishment, such as CIA covert-operations specialist Ted Shackley. Rowland's woes result from the newest developments in the Pamela Bordes scandal in Britain. Bordes, a House of Commons researcher, has been discovered to be a special "capability" of the Irangate network, having allegedly performed sexual and other services for Irangate arms-dealer Adnan Khashoggi of Saudi Arabia, Libyan intelligence major and terrorism coordinator Ahmed Qaddafi, and others. (See last week's issue.)

Immediately after the Easter weekend, a Tory member of the British Parliament, Neil Hamilton, put forward an inquiry, asking British Home Secretary Douglas Hurd to probe the alleged links of Rowland's Lonrho to Ahmed Qaddafi. Reporting this, the March 29 London *Daily Express* noted that several Members of Parliament are hopping mad that Britain's MI-5 intelligence service had not told the government and Scotland Yard about the evidence it had of Bordes's links to Qaddafi, who is suspected of having masterminded at least three terror-bombings in Britain.

On March 19, the *Sunday Times* of London reported that Ahmed Qaddafi had been a manager of the company Tradewinds, a subsidiary of Lonrho, earlier in the 1980s. Other British sources have reported that Rowland traveled to Libya after the American bombing of Tripoli in April 1986, to meet Qaddafi (Muammar Qaddafi's cousin) and others in the Qaddafi circle. Rowland's relations to Libya have either been directly with Qaddafi and his clique, or mediated through Egypt's Ashraf Marwan, son-in-law of the late Egyptian President Gamal-Abdel Nasser.

In Britain, there is a growing mood of anger against Rowland, because of his efforts to sabotage a recent British Aerospace deal with Jordan, which did fall through on March 23. In part, the deal was victim to pressure from the International Monetary Fund, which is imposing austerity on Jordan, and does not want the country spending money on arms. But it was also undercut by a nasty piece in Rowland's *Sunday Observer* March 19, which claimed that Jordan was demanding large amounts of money for "hidden commissions" for middlemen and politicians.

On March 23, British Labour Party Dale Campbell-Saunders lashed into Rowland in a violent way, accusing him of

being a "gladiatorial, proprietorial tyrant, who is manipulating his newspaper. . . . This man is now undermining British industry, and in particular British Aerospace, with accusations that equally apply to himself in relation to his own arms dealing."

Inside the Thatcher Cabinet, Pamela Bordes's publicly acknowledged, leading friend has been Sports Minister Colin Moynihan, the half-brother of Britain's Lord Anthony Moynihan, who left Britain in the late 1960s while under investigation for fraud. As the *Independent* daily commented March 29, he "gave up politics to run a brothel in the Philippines." Several years back, Lord Moynihan was named by an Australian Royal Commission as part of an international drug-smuggling operation.

In the past months, Lord Moynihan has turned up as the reported chief informant for the U.S. Drug Enforcement Administration, in a DEA operation against a Briton named Howard Marks. Marks is a "former" MI-6 intelligence officer, tried in the early 1980s in Britain on drug charges. He successfully defended himself with the claim that he was an MI-6 agent penetrating IRA drugs-for-guns operations.

The Oxford-trained Marks was apprehended by police in Spain in July 1988, and has been in a Spanish prison since then. On March 28 of this year, the DEA, which considers him to be the "Marco Polo" of the world cannabis trade, won a fight to have him extradited to the U.S. even though Marks is a Briton. After this was announced, Marks warned that if put on trial in the U.S., "I shall turn the affair into the biggest circus that idiotic country has ever seen."

Insults aside, what Marks could reveal, may make a lot of people uncomfortable. A Scandinavian investigative journalist affirms that Marks is part of the old "Nugen Hand" network, based out of Australia. Nugen Hand Bank was, according to several published sources, a CIA proprietary, accused of involvement in drug trafficking, money laundering, and so forth. The Nugen Hand operation was set up by a collection of CIA and Pentagon "secret warriors" linked to Ted Shackley. Former CIA director William Colby was Nugen Hand Bank's general counsel. Set up around 1970, Nugen Hand went belly up about one decade later, when one partner was found dead and the other disappeared with the bank's assets.

Shackley, a former deputy director of CIA covert operations, is widely described as an expert in setting up and dismantling proprietaries, or "shell" operations, that are used for all sorts of underhanded activities. Irangate was the paradigm of this, and Shackley was one of the evil geniuses behind such entities as the renowned "Enterprise" of General Secord, Col. Oliver North et al. In his trade, he and CIA collaborators ("The Company") often bring in corporations from other countries, through which special operations are run. Rowland's corporate empire in the Middle East and elsewhere, has reportedly been used by Shackley and friends in this way.

Mideast leaders to meet with Bush

by Jeff Steinberg and Scott Thompson

As this issue goes to press, key Mideast government heads are slated to travel to Washington for meetings with President George Bush. On April 3, Egyptian President Hosni Mubarak visits Washington, followed on April 6 by Israeli Prime Minister Yitzhak Shamir. On May 2, Jordanian King Hussein will arrive. All the signs are that Bush will preserve his reputation as the able captain on the good ship *Titanic*, trying to preserve the status quo in the fast-disintegrating region.

On March 21, White House spokesman Marlin Fitzwater said: "The President is committed to moving the peace process forward and anticipates a useful exchange of views with key regional leaders. . . [but] he's not presenting a new initiative." Washington is in fact promoting austerity, as the chief enforcer for the International Monetary Fund (IMF), which threatens to knock out one of the major props for peace in the Middle East, namely Egypt, which carries some \$44 billion in foreign debt.

During the first week of March, James Baker's State Department warned that no U.S. aid will be forthcoming to Egypt in 1989, unless Cairo swallows the full list of IMF budget-cutting demands by June. Among those IMF conditionalities supported by Washington is the demand for cuts in government subsidies on food, a measure which Egyptian officials know will lead to widespread social unrest, fanned by Islamic-fanatic opponents of the moderate government.

Washington has already made clear that Jordan—another moderate country essential to any solution to the Palestinian problem—will be placed on the IMF chopping block. Jordan has been threatened with an aid cutoff, unless it complies with IMF austerity, and an IMF delegation has just arrived in Jordan after Saudi Arabia refused further economic help. Once again, the IMF is demanding an end to food subsidies, knowing that because of bad weather, this will mean a massive price hike and food shortages for most Jordanians.

The Saudis have likewise refused any significant aid to Egypt. The U.S. State Department announced in early March that it is coordinating with the Gulf oil producers to ensure that poorer countries like Egypt comply with IMF conditionalities. This issue of obeying IMF dictates will be one of the major topics that Egyptian President Mubarak will raise in Washington, according to confidential sources. President Mubarak has announced that if he fails to sway President Bush, then he will convene an International Conference of

Indebted Countries in Cairo to find alternatives to the policies of the IMF, World Bank, and the so-called Brady Plan of the Bush administration. A few days before Mubarak said this, an article in the Paris-based *Koll al-Arab* magazine called for convening the conference in Cairo on June 1, just prior to the next round of Egypt-IMF negotiations and the threatened aid cut-off by Washington.

Peace and economic progress

This focus upon economics was also part of the discussion at the March 11-13 Road to Peace Conference in New York City, which, for the first time in the United States, brought together members of the Israeli Knesset with members of the Palestine National Council. Several of those interviewed by *EIR* showed that they had given a great deal of thought to the necessity for a "Marshall Plan" or development fund to accompany any peace proposal that had a serious chance for reaching a durable peace. Ratz Party leader Mordechai Bar-On envisaged a development fund financing such projects as nuclear-powered desalinization of water (see below).

Otherwise, issues that set the participants apart, as the following interviews highlight, are the proper response to a series of U.S. "confidence-building" measures that were leaked by a "senior official" of the Bush administration to Thomas L. Friedman of the *New York Times* on March 12. These proposals, which do not even hint of any full solution to the Arab-Israeli conflict, are supposed to have been presented to the PLO at the March 23 meeting between U.S. Ambassador to Tunisia Robert Pelletreau and a PLO delegation directed by executive committee member Yasser Abed Rabbo. Basically, according to the *Times* report, the confidence-building measures focus upon interim steps that include winding down the *Intifada*, or uprising (even the cessation of distributing "inflammatory leaflets") in exchange for steps to ease the military and economic conditions of the occupation. Such steps were likely to be presented to Shamir on his U.S. visit.

As the following interview with Dr. Nabil Shaath, a PNC member and head of the PNC's political committee, highlights, the PLO will not seriously discuss such interim steps until the U.S. has committed itself to the vision of a two-state solution to the Mideast crisis. However, Gen. Matti Peled told *EIR* that the Bush administration proposal was positive, because it moved the U.S.-PLO dialogue into areas of real substance.

The same disagreement over the Bush proposals at the Road to Peace conference, appears to have occurred between the two sides of the U.S.-PLO dialogue when they met for four hours in Tunis on March 23. After the meeting, Yasser Abed Rabbo echoed Dr. Nabil Shaath, to tell the press: "Any measures to create an appropriate atmosphere . . . must start first with the recognition of our people's right to self-determination and an independent state and also with an end to the occupation."

'There is no need for interim measures or confidence-building'

Dr. Nabil Shaath is a member of the Palestine National Council and chairman of its Political Committee. A Wharton School graduate, he is also head of TEAM Corporation, based in Cairo. On numerous occasions, he has served as the official envoy of Yasser Arafat.

The interview was conducted by EIR reporter Scott Thompson and other journalists on March 12 at "The Road to Peace" conference in New York. Dr. Shaath was the head of the Palestinian delegation to that conference, and he was a keynote speaker.

Reporter: What do you think about the proposal of the Bush administration for interim measures to be negotiated between the PLO and the Israelis, that was leaked to Thomas L. Friedman of the *New York Times* on March 12?

Shaath: They are solely concerned with delaying a solution. The PLO initiative is one that centers on a solution, not from a transitional period without any commitment to reach a permanent solution. You commit yourself to a future vision, then we can talk about interim measures. We are not against talking about interim measures. But, we are not willing to accept interim measures that are not connected to a future vision. This is suicide.

Reporter: So there is no significance to Mr. Bush meeting with either side?

Shaath: We want the meetings to continue. We want dialogues to be as direct as possible. But we are not content to read a proposition said today in the *New York Times* that will simply ask us to wait for a few years while confidence builds and while we accept the occupation as an answer. Not only that, but we are asked to stop our only pressure against the occupation, which is the resistance of the children of the *Intifada* [West Bank uprising].

We are willing to accept stopping military action across the border, through a mutually arranged ceasefire. We are willing to accept that. Chairman Arafat has indicated his willingness: his acceptance of the American goal for a ceasefire that recognizes mutual sovereignty.

But, for the Palestinians' part, there is absolutely no

reason then to see why the Israelis shouldn't withdraw. They have occupied the land for 22 years without any sign. And, the only hopeful sign we have now is the uprising in Palestine. To ask us to stop the *Intifada*, we ask: "For what?"

The *Intifada* has been our only means for combating the occupation. The *Intifada* has put pressure upon the Palestine National Council. The Palestine National Council has responded to this. It is the *Intifada* that really relieved a certain fear of unity. With the *Intifada* pushing, we were firmly able to vote upon a peace plan.

Reporter: Are there any conditions in which the PLO would try to stop the *Intifada*?

Shaath: That's the question we have spoken about, the future vision. About the end result. We have spoken about interim measures. They're talking to us about interim measures, when 20,000 of our people are in prison, when thousands are in hospitals with broken arms and legs. What kind of interim measures? You talk about the future, or you talk about the modality of negotiation. You talk about setting the rules for a peace plan, and then talk about interim measures. Interim measures become a step in the process of reaching a final solution, not an end result in themselves.

Reporter: What do you mean by "substance" being lacking in the U.S.-PLO dialogue?

Shaath: By substance I mean peace in the Middle East. I mean something of a Palestinian state, and a modality for self-determination for the Palestinians. I mean security for the state of Israel and Palestine. I mean border arrangements. I mean water and land questions. I really mean the matters that will really mean a lot in shaping the final peace in the Middle East, not confidence-building measures to take the occupation a few more years before deciding upon these issues.

Reporter: But, the question is, can you stop the *Intifada*? Is the PLO a worthy negotiating partner? Does it control anything?

Shaath: We can stop the *Intifada*, when we have achieved

a substantive form setting our minds toward the future and toward the final outcome of the negotiations. The *Intifada* cannot be stopped just because somebody wants to test our ability to stop it. It's much easier to stop the occupation, because stopping the occupation requires a simple order tomorrow from Mr. Rabin to have his forces move out of Nablus, for example. Nablus has been under siege and has been under a barbarous attack by his soldiers. If Mr. Rabin can, tomorrow he can make an order for people to lift the siege of Nablus and to lift the siege of the camps in Gaza, before asking us to stop our total national movement for the liberation in a land that has used as means raising of flags and throwing of stones.

EIR: Dr. Shaath, are you troubled that the number-two man at the State Department will be Lawrence Eagleburger, who's a protégé of the same Henry Kissinger who said, "No dialogue with the PLO, no Palestinian state, and crack down on the *Intifada*?"

Shaath: I'm troubled by any U.S. official who does not see the urgency of peace based on the rights of the Palestinian people and of Israel. Any U.S. official is playing with fire who thinks that we can be put on the back burner for a few years until they solve their problems of armaments and their problems in Central America and so on. We have an urgent problem at hand, and any U.S. official who does not realize how serious our problem is, I have fears about.

Reporter: What would be the conditions for winding down the *Intifada*, apart from a clear statement of a two-state solution?

Shaath: Withdraw Israeli forces from our cities and camps. If you want the murder to stop, you must withdraw your forces from our cities—we are not asking that you withdraw them from your cities—and sit at the negotiating table at an international conference to talk about it.

Reporter: Aren't you willing to make any concessions?

Shaath: Chairman Arafat has already made very clear, he is willing to discuss tomorrow—even with American assistance—a total military ceasefire in the south of Lebanon. And by that, we will have not only stopped totally our attacks against civilians, but even our attacks against military establishments, should the Israelis reciprocate in the south of Lebanon. We have then contained our activities to those of the *Intifada*, and therefore, if he withdraws his forces from cities and camps, there will be no confrontation with Israeli soldiers. And, since there are confrontations with civilians anyway, he will have reduced a lot of the need for any confidence-building measures.

Reporter: Could you repeat what your conditions were for the southern Lebanon ceasefire?

Shaath: It has to be mutual: that means they will have to

stop bombarding our Lebanese refugee camps, will stop military incursions into Lebanon, will stop attacking our boats on the high seas, will stop the blockade of our force. In return, we will stop all military incursions across the border.

Reporter: Could you comment more on why you oppose the conditions of the Bush administration in the *New York Times* today?

Shaath: What kind of confidence-building measure is it, when we are even forbidden to express sentiments against

Any U.S. official is playing with fire who thinks that we can be put on the back burner for a few years until they solve their problems of armaments and their problems in Central America and so on. We have an urgent problem at hand, and any U.S. official who does not realize how serious our problem is, I have fears about.

the occupation? We are not only asked to refrain from resisting the occupation, but even from talking about it, because talking about our occupation means "inflammatory material." I mean, this is really ridiculous. I don't know how the United States can do what it's doing in Afghanistan and other places in the world—supporting the mujahideen with arms—and denying our resistance people the right to publish pamphlets. This is really a double standard.

EIR: Dr. Shaath, is the international conference a non-negotiable demand of the PNC's peace program?

Shaath: What is not negotiable is the end result, namely of setting up an independent Palestinian state as a result of our expression of self-determination side by side with the state of Israel, and discussing all security arrangements for the two states. This is really the final result. But, there is a lot to negotiate the implementation of that and even the process to reach that. So far, we feel that the only way to have international guarantees of peace is to have an international conference. We are willing to have direct negotiations before the conference, as a preparation for the conference. We are willing to conduct direct negotiations through the conference, as the conference proceeds. But, so far, we have not been convinced that there is any better way than an international con-

ference to establish international guarantees of the peace that will ensue.

EIR: About two years ago, Chairman Arafat gave a speech warning about a “New Yalta” settlement, that was influenced by PLO official Hani Hasan. Basically, he said that there was a fear the superpowers would reach a condominium agreement over the heads of the participants who should have sovereign status. Is that still a concern?

Shaath: Well, we always are very jealous about reaching our goals through our own endeavors and those of the Israelis. We want the world to persuade the Israelis to sit down and deliberate about the substance and reach a peace settlement that’s satisfactory for both of us, and therefore, we need international support and persuasion. We don’t want the international powers to meet separately and decide for us what we ought to do. I don’t think any people in the world would want that, even the Israelis.

EIR: Eagleburger’s proposal in the Washington Institute for the Near East Policy presidential study, “Building for Peace,” was to continue the occupation, have elections under the occupation, and so forth.

Shaath: Yes, the thing is that many politicians really are slaves of defunct ideas. I mean these are defunct ideas. These are ideas that were developed during a time when the Palestinians were chased around the place, when we had no coherent peace plan, and when there was no *Intifada* and there was no international arrangement for the solution of regional problems as has happened after the Gorbachov approach. The world has changed. We have now a Soviet Union which is willing and desirous of joining with the United States and other powers to conclude an agreement. You have an *Intifada* in the occupied territory which says “No” to the occupation and makes its voice heard. And, you have a new Palestinian movement which sets its goals clearly on peace. Things have changed. So you cannot really just go back to old ideas which have become defunct, because the world has changed, and stick to them, and hope you can get any results out of them.

EIR: Dr. Kissinger is now reemerging through his surrogates in the Bush administration through Larry Eagleburger, Brent Scowcroft, and others. This is very troubling.

Shaath: I agree with you 100%. I agree with you. There are several people in that administration who have worked in Kissinger Associates, and Kissinger has been the most harmful to any real peace in the Middle East.

EIR: Do you see anyone in the Bush administration who might give cause for hope of a more balanced policy?

Shaath: Well, we really had hoped that Mr. Bush and Mr. Baker themselves might be susceptible to new ideas, to fresh approaches. We did not come with a negative mind about them, but they are not moving.

Interview: Gen. Mattityahu Peled

‘Eagleburger report totally irrelevant’

Gen. Matti Peled served in the Israel Defense Forces, retiring with the rank of major general. He was a member of the Knesset for the Progressive List for Peace until September 1988 upon his retirement from the IDF. Now, he is a professor of Arabic Studies at Tel Aviv University. The following excerpted interview was conducted by EIR correspondent Scott Thompson at “The Road to Peace” conference in New York on March 12.

EIR: My first question is that I noticed you had the Washington Institute for Near East Policy report by Lawrence Eagleburger, which you criticized as disastrous. Could you elaborate?

Peled: Well, it is very narrow-minded, very superficial. It lacks even the smallest original ideas. What it really does is discuss the Middle East—apart from Iran-Iraq, which is a separate subject—from the standpoint of the traditional American attitude that Israel is the main concern and everything else should fall into line with this concern. So, they discuss the Palestinian problem, but they don’t even mention the refugees. They speak about Syria as a danger to peace without mentioning the Golan Heights. They speak about the threat of chemical weapons concentrated in Arab countries without mentioning the nuclear weapons in Israel. It is very, very one-sided.

And, the end result of their analysis is that the PLO should, in fact, be eliminated somehow or other, that Israel should make a Jordan deal and the deal would be that Israel retains part of the occupied territories—the other would be given over to Jordan—and the part which would remain in Israel, the population should be given some kind of autonomy without specifying which. It’s all, of course, just nonsense, complete nonsense. Everybody knows that King Hussein does not want anymore to be involved in that, that the PLO is not likely to be eliminated from the scene, and that the Palestinian population is not likely to participate in an election that will end up in their autonomy. But, all this doesn’t seem to bother Eagleburger’s group. They feel well with their own ideas, which are absolutely irrelevant to the present situation. And on that basis they are proposing a Middle East policy for the President. I think it’s really a very poor show

on the part of Eagleburger.

EIR: Do you find any similarity between the Eagleburger study and the proposal of the Bush administration in the *New York Times*?

Peled: No, I don't think so. No. What you saw in the *New York Times* today had—in my reading anyway—two positive elements. One is that they are going to present Shamir, when he comes to Washington, with a number of demands, I mean a number of steps, that he should take in order to create a more relaxed atmosphere in the occupied territories, which would be conducive to some kind of a dialogue. And, the demands are taken from a list of 14 demands which a Palestinian group made in Jerusalem in February 1988. At the time, the Israeli government completely ignored these demands. If the government had paid any attention to them, they could have prevented the *Intifada*. But, the government completely ignored it. And so, some of these demands are repeated in the American proposal.

EIR: Are these the economic demands?

Peled: The economic, release of prisoners, letting schools open, stopping deportation, and this means that they are going to tell Shamir: "Look here, you come with some ideas, but here are specific steps that we would expect you to take in order to overcome the present crisis." So, this I consider to be a pleasant development, not something revolutionary, but clearly it is a positive one.

And the positive element is with regards to the PLO. The demands that are put to the PLO—or the suggestions—are not really serious. I don't think so. But, they say that this will be the subject of the dialogue with the PLO, which means that they are prepared to give substance to the dialogue, which is something that the PLO was very, very anxious to hear from the United States. . . . Well, they'll talk about matters that will be important. They may disagree, but at least these are important matters which will be discussed. And, this is done before Shamir is coming, which means that they are telling Shamir that the dialogue with the PLO will continue.

Now, these elements I consider positive. So, Shamir may turn down the demands as may the PLO, but at least it creates some dynamism, which to my reading goes in the right direction. So, it doesn't follow from the Eagleburger report at all.

EIR: Nabil Shaath was rather harsh on the substantive demands to the PLO.

Peled: Well, I'm sure that, if indeed, this is what the Americans propose to the PLO, they know that the PLO cannot accept it and will not accept it. But, it can provide an excellent opportunity to investigate or to discuss in depth the real problem.

EIR: The feature that I thought mirrored the Washington Institute report by Eagleburger was the idea that peace is not

possible now, before the atmosphere is shifted over some long process of time.

Peled: This is in line with the Eagleburger report. They also recommend a long period of preparation, waiting for the situation to "ripen" as they say. . . . The only thing which follows from the report is that they need a lot of time and this, of course, may be achieved by this maneuver, but still it points to different directions. And, therefore, I don't read this latest Bush initiative as following directly from the report.

EIR: What are your thoughts on the economic program that must accompany any peace settlement. Peres talked of a "Marshall Plan," others have talked of a Middle East Development Bank or Fund: joint industrial projects, irrigation projects, and so on.

Peled: Well, you see, the Eagleburger report ignores the refugee problem. I think the refugee problem is the major problem. It is much more complicated and difficult than the borders problem. In fact, I don't think there is a security problem, but there is a refugee problem.

Now, what can be the solution to the refugee problem? Israel can take in a symbolic number, say, 100,000, no more than that. The Palestinian state can take maybe larger numbers, but they cannot absorb all that's needed. The majority of refugees will have to be resettled. They must give up the right of return and resettle. This should be part of the bargain for the creation of the Palestinian state, that they renounce the right of return and accept resettlement.

Now, imagine resettling 3 million people. This is a huge undertaking, and this will never be achieved without massive international financial cooperation. Israel will, I suppose, also contribute, because legally all the abandoned property is held in a trust fund in order to compensate the refugees. . . .

The Palestinian state, of course, will need a lot of money to establish itself. We know that. We can look at the birth of Israel, and know that without large American financial assistance, the German reparation money, without this we couldn't have created the financial basis which enabled Israel to go. Something of the same nature will be required by the Palestinian state. . . . They will have to look elsewhere: maybe the Arab oil-rich countries, the Saudis, and others. But, when you look at the specific issues, they all require international cooperation—international economic cooperation—to help really solve the problem. And, this I'm sure will be very beneficial to the entire region, Israel included.

Once this is the result—the refugees are resettled and the Palestinian state gets the necessary support to establish itself—then it opens up into all kinds of excellent ideas on international and regional development. The region cries for development. I don't think really that economically there will be a problem. I think that very soon after peace, you can bring prosperity—a great deal of prosperity—to the entire region. . . .

EIR: Peres has repeatedly said he won't talk with the PLO. Do you see anything like a split developing in Labour or do you think that he might change this position?

Peled: I think the Labour Party is finished. I think they are finished completely. They have sustained three successive defeats. . . . Now if the Labour Party will find a way to revive itself—get reorganized—and define political positions, change the leadership, maybe they have a chance of coming back as a serious political force. But, then they will not be able to follow the line adopted now by Peres and Rabin. This is the root of their defeat. If they won't be able to get reorganized, I think they'll simply be washed out and some other set-up will fill the place left vacant by the Labour Party. But, what Peres says now and what Rabin says now, is absolutely of no value. . . .

EIR: Do you see any hope that the "Young Princes" of the Likud such as Benny Begin would try to initiate some dialogue with the PLO.

Peled: I don't know about Benny Begin. I would say Dan Meridor and Ehud Olmert. The group that supported Moshe Amirov in his first exploratory phases. Perhaps they may be more pragmatic, say, "Okay, we have our ideas, but we know that reality doesn't favor it, so let's look for the second best." But, this would require first of all that Shamir and Arens and the other hardliners vacate their seats. And, this is not likely to happen in the next two years. So, I think that for the next three to four years we cannot expect any constructive initiatives coming from the Likud. Unless, of course, there would be some very tangible pressure from abroad on them to change their policies for reasons that have nothing to do with their calculations, but the calculations of the United States, let's say. . . .

EIR: Well, you said you thought the excessive military aid was actually hurting the Israeli economy?

Peled: Right. I think this is true. . . . As far as there are legitimate needs in Israel for a modernized army, for modernized weapons systems, I think Israel has enough money of its own to pay for that. The fact that the \$2 billion given to us must be spent in the United States means that our industry doesn't benefit from that at all. . . . We get finished products. All we have to do is absorb them, spend money on that, and in the end we spend \$4 billion, but our local industry doesn't benefit from it at all. . . .

Rather than spend \$4 billion of our money to absorb finished products from abroad, I think we better spend \$3 billion of our money, which I think is the maximum we should spend on defense. . . . With all this tremendous financial support, our economy is stagnant now for 14 years: no development, no progress at all. This can be simply explained, because we must buy U.S. products with their support. . . .

There's another part of the American aid: \$1.2 billion

economic aid. This could really help our economy, but Israel is wasting that money. This is the best kept secret: How much of that money we spend in the territories, to enhance their annexation. I would say half goes in that way to the territories, and the other half is added to the other amount used to pay debts. Now, spending half of that money on the territories contravenes American law. . . . Now, I think it would be sufficient for the United States to tell Israel: "This is meant to be development money. So please invest it in development or lose it." This will have a tremendous effect on our economy.

EIR: Since at least 1976, *EIR* has had a policy for a development fund for the Middle East. Several people have supported such an idea in Israel and elsewhere. I think this is fundamental for development and for the peace process with Egypt, Jordan, and whatever Palestinian state emerges. . . .

Peled: Well, it would certainly be a much better way of investing the money. Right now it is wasted, absolutely wasted. . . . The economy is stagnant. . . . I am amazed that the United States accepts it. But, certainly, they could funnel the money into a development fund with a clear, stated role.

EIR: Then the Japanese, Saudis, and Europeans might join.

Peled: Right. Right. But, as it is, the Americans are wasting a lot of money on Israel that doesn't do any good to Israel.

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Interview: Mordehai Bar-On

Economics must be part of peace process

Mordehai Bar-On fought in the Israel Defense Forces in 1948 in the Givati Brigade. He served with the IDF for 20 years, achieving the rank of colonel.

Upon leaving the Army, he was elected to the executive committee of the World Zionist Organization. In the early-1980s, he became a leading Peace Now spokesman. He was a member of the Knesset 1984-86, as a member of the Citizens Rights Movement (Ratz).

The following excerpted interview was conducted on March 12 at "The Road to Peace" conference in New York City by EIR correspondent Scott Thompson.

EIR: What do you think will come from Shamir's trip to the U.S.?

Bar-On: When Shamir comes here, it will become clear to him that American Jews are not behind his policies. He also will find that within the administration, while there is no clearcut policy, there is a lot of eyebrow-raising. There is no dissatisfaction directly. Right now President Bush and James Baker are not prepared to change their policy. . . . I do not think before a half-year that one can expect a real stock-taking by the State Department on the Middle East. What they are doing now is marking time. . . .

The trip by Shamir might expose him, however, because intelligent journalists will ask: "What is your plan?" And, they will discover that there is nothing new. He does not have a new plan. . . .

EIR: A lot of Israelis have made clear that they have reservations about an international conference, that might dictate unfavorable peace terms at Soviet instigation. What are your thoughts about that?

Bar-On: I don't think an international conference is the most effective, exciting formula. It is very cumbersome. The superpowers, three to four Arab powers, and Israel. But, you do need it for two reasons: First of all, the PLO and Jordanians insist on it. And, if they insist on it, then we have to have it as part of the settlement. Secondly, it might also give a chance for the United States to mobilize international guar-

antees, international investments.

I think you need to reach agreements on everything of substance, however, before you hold the international conference. . . . There might, for example, be bilateral meetings between the U.S. and Soviets with the parties, before bringing them all together. . . .

EIR: Has your party given any thought to the economic program to accompany the peace plan, as Peres did with his "Marshall Plan"?

Bar-On: It will take \$10-20 billion. A lot of money, a big amount of money. Israel will have to indemnify the refugees, but that would not be more than \$5 billion. It will not be enough. And, Israel itself will have to get some loans to be able to pay it. But, in addition, one has to think to mobilize Japan and Germany. . . .

Agro-industrial projects are okay, but you will also need modern industries not necessarily connected with the agrarian side. My guess is that water is so critical that you will have to develop massive desalinization by nuclear energy.

EIR: Would you agree such an economic program must accompany a peace settlement?

Bar-On: I see that you should draw such an agreement in a semi-authoritative way. An appeal must be made to the American government, the Japanese, and others involved in a Middle East peace negotiation. It must be part and parcel of the thinking about peace and certainly the negotiations for peace. . . .

EIR: Is there anyway of boxing Shamir in more?

Bar-On: Some of us in the peace movement think we have to develop a tone of discarding completely the Labour Party, and speaking loudly of coalition making and challenging the Likud in a positive, constructive way. . . . At this moment, I want to try this tactic and tell Shamir: "You say you have a peace program. Let's hear it. We promise to support you on anything that is realistic or even semi-realistic."

At the same time, to say to the Labour Party that if they don't come up with something much more clear, they may be completely discarded and become completely irrelevant. . . .

EIR: Some of the younger members of Likud wanted to enter a peace dialogue with the Palestinians. Do you think this is hopeful?

Bar-On: Yes, I think there is a need to keep open channels with them. One problem is that some of the young guards are very passionate, Western-trained, and used to rational thinking, but they are hung up by their parents and years of indoctrination. That's what makes it so difficult. But, if we believe that rationality means that we must talk with the PLO, then there must be some way open to such a situation. Not now though. We have to meet them half-way. . . .

South Korean government faces yet another crisis with opposition

by Lydia Cherry

A clandestine journey to North Korea by the father of South Korea's dissident movement, 71-year-old Reverend Moon Ik Hwan, has plunged the government in Seoul into yet another crisis. To the consternation of authorities in the South, in his meeting March 28 with North Korean leader Kim Il Sung, Moon Ik Hwan addressed the generally conceded semi-mad leader as "respectable chairman" and made references to the "dictatorial forces" in the South.

The meeting, where the two discussed reunification of the peninsula, marks the first time the North Korean leader has met with a South Korean since 1972.

Authorities in the South have vowed to punish Moon upon his return for violating national security laws for visiting the country with whom Seoul is technically still at war. The law, which bans all pro-communist activities, carries a possible death sentence. Moon, who journeyed to the North via Tokyo and Beijing, plans to return to the South via Panmunjom, the truce village straddling the Demilitarized Zone, apparently for maximum destabilization effect.

Just prior to Moon's trip to the North, South Korean President Noh Tae Woo had succeeded in maneuvering around another crisis, which, on the surface, looked to have been created by the same Moon Ik Hwan networks. This grouping is now organizationally clustered around the largest ever centrally run dissident coalition, the Coalition for a Democratic Movement or Chonminyon.

Chonminyon had vowed to use the President's promised referendum on his now one-year term in elected office to bring down the government, saying, "Without getting rid of the military dictatorship here, there will be no reunification with North Korea" or driving out of "foreign forces."

Referendum postponed

President Noh, in a televised broadcast March 20, announced he was forced to postpone the referendum, because it was clear to him that radicals would exploit it to overthrow his government by violent means. "I will try to achieve social stability by first dealing with the problems of illegal group actions and violent activities which threaten democratic order."

Earlier this month, he had been even more explicit. "We have reached the stage where we can no longer tolerate at-

tempts to topple this government through class revolution," Noh said March 1, as he ordered riot police to arrest 28 leading Chonminyon dissidents who tried to reach the North Korean border for talks with the North Korean government. As in the case of Chonminyon "adviser" Moon Ik Hwan, the 28 had been invited by the North, at the same time that Pyongyang stonewalled all overtures made to them by the Seoul government.

As the crackdown continued against Moon Ik Hwan's networks, the night of March 28, South Korean police seized more than 3,000 copies of pro-North Korean books and arrested 11 publishers in raids.

Noh's balancing act—eliminating extremes

The national debate sparked by Moon Ik Hwan's unauthorized trip to Pyongyang threatens to upset the careful balance that President Noh Tae Woo, a former general, has struggled to maintain since coming to power in December 1987, between the opposition, which claims to want "détente" with the North at whatever cost, and the hardline military.

Shortly after he called off the referendum on his presidency, he authorized the use of rifles to fire on violent leftist protesters. Before two days were over, however, he was forced to reverse himself. On March 24, Prosecutor General Kim Ki Chun, with Noh's backing, ordered an intensive crackdown on institutes in which dissidents teach factory workers "Communist or leftist ideologies." On March 30, President Noh authorized a pre-dawn raid by 9,000 riot police against strikers at the shipyard owned by Hyundai Heavy Industries, which had been immobilized by strikers and leftist students for three months. Over 700 workers were arrested, and the action set off protests across university campuses.

In the same week, however, President Noh sacked Lt. Gen. Min Byong Don, the chief of the country's military academy and a major military intelligence services figure. Four-star Gen. Chung Jin Tae, who served as deputy head of the U.S.-South Korean Combined Forces Command (CFC), was also abruptly dismissed and 49 other top generals were reshuffled.

Though no reason was immediately given for the reshuffle, press note that Gen. Min Byong Don had severely criti-

cized Noh in a speech at the academy's graduation ceremony in the third week of March, charging that national policies under Noh, over leftist protests at home and North Korean and East bloc détente, were in a state of confusion.

Many international press outlets accused Noh of indecisiveness and "waffling." The *New York Times* in March editorialized about the South Korean President's recent performance differently, noting that Noh's authorization for police to fire on violent leftists was "worrysome." "The fortunes of Korea's nascent democracy depend on his balancing skill. And so, in a sense, does Seoul's future relationship with Washington. U.S.-Korean ties can have no stronger guarantee than a shared democratic faith."

Overtures to the North

In September 1988, Noh launched his "Northern Policy." The South Koreans made a rapid-fire series of overtures to establish a clear diplomatic foothold in the north and east of Asia—aimed at Russia, China, Eastern European countries, and, to a lesser extent, North Korea. This policy, which effectively coopted the opposition's program, was carried out with the full backing of the United States.

Seoul's overtures to the U.S.S.R. and Red China have moved forward, and Seoul expects that soon it will have obtained cross-recognition from both China and the Soviet Union—as per Henry Kissinger's prescriptions for a "settlement" of the Korean divisions.

Moscow, on the other hand, has used to its advantage the "business opportunity" it promises to South Korea. As stated in the March 18-24 issue of the Soviet publication *Argumenty I Fakty*: South Korea "has its sights on the ambitious task of joining the club of highly developed countries before the end of this century. . . . The leeway for South Korea within the framework of the international capitalist economy is limited." The article continues, "As is known in our country, the complex of consumer industries is poorly developed, and this is exactly the mainstay of South Korea's international specialization. On the other hand, in our country the capacities for manufacturing producer goods are developed, which is something that is needed by the 'higher levels' of production in South Korea."

As early as November of 1988, Seoul made clear it would pursue Gorbachov's open door policy with Siberia. This is the type of investment the U.S.S.R. has been seeking from Japan without success, because of Japan's insistence that Moscow must first return the Soviet-held Japanese islands off northeastern Hokkaido, the Kuriles.

However, in contrast to the U.S.S.R., North Korea's response has been discouraging. The first economic deal which the South succeeded in making with the North, the North sent 20,000 tons of unacceptable coal. Attempts at talks between the two sides inevitably broke down, over such demands by the North that the U.S.-South Korean "Team Spirit" exercises be canceled or that U.S. troops be with-

drawn from the peninsula. Increasingly, the Kim Il Sung regime made clear it would hold negotiations only with opposition party leaders or Chonminyon.

As the attempts at talks proceeded, many Korean analysts inside and outside of Korea came to the conclusion that Pyongyang was using the talks simply as a convenient forum to encourage the growing anti-Americanism in the South.

The Noh Tae Woo government has consistently repulsed these demands, vehement that U. S. troops must not be pulled out prematurely, and at times voicing concern at statements made on the U.S. side, not demonstrating this commitment.

Kim Dae Jung's diplomacy

Speaking to diplomats and reporters at the Foreign Correspondent's Club in Seoul March 27, Kim Dae Jung, leader of South Korea's largest opposition party, the Party for Peace and Democracy (PPD), suggested that Moon Ik Hwan's visit to the North should not be the subject of a furor at all. Instead, he said, it should be seen in the context of President Noh's own policy of north-south reconciliation and the President's "Northern Policy" toward the Soviet Union and China. "In this spirit, the exchange of people of all walks of life would be helpful to ease tension," Kim said, though noting, "It might have been much better if Reverend Moon consulted with the government before he went."

Kim Dae Jung and Moon Ik Hwan are no strangers. Moon Ik Hwan's brother, the Rev. Moon Dong Hwan, is an assemblyman and a member of Kim Dae Jung's party. It is this, somewhat less activist and more theologian Moon, who chaired the parliamentary committee this year that attempted to force former President Chun Doo Hwan to testify before parliament over "human rights violations" committed by his administration—a demand which eventually succeeded in dividing the ruling party.

But whose message did Rev. Moon Ik Hwan carry to Pyongyang last weekend? *EIR* irrefutably determined in 1987 that both Moons, known in National Council of Churches circles by their American names, "Steven Moon" and "Timothy Moon," are spawns of the intelligence operation based out of Union Theological Seminary in New York City, located just around the corner from its sister institution, the U.S. National Council of Churches. Kim Dae Jung has the same pedigree, with this U.S. faction sponsoring and strong-arming the government in Seoul into permitting his return to South Korea after he was kicked out of the country under the Chun Doo Hwan regime. Kim Dae Jung's friends and advisers are from Union Theological Seminary, where Kim himself has given lectures. Union's president, Donald Shriver, was one of Kim Dae Jung's key backers during Kim's 1982 to 1985 exile.

These facts, and the added feature that Moon Ik Hwan went to Pyongyang by way of Beijing and Tokyo, makes clear that his trip has backing from high places, which most likely include Washington.

Terrorist M-19 ceded a piece of Colombia

by Javier Almarío

“The April 19 Movement has pledged to keep its leadership confined to a location whose limits have been determined in tandem with the national government; in said area, the Armed Forces will not conduct operations.” Thus states the latest of a series of communiqués signed by Colombian President Virgilio Barco and the M-19 narco-terrorist guerrillas.

The pact followed closely after indictments had been handed down against the leadership of M-19 for rebellion, homicide, attempted homicide, kidnaping, and fraud, the daily *El Espectador* pointed out in an editorial criticizing Barco’s action on March 18.

In addition to ceding a chunk of Colombia’s national territory to the terrorists, the Barco government has also conducted a series of negotiations—and signed several pacts—with the terrorists designed to allow the M-19 to form a legal political party *without* abandoning its drug-financed terrorist operations. The path for such an arrangement had already been cleared when the Colombian government looked the other way while the Moscow-sponsored Revolutionary Armed Forces of Colombia (FARC)—allies of the M-19 through the umbrella “Simón Bolívar Guerrilla Coordinating Group”—created its “legal” Patriotic Union (UP) electoral front, while simultaneously amassing one of the largest and most efficient terrorist armies in all of South America.

The delivery of national territory into the hands of the narco-terrorists sets a deadly precedent for all of Ibero-America. As Conservative Senator Hugo Escobar Sierra noted: “The neutral zones created by the government and the M-19 could become independent republics, outside of national sovereignty and strict compliance with the laws and the Constitution. This should be avoided, because instead of strengthening the peace process, it weakens it.” That, in fact, is precisely one of the strategic goals of the FARC: to create some “free territory” to serve them in internationalizing the conflict and gaining support abroad.

M-19 free zone

The government handed over a village called Santo Domingo, in the rich agricultural Department of Cauca, to the M-19. There, the M-19 will impose their own mayor on the villagers, while M-19 members will run the health center

and, of course, patrol the streets with their own guerrillas, armed with weapons established by law for the exclusive use of the Armed Forces! At the same time, the guerrillas conduct searches of all individuals wishing to enter their “city of peace”—as even the government has now come to call Santo Domingo—to verify that they are not bearing weapons.

The town has been provided with all public services, and especially with telephone service to permit “permanent contact” between the government and the M-19. At the same time, the government has committed itself to maintaining a permanent office in the town, a kind of “embassy” on foreign soil. The government has defined the 100 square kilometers granted the M-19 a “neutral zone.” Ironically, not a single anthropologist has come to the defense of the Indians in the region, who have protested what they call an illegal donation of their lands to the drug-pushing terrorists.

The Barco government shows no indication of halting its plans to hand Colombian territory piecemeal over to the narco-terrorists. On March 17, Interior Minister Raúl Orejuela Bueno visited the M-19’s town, and all the national and regional newspapers published a pathetic photograph showing Minister Orejuela being helped by M-19 chieftain Carlos Pizarro Leó Gómez to cross an improvised bridge.

Humiliating the Army

President Barco has given the Armed Forces the demoralizing and humiliating task of protecting these terrorists, to assure that nothing happens to them. “When the guerrilla groups fulfill the conditions of the peace plan, the defense agencies must not only not battle them, but also should give them protection,” said Barco in an impromptu press conference.

Barco also asserted that the government is awaiting similar “good behavior” from Moscow’s FARC, to sign a similar pact with them. Barco’s memory of the M-19’s “good behavior” apparently does not extend back to November 1985, when an M-19 commando unit (contracted and financed by the cocaine-trafficking Medellín Cartel) stormed the Justice Palace in Bogotá, executing half the Supreme Court magistrates, gutting the national legal archives by fire, and triggering a conflagration that left nearly 100 dead. Nor, apparently, does his memory even go back to last year, when Conservative Party leader Alvaro Gómez Hurtado was kidnaped by the M-19 and his bodyguard murdered in cold blood.

In fact, it was just a few months ago and following a series of major military blows by the Army against both the M-19 and FARC—which was discovered operating numerous cocaine refining laboratories—that both narco-terrorist gangs asked for a truce designed to immobilize the military and give the guerrillas some breathing space. The government took the offer—hook, line and sinker—and began a “dialogue” with the terrorists while permitting a political-judicial offensive cloaked in “human rights” trappings to paralyze the Armed Forces.

U.S. threatens to shut down canal

Calling enforcement of Panama's tax laws "harassment," various quarters have renewed threats of military aggression.

William Gianelli, the chairman of the Panama Canal Commission, threatened March 27 to shut down the waterway, alleging a campaign of harassment against Americans was being directed by Panama Defense Forces chief Manuel Noriega. Retired U.S. Gen. Henry Mohr, writing in the March 28 *Washington Times*, called for the U.S. to "send one or more combat divisions to Panama well in advance of that nation's presidential elections, set for May 7, to reinforce the approximately 10,000 U.S. troops already there."

"Management is doing everything within its power to keep the canal operating, but in my view, if Noriega continues his campaign against our workforce . . . the efficiency of the canal will so deteriorate that international shipping will have to consider other means of moving cargo, said Gianelli." Michael Rhode Jr., Gianelli's spokesman, was blunter: "Ultimately the canal could close."

At the March 28 State Department briefing, spokeswoman Margaret Tutwiler, again claiming "a deliberate effort by the Noriega regime to harass U.S. and Panamanian citizen employees of the United States government," issued a clear threat: "Under the 1977 Panama Canal Treaty, the United States has primary responsibility for the canal's operations and defense until Dec. 31, 1999. We respect our treaty commitments and intend to meet our obligations to ensure the canal's safe, efficient, uninterrupted operations."

In fact, Panama is simply enforcing its tax laws. Under long-standing

statutes, Panamanian authorities are not renewing motor vehicle license plates without a certificate of tax compliance. Employees of the Panama Canal have not been able to use their cars to get to work as of the beginning of this fiscal year, March 1, because, although their taxes have been withheld by the U.S. government agency, they have not been turned over to Panama under the sanctions adopted by the Reagan administration in its unsuccessful bid to oust Noriega. Panama has lost millions of dollars in revenue because of these economic warfare measures designed by Henry Kissinger's lawyer, William D. Rogers, including some \$65 million that have disappeared from Panamanian accounts in U.S. banks frozen by the Rogers sanctions.

The problem faced by the Eastern Establishment is that the American embassy-controlled Panamanian opposition, the Democratic Opposition Alliance (ADO), does not have a prayer of winning the presidential elections. Among other problems, the opposition is split. The main opposition party, the Panamenistas, refused to join the ADO, claiming that it is run by the U.S. embassy. Also, the ADO is closely identified with Venezuelan President Carlos Andrés Pérez, and few in Panama want their country to go through the bloody riots that Venezuela just suffered. And after the elections, the last shred of legality for the Rogers sanctions—that former President Eric Delvalle is still "the legitimate President" of Panama—will be gone.

What this all signifies is that the U.S. "Project Democracy" attack on the sovereignty of Panama, e.g., the phony indictment of Noriega on drug charges, has been unsuccessful.

The Bush administration's first response to this appears to be flight forward. On March 22, Secretary of State James Baker said that unless his opposition wins, the U.S. will not recognize the result of Panama's elections. A victory by the pro-Noriega candidate, Carlos Duque, would constitute "fraudulent elections," proclaimed the State Department.

Syndicated columnist Georgie Anne Geyer, who is close to "CIA socialist" types, called on March 20 for sending in troops before the elections. "Military action will eventually become inevitable there." Her call was repeated by General Mohr a week later. "The presence of a U.S. combat division in Panama would provide much-needed reassurances to Gen. Noriega's opposition," he wrote.

In contrast to these wild ravings, former U.S. ambassador to Panama, Ambler Moss, has proposed that the U.S. can keep its military bases in Panama by using a carrot instead of the big stick. In the March issue of *American Legion* magazine, Moss stated that the sanctions were "arguably a breach of the Panama Canal treaties and could set a bad precedent," and notes that even the American Chamber of Commerce in Panama called the sanctions "ill conceived and misdirected." Moss stated that "renewing U.S. base rights" in Panama, "has become more important since the Sandinistas have come to power." He proposed that the administration make every effort to "reach a quick accord under which the economic sanctions can be lifted," and offer Panama "the going price for U.S. base rights in non-NATO countries."

Peru paralyzed by narco-terrorism

Government indecision, and the naming of Armando Villanueva, have emboldened Peru's narco-terrorists.

The Peruvian authorities had announced with great fanfare that the new interior minister, Armando Villanueva, would be releasing a brand-new and broad-ranging antiterrorist strategy. But the speech given by Minister Villanueva on March 10 was nothing more than another show of dangerous indecision and lack of strategy in the face of the narco-terrorist advance in that country.

President Alan García reorganized his cabinet in February with the justification of "combating subversion on all fronts." García said that the guerrilla groups had forged "a public, visible, and shameless alliance with the drug traffickers," and stressed that "the fundamental problem is terrorism."

Unfortunately, by giving Villanueva—already Peru's prime minister—the post of interior minister as well, García blasted any hope that a viable antiterrorist strategy was this time in the making. Villanueva, one of the first Peruvian politicians to propose "dialogue" with the Shining Path assassins, closely coordinates with the Soviet Embassy in Lima, and has traveled so many times to the Soviet Union that he has won the nickname "Mister Moscow."

Villanueva's speech, of two hours' duration, was little more than a rehashing of old proposals, but the Peruvian networks of the Anglo-American "secret government" known as Project Democracy have taken full advantage of the policy vacuum provided up by Villanueva to mobilize forces

against the only two concrete proposals that the minister in fact did make: 1) that terrorists were tried in military, and not civilian, courts (Villanueva urged the creation of special tribunals to hear cases of terrorism); and 2) that citizens between the ages of 18 and 50 years give obligatory military service.

Both proposals, which would significantly broaden the anti-subversive capacities of the Peruvian military, are under attack for "violation of constitutional rights." The magazine *Caretas* accused Villanueva of wanting "to turn every citizen into a soldier, to thus subject them to its jurisdiction," in the style of "the Hitler, Mussolini, or Stalin eras." Pro-terrorist senator Javier Valle Riestra astutely observed that "Villanueva did not propose the formation of special tribunals; he only insinuated them, and urged that the idea be debated." Valle Riestra warned that he would be on his guard against such proposals, since "democracy, in its fight against terrorism, must not cede to militarism."

At the same time, the magazine *Oiga* published an article in its March 20 edition entitled "Complaints against ambivalence toward subversion." The article protests that instead of a genuine anti-terrorist plan, Villanueva served up a laundry list of generalities and appeals without practical content. And Villanueva's omissions, said the article, suffered from "lack of information on the strategy of subversive groups in the political, social, and psychological terrain. The message

was centered on the military area, leaving in the dark the manner in which subversion is waging the battle in other areas."

Among military officials, however, many understand that nothing less than an integrated civil-military strategy to win the war against terrorism is acceptable. And they have made proposals to the government to that effect. The terrorists have been recruiting extensively among Peru's poor—who join more out of fear than out of ideological commitment—not only in the rural areas, but also in Peru's cities and towns, and especially in Lima itself.

The response of the terrorists to Villanueva's speech was not long in coming. On March 11, the Túpac Amaru Revolutionary Movement (MRTA) attacked the main office of the ruling APRA party in Lima. On March 19, a bomb was exploded at the Venezuelan Embassy in the Peruvian capital, and authorities arrested MRTA members for suspected involvement in the act.

The next day, Reuters news agency and several Peruvian newspapers reported that Venezuelan terrorist Ilich Ramírez Sánchez, better known as "Carlos" or "The Jackal," was in Peru advising one of the rebel groups. Other police sources reported that Ramírez was probably in Peru because the MRTA was preparing a major offensive for April, when the foreign ministers of various Ibero-American countries will be meeting in Lima.

All the narco-terrorist groups in Peru are on the advance. In early March, the Shining Path surrounded the town of Azangaro, on the border with Bolivia, and left it *incomunicado* with the rest of the country. Some observers state that the action was a training to prepare for a siege of Lima itself in June of this year.

Sri Lanka foils overthrow plot

For the new Premadasa government it was an important battle, but the war against the JVP has yet to be won.

A plot to unleash violence on the eve of the March 9 inaugural session of the new Sri Lankan parliament, hatched by extremists of the Janata Vimukti Peramuna (JVP), has been quashed by the government of President Premadasa and Prime Minister D.E. Wijetunge, elected in December. In a search-and-arrest operation during the first two weeks of March through the southern central and northern central provinces where the Maoist JVP has its strongholds, the Sri Lankan military has detained more than 1,500 JVP-linked youth and hindered a bloody uprising.

JVP had put up posters, noticed in southern Sri Lanka, announcing a "Killing Week" from March 5, and had called for an island-wide strike when the new Parliament opens. Letters were sent to transport workers ordering them to stay away from work.

The security forces' operation was to prevent a repetition of the 1971 situation when the JVP, led by its founder Rohana Wijeweera, a medical dropout from Moscow's Patrice Lumumba University, tried to seize state power through a 24-hour violent uprising in which police stations across the nation were attacked and arms were looted from military depots. Officially, the 1971 uprising cost 1,000 lives, but most estimates put the actual figure at over 10,000.

The government's timely intervention in 1989 has prevented such large-scale killing, but not JVP revenge killings. According to published estimates, since the time the India-Sri Lanka Accord was signed in July 1987, JVP violence has claimed more than 1,500 lives.

Following detention of the JVP-linked youth, the organization's militant arm, the Deshapremi Janata Vijayaraya (DJV), went on a spree of revenge killing. Between March 17 and 19, 54 people, including five policemen and an urban council member and provincial counsellor from the ruling United National Party (UNP), were killed. According to reports, the DJV terrorists used land mines for the first time to ambush police jeeps. Subsequently, the JVP called for a general strike to be observed March 22—to protest the "fraudulent Parliament," the "genocide" carried out by the Indian Army peacekeeping Force and Eelam People's Revolutionary Liberation Front (a Tamil group supporting the Indo-Sri Lankan Accord) in the northeast, and the "killing of youth by the Premadasa-Wijetunge clique."

On March 22, JVP extremists forced buses to stop in the Sinhala majority areas of Sri Lanka and set fire to the vehicles. Bombs went off in many places, and others were defused by the army. Shops in many areas of Colombo, Sri Lanka's capital, remained closed, including the main wholesale trade center of Pettah. In the south, where the JVP terrorized residents for more than a year, the strike was "successful."

Though the government won an important battle in preempting the March 9 uprising, the war is yet to be won against the JVP terrorists. Security officials say that the number of "hard-core" JVP members is small. In the southern province, where the terrorists have claimed most lives, there are believed to be only 100-150 terrorists, divided into four- or five-man

hit squads. These hit squads are armed with automatic rifles and shotguns.

Reportedly, Wijeweera, who leads the killer gangs, has undergone guerrilla training with George Habash's Popular Front for the Liberation of Palestine and has developed links with North Korea.

Sri Lankan intelligence is heavily handicapped in its battle against the JVP since it is suspected that some in the Sri Lankan military are cooperating with the terrorists. It has been reported that Sinhala supremacy, the gospel of the JVP, has attracted a number of military personnel to the group. The JVP's Sinhala racism fuels the group's vicious anti-India, anti-Tamil campaign—a campaign that has also drawn the sympathy of some well-known politicians and Buddhist monks. It is also evident that despite the government's best efforts, the JVP is able to bring in arms from abroad.

Meanwhile, the corruption of military and political elements along with the Buddhist Sangha (a tightly knit organization of monks) and the terror tactics of the JVP have given birth to a new terror. On March 19, some 14 mutilated bodies were found in the Eppawela area following a land mine blast. Posters found near the corpses read: "Punishment to Wijeweera's executioners." On March 23, four terrorists belonging to the DJV were found in and around the southern town of Monargala. They had been stabbed and then shot.

It is widely believed that these killings were the handiwork of a local vigilante group, the Black Cats, to whom a number of killings had been attributed earlier. JVP supporters and human rights activists, reportedly heavily infiltrated by the JVP, have alleged that the police and security forces were behind the killings, and the opposition has demanded an inquiry.

The greening of U.S.-German relations

The United States has shown interest in a "red-green" coalition government in 1991.

The designated new U.S. ambassador to Bonn, Vernon Walters, is getting a fiery welcome from the West German Green Party. In a 14-point motion presented to the government, the Greens demand that Walters be denied official recognition because of his record as a diplomat who has destabilized numerous Third World governments, and his methods, which the Greens say include "sexual blackmail" of select politicians.

This affair does not reflect the more fundamental political reality, however. The Greens are just now engaged in beginning a "new era" in relations with the United States. The interest is a mutual one: The U.S. Department of State signaled interest in better relations with the Greens, when Social Democrat Egon Bahr visited Washington in late February. Under the fresh impact of the majority of Greens and Social Democrats in the Berlin municipal elections Jan. 29, U.S. officials showed "deep interest in a red-green coalition in Bonn after the next national elections in 1990," Bahr reported.

His U.S. discussion partners showed concern, however, over whether the Greens would prove "willing" to bury their outright hostility to NATO, so the United States could "work with them" if they were seated in the new West German government. Bahr told the Americans they would find the Greens cooperative.

Shortly after Bahr's visit, two prominent members of the Green Party arrived in Washington for "talks on environmental affairs." They announced they would visit the United States again in April. The two were

Petra Kelly and Gerd Bastian, known for their good U.S. connections since at least the summer of 1983, when the State Department sponsored a visit by the two.

During the second Reagan administration, contacts between the Greens and the U.S. government were frozen, while Green contacts with the Soviet Union were intensified. But now, the Bush administration is about to revive latent "assets" in the Green Party, in preparation for the expected "red-green" coalition.

One question remains for Bush and Secretary of State James Baker, namely, how to deal with the Greens' rabid anti-Americanism. The Greens themselves solved part of the problem a few days after Kelly and Bastian returned. First, the Green-Alternatives in the Berlin Senate declared that they are looking forward to "good cooperation" with the Allied Powers' representatives, including the Americans. U.S. Mission spokesman John Sariti returned a message stating that the United States, too, is "looking forward to good cooperation with the new coalition government in Berlin."

Next, the Greens in Frankfurt declared through their leading member, Daniel Cohn-Bendit, that once seated in the new municipal government there, they would practice a new policy toward the international bankers. "The banks should settle down in Frankfurt," Cohn-Bendit said, "because Frankfurt will become the banking metropolis of Europe." Coming from a supposed left-wing radical, an instigator of numerous riots against "U.S. imperialism," and a publisher of the anarchist pornographic under-

ground gazette, *Pflasterstrand*, this was a remarkable statement.

Then, the Green parliamentary group in Bonn leaked that two of their foreign policy experts are working on a new party platform on defense policy, NATO, and relations to the United States. What has been learned so far about this paper is sensational—and makes sense in the context of the "new era in U.S.-Green relations."

The document extends support to West German membership in NATO, and even to the first postwar chancellor, Konrad Adenauer, whose pro-Western policy "opened German society up to the political culture of the West, to pluralism, parliamentary democracy." This is a complete about-face. The Green Party platform of May 1986, for example, declared, "We must quit NATO, because there can be no peace with NATO." The Green Party campaign platform for the national elections of 1980 called for decoupling from the United States, for the "immediate dissolution of the military blocs," especially NATO as the alleged main obstacle to peace.

Quite a contrast to the new Green platform, which endorses "intensified political-cultural contact with the U.S.A." Can it be that the Greens have changed their philosophy?

The Greens have not changed. Along with these new, unusual passages, their policy platform endorses "desired reform of NATO," and speaks of a "new type of relations between Germans and Americans in an interdependent world." With this diplomatic newsspeak, the Greens are on line with James Baker and the rest of the Bush administration, who also speak of "a reformed structure of NATO."

The "greening" of U.S.-German relations apparently serves the purpose of U.S. disengagement from Germany.

International Intelligence

East, West German army officers meet

The first-ever joint seminar of senior army officers from East and West Germany began at the Institute of Peace Research in Hamburg March 28. The two-day seminar on "strategic questions in a disarming Europe" was initiated, with the consent of the Soviet General Staff, by West German Social Democrat Egon Bahr, the director of the institute, and East German Defense Minister Heinz Kessler.

The names of the senior officers, five on either side, have not been disclosed by the institute, "to avoid any interferences and aggravations from the outside on this very sensitive meeting," according to the office of Dr. Dieter Lutz of the institute. There are plans to have a follow-up meeting of the same type in East Germany.

In a different vein, West German Defense Minister Rupert Scholz has announced that he will not meet with his East German counterpart unless the shootings at the border separating the two Germanys stops. In an interview with the *Berliner Morgenpost* daily, Scholz responded to an "Easter Message" from Defense Minister Kessler, which said that a meeting between the two was desirable as a "confidence-building measure" on the "condition that there is no image of an enemy in the minds of the soldiers."

Scholz said his condition is that the "barbaric shooting" of refugees by East German border troops must stop, before he would consider any meeting.

German Greens plot ecological 'catastrophe'

"It always takes bigger catastrophes, to make people accept the necessity of emergency preparedness," said an aide to the Green Party's parliamentary group in Bonn March 28. He had been asked about the West German equivalent to the U.S. Federal Emergency Management Agency.

The aide said that the Greens want to

build the Environmental Affairs Ministry into an "agency with special powers, which can override other ministries, naturally." These powers would be in the police and justice sectors, and involve the coast guard and access to emergency units in the civil defense and armed forces.

Not surprisingly, the plan has met strong resistance from other relevant ministries—interior, transport, economy, agriculture, finance, and defense, the aide said. But "with the next bigger ecological catastrophe—and what happened in Alaska [the oil spill in Prince William Sound] now can also happen here, in the North German Bay—the general conditions framing the debate will change."

Asked what the "next big catastrophe" would look like in Germany, the Green Party aide said, "Well, these oil-drilling stations in the sea attract the big oil tankers, which always carry the potential for a big disaster."

Mountbatten not really royal

The late Lord Louis Mountbatten, uncle to Prince Charles, "was a pathological liar. He lied consistently about his own history and ancestry. He wasn't truly royal, but insisted he was. He was a crashing snob. He was a bad influence on Prince Charles, a left-wing influence." So contends Lord Lambton, former Tory Member of Parliament and Defense Minister, and author of a new book about Mountbatten soon to be released by Constable Publishers. Lambton says he had the Queen's help in opening House of Windsor archives to him.

According to a report in the *Mail on Sunday* March 26, Lambton asserts that the title Battenberg, later Anglicized to Mountbatten, was bestowed to cover the fact that Mountbatten's grandfather, Prince Alexander of Russia, married a pregnant commoner, which denied their children the right to any other title. The scandal led to Alexander's banishment from Russia. Lambton claims that Prince Alexander himself was illegitimate; rather than being the son of the

Grand Duke Ludwig of Hesse, he was the child of the duchess and her lover.

Lambton says Mountbatten suppressed this information because he was deeply hurt by his own treatment, and by his father's forced resignation as First Sea Lord at the start of the First World War because of close ties to Germany.

Mountbatten, charges Lambton, was determined to insinuate himself into the British Royal Family by promoting the adoption of his name by Prince Philip and later, through Prince Charles, getting Princess Anne and Prince Andrew to adopt the surname of Mountbatten-Windsor.

The *Mail on Sunday* quotes Mountbatten biographer Philip Ziegler: "He was extremely anxious that the Royal Family should call themselves Mountbatten-Windsor, and took every opportunity to further that cause."

Pope casts doubt on Anglican-Catholic unity

Pope John Paul II has sent a "bleak" letter to Robert Runcie, Archbishop of Canterbury, head of the Church of England, casting doubts on the possibility for a reconciliation between Rome and the Anglicans, reports the lead story of London's *Mail on Sunday* March 26. The paper's exclusive report says that Runcie will fly to Rome "in a final bid to save talks aimed at uniting the Roman Catholic Church and the Anglicans."

The issue leading to the Pope's protest letter, was the ordination of a woman as a bishop by the Episcopal Church in America earlier this year, "a move which stunned the Pope and senior cardinals." A "high Vatican source" told the *Mail on Sunday* that the Pope held the Archbishop of Canterbury personally responsible for the "liberal" slide of the Anglican Church.

The letter from the Pope has "dismayed the Archbishop," because "he has devoted much personal energy to healing the historic breach between Canterbury and Rome," comments the *Mail on Sunday*. Actually, Runcie's effort to "reconcile" with Rome has been an effort to undermine the Roman (and his own church's) traditional Christian

Briefly

● **IRAN** reportedly seized and held a yacht for several hours on March 23 with five members of the Kuwaiti royal family on board. Kuwait later denied that the incident had happened, but this could stem from its embarrassment that, together with the five "princes," were five British girls from an "escort service."

● **JAPAN** on March 28 refused the changes which the Bush administration has proposed to make in an already-concluded agreement on joint development of a new FSX fighter aircraft. The changes involved guarantees against supposedly "sensitive American technology" with commercial applications falling into Japanese hands. Members of Japan's ruling party a day later called on their government to scrap the pact and develop the FSX independently.

● **GREENWAVES** is the name of a new British environmentalist organization whose kinship to Hitler's Nazis is open and public. A key figure is Michael Walker, whose magazine, *Scorpion*, has been reviving the ideas of Walter Darre, minister of youth and sport in Nazi Germany and Hitler's principal "environmentalist" adviser.

● **TURKISH** Prime Minister Turgut Özal replaced 15 of his 22 ministers, March 30, responding to the crisis in his party, which suffered heavy losses in municipal elections. State Minister Yusuf Özal, the Prime Minister's brother, was among those fired.

● **NORTH KOREA'S** ambassador in Beijing, Chu Chang-jun, said that recent talks with U.S. officials in the Chinese capital "are good and we hope to continue them," at what Reuters called a rare news conference in Beijing March 29. The P.R.C. helped arrange the three rounds of talks which North Korean and U.S. diplomats have held since December 1988.

belief in the *Filioque* clause of the Nicene Creed, namely, that the Holy Spirit proceeds from the Father *and from the Son*—implying the divine potential of Man.

"As far as the Pope was concerned, the Anglican-Roman Catholic International Commission (ARCIC)—meeting on and off since 1970—was 'a dead duck,'" the paper reports, noting that the Pope wrote the letter "after strong representations from his conservative English Roman Catholic bishops. . . . Two of the strongest Roman Catholic objectors are said to be the Archbishop of Birmingham, the Most Rev. Maurice Couve de Murville and the Bishop of Portsmouth, the Rt. Rev. Christian Hollis."

Meanwhile, Runcie received "further depressive Easter news," with reports of several more Anglican bishops joining in the campaign against ordination of women as priests.

U.S. blackmailed Salvadoran military

The United States' control over Salvadoran military supply lines permitted the State Department to blackmail the Salvadorans into adopting the no-win strategy that now threatens to hand the country over to Soviet-run narco-terrorists, the *Washington Post* documented March 27.

The United States "has a high degree of control over the day-to-day conduct of the war," including supplying all the fuel for military helicopters—but never providing more than a 30-day supply at any one time, the *Post* reported. Because the United States has used its control to impose a strategy of fighting a "low-intensity conflict"—instead of total war—top combat officers in El Salvador "anxious to fight a faster, more aggressive war" ordered a study done during the past 18 months, on the capacity of the military to operate if the United States reduces, or eliminates its aid. The study concluded that the military could only go all-out for about six weeks, before their supplies would run out.

One month ago, the United States used this blackmail capability, to force El Salva-

dor's military to accept negotiations with the narco-terrorist Farabundo Martí National Liberation Front.

AIDS victims urged to commit suicide

People with AIDS should be offered counselling on euthanasia and how to commit suicide, Brenda Almond, reader in philosophy and education at Hull University, Britain, was quoted in the *Sunday Telegraph* March 26. Almond told the newspaper:

"Unlike the victims of many other fatal illnesses, people with AIDS are often young, usually in full command of their faculties, and are fully aware of the details of their illness. It is quite possible that they will feel the need for some means of escape."

She said that doctors should be permitted, as they are in Holland, to actively assist patients to "end their suffering." "There is a good case for saying that because suicide is legal, people should have the right to know how best to do it."

Almond's views were immediately backed by the Voluntary Euthanasia Society in Britain. But Dr. Charles Farthing, senior registrar at the AIDS unit of St. Stephen's Hospital, Westminster, the country's largest AIDS treatment center, said that most doctors now treating AIDS patients would reject suggestions that they should advise sufferers on suicide. "I do not believe that patients should be in any way encouraged to take their own lives."

Meanwhile, in France, at a meeting of the Federation of Insurance Companies in Paris, it was resolved that anyone who tests HIV positive will be excluded from life insurance or will pay much higher premiums.

In addition, the French state social and health insurance companies are planning to increase monthly premiums because of the growing number of AIDS victims. One idea being discussed is to increase the monthly payments about 25% for all people in the age group 20-35. The cost for one AIDS patient was recently calculated at about 150,000 francs, of which 86% is being paid for by the state. An estimated 3 billion francs per year is currently being spent.

Kissinger putsch in U.S. heightens war danger

by Webster G. Tarpley

Secretary of State James Baker chose a March 27 interview with Thomas L. Friedman of the *New York Times* to make it official: Henry A. Kissinger's policy putsch in the councils of the Bush administration is now an accomplished fact. Under the cover of the much-touted Bush "policy review" still offered to credulous gulls, Kissinger has filled the policy vacuum of the Bush bureaucratic team, a vacuum that also has its locus between James Baker's ears. Kissinger, signaled an article by Don Oberdorfer in the *Washington Post* five weeks ago, is offering—on one level—a "New Yalta" power-sharing arrangement with the U.S.S.R. which has as its centerpiece the validation of Soviet paramount interest over the satellite states of Eastern Europe for an unlimited period, in exchange for a verbal Soviet pledge to refrain from armed intervention by the Red Army in the internal affairs of the Eastern European states on the model of Budapest 1956 or Prague 1968.

In effect, the Kissinger proposal is to give over to Soviet domination the world's most decisive strategic region, traded for some pious reassurances of Soviet good intentions. The "Finlandization" proposed would apply to the European NATO states, starting with the German Federal Republic. Kissinger, in short, is dishing out that heady brew of treason and geopolitical imbecility which was ever his stock in trade.

But Secretary Baker likes the Kissinger plan; he even finds it "a novel approach." Kissinger pretends to offer Moscow a NATO pledge to refrain from subversion in the satellites and thus not to threaten the U.S.S.R.'s glacis, in exchange for the lifting of the limited sovereignty of these states under the so-called Brezhnev doctrine. The cruder Baker throws Kissinger's verbal hedging aside and makes clear that he wants to guarantee Soviet imperial rights in Eastern Europe most of all in the eventuality of a Red Army assault on

one or more rebellious satellites.

Baker says: "If progress did not continue to be made along the lines of Eastern Europe opening up to the West, if there was [sic] a reversal, or if you had anarchy and a reaction by the Soviets, it would be a much different situation. Then it would be much more appropriate in my view to look at the possibilities of the proposal that Henry advanced. It is part of the overall review." Will Kissinger dictate Bush's course through the presence of the "Scowlegurgers," Kissinger clones Brent Scowcroft of the National Security Council and Lawrence Eagleburger, number two at the State Department? Baker replies: "I think that, like this idea on Eastern Europe, to the extent that Henry has some ideas he would like to run past us or float here, we welcome those."

Kissinger has been arguing that it is time to go beyond the "numbers game" or "bean-counting" of arms control to a "political concept, including a European settlement." The whetting of the superpower carving knives to be applied to the European goose is too much for some American observers, including William Safire and the editorialists of the *Boston Globe*. In Europe, the *Frankfurter Allgemeine Zeitung* noted that the Anglo-German conversations of the Königswinter Meeting had recently discussed the Kissinger plan, and had delivered a reserved or outright negative verdict; Kissinger would declare the "area between the Elbe River and the Soviet border a 'sanctuary' for whatever the Soviets might wish to do." These fears, wrote *FAZ*, were shared by "governments and peoples alike." Herbert Kremp of *Die Welt* editorialized that Brussels NATO circles are worried by what they see as Kissinger's tendency to lock in Yalta, rather than loosening the Russian grip on the satellites. He labeled Kissinger as obsessed with a "new Metternichiad" of diplomacy, and pointed out that Kissinger is giving de facto rec-

ognition to the Brezhnev intervention doctrine under the cover of the Gorbachov-Genscher "common European house."

In reality, the implications of the Kissinger putsch are far more ominous. Kissinger intends to deliver not just Eastern Europe, but all of continental Europe to the Russian sphere, in exchange for pledges of Soviet moderation in Central America, along the lines of Yuri Andropov's 1983 interview to *Der Spiegel*. This will include a free hand for Gorbachov to carry out a bloodbath in Yugoslavia, should he desire one. And since Kissinger believes profoundly in limited, cabinet warfare as a tool of policy, we may expect him to press for such a war, most likely in the Middle East, followed by an oil shock, according to Henry's dog-eared 1973-74 script. Such a war would be designed to build up Syria at the expense of Israel, as suggested by Kissinger's ventriloquism through Baker's mouth that Israeli Premier Shamir had better bring some "new ideas" when he visits Washington April 6. Meanwhile Henry has left his bloody calling card in Beirut, where the civil war Kissinger provoked in 1975 may be approaching its dénouement in the massacre of the Christian, and not just the Christian, population. If the American people are foolish enough to tolerate the comeback of the butcher and madman who has earned the hate of the world, divine retribution may stalk us all in the form of general war. The alternative would include the freeing of Kissinger's arch-enemy, LaRouche.

Gorbachov delighted

Gorbachov, by contrast, is delighted by Kissinger's open ascendancy. On the day after the Baker interview was published, Hungarian Communist party boss Karoly Grosz, one of Gorbachov's puppets, gave the Hungarian news agency MTI the following account of his recent talks with Gorbachov in the Kremlin: "Analyzing the historical lessons of 1956 and 1968, Mikhail Gorbachov said that there must be maximum guarantees today that outside force should not be used to resolve the internal affairs of socialist countries." Thus, a signal: If Kissinger is selling out, Moscow is buying in.

The same day that message was received at the White House, President Bush sent a letter to Gorbachov through diplomatic channels asking the Soviet dictator to discipline his satraps in Havana and Managua, especially by cutting military and other support to the Sandinista regime. Baker joined in with a speech delivered in the appropriate setting of the Carter Presidential Center in Atlanta, where he stipulated that Muscovite restraint on Danny Ortega is all-important. Baker addressed these words to Moscow: "Together we must send a clear message to others outside this hemisphere: This is not a dumping ground for their arms or their failed ideologies. We are looking for signs of new thinking. The Soviet Union now has an opportunity to demonstrate it in Central America."

Poor Baker. The notoriously greedy Kissinger has not provided him with a competent medium who could allow him to consult the shades of such ancient worthies as Julius Cae-

sar, Pompey the Great, and L. Crassus, or Marc Antony, Augustus, and M. Aemilius Lepidus, to name just a few among those who have attempted to divide the world with artificial lines of imperialist demarcation. These shades could have certified that condominiums such as the present one are really mutual interference pacts, tending to favor the more audacious imperialists, and that every line of demarcation ever drawn was drawn to be violated. Baker's call to the Soviets to rein in their satraps will not be honored. Since his rival Boy Gray will not enlighten him, maybe a paperback copy of Shakespeare's *Henry IV Part 1*, where Hotspur, Owen Glendower, and Lord Mortimer make the relevant point in Act III, could be provided.

The New Yalta condominium has always strongly resembled the Molotov-Ribbentrop (or Hitler-Stalin) Pact of August 1939-June 1941. By autumn 1940, that pact was crumbling: Stalin was protesting the presence of German troops in Finland, where they were sent by Hitler after the Russo-Finnish war to secure the Petsamo nickel deposits for the Reich. Hitler in turn was not happy about the Soviet encroachments on the German sphere in Bukovina, northern Romania, which increased the threat to his oil supplies in Ploesti. Through these disputes, plus disagreements about Yugoslavia in March-April 1941, the Molotov-Ribbentrop arrangement was undermined, resulting in world war.

Today's U.S.-U.K.-U.S.S.R. condominium is confronted by similar disturbances. Thanks to the KGB-MI-6 *Satanic Verses* scandal, the Soviets are gaining the upper hand in Iran, as the KGB's Tashkent and Leipzig mullahs win out over the alleged assets of Western intelligence services. Soviet Deputy Foreign Minister Yuli Vorontsov has already proclaimed a regional war between Afghanistan and Pakistan, and observers are collecting clues that India may be drawn in on the Afghan side. And something big continues to loom over the Middle East. On March 30, CIA Director William Webster predicted that Iraq, Egypt, and Argentina, among a list of 15 developing nations, would soon possess their own ballistic missiles. Israel's Dirty Rafi Eytan has been calling for a preemptive attack on alleged Iraqi nuclear bomb facilities. On March 30, the *Washington Post* bought his argument, citing Israeli and U.S. sources in asserting that Iraq has a crash program to build nuclear warheads for its ballistic missiles, with chemical warheads already available. The paper also says that the Israelis will not be able to destroy the Iraqi nuclear facilities as easily as they wiped out the Osirak reactor in 1981, because the present facilities have been "dispersed, hardened, and hidden." The paper also notes that Soviet Foreign Minister Shevardnadze has expressed concern about Israeli nuclear weapons and missiles which can strike Soviet territory. His thesis about the threat of war in the Mideast has now been repeated by Margaret Thatcher who told King Hassan of Morocco in Maarakesh that "no one should be in doubt that the present situation in the Middle East is fundamentally unstable and cannot continue."

Defense secretary wages war on SDI

by Kathleen Klenetsky

Those supporters of the Strategic Defense Initiative who may have been taken in by Defense Secretary Richard Cheney's claim that he is a "strong advocate" of the beleaguered system, are receiving a rude awakening. Less than three weeks after being confirmed as defense secretary, Cheney has used his powerful position to open up a new line of assault against the SDI.

Cheney began his offensive March 28, with four back-to-back appearances on the morning television talk show circuit, in which he denigrated the SDI, and affirmed that the program's budget will be severely cut.

Although he claimed to support the SDI, and talked about the possibilities of eventually deploying some kind of strategic defense, the new Pentagon chief put himself squarely in the camp of those who have attempted to degrade the SDI from the comprehensive, high-tech population shield originally proposed by President Reagan in March 1983, to a narrowly delimited system that would be geared toward maintaining, not replacing, the immoral and militarily incompetent doctrine of Mutually Assured Destruction (MAD).

Program deliberately misrepresented

"Oftentimes during the Reagan administration, it [the SDI] was described in terms that, frankly, I think oversold the concept," Cheney bluntly stated on NBC-TV's "Today" show. "We have this notion that occasionally was mentioned, the idea of a total, complete shield that would be absolutely leakproof and block all incoming missiles. If you think about it in those terms, it's going to be an extremely remote proposition."

Like other members of this faction, Cheney attempted to discredit the SDI, by deliberately misrepresenting its original conception. Contrary to Cheney's implication, no important SDI advocate—not Defense Secretary Caspar Weinberger nor SDIO director Gen. James Abrahamson, nor such non-governmental figures closely identified with the proposal as *EIR* founder Lyndon LaRouche—have ever maintained that the SDI would be 100% foolproof. They have argued, however, that to provide a truly effective defense against nuclear war, the SDI must deploy the most advanced technologies possible, and must be used to move the world away from MAD.

Cheney clearly wants no part of such an SDI. During his talk-show tour, he stated that any strategic defense system

which the United States might deploy in the future, would be limited to protecting U.S. strategic missiles from either a Soviet nuclear attack, or from poison gas missiles other nations are expected to deploy soon.

If you "look at it as a system that could interfere with a Soviet first strike on the United States, and thereby increase deterrence," Cheney said, "then it becomes a very different proposition and has to be evaluated against other ways to modernize our land-based ICBM force."

Bush's 'final solution'

The defense secretary strongly hinted that President Bush shares this view, and that he will almost certainly treat the SDI as part of the decisions on the future of the land-based strategic deterrent, which he is scheduled to make within the next month. These decisions have to do with the future production levels and basing mode of the MX and Midgetman missiles.

According to several reliable sources, the Bush administration is likely to "solve" both the SDI and ICBM-basing controversies, by proposing deployment of a thin defense system, which would provide limited protection to the ICBM force.

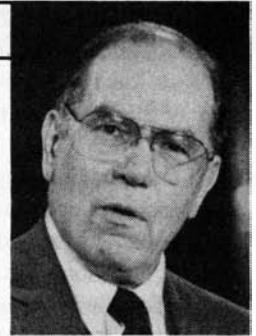
Such a proposal has been put forth by several prominent Bush officials, including Vice President Dan Quayle and National Security Adviser Brent Scowcroft, a political ally of Henry Kissinger.

In the administration's eyes, it would have numerous benefits: First, it would keep the SDI restricted to a mode acceptable to Moscow; second, it would allow for the MXs to remain in fixed, underground bases, thereby resolving the decade-long debate over how to make them mobile; and third, it would permit Washington to abide by an offer which former President Reagan made to the Soviets to ban mobile long-range missiles.

While Bush may be patting himself on the back for coming up with such a practical solution, the fact is that it represents a major, potentially fatal, concession to the Soviets. By effectively denying to the United States the possibility of developing and deploying an advanced-technology SDI, Bush is handing the Soviets a crucial advantage which will make the U.S. virtually indefensible.

Even the administration's apparent commitment to developing a point-defense system is suspect, given the significant funding cutbacks which the Strategic Defense Initiative is facing.

During his round of the talk shows, Cheney confirmed that the \$5.6 billion which Reagan proposed to spend on SDI in FY 1990, will be reduced. Calling the system "very expensive," Cheney said that the SDI will undergo a "very thorough scrub" in the budget and strategic reviews the administration is now carrying out. The SDI "like every other program—aircraft carriers, Army divisions, tanks, airplanes—is subject to review," he said.



U.S. secret government, Greenpeace are part of same dictatorial plan

The following is a telephone interview with Lyndon LaRouche at the Alexandria Detention Center, conducted by Nora Hamerman on March 30. Mr. LaRouche, an independent candidate for the Democratic presidential nomination in 1980, 1984, and 1988, has been a political prisoner with six leading associates since Jan. 27, after they were put on trial in Alexandria, Virginia on a series of vague conspiracy charges and convicted in a miscarriage of justice that has shocked world opinion. LaRouche, age 66, is preparing his appeal together with his associates.

The Alexandria trial culminated an 18-year campaign, well documented in the public record, by governmental agencies to "get LaRouche" and to block the controversial political views of him and his associates from being disseminated through press outlets and electoral campaigns. This gross violation of First Amendment rights included the formation of a "Get LaRouche" task force in the Justice Department. Three weeks ago, LaRouche revealed in a radio interview that the foreman of the jury that convicted him, U.S. Department of Agriculture functionary Buster Horton, was a member of the "secret government" that ran the Get LaRouche effort. His revelation has since been picked up by numerous media outlets, both national and foreign.

EIR: I would like to start out with a name which is rapidly becoming a household word: Buster Horton. I have been asked by some of our friends in Ibero-America and Europe, who are not familiar with the American justice system so-called, if we could walk through the details of your case a little bit, and what the question of this jury foreman really is.

LaRouche: The jury foreman involves a whole different concept, which most people wouldn't be aware of. It comes out of the case, but most people wouldn't understand the significance of what Buster Horton's a part of—that is, the emergence of a shadow-government potential dictatorship in the United States, together with an analogous tendency to

create a similar dictatorship in Western Europe, there, on the environmental-issues pretext. We're headed for totalitarian eco-fascist governments in the United States and Europe, and Buster Horton would be one of a 100-man federal bureaucracy dictatorship of the United States, in the case of such an emergency.

EIR: Let's take this piece by piece. First of all, let's go through what his role was in your trial.

LaRouche: Buster Horton was planted in the jury panel to become the jury foreman.

EIR: And the defense was not able to detect this?

LaRouche: We had no *voir dire*, no means of doing it. We were denied every kind of legal process in respect to determining an impartial jury. Now, we found out after the trial what he was. He's two things. First of all, he's a member of a group of about only 100 people, who are the dictatorship of the United States in case of certain declared national emergencies—number one. Number two: Albert Gore, a Soviet-influenced Senator (Gore is a protégé of Armand Hammer, who is a Soviet agent) went after [then FEMA head Louis] Giuffrida and concocted a pretext that Giuffrida was having too many expense-paid luncheons, and used that pretext to get him out. But what was actually the purpose of getting General Giuffrida out, was to bring in this particular crowd which was after him and after me; it was after all the patriots in the United States—to get them out.

EIR: When did this occur?

LaRouche: This is the 1983-84 operation. He was finally out after this operation. I was out earlier, so to speak. I was one of the first to be purged from the circles of the Reagan administration. . . .

EIR: So this was going into the period of the second Reagan

presidential campaign?

LaRouche: Right, exactly. Buster Horton is a member of this task force—the civilian side of the emergency government of the United States.

EIR: I understand the Department of Agriculture confirmed that over the telephone.

LaRouche: We already had it from their official published records, and more. We also have the codes on Buster Horton, which identified him as being a member of this 100-member task force, and being at the same level as Ollie North and Oliver “Buck” Revell. Oliver North was part of it, before he was pulled over full-scale into Iran weapons trafficking. Buck Revell is still part of it; he’s assistant director of the FBI. . . .

EIR: So, this secret government did not by any means end at the time Irangate was first exposed?

LaRouche: No. Actually, the Iran weapons trafficking operation was primarily a *British* operation, not a U.S. operation—something that has not yet come fully to the attention of the American people. Of course this goes back, involves many things—but the important thing is this FEMA task force was part of the strike force used in the “Get LaRouche” operation. So you have a member of the strike force, out to get me over a five-year period, who was sitting as foreman of the jury!

EIR: And who was stampeding the other jurors into a certain kind of verdict.

LaRouche: Well, we don’t have to prove it, because you had three other FBI-Justice Department employees and so forth and so on in the jury. The jury was heavily seeded with government agents who should not have been on the jury. And Buster Horton, who was the lowest profile of these government agents, according to his admission in the court, turns out to be the *highest* profile—the most important. But we didn’t discover that until *after* the trial was over, how rotten he was. The important part about this, is not simply that he’s a part of an effective prosecutorial task force; the fact is, *he’s part of an attempt to establish a fascist government in the United States!* And he’s part of that secret government—the same secret government that Ollie North was part of, and that Oliver “Buck” Revell is part of, and so forth and so on. And he’s a member of an exclusive club of approximately 100 persons, who *are* this secret government.

For example, take Loudoun County [Virginia]. In the case of an emergency, the President and Vice President are hustled off to some place, say, in Pennsylvania. The secret government operates from *Loudoun County, Mount Weather!* Remember the operation run against us by *this FEMA operation* in 1985, in which the issue of the proximity of a farm [where associates of LaRouche held a children’s educational summer camp—Ed.] to Mt. Weather was the issue. Remember, the Sheriff’s Department in Loudoun County is

part of an agency of the secret government, of the FEMA apparatus.

EIR: Well, it’s certainly close to Oliver North.

LaRouche: That’s only an aspect of it. The Sheriff’s *Department* in Loudoun County was operating as part of the task force under the secret government. So all of the harassment *in the county*—the raid was organized by the secret government!

EIR: The October 1986 raid on businesses run by your associates?

LaRouche: Right. Now look what we’re going into: For example, let’s take an issue of this type. We’ve had every indication now, that the Exxon tanker, which is involved in the Alaska oil spill, was a *deliberate* operation, of agencies which are allied with Greenpeace. We are now expecting that a major catastrophe of similar impact, to occur in the North Sea, perhaps, or in the Greenland/Iceland/United Kingdom straits, where the operation of Greenpeace against Iceland is part of this. If that occurs, this is used to further the eco-fascist dictatorship which they’re planning to put into effect in Europe, and also allows national emergency measures to be used in behalf of eco-fascist projects—so-called environmentalist projects—by the Soviet-funded Greenpeace and others.

EIR: It also would have the effect of depopulating those areas toward the Arctic Circle, right?

LaRouche: Well, that’s part of it. If Iceland continues to come under this attack—then [head of the Soviet Navy, Admiral Sergei] Gorshkov’s plan for the Soviet naval breakout into the Atlantic goes operational, and the Soviets are then positioned, under Marshal Nikolai Ogarkov, to launch war against the United States with the aid of main naval forces stationed in the Atlantic.

So, not only is the secret government a *shadow* government—we have this problem in Britain; we have this problem in the United States, as the Ollie North case and other cases only exemplify this; we have a similar thing on the continent of Europe around the EC bureaucracy on the environmentalism issue, where environmentalism is the method for introducing fascist totalitarianism into Western continental Europe at this time.

EIR: By the way, the media are making a tremendous play of the tenth anniversary of the nuclear plant incident at Three Mile Island, to whip up hysteria. . . .

LaRouche: That is exactly the same thing.

EIR: . . . It isn’t directly related; but the amount of irrational hysteria that is being generated in the print and electronic media right now is really astounding.

LaRouche: Elements of the U.S. government, the secret

government, at that time ran that operation as a sabotage operation. That was no accident; that was sabotage. It was sabotage run in behalf of this kind of policy. We had the conclusive circumstantial evidence proving that at the time it occurred.

EIR: How does this fit in with the threat of a Mideast War and an oil cut-off?

LaRouche: It does, and it doesn't. With the oil cut-off, yes, it does. The Alaska oil is down, as the result of this. Somebody literally deliberately pulled that off with that tanker; because the operation called for something like that to happen at that time, and that's the thing that happened at that time! It *had* to happen; so therefore, that was sabotage—willful. It might not have been done by Exxon; it might have been done by a CIA or other kind of team in the operation. But this has affected the world oil price.

Now, there is always the possibility very easily of a major oil spill in the North Sea. Now, some of the British wouldn't like that very much, but they might pull it on a *Norwegian* drilling platform. And it will be pulled off in cooperation with the Soviet government and with Greenpeace, which is funded by the Soviet government. So, this does relate.

Now, the Middle East comes in, in another way. Naturally, the Soviet government and the U.S. government would like to have the entire Middle East oil supply blown up. The Soviets would gain, because one of their biggest foreign exchange problems has been the drop in the price of petroleum during the recent period, and that has hurt them very badly.

The Bush administration would like to keep the price of oil between \$20-25 a barrel, for various reasons, and that would benefit them, by sinking, burning up the oil in the Middle East—cutting out the supply. This would also be used—as the Alaska incident is being used already—as blackmail on Japan, because Japan, by agreement with the United States, was relying upon Alaska for much of its petroleum supply, when Japan agreed to break off trade agreements with Mexico during the period of President Echeverría, in return for Japan participation in receipt of our Alaska oil. So now, the shutting down of the level of flow of petroleum from Alaska is a little bit of blackmail on Japan. With a sinking of Middle East oil—which could happen very easily—that means Japan is really under U.S. and British pressure.

So, we are very close to Middle East war, and the confirmation of Eagleburger as number two at the State Department, brings us really up to the edge of war. Kissinger was responsible for the breakout of the Lebanon crisis in 1975. It was Kissinger's networks, as we proved, which are responsible for the 1982 Israeli invasion of Lebanon; and Kissinger's friends again are now moving with Syria for the final destruction of Lebanon, in an act which could trigger an Israeli-Syrian war—this time setting off an entire Middle

East conflagration, not simply an Israel-Syria war.

This comes coincidentally with the Soviets and others playing the Kosovo crisis for the destabilization of Yugoslavia—which means a Middle East and Balkan bloc destabilization coming at the same time as you have this global environmentalist nonsense, and you have a major crisis—contrary to all beautiful, carnation-strewn propaganda pieces in the Soviet Union and in China.

So, we are moving very rapidly through these various partly related, partly unrelated crisis hotspots; we're moving toward the edge of thermonuclear war—which is not surprising, because in the 20th century, whenever the peace movement has reached this much euphoria, we've been at the brink of war. Again, we're at the brink of war, and the peaceniks seem to have brought us to it.

EIR: I'd like to ask you actually about the internal Soviet side. We've been observing that what had been nationalist ferment—anti-Moscow protests and so on—have been increasingly channeled in an ecologist direction. And also, you know, there was this 10,000-person rally, supposedly against Ligachov and for Yeltsin, who is close Gorbachov and portrayed as a liberal, and then Yeltsin won the election, and so forth. None of this could go on without the complicity of the state security agencies. What do you make of all of this? Do you think this kind of ferment, engineered in a certain way in favor of liberalism and environmentalism, has an internal purpose; or, is it for external show to the West; or, is it for both?

LaRouche: No, it's neither one. What the problem is, most Western opinion on this subject is complete nonsense. Now, we have warned of this, and analyzed exactly the process which is coming to the fore now. What is happening—as we've foretold—is that the Soviet system was undergoing a transformation, or several transformations:

First, the Andropov-Ogarkov war plan. The concern was to mobilize a war plan of mobilization in preparation for potential general nuclear war. That is *perestroika*. At the same time, the Soviet system has always had a built-in commitment to becoming a *raskolniki* Great Russian dictatorship, to such effect that the Bolshevik, or so-called communist phase of Bolshevism, was viewed as a temporary, transitional phase encompassing three or so generations, after which purgative process of bolshevization, it was estimated that the Soviet Empire would be ready to return to its "true soul," its Great Russian imperial soul.

Now, it was noted in this connection, in the Italian periodical *La Repubblica*, that Yeltsin is ideologically very close to the Pamyat Society of Vassilyev. That's true. So, what have you got? What's Vassilyev? Vassilyev is a Great Russian Nazi; and so is Yeltsin. And you can think of Yeltsin's popularity in this election as kind of a Nuremberg rally, Great Russian Muscovite-style. That puts things in approximately the right perspective.

So what's happening is, the Soviets are becoming imperial, adapting themselves to a *raskolniki* imperial state, in the tradition of Ivan Grozny, Ivan the Terrible—that image.

Now, as to the environmentalism, you've got two aspects to this. First of all, environmentalism is Satanism. It's been noted again—we noted it earlier, but others have picked up on it—that environmentalism can be called “eco-fascism.”

EIR: In the sense of ecologist fascism?

LaRouche: No—in the sense that Adolf Hitler was such an environmentalist; and the Nazi movement was characterized by that—as we identified, for example, in our program on the subject of Mondale and the greenies in 1984, which caused great consternation at that time. But it is. Now, the worship of Mother Earth—this Gnostic, Satanist Mother Earth cult—is the Russian belief structure—the Great Russian, Gnostic belief structure. This is Dostoevsky; this is Hitler.

There's something in the West which correlates with this. Take the case of the Thule Society. The Thule Society was revived in its present form in 1981. The Republikaner Party of Germany—which has come into influence with the support of the governments of the United States and Great Britain, through their occupation authority in West Berlin—under Schönhuber, a former member of the *SS-Leibstandarte Adolf Hitler*, who brags of it—is a Soviet asset, speaks fluent Russian, and is the head of the Republikaner. The Republikaner could be called “the German-language section of the Soviet Pamyat Society.” What we have is a Soviet-dominated “red-green” coalition, of which the Greenpeace organization in the West is an typification.

One must remember that bolshevism and Dostoevsky always were dominated culturally by a conscious Satanic element—and the environmentalists and Gnostics in the West are also similarly Satanic. So, on both sides of the divide, we are faced with a coming to the surface, in the most open way, of Satanic movements, coming to surface on the peak surge of environmentalism.

EIR: Are you familiar with what's been going on in Loudoun County in the case of your associate Shelley Ascher, who is on trial for “securities fraud”?

LaRouche: Well, that's a minor case. There are no cases; there is only one case. The case is the “Get LaRouche” strike force, organized, according to government records, at the instigation of Henry Kissinger in 1982-83, actually put into the works toward the end of 1983. This case in Loudoun County is simply a secondary feature of the Alexandria trial and the Boston case—just as the New York case is. Obviously, Judge [Carleton] Penn is operating *de facto* as a member of the “Get LaRouche” strike force. His conduct in the trial, in the most obvious way, leaves no doubt of it. So, it's a horror-show. You've got the same thing: a contaminated jury. Maybe there was more jury procedure in the Loudoun case than there was in Alexandria, where there was none.

But you see the problem of the jury. You see the judge covering up for a corrupt jury, with a juror who, according to another juror, perjured himself! So, it's a frameup of the most naked type. You are looking in Loudoun County at Judge Penn running a fascist court. There is very little difference between what Judge Penn did in this case, and what the Nazi judge Roland Freisler did in his cases.

EIR: Yes, it's a very striking resemblance.

LaRouche: And that's the way to look at it. But one should not become *emotional* about the Shelley Ascher case; she did a good job; Flannery, her attorney, in my opinion from this distance, did a good job; so they're not to be discounted for the effort they made. But it was a frameup, and they had no chance in that court of anything resembling a fair trial. The judge rigged the trial; and the judge decided to walk the path of the corrupt Judge Albert Vickers Bryan, Jr. in Alexandria, to walk in the footsteps of Nazi judge Roland Freisler.

EIR: April 9, which is coming up soon, will see the first anniversary of the famous historic conference in Milan, which launched the battle for C-256 tuning, and, as it also happens, happily, to be, the fiftieth anniversary of the most famous concert of the 20th century, the great black contralto Marian Anderson's outdoor concert at the Lincoln Memorial in Washington, which was held there after she was denied the right to sing in Constitution Hall. I don't know if you knew that.

LaRouche: I knew this; I didn't know that this was the date.

EIR: It was the precise date of April 9, 1939. I wonder if you have any reflections on the battle over the last year: where we have come—since you were very involved in this whole project, and actually began it—in the battle for the lower tuning.

LaRouche: Let me give you an example: I'm sitting in a prison. The prison in Alexandria is modeled explicitly on the fascist prison design of Jeremy Bentham in the late 18th century called the “panopticum.”

This was a project started in 1969—not for this prison—but this project was started, and the prison designs were based on Jeremy Bentham's “panopticum,” which was also, of course, more famously in earlier decades the model for the Nazi slave labor camp/death camp system. Instead of having modules, as we have in the Bentham model, one difference is, we have “podules.” And the way the prison is administered, is run by a New Age management by the correctional, and other staff, very much like the way Fedex management runs with its employees. It's a New Age, psychedelic prison.

Now, who is the population here? Eighty to 90% are drug-related cases. The hard core of the cases are 18 to 24 years of age. What you can hear in the background is rock.

EIR: Yes, I hear it.

LaRouche: Now, we know that rock is physiologically equivalent to drugs. The characteristic feature of the inmates who are in this category, is that while they may be 18 to 24 in biological ages (and to some degree in literacy—in some cases, not all; in some cases the conceptual illiteracy is appalling, unbelievable), as for their emotional age, any parent would recognize these people as being from spoiled two-year-olds to about seven-year-olds. So this counterculture business, is actually the *cause* of the crime wave; the rock-sex culture, is the *basis* for the drug culture. So, anybody who is allowing rock-drug culture in society is promoting drugs—whether they know it or not.

Now, that brings us to the more essential point: If you're going to save civilization, you have to look at a problem which was recognized by the Renaissance, in dealing with the insanity—somewhat comparable to ours today—which hit Europe during the middle of the 14th century, in the "New Dark Age." We are in a New Dark Age. These poor people, who are being ground up into hamburger in the prison-drug system—this is a form of Nazism, to take these people, to put them into the drug culture, destroy them, put them into prison, put them out in the street again. Sooner or later they turn up on a medical examiner's slab as a drug case, or turn up as a mortality in drug wars, or turn up as a mortality in a police shoot-out. This is a system of genocide of blacks. That's what I'm looking at right here.

Now, if you want to save a people, you have to recognize the importance of art, and things related to art in their mental, emotional, and moral life. If you permit irrationality in popular culture, you are destroying the moral and intellectual capabilities of the population, and in that way are destroying society, or at least contributing to the possibility of its destruction. The destruction of modern society—of Renaissance society—was accomplished in large part through Romanticism, succeeded by Modernism; and as Romanticism is Gnosticism, Satanism is nothing but rampant Modernism.

So therefore, my concern has been to repair that damage—to restore the principle of Leibniz, for example; Leibniz's metaphysics deals with this explicitly—to restore the principle that Truth and Beauty, and Good and Beauty, are always rational, in the sense of Reason associated with Cusa, Leibniz, and so forth, though not with Descartes or Newton. And it happens to be a *physical* principle that the so-called lower tuning is the only tuning that corresponds with the principles of physiology in the human body. So, I've fought for that on the basis of knowing the importance of music, and knowing the importance of freeing people from this Modernist garbage, of the type that's filling up this prison, but also going back and recognizing that if they accept Romanticism, then they have no chance of resisting this kind of garbage—they're susceptible to it. And therefore one had to say: "No, this is where we draw the line. We draw the line on saving *bel canto*. That is the line we draw; we fight on this battle-line for civilization."

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C. Boyden Gray: the Bush administration's hoaxster

by Joseph Brewda

Over recent weeks, White House counsel C. Boyden Gray has been at the subject of much media controversy over his alleged battles with Secretary of State James Baker III. According to line being put out by such newspapers as the *Washington Post* and *New York Times*, Gray has been in constant opposition to Baker out of his concern to defend the constitutionally mandated powers of the presidency.

Gray first reportedly clashed with Baker during the latter's nomination hearings, when he demanded that the nominee sell a large chunk of stock he held in Chemical Bank. News of the dispute was leaked to the *Washington Post*, allegedly by Gray, with the consequence that Baker was forced to sell his interest in the bank, to his considerable irritation. While Gray was ostensibly motivated out of conflict-of-interest considerations, this same supposed concern did not lead him to object to the nomination of Kissinger Associates president Lawrence Eagleburger as deputy secretary of state. The nomination of Eagleburger, and selection of his Kissinger Associates partner Brent Scowcroft as national security adviser, are the worst possible decisions, if only from that limited standpoint.

Then, at the end of March, our would-be guardian of public virtue publicly criticized the secretary of state's Central American accord, worked out with Congress, as encroaching on the President's powers. Gray portrayed the agreement as amounting to a legislative veto, although the counsel surely knew, as Baker has admitted, that the entire package was worked out with Soviet Foreign Minister Eduard Shevardnadze weeks earlier, prior to being submitted to Congress. Shortly after those comments, White House Chief of Staff John Sununu sharply rebuked the Bush counsel, leading some press to speculate that Gray's days are numbered.

Those who hope that the alleged personality conflict might signal some underlying policy conflict, with Gray on the side of the Constitution, should think again. The same media fanning the so-called controversy have also been spewing out disinformation to the effect that Baker and the Bush administration's unofficial strongman Henry Kissinger are at odds.

In fact, Kissinger and Baker have identical policies. It would seem the Gray-Baker battle—whatever personality conflicts there may be—is designed to depict Gray as some sort of loyalist to constitutional principles.

That Gray is not on the side of the Constitution is attested to by none other than Lloyd Cutler, the chief propagandist for replacing the Constitution with a system officially modeled on Britain's, but actually on Mussolini's. Cutler has taken Gray's side in the media spat, gushing that Gray was a "citizen-statesman" in the "tradition of Cincinnatus." Cutler is Gray's former law partner, and also the former counsel to President Jimmy Carter, whose term in office did so much to erode constitutional government.

That Bush would get rid of Gray, at least in the immediate future, is not to be expected. After all, as former counsel to the vice president, Gray knows where all the Iran-Contra bodies are buried, and is better situated, if he so chooses, to blackmail Bush than numerous other officials with less complete, though still damning, files. Gray also knows all about Bush's role in the imprisonment of Lyndon LaRouche, having played a significant role in the operation.

Of equal or greater significance in Gray's hold on Bush, are the ties of the Bush and Gray families. Boyden Gray's father, Gordon Gray, was one of the most powerful intelligence officers of the 1950s, serving as both President Truman's head of covert operations and President Eisenhower's National Security Adviser. During the period that Gray oversaw these intelligence operations, he was a confidant of Sen. Prescott Bush, then a key figure on the Senate Banking Committee. Gordon Gray was among the circle that helped young George Bush get his start in the CIA.

Gordon Gray continued playing a powerful role in the U.S. intelligence community throughout the 1960s and 1970s as a member of the President's Foreign Intelligence Advisory Board, a board whose role in protecting Bush during his post-Watergate tenure as CIA director should not be underestimated.

Despite these deep connections, an upcoming series of international scandals targeting Bush for his Irangate role and

other dubious activities, may soon force a besieged Bush White House to terminate Gray's career. These areas of scandal, now being investigated by several nations' press, are summarized below.

Gray and the Iran-Contra affair

Under National Security Decision Directive 3 (decreed in 1982), Vice President Bush was made the nation's top intelligence officer, with the included responsibility of overseeing all U.S. covert operations. Consequently, Vice President Bush had formal oversight over every aspect of the Iran-Contra deals. Despite the fact that NSDD 3 has now been declassified and proves that the celebrated Col. Oliver North was merely his subordinate, Bush continues to wildly lie that he "knew nothing."

As counsel to Vice President Bush, Gray was witting of Bush's oversight over the Iran-Contra deals, and also one of his more important operatives. Among Gray's major jobs was to protect the Vice President, and now President, from being exposed.

Gray's role parallels that of his law partner, Lloyd Cutler, when the latter was Carter's counsel. Cutler was central to protecting the White House from being exposed for orchestrating the overthrow of the Shah of Iran and the installation of Ayatollah Khomeini. Cutler also oversaw aspects of the U.S. arms smuggling to Iran that were later overseen by Gray.

Instances of Gray's role in protecting Bush include:

- On July 29, 1986, Vice President George Bush met with Israeli intelligence official Amiram Nir in Jerusalem, on the subject of releasing Iranian hostages. Three days before this meeting, one of the hostages, Reverend Jenco, was released. The day following the Bush-Nir meeting, President Reagan authorized a new shipment of Hawk missile parts to Iran. Bush, nonetheless, preposterously claims he was not informed of anything dealing with the Iran-Contra scandal.

- Details of the Bush-Nir discussion were recorded in notes by Bush aide Craig Fuller. These notes were deleted at administration request from the Senate Intelligence Committee's report on the Iran scandal. Sen. Richard Cheney's role in covering up for Bush, as minority chairman at the committee, may have something to do with why he is now defense secretary.

When news of the suppression of these notes leaked out, Bush's counsel Gray was detailed to explain the administration's "lapse" on this issue. Mossad official Amiram Nir subsequently died in a plane crash in Mexico last fall, one of several individuals having the goods on Bush who have met their doom.

- In December 1987, Gray was trotted out to explain why Bush had inadvertently issued an "incomplete" chronology of his dealings with the Contras. It seems that Bush had omitted to report that Col. Samuel Watson, part of his national security staff, had taken two trips to Honduras to tour

Contra camps.

- In May 1987, Gray was forced to explain why a second, revised chronology of Bush's actions also, somehow, failed to mention that Watson had also met with Felix Rodriguez (a.k.a. Max Gomez), the CIA case officer for the Contras; Col. Oliver North's aide Col. Robert Dutton; and Gen. Richard Secord in the Vice President's offices.

Bush has always downplayed the significance of his own meetings with Rodriguez, and the meetings of another of his staffers, CIA officer Donald Gregg, with the same operative.

That Bush met such operatives was not surprising: he ran the policy under which they operated.

Gray, Howard, and Tucker

In April 1986, Boyden Gray was detailed to hold a meeting with Gary Howard and Ronald Tucker, two low-level operatives who ran Peregrine International, an intelligence proprietary based in Bush's home town of Midland, Texas. Both Howard and Tucker played roles in a variety of arms deals with Iran, beginning with their involvement with the Texas-based operations of arms smuggler Ian Smalley in 1981. Still later, they were deployed to work out of the U.S. embassy in London on behalf of the policy of supporting Khomeini.

One of their key associates in this regard was one Cyrus Hashemi, who had been the Khomeini link to the White House and CIA back during Cutler's days in the Carter administration. Hashemi later died suddenly in July 1986 in England—widely presumed to have been murdered—just prior to his testimony in the Samuel Evans trial, a \$2 billion Iranian arms smuggling case in New York which implicated Bush and William Casey. While that case was later thrown out of court, former defendant Hermann Moll has since publicly stated that Bush was "100% behind" their arms deals. For similar reasons, the U.S. and British government blocked crucial testimony in a 1988 British arms-smuggling case against Michael Aspin. Aspin also knows "where the monkey sleeps."

The purpose of Gray's meeting with Howard and Tucker, however, was not merely the Iranian deals. The primary purpose was to coordinate Bush's illegal efforts to frame up presidential candidate Lyndon LaRouche. At Gray's direction, Howard and Tucker attempted to entrap LaRouche in a cockamamie scheme to smuggle Soviet physicist Andrei Sakharov out of Russia. At Gray's direction, the duo also peddled the line that LaRouche was attempting to hire assassins to kill drug pushers in Colombia. That line served to justify a series of actions against LaRouche, on "national security" grounds.

Tracing Gray's operations, and his links to Howard and Tucker, back through Pulaski County, Virginia, and Reading, Pennsylvania, is not unimportant in implicating the then Vice President and also the CIA in certain unexplained features of the Nicaragua harbor mining.

When a U.S. court in Boston agreed to subpoena Bush's office files regarding its relations with Howard and Tucker in 1987, in the context of *U.S. v. The LaRouche Campaign et al.*, the case was rather quickly shut down in a mistrial. It was only later reconvened in Alexandria, Virginia, in a second phase of the frameup.

Gray and deregulation

For all of candidate Bush's complaining about Reagan's "voodoo economics" during his ill-fated 1980 presidential campaign, it was the vice president who later personally oversaw the implementation of the Reagan administration's deregulation policies. That policy has more than a little to do with the administration's ecological hoaxes today. It was Bush who chaired the President's Task Force on Regulatory Relief. Bush appointed Gray to be the task force's counsel and de facto executive officer in 1981, a position which reportedly took two-thirds of Gray's time.

Commenting on Gray's role at the task force, "Public Citizen" president Joan Claybrook stated, "I think he's a fine example of the fox guarding the chicken coop. He worked in private practice representing the auto and many other industries, and for the past two and a half years, he has played a major role in deciding which regulations will survive, or be scrapped."

The task force made recommendations on a number of issues which were not without personal and political interest to Bush and Gray, including recommendations on the oil and gas industry, banking, the pharmaceutical industry, the environment, and related issues.

So, for example, the Bush-Gray task force released a report on alternative fuels in July 1987 which pushed the use of methanol as automobile fuel rather than the competing, "ecologically sound" ethanol. The report's release was timed to coincide with a deadline specified by the Clean Air Act which penalized municipalities with an alleged excess of carbon monoxide and "ozone-layer harming emissions." As a result of this deadline, at least 14 metropolitan areas lost large federal highway grants for being excessively polluting. The push for substitute fuels, at least for municipalities, became compelling. Methanol would replace gasoline in this new Bush/Gray scheme.

Bush, of course, has received substantial support from the petroleum industry, which produces methanol products, and Bush's presidential campaign fundraising was led by Robert Mosbacher, the Texas oil man who is now commerce secretary.

The alternative "non-polluting" fuel is ethanol, which unlike methanol, is produced from grain. Since 1978, would-be President Sen. Robert Dole, has championed legislation which has exempted ethanol-blended gasohol from the federal excise tax on gasoline. Dole is controlled, at least on this issue, by Dwayne Andreas, whose Archer Daniels Midland controls 50% of the domestic ethanol market.

The Reagan-Bush administration repeatedly attempted to kill this tax break favoring the "non-polluting" gasohol, while pushing Mosbacher's alternative, methanol, all, it is said, in order to "save the ozone layer."

Drug company tax evasion

In a similar fashion, back during 1982, Vice President George Bush intervened with the U.S. Treasury to urge it to modify proposed rules which would have forced pharmaceutical companies to pay significantly more taxes. Prior to becoming vice president, Bush had been a director of Eli Lilly, the pharmaceutical company which had served as the CIA's major supplier of LSD during its experiments with mass mind control. When Bush took office, he owned \$145,000 in Lilly stock. Prior to working for Bush, Gray had been one of the pharmaceutical industry's top lawyers.

In March 1982, Bush sent a letter to then Treasury Secretary Donald T. Regan, protesting the elimination of Section 936 of the federal tax code which allowed drug companies to write off \$400 million a year in taxes, simply by producing drugs in Puerto Rico. On April 14, 1982, Bush sent another letter, drafted by Gray, saying that he "must now disengage" from any further discussion of the matter, because he felt "uncomfortable about the appearance of my active, personal involvement in details of a tax matter directly affecting a company with which I once had close association." Despite this, he had already succeeded in blocking the proposed new regulation, acting in concert with a strong drug company lobbying campaign.

The tax break in question allowed pharmaceutical houses, among other companies, to have their taxes reduced by \$43,000 a year for every job they created in Puerto Rico, while the average salary of these jobs so created was a mere \$13,000. In 1978, drug companies accounted for half of the more than \$800 million in claims through the scheme. One of the biggest tax evaders was Eli Lilly, which also gave its tax-exempt Puerto Rican subsidiary the patent rights to its most profitable operations, while retaining all marketing expenses for these products at its Indianapolis headquarters.

In the above-cited letter, Gray denied that Bush had any actual conflict of interest in preventing new regulations from ending such schemes. Gray even lied that Bush had sold his Lilly stock in 1978.

This is not the only example of Bush and Gray intervening on behalf of the pharmaceutical interests.

- In 1986, Bush phoned Rep. Henry Waxman (D-Cal.) to ask Waxman to drop his opposition to a bill permitting drug firms to export drugs not approved for sale in the United States.

- In 1987, the Reagan administration's new regulations, as recommended by Bush and Gray's task force, scaled back Food and Drug Administration scrutiny of the first phase of clinical drug trials, a provision demanded by the pharmaceutical houses.

Central America deal—what price?

Baker was so delighted at his pact with the Democrats, that he neglected to mention his tradeoff with the Russians.

Secretary of State James Baker III, when he announced the Bipartisan Accord on Central America at a White House briefing March 24, did not rule out a tradeoff with the Russians, when this reporter asked him about the Soviet role in the area.

Neither did White House spokesman Marlin Fitzwater, when I asked him the same question about President Bush's letter to Soviet President Mikhail Gorbachov on the eve of Gorbachov's upcoming trip to Cuba. In the letter, Bush asked Gorbachov to pull back the level of Soviet involvement in the region.

Baker was euphoric about having struck a deal with the Democrats in Congress on a humanitarian aid package for the Contras of \$4.5 million a month through next February. But as one veteran journalist quipped to me, "Why did it take Baker so long to get the Democrats to agree to their own program?" Still, the Baker deal was not cut without some pain. It provoked a rift in the administration when George Bush's pal, White House counsel C. Boyden Gray, publicly attacked the deal as a violation of the separation of powers. Indeed, the deal seemed to give Congress veto power over the Executive Branch's prerogative to make foreign policy.

While some reports speculated about Gray's imminent demise for his insubordination, the *New York Times* was correct when it noted that, in fact, Gray is "an untouchable" in the Bush White House, and that Bush might actually have put him up to taking the swipe at Baker.

However, contrary to the *Times*

account, sources here note that Gray is an "untouchable," not because of his personal relationship with the First Family, so much as his knowledge of "where the monkey sleeps," concerning Bush's role in the Iran-Contra mess. These sources concur that Bush probably endorsed Gray's attack on Baker, because Bush feels that Baker has too big an ego and wants to keep him in his place.

But the Gray-Baker flap was also a smokescreen covering the more important matter: not the White House sellout to Congress, but the U.S. sellout to the Soviets.

When confronted by this reporter, neither Baker nor Fitzwater denied that a tradeoff was involved. Neither would get specific, but all signs point toward a deal to trade Soviet influence in Central America for U.S. influence in Europe. Baker intimated this in his March 28 interview with the *New York Times*, where he said that Henry Kissinger's plan to renegotiate control over Eastern Europe is being taken very seriously by the President. At the March 24 press briefing, broadcast live on Cable News Network, my exchange with Baker went as follows:

Benton: "Mr. Secretary, what evidence do you have that the Soviets intend to diminish their influence in Central America? The State Department has repeatedly said that the amount of Soviet military equipment going into Nicaragua has not changed. Have there been any agreements or tradeoffs negotiated with the Soviets?"

Baker: "There have been discussions with the Soviets and you'll see

references in this agreement to the importance of eliminating Soviet and Cuban influence and assistance to the extent that it is now being provided to Nicaragua. Let me simply say this, and I'm sure that the leadership here [of Congress] would totally agree: Having a policy which represents the policy of the United States, unified and bipartisan, is one of the best things we'll have going for us in our now ongoing dialogue with the Soviets about giving meaning to the New Thinking as far as aid to Nicaragua is concerned."

Benton: "Do you mean by that, that you have already negotiated with the Soviets that we would come up with a plan like this?"

Baker: "No. What I mean is, I have already raised the issue of their assistance to Nicaragua with the Soviets, as I think those who are familiar with my meeting with Shevardnadze in Vienna know."

Later, when the report of Bush's letter to Gorbachov on the eve of the Soviet leader's trip to Cuba came out, I had the following exchange with Fitzwater at the White House daily briefing March 30:

Benton: "Are we offering the Soviets anything in exchange? Are we proposing to them if they cut off aid to Nicaragua, that there's a commensurate response on our part in some way?"

Fitzwater: "Only that we think it would certainly help in improving U.S.-Soviet relations. . . . It will have an impact in terms of overall relations."

When another reporter asked if the United States was offering liberalized trade in exchange, Fitzwater said, "Well, in our growing economic and social relationships with the Soviet Union and in view of *perestroika* and other matters, the interrelationship of all these issues is readily apparent."

National News

'Get LaRouche' gang issues biography

Doubleday, one of the largest publishing houses in America, on March 25 released Dennis King's "biography," entitled *Lyndon LaRouche and the New American Fascism*. Despite its purpose, the book completely confirms that the recent legal prosecutions of LaRouche and his associates are entirely politically motivated.

The book, in fact, is a guide to the theory and tactics which have controlled the prosecutions of LaRouche and his associates by federal and state prosecutors; its release at this time was meant to coincide with the beginning of the New York trial of four of LaRouche's associates.

King's book features words of praise to the author from Sen. Daniel Patrick Moynihan (D-N.Y.), as well as a long list of acknowledgements from King to Chip Berlet, John Train, Irwin Suall and the Anti-Defamation League, Russ Bellant, Michael Hudson, NBC's Pat Lynch, John Rees, and other "journalists" who have been stringers for the "Get LaRouche" government task force.

Lyndon H. LaRouche, Jr.'s initial comment on the book was that the result of "attaching a human turd" such as Dennis King to the jacket of Senator Moynihan, et al., is not to impugn the turd. Rather the turd impugns the jacket-wearer. Senator Moynihan's friends are not aware of what they've done to the senator.

King acknowledges that the book was financed by the League for Industrial Democracy, the Smith-Richardson Foundation (a funder of Social Democrat Roy Godson), and the Stern Family Fund. The people behind Dennis King first decided to "get LaRouche" after LaRouche published a devastating critique of the Western "elites" and his book on Walter Lippmann in the 1970s.

The book is a "prosecutor's bible" for the federal, state, local, and private "Get LaRouche Task Force." On one level the book is largely an exhibit of Dennis King's accumulated psychoses. On another level, it is a precise prosecutorial map. LaRouche's opponents long ago determined

that he could never be taken on directly in a political confrontation. Instead, his opponents determined an indirect means outside the political arena to bring LaRouche down through phony "conspiracy and financial fraud" trials.

Terror alert issued against Greenpeace

U.S. authorities issued a terror alert against Greenpeace on Nov. 14, 1988 under an order prepared by the Naval Anti-Terrorism Tactical Alert Center. The order involved monitoring the movement of the Greenpeace ship *Sirius* in the Mediterranean.

Also on Oct. 17, 1988 the Army's anti-terrorist unit issued an alert against Plowshares, characterized by the *Washington Post* as a "militant anti-war group."

The *Washington Post*, which reported these alerts on March 26, complained that these groups were being put in the same category as Abu Nidal. Well, they are, and were so recognized by U.S. intelligence agencies. Greenpeace is not only Soviet backed, but known to have been involved in sabotage. Plowshares has been caught sabotaging military equipment.

Protest movements considered illegal

A pattern of tyrannical prosecutorial actions against the Right to Life movement poses the question whether political protest is still allowed in the United States.

Following the successful RICO, or racketeering, prosecution of anti-abortion protesters in Philadelphia, the Department of Justice has filed 10 other RICO cases against local groups which have been sponsoring the protests and sit-ins around the country. In at least one case in Chicago, the original charge brought by the DOJ was violation of the Sherman Anti-Trust act—the government logic being that if the protest is successful, it reduces the activity at the clinic, thus representing an illegal restraint of

trade—which was amended in December to include violations of the RICO statute.

In Pittsburgh, protesters who were charged similarly several months ago refused bail, and continued their protest by going to jail pending trial. Once in the local jails, the protesters were reportedly abused and beaten, women were strip-searched, and some were held in mental institutions instead of a jail. Those who have since gone to trial have received sentences in the range of three years imprisonment—unprecedented for any political activity, no matter how aggressive or even violent.

These actions indicate that this movement, one of the only "single issue"-type protest movements active in the country, is officially categorized as an ongoing criminal enterprise in a way similar to the targeting of the political movement associated with Lyndon LaRouche.

Base closing savings a fraud

The supposedly great savings in the Defense budget to be had from closing lower priority military bases around the nation, which were trumpeted to be in the range of \$2-5 billion per year by a commission headed by J. Peter Grace, have proven to be virtually nonexistent.

The Base Closing Commission estimated savings of \$694 million the first year of the closings, and \$5.6 billion over 20 years. But according to the General Accounting Office in testimony to the Military Installations and Facilities subcommittee of the House Armed Services Committee on March 1, even these pitiful savings may be greatly exaggerated.

Over half the projected savings come from personnel reductions, including military personnel, whose levels are set by Congress. Further, military construction costs for moving, economic and homeowners assistance for affected personnel, and expected profits from the sale of base land, both because of depressed real estate values and because some of the land may be used for public purposes, have put even these minuscule savings into doubt.

Briefly

Rep. George Brown (D-Calif.) has sponsored House Joint Resolution 165 to halt the closings, which must be voted on within 45 legislative days from March 1, and will likely come to a vote sometime between April 18 and early May. While support for the resolution is so far thin, support for halting the closings may grow since the much-hyped savings have yet to be found.

Workers rebel against 'New Age' training

Employees of various companies are showing increasing resistance to employer-sponsored "New Age" training seminars which have become the target of several lawsuits.

The *Los Angeles Times*, in a front-page story on March 25 entitled, "Challenged by Workers—'New Age' Pep Talks: a Backlash," reported a wave of lawsuits by employees in opposition to a variety of Esalen Institute-type "New Age" training seminars pushed on them as productivity-enhancing mechanisms.

In one such suit, employees of the DeKalb Farmers Market near Atlanta, Georgia claimed that they were being forced out of their jobs over their objections to a "New Age quasi-religious cult" developed by Werner Erhard.

The "New Age" movement propagates the idea that the age of Christ is dead, and the age of Aquarius or hedonistic irrationalism is being ushered in.

Scientist hits ozone environmental scare

Robert W. Pease, a professor emeritus of physical climatology at the University of California, Riverside, attacked ozone depletion theories in the March 23 *Wall Street Journal* in an article entitled "Ozone Chicken Littles Are At It Again."

"Let us not blindly follow those environmental activists who cry, 'The sky is falling,' and ban chlorofluorocarbons, "the

only inexpensive and effective refrigerants we have for refrigeration and air conditioning," Pease argued.

Insisting that the environmentalists' arguments lack any scientific proof, Pease writes that the ozone-depletion theory "ignores the equilibrium nature of ozone in the layer. The ozone molecules are constantly being created and destroyed—both quite naturally—by very short wavelengths of ultraviolet light from the Sun. The amount of ozone in the layer depends upon an equilibrium between the two processes. This equilibrium varies markedly both over the globe and throughout the year."

Reviewing the evidence, Pease says, "In other words, the paucity of measurable proof of depletion may be because depletion is not actually occurring. It is of interest to note that surface measurements by NOAA indicate that the total amount of ozone above the U.S. is actually increasing."

Pease concludes that the "ozone hole" is clearly a natural phenomenon due to the solar wind, and warned that before CFCs were invented, home refrigerators used toxic ammonia and sulfur dioxide.

Soviet-linked groups target military bases

The International Physicians for the Prevention of Nuclear War (IPPNW), a Moscow-controlled organization, has established a special branch in the United States, to build regional and national mass movements against nuclear and chemical industrial plants and research sites related to the defense sector.

The founding session of this IPPNW branch took place in Cambridge, Massachusetts, in mid-January 1989. It has already begun work, on the pretext of "fighting toxic pollution of the air and soil," against the Savannah River, South Carolina nuclear reprocessing plant, the Rocky Flats arms factory in Colorado, the Idaho National Engineering Laboratory, the Molino Satellite Technical center in Ohio, the Portsmouth Uranium plant in Piketon, Ohio, and Sandia and Lawrence Livermore national laboratories.

● **MANUEL LUJAN**, the Secretary of the Interior, is being attacked by the news media and the environmentalists for his pro-growth outlook. The *Los Angeles Times* moans on March 28, "When Lujan accepted the nomination, it was with the understanding that all the key officials under former Secretary Donald Hodel would be replaced," but many remain at their Interior Department posts.

● **JACKIE PRESSER**, late president of the Teamsters union, had been an FBI informant since 1977, according to 1,999 pages of documents entered into the court record just before the Justice Department settled its racketeering case against the union, according to March 27 press reports.

● **LEE ATWATER**, the Republican National Committee chairman, has changed the music on the speaker system at Republican headquarters. "Staff members are now enjoying rhythm and blues, rock 'n' roll, and reggae," according to the March 29 *Washington Post*. "Traditional Muzak is dullsville and is not inspirational, so I'd liven the place up," Atwater said.

● **WILLIAM SAFIRE**, the conservative columnist, has attacked the Kissinger "second Yalta." The *Financial Times* of London March 29 said Safire warned of "a grand design for Eastern Europe espoused by two influential disciples of Dr. Kissinger, Mr. Scowcroft and Mr. Lawrence Eagleburger . . . [involving] the concept of continuing subservience of Eastern Europe to Soviet security concerns."

● **ALLAN MELTZER**, an adviser to President Bush and professor at Carnegie Mellon University, endorsed tougher IMF conditionalities in a March 27 column in the *Wall Street Journal*.

Editorial

Call Henry Kissinger to account

Henry Kissinger is back—without, as yet, the official trappings of office he held under the Ford and Nixon administrations—but with enough influence, as the results show, to make the same kinds of nefarious policies he pushed in the 1970s prevail today.

In Lebanon: The Soviet client state of Syria is systematically massacring the Christian population and destroying the infrastructure of Beirut through unremittingly ruthless bombardment of civilian areas. The Soviets have been content to let Easter be celebrated by yet another instance of genocide.

In Yugoslavia, a bloodbath is occurring, while Henry Kissinger proposes new accords with the Soviets. From the Middle East to the Balkans, crises and political chaos predominate. The Yugoslavian government has charged that there is a state of armed insurrection in Kosovo, backed by Albania.

Henry Kissinger's influence in the Bush administration, which became crystal clear with the appointments of Eagleburger, Scowcroft, Cheney, and others, has surfaced again with Secretary of State Baker's pronouncements that the administration is cautiously considering asking Moscow to loosen its grip on Eastern Europe in exchange for a pledge from the West not to undermine the Soviets. That the message not be lost, the story has surfaced in the European as well as American press.

The New Yalta drive of the Bush administration has all of the earmarks of the Kissinger disarmament-détente extravaganza of the 1970s. Defense Secretary Richard Cheney, a Scowcroft-Kissinger ally, is cutting the SDI budget and claiming that the Reagan administration oversold the SDI, undoubtedly setting the stage for Kissinger's proposal on the SDI, using it as a bargaining chip.

The crisis situations which we are seeing today are a replay of Kissinger's foreign policy initiatives of the 1970s when he ran foreign policy for Presidents Nixon and Ford.

Kissinger's Lebanon policy of the 1970s called for the tri-partition of Lebanon. Today the bombing and near-obliteration of Beirut by the Syrian forces, with

one ceasefire after another breaking down, reminds us of that Kissinger policy, which was designed to dismember Lebanon as a nation, and set Syria, Israel, and the Lebanese at each other's throats.

In Iran, the recent government shifts have placed Soviet agents of influence in power in opposition to those who appeared to be more pro-Western in their orientation. As these radicals have taken power, a new wave of terrorism in Europe has begun with the gunning-down of the Chief Imam of Brussels, a man who opposed Khomeini on the Rushdie affair.

George Bush should ponder the lessons of Watergate, when Henry was in control. Just as this administration appears to be a replay of the Kissinger days of the 1970s, so Bushgate is part of the Anglo-Soviet gameplan, and Henry Kissinger is a dedicated agent of the Anglo-Soviet Trust.

Whether or not there is a war in the immediate future, we are headed into a genocidal crisis the magnitude of which should beggar the imagination of even mad-dog Kissinger. The combined impact of an unchecked AIDS plague, due to the deliberate international coverup of the magnitude of the problem, with the likewise deliberate policies of curtailing food production, means that billions will be dying.

Couple this with a spate of deliberately induced disasters, which will form the pretext for government by fiat, through emergency measures, to supersede parliamentary forms of government, and the picture becomes clear. Henry Kissinger this time intends to be the architect of a new, universal fascism, which will come into being through the kind of Soviet-American accords which he is currently urging, and which will be carried out by his henchmen, entrenched in the Bush administration.

The situation can still be reversed, but the trend toward a red-green-black takeover in the Federal Republic of Germany is the handwriting on the wall. In Russia, we should look at the recent elections as the Soviet Union's "February revolution." When the "October" phase two occurs, even Henry Kissinger will learn a lesson. But that may be too late for humanity.

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SPECIAL

REPORT

**The
Kalmanowitch
Report:**

**Moscow's Moles in the
Reagan-Bush Administration**

with a preface by Lyndon H. LaRouche, Jr.

On December 23, 1987, some were shocked at the news that Israeli playboy and arms trafficker Shabtai Kalmanowitch had been caught working as a top agent for the Soviet KGB. But it was no shock to George Bush's "secret government," which had just finished brainwashing President Reagan into accepting Moscow's phony "peace" treaties.

For more than 20 years Moscow has been using the Israeli intelligence services as a conveyor-belt to place its agents high within the U.S. government. And although "little fish" Jonathan Jay Pollard was caught passing U.S. secrets to Israel—and from there to the KGB—the man who recruited Pollard still walks free at Tufts University in Massachusetts.

The threads of the Kalmanowitch story lead into the most sophisticated sorts of Soviet warfare against the West: from the brothels and casinos of Bophuthatswana in South Africa, to the burgeoning Russian mafia in the United States, to the "State Department socialist" Roy Godson, to Soviet agent Armand Hammer, and directly into the Reagan-Bush White House.

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